

Approved February 28, 1991
Date

MINUTES OF THE HOUSE COMMITTEE ON LOCAL GOVERNMENT

The meeting was called to order by REPRESENTATIVE M. J. JOHNSON at
Chairperson

1:30 ~~XX~~ p.m. on FEBRUARY 27, 1991 in room 521-S of the Capitol.

All members were present ~~XXXX~~.

Committee staff present:

Mike Heim, Legislative Research Dept.
Theresa Kiernan, Revisor of Statutes
Connie Smith, Committee Secretary

Conferees appearing before the committee:

Representative Denise Everhart
Pat Baker, Associate Executive Director, Kansas Assoc. of School Boards
Representative Anthony Hensley
Dr. Steve McClure, Superintendent of Shawnee Heights, USD #450
Dana Hummer, Board Member, Citizens for Responsible Government
Vic Miller
Vernon L. Jarboe, city attorney for City of Topeka
Representative Marvin Smith
Dan Cain, resident of Shawnee county
Fred Phelps, Sr.
Jack Benge, member of Kansans for Fair Taxation
Gary Schnellbacher, President, Kansans for Responsible Government
Larry Clark, representing the Kansas County Appraisers Association
Beverly Bradley, Kansas Association of Counties
Representative Carl Holmes

Chairman opened a hearing on HB 2314.

HB 2314 - Concern. municipalities; contracts concerning property tax payments and payments in lieu of taxes.

Chairman Johnson recognized Representative Denise Everhart, a sponsor who gave background and intent of HB 2314. Representative Everhart explained that HB 2314 is designed to address some problems that Shawnee Heights School District is facing with some contract decisions that the city may make regarding some property tax exemptions.

Chairman Johnson recognized Pat Baker, Associate Executive Director, Kansas Association of School, who testified in support of HB 2314. (Attachment 1)

Chairman Johnson recognized Representative Anthony Hensley, a sponsor, who testified in support of HB 2314 and provided newspaper articles summarizing the pending situation the city of Topeka is dealing with in renegotiating the contracts. (Attachment 2)

Dr. Steve McClure, Superintendent of Shawnee Heights USD #450, testified as a proponent to HB 2314. (Attachment 3)

Dana Hummer, board member, Citizens for Responsible Government appeared in support of HB 2314. (Attachment 4)

Vic Miller testified as a proponent to HB 2314 representing himself. He stated this bill underscores the philosophy that local entities should dictate their own future and not be at the mercy of another entity. (No written testimony)

CONTINUATION SHEET

MINUTES OF THE HOUSE COMMITTEE ON LOCAL GOVERNMENT

room 521-S, Statehouse, at 1:30 ~~AM~~/p.m. on FEBRUARY 27, 1991

Vernon L. Jarboe, city attorney for City of Topeka, testified as an opponent on HB 2314 at the request of the Mayor. (Attachment 5)

Chairman Johnson closed the hearing on HB 2314.

Chairman opened a hearing on HB 2280.

HB 2280 - Election of county appraisers

Representative Marvin Smith, a sponsor, testified in support of HB 2280. (Attachment 6)

Representative Marvin Smith read written testimony in support of HB 2280 from Senator Sallee as he couldn't testify as the Senate was in session. (Attachment 7)

Dan Cain, resident of Shawnee county, testified in support of HB 2280. No written testimony.

Fred Phelps, Sr. testified in support on HB 2280. (Attachment 8)

Jack Bengge, representing himself and as a member of Kansans for Fair Taxation, testified in support on HB 2280. (Attachment 9)

Gary Schnellbacher, President, Kansans for Responsible Government testified as a proponent on HB 2280. (Attachment 10)

Larry Clark, Wyandotte County Appraiser and representing the Kansas County Appraisers Association testified in opposition to HB 2280. (Attachment 11)

Beverly Bradley, Kansas Association of Counties, testified in opposition on HB 2280. (Attachment 12)

Vic Miller testified in opposition to HB 2280.

Chairman Johnson called the committee's attention to a letter from Don Christman, President of Wilcox Homes and RV Center, Inc., in support of HB 2280. (Attachment 13)

Hearing closed on HB 2280.

Chairman opened a hearing on HB 2246.

HB 2246 - No-fund warrant authority for Liberal to pay property tax.

Representative Carl Holmes, a sponsor, appeared in support and provided background and intent of HB 2246.

Representative Holmes responded to questions from the committee.

Representative Stephens moved to approve the minutes of February 25 and February 26, 1991; seconded by Representative Thompson. The motion carried.

Meeting adjourned at 3:10 p.m.

