

MINUTES OF THE SENATE COMMITTEE ON ASSESSMENT AND TAXATION

The meeting was called to order by SENATOR DAN THIESSEN at
Chairperson

11:00 a.m. ~~xxxx~~ on Wednesday, February 28, 1990 in room 519-S of the Capitol.

All members were present except:

Committee staff present:

Don Hayward, Revisor's Office
Chris Courtwright, Research Department
Tom Severn, Research Department
Marion Anzek, Committee Secretary

Conferees appearing before the committee:

Alan Steppat, representing Pete McGill and Associates, Inc.
Donald P. Schnacke, Executive Vice President, KS Independent Oil & Gas Association
Barbara Wood, Bourbon County Clerk-representing KS County Clerks Association
Linda Schreppel, Labette County Clerk

Chairman Thiessen called the meeting to order at 11:02 a.m. and told the members we would be hearing SB670 and he recognized Alan Steppat.

SB670: AN ACT relating to real property; concerning the requirement for certificates of value; amending K.S.A. 58-2223c and repealing the existing section.

Alan Steppat, representing Pete McGill and Associates, Inc. said he originally had 3 conferees to testify as proponents of SB670, but could not make the meeting because of the weather, all three are County Appraisers.

Mr. Steppat said they all would like the support of the committee members in support of SB670, they stated to him, they feel the bill would lift a veil of uncertainty and thoroughly support their position, giving county appraisers the necessary data to insure industry a fair and equable assessment.

Mr. Steppat turned in Written Testimony for (1) Brad Welch, County Appraiser for Kearny and Greeley Counties. (ATTACHMENT 1) (2) Ann Papay, County Appraiser for Grant and Stanton Counties. (ATTACHMENT 2) (3) Timothy N. Hagemann, County Appraiser for Haskell, Stevens and Morton Counties. (ATTACHMENT 3)

THE FOLLOWING CONFEREES ARE OPPONENTS OF SB670

Donald P. Schnacke, Executive Vice President, KS Independent Oil and Gas Association (KIOGA) said, they feel that "requiring a certificate of value for the transfer of oil and gas interest continues to be unworkable and next to impossible to comply with".

The difficulty of complying with the requirement of filing a certificate of value relates to several issues. Working interests are many times not assigned to the property until after drilling or production is accomplished. He said, the petroleum landmen and women report to them that the multiplicity of transfers, many of which are very small interests, the paper work and the predictable lack of participation would result in a meaningless collection of information.

He said, they feel PVD and the counties have all the tools they need under the present system to tax their industry. (ATTACHMENT 4a)

Mr Schnacke said the State of KS, through KS. Inc. through the year of 1989, employed Arthur D. Little, a consultant of Arthur D. Little, Inc. of Caper, Massachusetts. He said, Mr. Little was employed for \$100,000. a year to see if there was something meaningful that could be done to bring our industry back to life, more or less in the realm that it has been in the past. They discussed this with the very people that were to be conferees this morning, and the Director of Property Valuation, the Revenue Department and people in the Industry, and have checked through-out the State, and came up with some recommendations to Kansas, Inc. which are now in the Executive Summary, Strategic Analysis of the Oil and Gas Industry in Kansas-Policy Implications, which the committee members have in front of them. (ATTACHMENT 4b) Mr. Schnacke reviewed the report with the committee.

After committee discussion Chairman Thiessen concluded hearings on SB670 and turned

Unless specifically noted, the individual remarks recorded herein have not been transcribed verbatim. Individual remarks as reported herein have not been submitted to the individuals appearing before the committee for editing or corrections.

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON ASSESSMENT AND TAXATION

room 519-S, Statehouse, at 11:00 a.m./~~p.m.~~ on Wednesday, February 28, 1990.

attention to SB676.

SB676: AN ACT relating to property taxation; authorizing the director of property valuation to order countywide reappraisal of real property; amending K.S.A. 79-1436b and repealing the existing section.

There were no conferees appearing for SB676 and The Chairman asked if the members had any comments to make.

Senator Martin said he thought there is justification for some of the categories in the bill, but he thought it to be very important and thought maybe the committee should look at an interim study, and have some of the local experts with the University come in and be able to testify as to the implications of what it means, in terms of "coefficient of deviation, for each category of property". He said, he understands where the county appraisers are coming from, but he would hope that we might be able to do something in the interim on this particular subject because he thought there was some validity with where they are coming from, on some of the different classes of property, and he thinks there should be some work done before it is ready for passage.

Chairman Thiessen turned attention to SB729 and recognized Barbara Wood.

Barbara Wood, Bourbon County Clerk, representing KS County Clerks Association said they would like to offer an amendment to SB729, and we attached a copy of the amendment with the bill, as we would like to have it amended. This amendment would give any escaped tax, personal or real, discovered after the November 1 certification date, an "added tax" status and a tax bill could be prepared, issued, collected, and distributed in the current tax year.

If the escaped taxes cannot be distributed in the current year to balance the abatements, budgets will go unfunded.

It is only fair that taxpayers should pay the tax in the year it is discovered.

Ms. Wood said the language introduced with the amendment, attached to her testimony does agree with the Attorney General's opinion. (ATTACHMENT 5)

Senator Montgomery moved to adopt the proposed amendment to SB729 written by the Attorney General, 2nd by Senator Francisco. The motion carried.

Senator Martin said he had an amendment, he would like to propose to the bill.

Chairman Thiessen asked if there were any other conferees to SB729?

Linda Schreppel, Labette County Clerk turned in written testimony. (ATTACHMENT 6)

Senator Martin said there was a good bill that went through the Senate 39 to 0, which was defeated in the House, which was SB467 and I would like to amend it into SB676.

Senator Martin made a conceptual motion to amend SB467 as it left the Senate into SB729, 2nd by Senator Francisco.

After committee discussion Senator Martin withdrew his motion, 2nd by Senator Francisco.

Senator Karr said the committee should make certain of the impacts and understanding of the bill, in what ever form we take it out of committee.

Chairman Thiessen agreed with Senator Karr that the committee needs to be certain where we stand, so we will leave the bill and look at it again.

Senator Fred Kerr made a motion to adopt of 2-15-90, 2nd by Senator Lana Oleen. The motion to adopt carried.

Chairman Thiessen adjourned the meeting at 11:45 a.m.

TESTIMONY
PRESENTED TO
SENATE COMMITTEE ON ASSESSMENT AND TAXATION
ON FEBRUARY 28, 1990
BY
BRAD WELCH
COUNTY APPRAISER
FOR
KEARNY AND GREELEY COUNTIES
AS PROPONENT ON SB 670

Mr. Chairman and Members of the Committee:

My name is Brad Welch, Appraiser for Greeley and Kearny Counties. I am writing to you in support of Senate Bill 670.

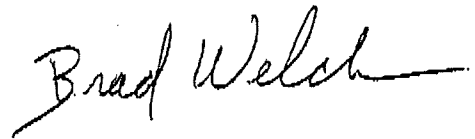
The opposition to Senate Bill 670 will be long and loud from the industry this Bill affects. However, they have long expounded that they are at, or in most cases, exceed market value for Ad Valorem tax purposes. It would seem to me passage of this Bill would lift the veil of uncertainty and thoroughly support their position, thus giving County Appraisers the necessary data to insure their industry a fair and equitable assessment. One of the arguments you will hear is that in most cases other types of property are involved in the sale - such as excess equipment, pipelines, etc. I say somewhere, sometime, the purchaser has assigned a value to each entity involved in the sale.

While on the subject of gathering data to insure equitable assessments, just recently the Division of Property Valuation has instigated a standard sales verification process for the County Appraiser's Office. While I am sure their intentions were admirable, the process is cumbersome and time consuming and will cost the taxpayers many tax dollars.

