

Approved March 28, 1991
Date

MINUTES OF THE HOUSE COMMITTEE ON EDUCATION

The meeting was called to order by Representative Rick Bowden at
Chairperson

7:10 ~~am~~ p.m. on March 21, 1991 in room 519-S of the Capitol.

All members were present except:

Blumenthal, Smith, Hackler, Hensley, White - All Excused

Committee staff present:

Avis Swartzman, Revisor of Statutes Office
Ben Barrett, Legislative Research
Dale Dennis, State Department of Education
Rep. Gene Amos, Acting Secretary to the Committee

Conferees appearing before the committee:

Tom Trigg, Gardner, Kansas
John Koepke, KASB
Gerry Ray, Johnson County Commissioners

Chairman Bowden opened the meeting at 7:10 p.m. following the adjournment of the House. It was moved by Rep. Crumbaker that HCR 6052 be moved to the consent calendar. It was seconded by Rep. Jones. Motion passed on voice vote.

The hearing on SB 285 was opened. Dale Dennis made comments regarding the bill; an act concerning USD #231 of Johnson County. The valuation of the industrial airport is on the tax roles. The bill would exclude valuation from tax rolls while litigation is going on.

The first conferee a proponent, was Tom Trigg from Gardner, Assistant Superintendent of schools. (Attachment 1)

Craig Grant, KNEA, offered written testimony favoring the bill. (Attachment 2)

John Koepke, KASB, stated his organization supports the bill because of the uniqueness of the situation and of the severe consequences of the present situation. (Attachment 3)

Gerry Ray was the final conferee supporting SB 285. She stated the County Commission feels the school district should not have to suffer from a problem they had no part of. (Attachment 4)

The meeting adjourned at 7:25 p.m. with the next meeting scheduled for Monday, March 25, 1991 in room 519-S at 3:30 p.m.

TESTIMONY OF
GARDNER-EDGERTON-ANTIOCH
UNIFIED SCHOOL DISTRICT NO. 231
SUPPORTING SB 285

Before the House Education Committee
of the Kansas House of Representatives

March 21, 1991

Presented by:

Tom Trigg, Ed.D.
Asst. Superintendent of Schools
Unified School District No. 231

HOUSE EDUCATION
Attachment 1
March 21, 1991

I want to thank you for allowing me to speak with you today regarding SB 285.

Senate Bill 285 is a special bill for the Gardner-Edgerton-Antioch School District No. 231. This proposed legislation would help correct a major problem for our school district.

In 1989, the Johnson County Appraiser placed some of the properties at the Johnson County Industrial Airport on the tax rolls. These properties had not been paying real estate taxes. It is my understanding that for one reason or another, tax exemption requests had not been filed with the State Board of Tax Appeals for these properties. Consequently, the Appraiser had no justifiable reason to keep the properties off the tax rolls. These properties have an assessed valuation of \$14,769,210. This was added to our assessed valuation, bringing our total to \$60,351,270. Normally this is good. However, in this case the companies are not paying any real estate taxes as per K.S.A. 79-213i.

This had the following impact:

1. Our district wealth was artificially increased, and consequently we were eligible for less state aid.
2. The inclusion of the airport valuation figures tended to depress our levy, resulting in less revenue.
3. The inclusion of the airport valuation figures in our budget calculations artificially increases our tax in process, which tends to lower the levy.
4. The net effect of all of this is a substantial underfunding of our district budget.

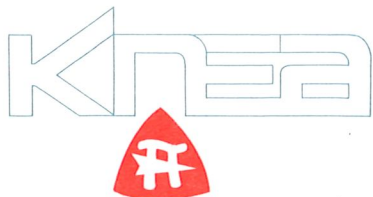
As you might suspect, it was extremely difficult to prepare our budget last summer knowing that no real estate taxes would be forthcoming from 25% of the assessed valuation of our school district. Essentially if \$100 of taxes were required, only \$75 of revenue was forthcoming. We eventually were able to structure a budget. We will be able to avoid no-fund warrants this year, but our cash balance as of July 1, will be dropping by approximately \$250,000.