KANSAS
ASSOCIATION



OF
SCHOOL
BOARDS



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

TESTIMONY ON H.B. 2314
before the
HOUSE LOCAL GOVERNMENT COMMITTEE

Presented by
Patricia E. Baker, Associate Executive Director
Kansas Association of School Boards

February 27, 1991

Madam Chairman, thank you for the opportunity to appear before you in support of House Bill 2314.

Unified school districts are responsible for levying and expending over half the ad valorem property taxes in Kansas. Yet they are left out or ignored in many of the decisions to abate taxes; to enter into contracts for payments in lieu of taxes; and otherwise to affect the tax base on which school funding is so dependent. The net result of decisions by cities and counties to grant tax preferences, is higher taxes for the remaining taxpayers and it is the school districts which are the victims of higher levies.

We believe House Bill 2314 is one step toward dealing with problems faced by school districts in this area and request your favorable consideration.

Thank you.

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Attach. 1

p. Hensley

H. 2314

School board wants Heartland to pay tax

■ **Shawnee Heights says exemption would cost district more than \$100,000 a year**

By MIKE HALL 1-26-91
The Capital-Journal

Shawnee Heights Unified School District 450 would lose more than \$100,000 a year in taxes if the city grants a property tax exemption for Heartland Park Topeka.

The Topeka City Council this week received copies of a letter from the Shawnee Heights Board of Education, urging them to deny Heartland's request for exemption.

The council is to consider the tax exemption Tuesday night.

In the letter, board president Kent S. Nelson noted the city could justify the tax exemption because of other benefits the city receives from the track, such as sales tax on race tickets and concessions, as well as on other items fans buy while visiting Topeka. The city also receives income from the transient guest tax on hotel and motel rooms.

But Nelson said the school district receives no such benefit.

"Like you, we want Heartland Park to be successful," he said. "However, we would prefer that 50 cents be added to ticket prices and that Heartland pay the taxes called for in the original agreement."

If \$100,000 were shifted to other property owners in the district, they could see their tax rate rise 1.38 mills, based on current valuations.

The Heartland exemption would cost the owner of a home valued at \$50,000 at least \$8.28 to maintain the district's current budget.

The mill increase actually would be larger since the rate would be calculated on a tax base reduced by the value of the racing complex.

Heartland officials have said they can't afford taxes on the track, citing operating losses of \$1.5 million in 1989 and \$1.7 million in 1990.

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Attach

Heartland taxes on city's agenda

Owners propose other payment

By MIKE HALL
The Capital-Journal

Property tax exemption for Heartland Park Topeka will be the top topic at Tuesday's business meeting of the Topeka City Council.

Lario Enterprises Inc., developer of Heartland Park, contends it has spent more on the development of the race track than originally intended and is losing money on the operation.

Heartland officials have cited operating losses of \$1.5 million in 1989 and \$1.7 million in 1990.

Instead of paying property taxes of about \$300,000 a year, the company is proposing making a payment in lieu of taxes to the city beginning with \$15,000 for 1991 and rising to \$50,000 annually by the year 2000.

The Shawnee Heights Board of Education has objected to the exemption, saying Unified School District 450 would lose about \$100,000 of tax revenue a year if the racing complex was taken off the tax rolls.

Based on the assessed value of property in USD 450, a shift of \$100,000 in taxes to other property owners would result in tax rate increase of at least 1.38 mills. That translates into an extra \$8.28 a year of property taxes for the owner of a home valued at \$50,000.

Council activities Tuesday will be-

gin with a brief work session at 4:30 p.m. for a presentation on the proposed barrier-free park at Hughes Park. Proponents of the park have said it would provide a recreational area for adults and children with disabilities.

At 5 p.m. the council's Policy Committee will meet to discuss a number of issues, including a proposed ordinance setting up a new procedure for handling real estate matters and a new policy statement on the issuance of industrial revenue bonds.

The Heartland Park issue will be on the agenda of the 7 p.m. business meeting of the council.

All the meetings will be in the City Council Chamber, 214 S.E. 8th, and all the meetings are open to the public.

Other items on the agenda of the 7 p.m. meeting include:

First readings of ordinances levying special assessments on certain lots to pay for lateral sanitary sewer district 40782, Rolling Heights, Subdivision, along Powell, north of S.E. 34th; improvement of Powell from the south line of Rolling Hills Subdivision to the south line of S.E. 34th; and improvement of Kingsrow Road between Golfview Drive and S.W. 25th.

Final reading of an ordinance re-adopting an ordinance creating a fire insurance proceeds fund to require part of the proceeds from an insurance payment to be held by the city to assure the fire-damaged property will be repaired or removed.