May I offer the suggestion of making it a requirement to file contract sales and require a copy of the closing statement to

be filed along with the Certificate of Value. Opponents will state this would only irritate the tax paying public and cause a great deal of paperwork. I submit to you that the taxpayers are already somewhat irritated and by the time they receive 2 letters and a phone call from the Appraiser's office and then a follow-up by FVD questioning the Certificate of Value they filled out, they will be greatly irritated. A copy of the closing statement would avoid all this. This document is readily available when you have over-valued a property, so why not make it a part of the Certificate of Value and avoid all the aggravation while at the same time save thousands of tax dollars by eliminating the need for the sales verification process in most instances.

Respectfully Submitted,



Brad Welch

County Appraiser

Kearny and Greeley County

TESTIMONY

PRESENTED TO THE

SENATE ASSESSMENT AND TAXATION COMMITTEE

ON FEBRUARY 28, 1990 AS A

PROPONENT ON SB 670

BY
ANN PAPAY
COUNTY APPRAISER
FOR
GRANT AND STANTON COUNTIES

Mr. Chairman and Members of the Committee:

I appear before you in support of SB 670.

I would like to explain to you what we as County Appraisers are required to do as relates to verification of sales that occur in our jurisdiction. I would then like to further discuss provisions in SB 670 relating to contracts for sale and Certificates of Value on separated mineral rights and oil and gas leasehold interests.

The attached forms are examples that I would draw your attention to. Number 1 shows the different steps that we are required to go through to verify a sale. It is very time consuming and as I draw your attention to Number 2 and Number 3 you can see that the information given will many times just create further confusion. Number 2 is the ratio card on a property located in Ulysses, Kansas. As you can see, the sale price shown is \$143,500. However, as you look at Number 3, you will see the sale verification letter on this property that shows \$130,000. This verification was given by the current owner. This is just one example, but does happen on a regular basis, not only in my Counties but in most counties. This is why I would like to recommend that the closing statement become a part of the filing requirement. A copy of a closing statement is attached as Number 4. A copy of the closing statement would eliminate many of the calls and letters

required at this time and would also prevent further irritation of our taxpayers.

On those properties that are bought on contract - we request that these be filed with the county appraiser. This would provide much more sales data and again would reduce the contacts with taxpayers, and would eliminate the process of once again irritating the taxpayer and also save the County time and money and provide better tools to work with.

As relates to a Certificate of Value on separated mineral interest - I join with the other appraisers in support of the required filing on these interests. This information is a tool we need and which it would seem that industry would also support as they could be assured of a fair and equitable appraisal of their properties. During the last three years, there have been many sales of this type of property in Grant and Stanton Counties and based on information I have actually seen, the indications are that this type of property is assessed at 15%. We know that poorer type properties are assessed in the 25% to 30% range because they will sell at public auctions and become public record. However, we have no official record as to where the good properties are assessed.

I urge you to vote favorably for SB 670.

I will be happy to entertain any questions.

County GRANT	Co. No. 034	School Dist. 214	Date Deed Recorded 11-30-87	Certificate of Value \$ 143,500.00	Total Assessed Value 143,500 12,615	Ratio: Total Assessed Value Divided by Certificate of Value 9
Grantor & Address JEANETTE T. CROWLEY, single			Date of Sale 11-25-87	Price Shown by Deed \$	Assumed Mortgage \$	

Should this transaction be used in the sales-assessment ratio study? Yes No If the answer is "no" give brief explanation.

Reject Code

067-35-0-00-01-018-00

500064 District Supervisor

County officials are urged to comment if they have knowledge about this sale. Use back of this original for additional space.

Signed

ae

Ratio Study K.S.A. 79-1435 etc. (Original—Division of Property Valuation. Duplicate—To be retained by County.

Property Classification

<input type="checkbox"/> URBAN		<input checked="" type="checkbox"/> RURAL	
1 Residential		3 Commercial	
Prior to Sale	After Sale	Prior to Sale	After Sale
1 <input checked="" type="checkbox"/> Single Family <input checked="" type="checkbox"/>		1 <input type="checkbox"/> Commercial <input type="checkbox"/>	
2 <input type="checkbox"/> Multifamily <input type="checkbox"/>		2 <input type="checkbox"/> Industrial <input type="checkbox"/>	
3 <input type="checkbox"/> Condo <input type="checkbox"/>		3 <input type="checkbox"/> Vacant Lot <input type="checkbox"/>	
4 <input type="checkbox"/> Vacant Lot <input type="checkbox"/>			
2 Agricultural		4 State Appraised	
Prior to Sale	After Sale	Prior to Sale	After Sale
1 <input type="checkbox"/> Improved with Residence <input type="checkbox"/>		1 <input type="checkbox"/>	
2 <input type="checkbox"/> Improved no Residence <input type="checkbox"/>		5 Public Service	
3 <input type="checkbox"/> Unimproved <input type="checkbox"/>		Prior to Sale	After Sale
		1 <input type="checkbox"/>	<input type="checkbox"/>
# Acres 5			

Were the conditions of this sale verified?
 Yes No

If yes: Name of person or persons contacted

Phone number ()

Signed

34-778

Grantor & Address THOMAS A. METCALF et ux	
East Michigan Avenue	
Ulysses, Kansas 67880	
City or Township Name Lincoln	Number-Range
Block/Lot/Quarter A tract SW/4 35-28-37	
Book No. 53	Page No. 451
Appraiser's Code No.	

2-5
#2

PARCEL NO. 0341 1111

LEGAL: 5 ACRES TRACT SW/4 35-28-37

Name: METCALF, THOMAS A.

Address: ~~205 S Manlywell~~
1225 E. MANLYWELL

RURAL
RESIDENTIAL

Phone: 316 356-3245

TYPE OF PROPERTY: Residential Commercial Industrial
Improved Unimproved Other _____

DATE OF TRANSFER 12/21/88 Consideration (Price) \$ 130,000

TYPE OF DEED: Warranty Contract Other _____

Transaction between relatives: NO YES
Personal property included: NO YES Estimated value \$ _____
Has the property been remodeled or improved since the date of sale?
NO YES To what extent? _____

Will this property be used for personal use or will it be used as rental property? _____

Any additional comments: _____

Signature of individual filing form: Thomas A Metcalf

XX

OFFICE USE ONLY

Date: 02 12/1/88 Verified by whom: Buyer

Valid Sale: NO YES

Comments: _____ # 500064

Signed: J

The Real Estate Agency

P. O. Box 27 Phone 355-6789

Lakin, Kansas 67860

Closing Statement for Seller

8902

Seller: Merl F. Rider

Buyer: Lori Uhl

Property: All of Lot 2 Block 1, Thornbrough Sub-division City of Lakin

Settlement date: Jan. 25, 1990

	Debits	Credits
Purchase Price		33,000
Brokers Commission	1,980	
	<u>1,980</u>	<u>33,000</u>
Due to Seller	31,020	
	<u>33,000</u>	<u>33,000</u>

Closing Statement for Buyer

Seller: Merl F. Rider

Buyer: Lori Uhl

Property: All of Lot 2 Block 1, Thornbrough Sub-division City of Lakin

Settlement date: Jan. 25, 1990

	Debits	Credits
Purchase price	33,000	
Escrow deposit		250
Funds from F.M.H.A.		<u>33,000</u>
	<u>33,000</u>	33,250
		<u>- 33,000</u>
Due to Buyer at close		250

4

72

2-7

COUNTY: GRANT

FOR OFFICIAL USE ONLY: Rev. Appr. _____	
MO _____	YR _____
TY _____	AMOUNT _____
S _____	V _____

T ID _____

CERTIFICATE OF VALUE NUMBER _____

PROPERTY LOCATION / SITUS ADDRESS _____

Please complete this form and return within 10 days to:
 Landmark Appraisal
 108 S. Glenn
 Ulysses, Ks. 67880

NEW OWNER'S NAME AND MAILING ADDRESS _____

If your name, or address is wrong, please correct below.