This matter is now before the State Board of Tax Appeals. However, since the State Board of Tax Appeals has not ruled and since the briefs are not yet in, there is little likelihood that this matter will be settled soon. Furthermore, many people believe that the matter will eventually be appealed to the court system, and it may be several years before a definitive answer is reached.

We have worked closely with Dale Dennis of the Kansas State Department of Education on this, and our legislative representatives, to develop this solution.

Senate Bill 285 would direct the State Department of Education to exclude the value of the properties for which an exemption is being sought from the calculation of district wealth. This will result in our school receiving more state aid. This is important because we are not receiving taxes from the properties in question. When the matter is eventually settled, the district would return to the State, any state aid that we were not properly entitled to. This aspect makes the plan revenue neutral. We believe that this is a reasonable solution. We request your consideration and hope that you will be able to support this bill.

In closing, let me thank you for the opportunity to speak to you today on behalf of SB 285. I would be happy to respond to any questions you might have.



Craig Grant Testimony Before The
House Education Committee
Thursday, March 21, 1991

Thank you, Mr. Chairman. I am Craig Grant and I represent Kansas-NEA. I appreciate this chance to speak to SB 285.

SB 285 is a localized bill to deal with a problem in USD 231. While we would like tax protest cases to be settled as quickly as possible, the fact is that it often takes a great deal of time to have these hearings. What should not happen in the meantime is for the school district and, especially, the students to suffer during that time period, SB 285 appears to be a logical solution to the problem.

Because of those reasons, Kansas-NEA supports SB 285. Thank you for listening to our concerns.

HOUSE EDUCATION
Attachment 2
March 21, 1991

KANSAS
ASSOCIATION



OF
SCHOOL
BOARDS



5401 S. W. 7th Avenue Topeka, Kansas 66606
913-273-3600

Testimony on S.B. 285
before the
House Committee on Education

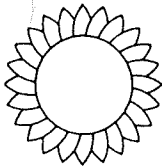
by

John W. Koepke
Executive Director
Kansas Association of School Boards

March 21, 1991

On behalf of Kansas school boards we ask your favorable consideration of Senate Bill 285. Unified School District 231 faces a unique situation in the determination of the assessed valuation for purposes of determining district wealth. Because of the uniqueness of the situation and because of severe consequences of the present situation we request that Senate Bill 285 be reported favorably.

HOUSE EDUCATION
Attachment 3
March 21, 1991



Johnson County
Kansas

MARCH 21, 1991

HOUSE EDUCATION COMMITTEE

HEARING ON SENATE BILL 285

TESTIMONY OF GERRY RAY, INTERGOVERNMENTAL OFFICER
JOHNSON COUNTY BOARD OF COMMISSIONERS

My name is Gerry Ray, representing the Johnson County Board of Commissioners and appearing today in support of Senate Bill 285.

The bill pertains to a temporary change in the definition of district wealth in the Gardner School District (USD 231). Pending appeals before the Board of Tax Appeals on several properties at the Johnson County Industrial Airport, has created a serious funding problem for the Gardner School District. Until a decision is handed down from the Board of Tax Appeals, the valuation of those properties will remain a part of the valuation and will apply to the district wealth of the school district. Thus they are receiving less in state aid and because the properties in question were considered exempt, no property tax has been paid.

The County Commission feels strongly that the school district should not have to suffer from a problem in which they had no part. Senate Bill 285 would alleviate the problem on a temporary basis until a permanent solution is obtained. It is the hope of the County and the Airport Commissions that relief for the school district can be achieved soon.

The Committee is asked to recommend Senate Bill 285 favorable for passage.

HOUSE EDUCATION
Attachment 4
March 21, 1991