First reading of an ordinance establishing a new pay plan for non-union city employees, increasing the minimum pay in each range by 2.5 percent and the maximum pay by 4.5 percent.

Project benefits troops, patients

apital-Jo

y the end of this week, patients at the Colmery-O'Neil medical Center in Topeka will help Operation Hometown 3,000 care packages to troops desert.

ration Hometown is a project by the Veterans of Foreign and its Ladies Auxiliary. It started in October shortly after the U.S. troop buildup in the Persian Gulf began.

Ericson, supervisor of the volunteer pay program at the VA,

said the program is organized as a civilian and military effort.

Ericson said 40 to 60 in- and out-patient veterans had earned minimum wage working on the project through the Compensated Work Therapy Program and were paid on the basis of what they produced.

"All our people have been in similar circumstances and know what it's like," Ericson said. "They are all well aware of the morale boost that comes from knowing the folks at home care."

Deliveries have been made through independent air freight companies, international airlines and military channels.

In November, Sen. Bob Dole, R-Kan., delivered 600 care packages when he and President Bush visited the troops. In December, 12,000 care packages were carried over with the Big Red One 1st Infantry Division from Fort Riley.

Care packages contain a variety of items, including flying disks, lip balm, note pads, envelopes, T-shirts, deodorant, sunscreen and flyswatters, Ericson said.

The speakers advised the young people not to tan with Glaxal saying there is no safe way.

"In order for you to get a tan you have to damage your skin," he said.

Bob Hentzen, sports editor of The Capital-Journal, told the students he had two malignant melanomas removed during the past two years. He said when he was young he thought a tan was indicative of good health, and he didn't consider it dangerous to spend time in the sun.

"If you don't get it taken care of, it can get you," Hentzen said.

Julie Heller, a 22-year-old Topeka native who lives in Kansas City, was diagnosed a year and a half ago with melanoma and had surgery.

"I liked to be tan just like most high school students," Heller said, adding that she didn't tan excessively and was shocked when diagnosed.

"They told me there was no cure for it," she said. "It's with me all the time. It doesn't happen to just people who are in the sun all the time."

n Specter, R-Pa., the rank-4th member of the Senate Foreign Affairs Committee, for a visit to the Wichita VA hospital on Monday. The two visits were arranged independently, partly in sup-

port of the observance of National Hospitalized Veterans Week, designated this week by veterans associations.

Jaime Fall, a Nichols aide, said Nichols and his wife, Connie, met

Monday afternoon with Emporia Chamber of Commerce officials.

Nichols reserved a morning for himself at home Wednesday in McPherson and is scheduled to return to Washington Friday evening.

one bes

king lot gate will off-charge from requiring drivers to two tokens for days of parking.

ens will be sold to local merchants or can be purchased vending machine inside terminal. Tokens also are from the TW Express center during business opening said.

business, it was noted it will receive \$866,005 in Aviation Administration funds for a project that includes a auxiliary generator for lights at Forbes Field ramp overlay project.

ard met in executive for 20 minutes to discuss and potential leases.

Tax hike ahead for USD 450

■ Patrons must make up lost revenues, or programs will suffer, administrators say

The Capital-Journal 2/12/91

Shawnee Heights School District patrons are facing a minimum \$20 tax increase for each \$50,000 of assessed home valuation because of recent court decisions and administrative interpretations of the law, Superintendent Stephen McClure said.

If the city of Topeka grants a proposed tax exemption to Heartland Park Topeka, that bill will increase to about \$32, McClure said.

The alternative is that the district cut its spending, and teachers' salaries and programs could be the victims.

"Our only recourse is to raise the mill levy or cut programs. Neither is a good alternative," said Kent S. Nelson, board president.

The district has lost about \$200,000 in just one year through federal court approval of a settlement ratio on railroad valuation, a Kansas Supreme Court ruling that coal piles at the Tecumseh generating station of KPL Gas Service shouldn't be taxed and lower motor vehicle tax revenues during the 1991 calendar year.

If the Heartland Park exemption is granted, the district would lose from \$100,000 to \$150,000 in addition to what already has been lost.

The eroding tax base has frustrated USD 450 administrators.

"We have no control over our resources," McClure said. "Every judge, politician or legislator has more control than we do."

There is nothing board members can do about the previous decisions. They hope to affect the outcome of

the Heartland decision, but the district has a small percentage of its patrons who are represented on the city council. They have little input with city council members.

"We're sure, as always, there are more issues than what lays on the surface," said Nelson. "I guess it's our job to find out what it is and counter it."

The board has sent a letter expressing its concerns to the city council and will try to meet with council members personally to discuss the situation.

"At this point, we're not going to involve our legal representation," Nelson said. "We would consider it if we had to."