If you have any questions about this form, please call:
 (316) 356-5335

In reference to the recent sale of the property listed above, please answer the questions below.

1. CHECK ANY FACTORS THAT APPLY TO THIS SALE:
- Sale between immediate family members:
SPECIFY THE RELATIONSHIP: _____
 - Sale involving corporate affiliates belonging to the same parent company
 - Auction Sale
 - Sheriff sale pursuant to a court order
 - Forced, or distressed, sale in a bankruptcy settlement
 - Sale by judicial order (by a guardian, executor, conservator, administrator, or trustee of an estate)
 - Sale involved a government agency or public utility
 - Buyer (new owner) is a religious, charitable, or benevolent organization, school or educational association
 - Buyer (new owner) is a financial institution, insurance company, pension fund, or mortgage corporation
 - Sale was a foreclosure of a mortgage or forfeiture of a contract for deed (land contract)
 - Sale of only a partial interest in the real estate
 - Sale involved a trade or exchange of properties

6. WAS ANY PERSONAL PROPERTY (SUCH AS FURNITURE, EQUIPMENT, MACHINERY, LIVESTOCK, CROPS, BUSINESS FRANCHISE OR INVENTORY, ETC.) INCLUDED IN THE SALE PRICE? YES NO
- If yes, please describe _____

Estimated value of all personal property items included in the sale price \$ _____

2. USE OF PROPERTY AT THE TIME OF SALE:
- | | |
|--|--|
| <input type="checkbox"/> Single Family Residence | <input type="checkbox"/> Vacant Lot/Land |
| <input type="checkbox"/> Farm/Ranch With Residence | <input type="checkbox"/> Agricultural Land |
| <input type="checkbox"/> Condominium Unit | <input type="checkbox"/> Apartment Building |
| <input type="checkbox"/> Commercial Building | <input type="checkbox"/> Industrial Building |
| <input type="checkbox"/> Other: (Specify) _____ | |

7. ARE ANY SPECIAL ASSESSMENTS LEVIED AGAINST THE PROPERTY? YES NO

8. WERE ANY DELINQUENT REAL ESTATE TAXES ASSUMED BY THE PURCHASER? YES NO
- If yes, what was the amount? \$ _____

9. METHOD OF FINANCING (check all that apply):
- Assumption of Existing Loan(s)..... Interest _____
 - New Loan From Seller..... Rate _____ %
 - All Cash
- NEW LOAN(S) FROM A FINANCIAL INSTITUTION:
 Conventional VA FHA
 Other. Explain _____

3. IF THIS WAS A PURCHASE OF COMMERCIAL/INDUSTRIAL RENTAL PROPERTY, WAS IT SUBJECT TO AN EXISTING LEASE OR LEASES? N/A YES NO

10. DOES THE BUYER HOLD TITLE TO ANY ADJOINING PROPERTY? YES NO

4. IF THIS WAS A PURCHASE OF COMMERCIAL OR INDUSTRIAL PROPERTY, DID THE SALE PRICE INCLUDE AN EXISTING (GOING CONCERN) BUSINESS ENTERPRISE? YES NO

11. WAS THE PROPERTY LISTED FOR SALE ON THE OPEN MARKET? _____ MONTHS
 NOT SURE NOT OFFERED ON OPEN MARKET

5. HAS THE PROPERTY CHANGED (NEW CONSTRUCTION, REMODELING, DEMOLITION, ADDITIONS) SINCE THE SALE OCCURRED? YES NO
- If yes, what changed? _____

12. IN YOUR OPINION DID BOTH THE BUYER AND SELLER ACT PRUDENTLY, KNOWLEDGABLY AND WITHOUT UNDUE COMPULSION IN ARRIVING AT A PRICE FOR THE PROPERTY? YES NO
- If no, explain: _____

13. TOTAL SALE PRICE \$ _____
 DATE OF SALE _____ / _____ / _____
 Month Year

14. PERSON COMPLETING THIS QUESTIONNAIRE:
 Name _____
 Daytime Phone Number _____

INSTRUCTIONS FOR COMPLETING THE SALES VERIFICATION QUESTIONNAIRE

ITEM 1

If more than one factor applies to the property listed on this questionnaire, please check all that are applicable.

ITEM 2

Check the use of the property at the time of sale. You may check more than one box if the uses are mixed.

ITEM 3

Check yes; if the buyer assumed any existing long term lease(s) (more than three years) at the time of sale.

ITEM 4

Check yes; if the purchase price included a business enterprise or franchise in addition to the real estate.

ITEM 5

Check yes; if any changes have been made to the property which have physically altered the buildings or improvements since the date of sale. Do not include minor maintenance or cosmetic items such as new paint, carpeting, wallpaper, etc.

ITEM 6

Check yes; if any personal property was considered to be included in the sale price of the property. If possible, please indicate your estimate of the value of the personal property included.

ITEM 7

Check yes; if any special assessments are levied against the property. Special assessments are not general property taxes. They apply only to certain districts and only for a limited period of time. They may include such improvements as street or sewer projects.

ITEM 8

Check yes; if any delinquent taxes were assumed by the purchaser and included as part of the sale price. Do not consider any prorated taxes for the year in which the property sold that are part of normal escrow closings.

ITEM 9

Check the method of financing used to acquire the property.

ITEM 10

Check yes; if the purchaser owns or controls any property adjacent to or joining the sale property.

ITEM 11

Check yes; if the sale property was listed or advertised on the open market by either a realtor or owner. Please indicate the number of months the property was offered for sale.

ITEM 12

Briefly provide an explanation if you feel the buyer or seller was not fully informed about the property or local market, poorly advised, did not use good judgement in the negotiations, was acting under duress, or compelled out of necessity.

ITEM 13

Please indicate the total sale price and the date of sale. The date of sale should be the actual date the property transferred ownership, not necessarily the date the deed was recorded.

ITEM 14

Please sign the questionnaire and list your daytime phone number in the event it would be necessary to contact you for further clarification of any other terms or conditions involved in this sale.

If you have any questions regarding the completion of this form, please call the phone number on the front of this form during the county appraiser's business hours.

G'ANT COUNTY APPRAISER

10. n Glenn

ULYSSES, KANSAS 67880

Phone 316-356-3362

Dear Property Owner,

The State of Kansas requires that studies be conducted each year to determine the relationship between the appraised value of property as estimated by the county appraiser and the value of that property indicated by "open market" sale prices. To accomplish this, it is necessary to gather information about transfers (sales) of real estate in each county. A Certificate of Value containing the true and actual price paid is filed each time a deed is recorded. However, before we can determine whether the sale is a true "open market" transaction, it is necessary to obtain additional facts regarding the sale.

We have a Certificate of Value which indicates you were a party to a recent property transfer. To verify our information, we request that you complete the enclosed questionnaire. By providing information regarding this transaction, you will be helping us assure the fair and equitable appraisal of all classes of real property.

Your cooperation in furnishing the needed information is appreciated. A self-addressed, postage-paid envelope has been provide for your reply. Please take a few minutes to complete the questionnaire and return it to us within ten days.

Sincerely,

Ann Papay
County Appraiser

TESTIMONY
PRESENTED TO
SENATE COMMITTEE ON ASSESSMENT AND TAXATION
ON FEBRUARY 28, 1990

BY

TIMOTHY N. HAGEMANN
COUNTY APPRAISER
FOR
HASKELL, STEVENS AND MORTON COUNTIES
ALSO REPRESENTING
THE KANSAS LEGISLATIVE POLICY GROUP (KLPG)
AS PROPONENTS ON SB 670

KLPG IS AN ORGANIZATION OF COUNTY COMMISSIONERS FROM 24 RURAL
WESTERN COUNTIES

Mr. Chairman and Members of the Committee:

I appear before you in support of SB 670.

As you are aware, much criticism has been directed towards county appraisers relating to appraisals of certain types of property, more specifically commercial property and older residential property.

As you may know many commercial and residential properties (especially older and special use properties) do not qualify for conventional financing. Therefore, these are normally owner financed through contract for sale agreements. These instruments are not currently required to be filed of record and therefore no certificate of value is filed with the Register of Deeds. Only after terms of the contract have been fulfilled is a deed filed of record. This filing is normally 10 to 20 years after the date of sale. Relating to sales of separated mineral rights, KSA 79-420 requires the County Appraiser to list and value the property if the County Appraiser can determine such value.

It is quite difficult to determine the value of separated mineral rights without certificates of value being filed stating the price paid in a particular transaction.

The law presently on the books prohibits the filing of a certificate of value for properties transferred by lease.

This controls those oil and gas leasehold properties transferred by assignment of leasehold interests.

It must be noted that the oil and gas industry has complained that they are over taxed. However, their unit of comparison is the ratio of taxes to gross income. This method may be viable for impression effect but no other property uses this comparison.

The standard unit of comparison for all other properties is the Effective Tax Rate. An Effective Tax Rate is calculated either by dividing the most recent Ad Valorem Tax by the market value of the property (Effective Tax Rate = Taxes/Market Value) or by multiplying the Ratio of Assessment by the Legal Tax Rate (Effective Tax Rate = Ratio of Assessment x The Legal Tax Rate).

An example of the above relating to commercial property is:

$$\begin{aligned} \text{Effective Tax Rate} &= \$4,000 \text{ tax} / \$100,000 \text{ Market value} \\ &= 4.0\% \end{aligned}$$

OR

$$\begin{aligned} \text{Effective Tax Rate} &= 0.30 \text{ Ratio of Assessment} \times .133 \text{ mills} \\ &= 4.0\% \end{aligned}$$

Effective Tax Rates for oil and gas properties at present can

only be estimated by estimating the ratio of taxes to gross income.

The oil and gas industry will state that they cannot file a certificate of value due to the complexity of individual sales. They will contend that sales contain other considerations, including but not limited to, undeveloped acreage --- potential reserves behind pipe --- pipelines --- compressors --- buildings --- other than lease equipment ect. This has been the industry's position each time proposed legislation has been suggested that would require them to file a certificate of Value.

It must be noted that very few transactions are consummated where the buyer is fully aware of what was paid for each different segment of a sale covering different types of property. Someone somewhere has estimated the different values in order to determine if a profit can be expected on each entity.

Most sales of current production are not complicated by inclusion of other property. Like real estate transfers containing personal property, blue sky, etc. can be reason to not include those complicated sales in a ratio study.

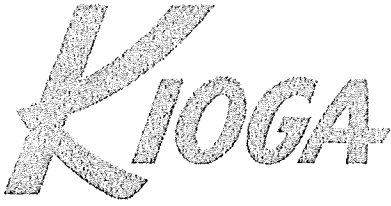
Another standard statement by both the hydrocarbon industry and the real estate industry is "It's no one's business what is paid for a property." This statement is referred to as the

statement of 1: resort and is standard when no logical reason is justified.

I would like to admonish the committee to remember all the criticism over the last several months directed towards county appraisers and the poor appraisals placed on properties.

For any appraiser to complete an assignment and arrive at a viable conclusion of value, they must have adequate sales information. It seems to me that those who complain about quality of appraisals are the first to oppose any attempt to provide the county appraiser with data that can improve the quality of appraisals.

There are other appraisers here to give you more insight. However, before I yield the floor I would be happy to answer any questions.



KANSAS INDEPENDENT OIL & GAS ASSOCIATION

105 SOUTH BROADWAY • SUITE 500 • WICHITA, KANSAS 67202 • (316) 263-7297

February 28, 1990

TO: Senate Committee on Assessment & Taxation

**RE: SB 670 - Certificate
of Value**

Our file on this subject dates back to the 1977 Session where variations of SB 670 have been proposed. The last hearing on this proposal was during the 1985 session where a similar bill, SB 193, was heard before the Senate Energy and Natural Resources Committee.

We follow a procedure within our Association of circulating a bill among our members and our Legislative Committee. We got a unanimous reaction that requiring a certificate of value for the transfer of oil and gas interests continues to be unworkable and next to impossible to comply with.

The Oil and Gas Tax Appraisal Guide issued by PVD each year follows the criteria for appraising oil and gas properties under KSA 79-331, enacted in 1917. It prescribes in detail the conditions that the county appraiser should follow in developing the full market value of an oil and gas property. The Guide and the appraisal procedure have regularly been upheld by the counties, the State Tax Appeal Board, and all the courts. KSA 79-331 sets out that the appraiser shall consider: the age of the wells; the quality of the oil and gas being produced; the nearness of the wells to market; the cost of operations; the character, extent and permanency of the market; the probable life of the wells; the quality of the oil and gas produced from the property; and the number of wells being operated. Comparable sales is not included among the statutory items and that is the reason we are exempt from that procedure.

The difficulty of complying with the requirement of filing a certificate of value relates to several issues. Working interests are, many times, not assigned to the property until after drilling or production is accomplished. Working interests before that time have very little value. Transfers within estates; transfers within families; leases with pipelines, unrelated property or equipment; and speculative interests all cloud the actual value of a property and have no relationship to real valuations. The petroleum landmen and women report to us that the multiplicity of transfers, many of which are very small interests, the paper work and the predictable lack of participation would result in a meaningless collection of information.

Senate Committee on Assessment & Taxation
February 28, 1990
RE: SB 670
Page 2

Oil and gas properties are classed and taxed as personal property. We don't know of any class of personal property that is required by Kansas state government to file a certificate of value.

SB 670 is, as we have stated for years and as subsequent legislation has confirmed, an unnecessary regulation of our industry to accomplish no real meaningful valuation information.

Review the Kansas, Inc. Executive Summary.

We feel PVD and the counties have all the tools they need under the present system to tax our industry. Despite the Kansas, Inc. study, PVD issued a 1990 Oil and Gas Tax Guide that raised our taxes.

We see no reason to pass SB 670.

Donald P. Schmacke
Executive Vice President

Arthur D Little

**Strategic Analysis of the
Oil and Gas Industry in Kansas -
Policy Implications**

Executive Summary

January 1990

Topeka

Arthur D. Little, Inc.