Shawnee Heights isn't the only district suffering. Many of these changes affect school districts across the state.

"So, we're not alone in this, but that's small comfort," McClure said.

TODAY AT (4:45)-7:10-9:20

24 HOUR MOVIE HOTLINE 267-5050

Enjoy your South of the Border appetite and Enjoy!

(5 P.M. - 8 P.M.)

3320 S. Topeka Blvd. 266-4503

**Testimony to the
House Local Government Committee
on
H.B. 2314
By Dr. Steve McClure, Supt.
Shawnee Heights U.S.D. #450**

FY91 - USD #450 Assessed Valuation	- \$74,484,543
Less 3% Delinquency Rate	- 22,345
	\$72,250,008
One Mill Generates	- \$ 72,250

F.Y. 92 Revenue Erosion

<u>Description</u>	<u>\$ Loss</u>	<u>Mills</u>
1) Federal Court railroad valuation decision (change 30% to 25%).	- \$1,094.93	0.02
2) State Supreme Court utility inventory decision (Tecumseh Power Plant - Coal Pile).	- \$23,066.96	0.32
3) Motor Vehicle Revenues Loss - Due to Lower Levy (Topeka Capital Journal-2/11/90).	- \$157,858.00	2.18
4) Kansas Dept. of Revenue Regulation Change Allow for Motor Vehicle Depreciation over the year.	- \$20,000.00 (estimate)	0.28
5) Change in Heartland Park Agreement (Topeka Capital Journal - 1/30/91).	- <u>\$159,000.00</u>	<u>2.20</u>
TOTAL	\$361,019.89	5.00 Mills

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NEW ISSUE

MOODY'S RATING: Aa 1

In the opinion of NICHOLS AND WOLFE CHARTERED, Bond Counsel, the interest on the Bonds will be included in gross income of the owners thereof for federal income tax purposes. The Bonds are exempt from intangible personal property taxes levied by Kansas counties, cities and interest on the Bonds will be excluded from computation of Kansas adjusted gross income for taxable years commencing after December 31, 1987.

\$7,500,000
CITY OF TOPEKA, KANSAS
General Obligation Bonds
(Taxable)
Series 1988-A

Dated: July 1, 1988

Due: August 1
as shown below

Interest on the General Obligation Bonds (Taxable), Series 1988-A, (the "Bonds") will be payable on February 1, 1989 and semiannually thereafter on August 1 and February 1 of each year until maturity. The Bonds will be issued as fully registered bonds without coupons, in the denomination of \$5,000 or any integral multiple thereof not exceeding the principal amount of bonds maturing on any maturity date of the Bonds. Principal of and interest on the Bonds will be payable by check or draft of Bank IV Topeka, N.A., Topeka, Kansas (the "Paying Agent" and "Bond Registrar").

The Bonds maturing August 1, 1994, and thereafter, will be subject to redemption prior to maturity at redemption prices as more fully set forth herein on August 1, 1993 or on any interest payment date thereafter.

The Bonds will constitute general obligations of the City payable as to both principal and interest from ad valorem taxes which may be levied without limitation as to rate or amount upon all the taxable tangible property located within the territorial limits of the City.

\$2,200,000 Serial Bonds

<u>Amount</u>	<u>Maturity</u>	<u>Interest Rate</u>	<u>Yield or Price</u>	<u>Amount</u>	<u>Maturity</u>	<u>Interest Rate</u>	<u>Yield or Price</u>
\$150,000	8/1/91	10.90%	8.70%	\$250,000	8/1/96	9.35%	9.35%
150,000	8/1/92	10.90	8.90	300,000	8/1/97	9.40	9.40
200,000	8/1/93	10.90	9.00	350,000	8/1/98	9.45	9.45
200,000	8/1/94	10.90	9.10	350,000	8/1/99	9.50	9.50
250,000	8/1/95	9.50	9.30				

\$3,050,000 Term Bonds 9.60% Due August 1, 2005 Price 100%

\$2,250,000 Term Bonds 9.60% Due August 1, 2008 Price 100%

(All plus accrued interest, if any)

The Bonds are offered when, as and if issued and accepted by the Underwriters, subject to the approval of legality of Nichols and Wolfe Chartered, Topeka, Kansas, Bond Counsel. It is expected that the Bonds will be available for delivery on July 19, 1988 in Kansas City, Missouri.

George K. Baum & Company

July 19, 1988

January 28, 1991

The Honorable Mayor Butch Felker and
Topeka City Council Members
City Hall
215 East 7th
Topeka, Kansas 66603

Dear Mayor Felker & City Council Members:

The Topeka City Council is being asked to vote January 29th to allow the Heartland Race Track to pay \$15,000 in lieu of property taxes.