Reference 63633

Senate Assessment and Taxation Committee
February 28, 1990 ATTACHMENT 4-B

Our scope of work includes the following areas:

- Characterize the environment
 - Historical
 - Future

- Identify policy options in three areas:
 - Oil and Gas Taxation
 - Economic Development
 - Research and Development

4B-2

Environment

Policy options need to take into account the dual resource characteristics of the state

Eastern/Central Oil

- Mature, low productivity, short-life resource
- Dependent on continued activity
- Economically marginal
- Low cost
- Threatened by low prices
- Declining reserves and production
- Predominantly independents

Western Gas

- Giant long-lived gas field
- Additional potential via infill and deep rights
- Large economic rent
- Historically disadvantaged by regulation
- Poised for rebound in production and prices
- Predominantly majors

4-B-3

Environment

The Kansas industry has done no worse than the U.S. as a whole and other oil producing states

- Long-term trends in Kansas reserves, production, and industry activity similar or slightly better.
- But Kansas selectively disadvantaged as regards:
 - Gas production and prices, due to the effect of regulation and markets on the Hugoton field;
 - Refining, due to location and asset quality factors;
 - Employment, due to industry rationalization efforts.
- No systematic indication that Kansas has underperformed the U.S. industry as a whole.
- Greater sensitivity to oil price swings.
- Industry conditions primarily driven by national and international developments, with limited potential for state intervention.

Environment

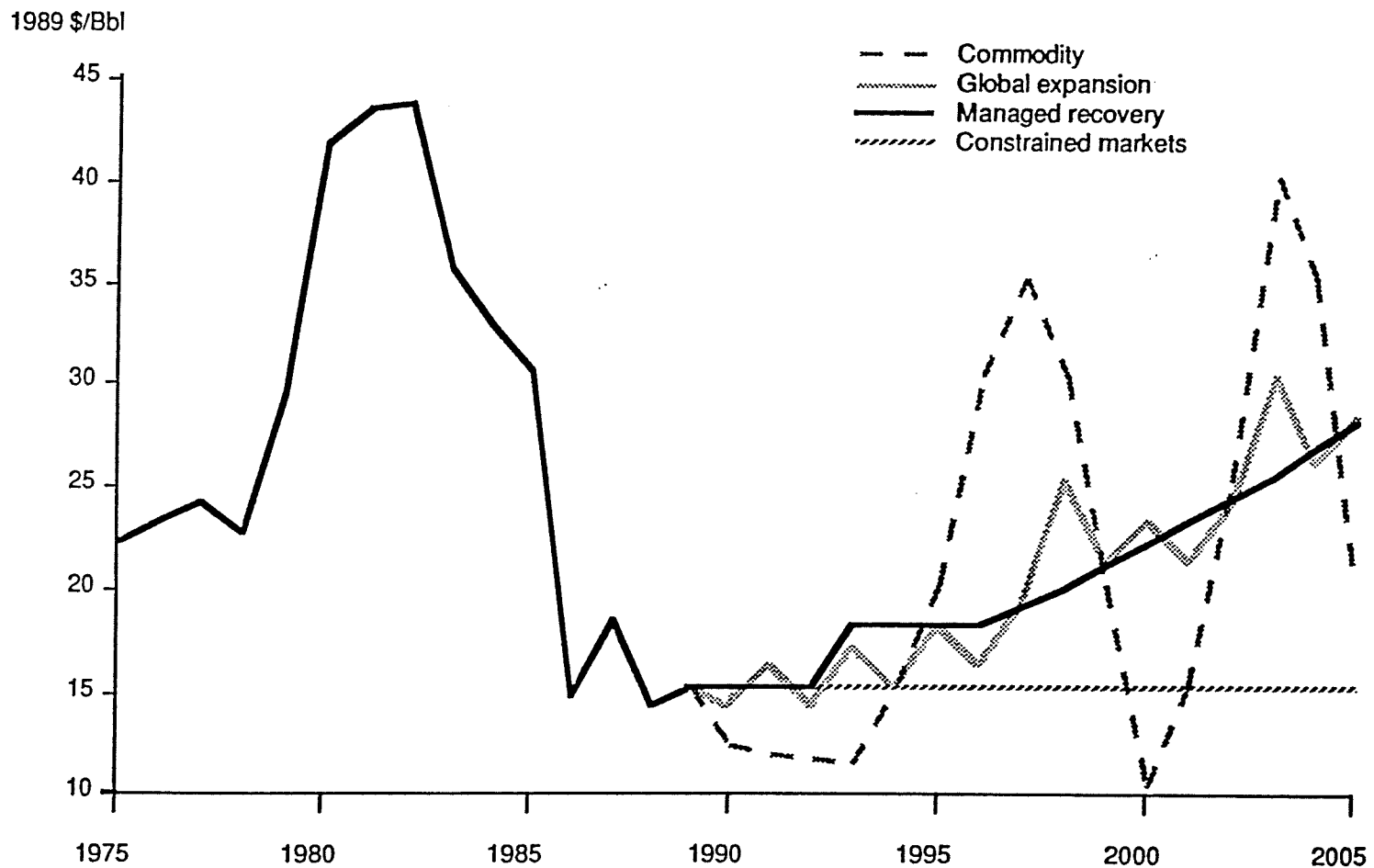
The price environment for U.S. oil and gas is likely to improve

- Oil price uncertainty is great, but primarily on the upside:
 - Rapidly rising demand for OPEC oil increases the chances of a substantial price rise in the early 1990s;
 - Most likely progression is a Managed Recovery or a repeat of the 1973-74 experience;
 - But short-term volatility will persist.
- The outlook for wellhead natural gas prices and production levels is positive:
 - Elimination of the gas bubble;
 - Increasing supply constraints;
 - Rising oil prices;
 - Higher fuel quality price premia;
 - Reduced pipeline and distribution company margins.
- Gas price improvement likely to be:
 - Sharper than for oil;
 - Nearer term than oil.

4-8-5

Environment

The price environment for U.S. oil and gas is likely to improve

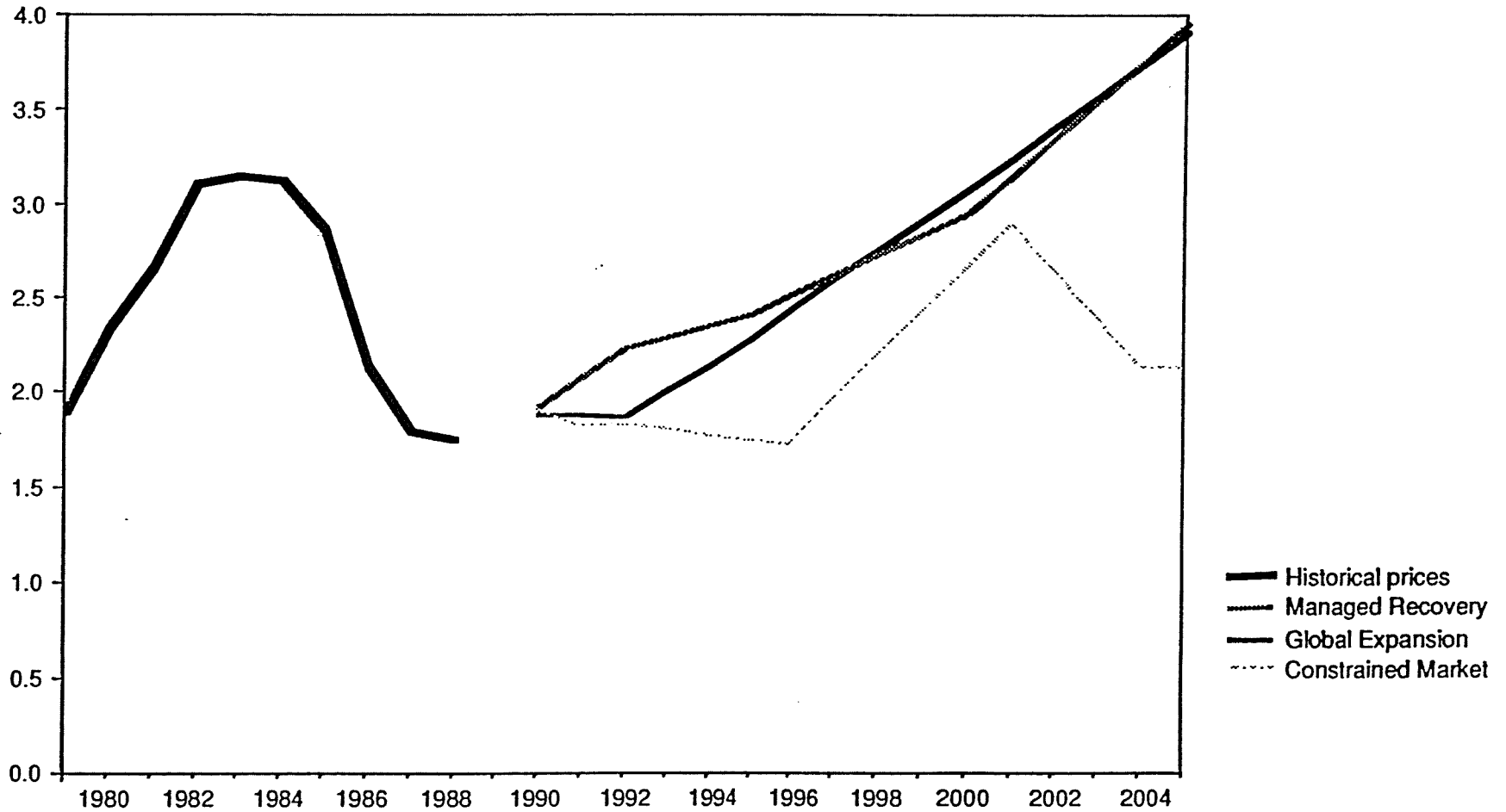


4-8-17

Environment

The price environment for U.S. oil and gas is likely to improve

U.S. Average Wellhead Price (1989 \$/MCF)



4-B-7

Environment

Natural gas is the bright spot for Kansas

- Price outlook implies a gradual recovery in the Kansas oil industry environment:
 - Improved industry cash flow;
 - Increased activity levels.
- But the benefits to the Kansas oil economy will be mixed:
 - Oil reserves and production are likely to decline at any plausible oil price;
 - Employment will not recover to historical levels.
- However, natural gas in the Hugoton area will provide a big uplift:
 - Improved prices and production from existing wells;
 - Accelerated infill drilling;
 - Prospective deep horizons.
- Effective management of this long-lived gas resource should be a primary policy objective of the state.

4-B-8

Tax Policy

Kansas taxes on oil and gas production are high relative to the other states examined

- Particularly high relative to the character of the resource base, especially for oil.
- However, this conclusion is mitigated to some extent by:
 - The productivity and new well exemption features of the severance tax, which provide appropriate safeguards and incentives;
 - The relatively lighter tax burden outside the Hugoton field area.
- It should be recognized that the existing tax structure reflects conditions different from those originally intended:
 - Ad valorem offset is no longer representative of actual average ad valorem tax burden;
 - Increased state and local taxation on gas production can no longer be "exported".
- The existing ad valorem tax structure is problematical:
 - Highly variable by county and by lease;
 - Encourages premature abandonment of marginal wells;
 - Uneven application of the appraisal guide;
 - High administrative costs.

4-8-9

Tax Policy

Kansas taxes on oil and gas production are high relative to the other states examined

	<u>Oil and Gas Taxes</u> (\$ Millions)			<u>Value of Production</u> (\$ Millions)	<u>Tax Rate</u>
	<u>Severance</u>	<u>Ad Valorem</u>	<u>Total</u>		
Colorado	7.3	44.3	51.6	812.1	6.4%
Illinois	--	5.1 ^E	5.1	399.0	1.3%
Kansas	77.1	90.5	167.6	1,726.9	9.7%
New Mexico	213.0	22.0	235.0	2,632.4	8.9%
North Dakota	72.7	--	72.7	712.7	10.2%
Oklahoma	389.0	--	389.0	5,269.1	7.4%
Texas	1,055.5	747.3 ^E	1,802.8	21,351.5	8.4%

E = Estimated; reliable data for local tax collected is not available

Tax Policy

Kansas taxes on oil and gas production are high relative to the other states examined

	<u>Hugoton Area¹</u>	<u>Rest of Kansas</u>	<u>Total Kansas</u>
Oil Production (MMBbls)	6,634	52,189	58,823
Exempt Percent	15	31	29
Natural Gas Production (BCF)	481	100	581
Exempt Percent	5	26	8
Gross Value of Production (\$Mil)			
Oil	112.5	901.5	1,014.0
Gas	<u>558.3</u>	<u>154.6</u>	<u>712.9</u>
Total	670.8	1,056.1	1,726.9
Severance Tax Paid (\$Mil)			
Oil	3.6	22.8	26.4
Gas	<u>42.2</u>	<u>8.4</u>	<u>50.7</u>
Total	45.8	31.3	77.1
% Value of Production	6.8	3.0	4.5
Ad Valorem (\$Mil)	46.1	44.3	90.5
% Value of Production	6.9	4.2	5.2
Total Tax (\$Mil)	91.9	75.6	167.6
% Value of Production	13.7	7.2	9.7

¹Consists of Finney, Grant, Hamilton, Kearny, Morton, Seward, Stanton and Stevens counties

4-B-11

Tax Policy

But the impact on new exploration and development economics is small

- State taxes generally have a material impact on investment returns.
- But the differential impact of one state system versus another is much less significant.
- Kansas is within the range established by other states.
- Other factors—especially oil and gas prices and geological risk—are much more potent in investment returns.

4-B-12

Tax Policy

But the impact on new exploration and development economics is small

	<u>Gove County Oil</u>	<u>Morrow Oil</u>	<u>Morrow Gas</u>
Kansas (Base case)	11.1%	14.7%	15.2%
Texas	11.3%	15.2%	15.4%
Colorado	12.2%	15.8%	16.8%
Illinois	15.0%	18.2%	18.4%
North Dakota ¹	10.7%-11.7%	14.1%-15.1%	16.4%-17.5%
Oklahoma	11.3%	15.1%	16.3%
New Mexico ¹	9.8%-10.1%	13.6%-14.0%	15.1%-15.6%
No State Taxes	16.9%	20.0%	20.1%

¹Range reflects minimum and maximum income tax rate in graduated systems

4-8-13

Tax Policy

The most attractive policy options are those which focus on specific objectives

- Primary policy objectives should be to:
 - Protect against premature abandonment of marginal wells;
 - Avoid discouraging exploration and development investment.
- A reasonable overall policy is to maintain a tax system which is competitive with other states.
- The benefits of a general tax rollback are unclear:
 - No assurance of reinvestment of increased cash flow;
 - Modest impact on investment economics;
 - No precedent among other states.
- Focussed tax change options include:
 - Reduced/eliminated severance tax on new or high cost resources;
 - Staged reduction in gas severance tax;
 - Revision of the current ad valorem system.

4-B-14

Tax Policy

The most attractive policy options are those which focus on specific objectives

Severance Tax

- Reduce/eliminate severance tax on:
 - New oil/gas, conditionally
 - New secondary recovery investments
 - Extension of two-year holiday to development

- Reduction of severance tax on natural gas

Ad Valorem Tax

- Elimination
 - Replaced by a statewide severance
 - Redistributed to counties

- Restructuring
 - Based on production value versus appraisal

- Refinement
 - Net income limitation
 - Mirror severance tax exemptions
 - Exemption of non-producing wells
 - Improved training and oversight

4-8-15

Economic Development

Economic development opportunities in or based on the oil and gas industry are limited

- Oil industry opportunities are limited by:
 - The maturity of the industry, reflected in retrenchment and consolidation;
 - Renewed emphasis on investment accountability/restraint;
 - The dominance of resource factors versus economic development factors in upstream investments;
 - The integrated nature of the industry, which constrains locational choices.
- Appropriate posture is to support rather than stimulate investment by:
 - Competitive fiscal system;
 - Workable permitting and environmental review procedures;
 - Avoidance of negative policies.
- Similarly, we see limited opportunities to leverage the state's gas resources to promote industrial development:
 - Historical gas price disadvantage dwindling with decontrol;
 - More diversified supply options by industrial users nationally;
 - Shrinking real gas transportation and distribution costs.

4-B-16

R&D Policy

Existing R&D programs are of high quality and responsive to industry needs

- Kansas resource and industry characteristics suggest appropriate R&D priorities:
 - Support for independent producers;
 - Stress recovery technologies;
 - Stress geological environments;
 - Data base availability;
 - Environmental research.
- Current research programs are appropriate and well-directed:
 - Oriented to near-term commercial recovery processes;
 - Emphasis on technology transfer;
 - Applied versus primary research.
- Total funding for R&D programs at state institutions is comparable to other states, but Kansas is more reliant on state funds than most; less so on federal and industry sources.

R&D Policy

And it would be of long-term benefit to the state and the industry to expand R&D activity on a cost-effective basis

Programs

- Expansion of TORP's direct assistance program
- Establishment of a comparable program in the geosciences area
- Selective diversification into CO₂ flooding and gas recovery
- Investigation of applicability of horizontal drilling in Kansas

Funding

- Enlisting support of Kansas legislators to promote Kansas interests at DOE/FERC
- Increased effort to line up oil industry sponsorship on a matching fund basis

Taxation

- Restructure R&D tax credit:
 - Eliminate base period requirement
 - Broaden qualifying investments

4-8-18

BARBARA WOOD, BOURBON COUNTY CLERK
KANSAS COUNTY CLERKS ASSOCIATION

WE WOULD LIKE TO OFFER THIS AMENDMENT TO S.B. 729 FOR YOUR CONSIDERATION (ATTACHMENT #1).

THIS AMENDMENT WOULD GIVE ANY ESCAPED TAX, PERSONAL OR REAL, DISCOVERED AFTER THE NOVEMBER 1 CERTIFICATION DATE, AN "ADDED TAX" STATUS AND A TAX BILL COULD BE PREPARED, ISSUED, COLLECTED, AND DISTRIBUTED IN THE CURRENT TAX YEAR.

NOW, THE COUNTY COMMISSION CAN MAKE CORRECTION OF ERRORS TO THE TOTAL TAX ROLL AFTER NOVEMBER 1 BY ISSUING RESOLUTIONS OR ABATEMENTS. BUT, IF PROPERTY HAS ESCAPED BEING ON THE TAX ROLL, THE APPRAISER NOTIFIES THE CLERK, WHO PUTS THE ASSESSMENT ON AN "ESCAPED TAX" ROLL. THE TAX IS CALCULATED AT THE CURRENT YEAR'S LEVY RATE. THE ESCAPED TAX ROLL IS PREPARED THE NEXT NOVEMBER WHEN THE NEXT YEAR'S TAX ROLL IS PREPARED. THE TAXPAYER WILL RECEIVE NO TAX BILL THE CURRENT YEAR BUT TWO TAX BILLS THE NEXT NOVEMBER.

IT HAS BEEN MY POLICY TO WRITE THE TAXPAYER A LETTER (ATTACHMENT #2) AND INFORM THEM OF THE TAX. IF THEY WISH TO PAY IT BEFORE NOVEMBER 1, THEY CAN. THE COUNTY TREASURER WILL COLLECT THE MONEY, GIVE THE TAXPAYER A PAID RECEIPT, AND DEPOSIT THE MONEY IN AN "ESCAPED TAX" FUND. THIS FUND CANNOT BE DISTRIBUTED UNTIL THE ACTUAL TAX STATEMENT IS ISSUED.

I THINK A COMMON PRACTICE HAS BEEN IN PAST YEARS BY MY COUNTY TO GO AHEAD AND TREAT ESCAPED TAXES AS ADDED TAXES AND ISSUE THE BILLS ANYWAY. HOWEVER, WITH THE COMPUTER ABSTRACT, THE ESCAPED TAXES MUST BE DOCUMENTED.

WE THINK IT ONLY MAKES SENSE THAT IF YOU CAN TAKE VALUE OFF YOU SHOULD BE ABLE TO ADD VALUE.

TO COUNTIES WITH LARGE VALUATIONS, LARGE AMOUNTS ARE ABATED AND ADDED. IF THE ESCAPED TAXES CANNOT BE DISTRIBUTED IN THE CURRENT YEAR TO BALANCE THE ABATEMENTS, BUDGETS WILL GO UNFUNDED.

IT IS ONLY FAIR THAT TAXPAYERS SHOULD PAY THE TAX IN THE YEAR IT IS DISCOVERED.

SENATE BILL NO. 729

By Committee on Assessment and Taxation

AN ACT relating to property taxation; concerning the date of payment of taxes levied on escaped property; amending K.S.A. 79-1427a and 79-1475 and repealing the existing sections; also repealing K.S.A. 79-417 and 79-418.

Be it enacted by the Legislature of the State of Kansas:

Section 1. K.S.A. 79-1427a is hereby amended to read as follows:79-1427a.

(a) *If, the County Appraiser discovers after the tax roll has been certified to the county clerk, that any tangible personal property subject to taxation has been omitted from the tax rolls, the county clerk shall place such property on the tax roll as an added tax, and if after one year from the date prescribed by K.S.A. 79-306, and amendments thereto, for the listing of tangible personal property, the county appraiser discovers that any tangible personal property which was subject to taxation in any year or years within four years next preceding has not been listed or has been underreported for whatever reason, such property shall be deemed to have escaped taxation. In the case of property which has not been listed, it shall be the duty of the county appraiser to list and appraise such property and for an added tax, add penalties as prescribed in K.S.A. 79-1422, and it shall be designated on the appraisal roll as an added appraisal for that year. In the case of property which has escaped taxation, it shall be the duty of the county appraiser to list and appraise such property and add 100% thereto as a penalty for escaping taxation for each year during which such property was not listed, and it shall be designated on the appraisal roll as "escaped appraisal" for each such preceding year or years. In the case of property which has been listed but underreported, it shall be the duty of the county appraiser to list and appraise the underreported portion of such property and add 100% thereto as a penalty for escaping taxation for each such year during which such property was unreported, and it shall be designated on the appraisal roll as "escaped appraisal" for each such preceding year or years.*

The county clerk, upon receipt of the valuation for such property in either *the case of an added tax or an escaped tax, of-the-forementioned cases shall place such property on the tax rolls and compute the amount of tax due based upon the mill levy for the year or years in which such tax should have been levied, and shall certify such amount to the county treasurer as an added or escaped appraisal. The amount of such tax shall be due immediately and payable within 45 days after the issuance of an escaped property tax bill. No interest shall be imposed unless the tax remains unpaid after such 45 day period. The county treasurer shall proceed to issue an additional tax bill for the amount certified as owing and such amount shall become due immediately. Taxes assessed under this provision which remain unpaid 45 days after the issuance of the additional tax bill shall become delinquent and shall be collected and distributed such-tax in the same manner as prescribed by law for the collection and distribution of other delinquent taxes on property. ~~The-county-treasurer-shall-collect-and-distribute-such-tax-in-the-same-manner-as-prescribed-by-law-for-the-collection-and-distribution-of-other-taxes-levied-upon-property:~~ If the owner of such property is deceased, taxes charged as herein provided shall be levied against the estate of such deceased person for only three years preceding death and shall be paid by the legal representative or representatives of such estate. In the event that such escaped appraisal is due to any willful or clerical error of the county appraiser, such property shall be appraised at its fair market value and no penalty shall be added.*

(b) A taxpayer with a grievance as to any penalty applied pursuant to the provisions of this section, may appeal to the state board of tax appeals on forms prepared by the state board of tax appeals and provided by the county appraiser. The state board of tax appeals shall have the authority

to abate any penalty imposed under the provisions of this section and order the refund of the abated penalty, whenever excusable neglect on the part of the person required to make and file the statement listing property for assessment and taxation purposes is shown, or whenever the property which has been deemed to have escaped taxation is repossessed, judicially or otherwise, by a secured creditor and such creditor pays the taxes and interest due. No interest shall be assessed during the pendency of this appeal.

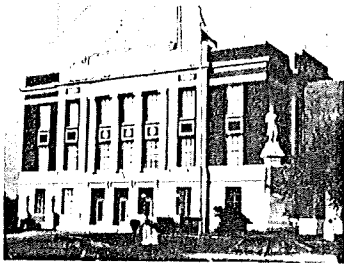
(c) The provisions of this section shall apply to any tangible personal property discovered during the calendar years 1982, 1983, 1984 and any year thereafter to have escaped appraisal and taxation during any such year or any year within four years next preceding any such year.

Sec. 2. K.S.A. 79-1475 is hereby amended to read as follows: 79-1475: Whenever the county appraiser discovers that any real property subject to taxation has been omitted from the tax rolls, such property shall immediately be listed and valued by the appraiser, and returned to the county clerk. The county clerk, upon receipt of the valuation for such property, shall place such property on the tax rolls and compute the amount of tax due based upon the mill levy for the year in which such tax should have been levied, and shall certify such amount to the county treasurer as an added or escaped appraisal. The amount of such tax shall be due immediately and payable within 45 days after the issuance of an escaped property tax bill. No interest shall be added or imposed unless the tax remains unpaid after such 45-day period. The county treasurer shall proceed to issue an additional tax bill for the amount certified as owing and such amount shall become due immediately. Taxes assessed under this provision which remain unpaid 45 days after issuance of the additional tax bill shall become delinquent and shall be collected and distributed such tax in the same manner as prescribed by law for

the collection and distribution of other delinquent taxes levied on property. No lands or improvements shall be assessed under the provisions of this section to any person other than the present owner unless such property was acquired by will, inheritance or gift. ~~The county treasurer shall proceed to collect and distribute such tax in the same manner as prescribed by law for the correction and distribution of other taxes levied on property.~~

Sec. 3. K.S.A. 79-417, 79-418, 79-1427a and 79-1475 are hereby repealed.

Sec. 4. This act shall take effect and be in force from and after its publication in the statute book.



BOURBON COUNTY CLERK

Barbara Wood

Courthouse

Fort Scott, Kansas 66701-1304

(316) 223-3800

The following property has been appraised and assessed taxes in the amount of \$_____ for 1989.

Parcel ID 006-_____

Since this action has occurred after November 1, 1989, the year for which the property was obligated for ad valorem taxes, it shall be included on the 1990 tax roll.

You will receive a bill at that time for the 1989 "Escaped Taxes" and also, a bill for the 1990 taxes. (K.S.A. 79-1804 and K.S.A. 70-2004a).

However, if you wish to pay the tax before November 1, 1990, the county treasurer can accept the payment.

If you have any questions, please contact me.

Sincerely,

BARBARA WOOD
BOURBON COUNTY CLERK

February 26, 1990

Re: Escaped Assessment

Your property was escaped (omitted) for the tax year 1989.

This is to notify you that according to KSA 79-1804 and 79-2004a an escaped tax is valuation of property which has not been discovered prior to the certification of the tax roll to the treasurer for the purpose of taxation. Accordingly, the clerk may not add escaped property to the tax roll after the certification and, therefore, the county may not legally send a tax statement demanding payment before November 1, 1990. This is not a bill, but you may, if you wish, pay the amount due, in full, to the Labette County Treasurer in advance.

Even though the amount of tax is not due until after November 1, 1990, I must advise you, at that time you will receive two tax statements, one for the escaped 1989 tax and the new 1990 statement. Following is a description of the escaped property and amount of tax which will be due:

Taxpayer ID No.	Tax Unit No.
Description of the property:	

1st half \$;	2nd half \$;	Total tax \$
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A complete breakdown of your taxes is on file with the County Treasurer.

Cordially,

Linda Schreppel
Labette County Clerk

(SCHEDULES CONTINUED)

COUNTY CLERK
 TAX ACCOUNTS WITH COUNTY TREASURER
 November 1, 1988

TAXING SUBDIVISIONS AND FUNDS	CHARGES				CREDITS					
	-1-	-2-	-3-	-4-	COUNTY TREASURER'S DISTRIBUTIONS					
	APPORTIONMENT OF ORIGINAL ABSTRACT OF TAX ROLL	ADDED TAXES	D & E AND ABATED TAXES	NET ADJUSTED TAX ROLL (1+2-3)	-5- Jan 20, 1989	-6- Jan 20, 1989	-7- Feb 24, 1989	-8- May 19, 1989	-9- July 20, 1989	-10- July 20, 1989
GENERAL	28,763,552.60	125,966.12	509,437.24	29,380,021.54	11,242,025.03	1,960,525.53	4,303,518.99	313,559.35	6,653,189.71	1,954,998.17
CAPITAL OUTLAY	1,315,506.64	5,761.14	23,299.49	1,297,968.21	514,168.87	89,665.02	196,824.09	14,340.80	304,287.96	89,412.22
BOND & INTEREST	194,037.23	850.32	2,429.12	191,448.49	75,887.33	13,225.59	29,050.11	2,116.58	44,912.01	13,188.30
TANGIBLE INC FINANCE	30,273,096.47	132,577.72	536,175.85	29,869,498.84	11,832,073.23	2,063,416.44	4,529,393.19	330,016.73	7,002,389.70	2,057,598.69
TOTAL TANGIBLE FINANCE COMPANIES IRB'S	30,520,147.62	132,577.72	536,175.85	30,116,549.49	12,079,124.39	2,063,416.44	4,529,393.19	330,016.73	7,002,389.70	2,057,598.69
	44,152.96	0	0	44,152.96	22,076.49				22,076.47	
	191,341.36	2,649.00	31,696.57	162,295.79						
TOTAL TAX	30,755,641.94	135,226.72	567,872.42	30,322,996.24	12,101,200.88	2,063,416.44	4,529,393.19	330,016.73	7,024,466.17	2,057,598.69
TANGIBLE TAX	45,629,840.38	403,646.32	974,525.35	45,052,911.41	17,352,330.75	3,133,871.42	7,495,118.57	566,500.32	10,568,469.09	3,120,525.42
INCREMENT FINANCING	247,051.15	0	0	247,051.15	247,051.16					
TOTAL TANG TAX	45,876,891.53	403,646.32	974,525.35	45,306,917.86	17,599,381.91	3,133,871.42	7,495,118.57	566,500.32	10,568,469.09	3,120,525.42
IN LIEU FINANCE CO'S	44,152.96	0	0	44,152.96	22,076.49				22,076.47	
IN LIEU IRB'S	225,151.74	2,649.00	37,696.22	190,106.52	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL SCHOOLS	46,146,196.23	406,295.32	1,012,219.72	45,540,271.21	17,621,458.40	3,133,871.42	7,495,118.57	566,500.32	10,590,545.56	3,120,525.42