Some members of the council were not in office when the first vote for the racetrack was made so we are offering a very brief history.

After the city council voted to issue \$7.5 million in bonds to build a racetrack, Citizens for Responsible Government and many other Topeka residents petitioned to get the right to vote on the issue. We felt it was not a legitimate function of government to build and run a racetrack, the amount needed to build the racetrack as presented in the plans would be at least \$20 million, and the risky nature of the business deserved a vote of the citizens. Following the election when it passed by a small margin Lario entered the picture and offered to build the race track if \$7.5 million of city funds could be used.

At that point Citizens for Responsible Government did not object because a vote had been taken, and private enterprise was to build and run the racetrack. The Topeka City Council and Lario entered into a contract and the racetrack was built. We were assured that the contract was ironclad, that Lario would ask for no more monetary considerations from the city, and that they would pay property taxes. Lario reports they have spent an additional \$13 million to build the track and have reported losses of \$3.2 million in 2 years.

We hope Heartland Park will succeed for all concerned, but it should never be run by the city, and there should be no bailout with additional tax funds.

Before the city council votes on this issue we have some suggestions and comments which merit their additional consideration:

1. Is it legal to grant immunity to Heartland Park because they "cannot pay" their property taxes? This would set a dangerous precedent for other businesses which might also ask to have their taxes forgiven.

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Attach. *lp*

2. The Shawnee Heights School board has written to tell of the devastating effects forgiving the taxes would cause, and offered a very good idea to place a \$0.50 surcharge on each ticket to help pay the taxes. This should be given serious consideration.

3. There were a number of groups who originally pushed hard for the racetrack project, including Sports Car Club of America, Topeka Chamber of Commerce, and Association for Action. If these groups have not spent as much time and money promoting the project as they did to get it enacted, why not? Now is the time for those Topekans and others from outside the area who worked the hardest to get the racetrack and the 13,000 plus who voted for it to purchase season tickets and attend events, starting with the Camel Grand Prix.

4. The city council should obtain from the treasurer the dollar total necessary to pay the principle and interest on the \$7.5 million bond issue. When they consider the "multiplier effect" so often quoted they should also consider how many millions of dollars in sales it takes to pay the principle and interest on the bond issue. They must also take into consideration that tax dollars removed from taxpayers pockets would have had a considerable "multiplier effect" if left for them to spend in Topeka for purchases.

5. One of the purposes of the bedtax is to help promote Topeka facilities. Lets use money from this fund to help Lario advertise upcoming events in cities such as Kansas City, Ks. and Kansas City, Mo., Wichita, Lincoln, Denver, Des Moines, St. Louis, Oklahoma City, Tulsa. These cities were cited as potential drawing areas, and if Lario's advertising budget were increased it should help them draw more fans and be better able to pay their property taxes.

Sincerely,

Citizens for Responsible Gov't.
Dana Hummer, Board Member

Mr. Chairman:

Members of the Committee:

My name is Dana Hummer, 3301 Arnold, Topeka, Kansas. I am a resident of this City and a Taxpayer owning considerable property and opposed to any any exemption by the City of Topeka to the Heartland Race Track or any other expemptions by whatever cause that would shift the tax burden onto others' property. I think that exemption for some means increased taxes for others. I do not believe that restoring some taxes will necessarily restrict economic development programs.

I agree with Chairman Norbert Dreiling, of Hays, Kansas, "that if we permit exemption of property taxes for some, it means unjustified favoratism for those best able to pay"; in other words, in order to grant favoratism to some, you transfer the tax burden to others.

According to the United States Department of Commerce, Bureau of the Census in 1987, it states that 76% of all businesses in Kansas have 9 or fewer employees. Small business is the backbone of the Kansas economy.

This is the reason I support House Bill 2314.

I do not believe in State control of local units of government and, in my opinion, this would not be necessary if the elected officials would refuse to grant exemptions such as the Heartland Race Track. It is unfortunate that the 1986 Economic Development Law was passed which permits Cities to grant tax exemptions if they so choose. This Law allows exemptions by threatened economic restraint by influential corporations.

TESTIMONY BEFORE THE
HOUSE COMMITTEE ON LOCAL GOVERNMENT

HOUSE BILL NO. 2314

Submitted by Vernon L. Jarboe
City Attorney, City of Topeka, Kansas

The City of Topeka has a number of objections relative to House Bill 2314. In the first instance, this Bill represents a classic mistake of legislative practice. Legislation should not be designed to impact on single transactions. However, this Bill clearly focuses its intent on a single transaction and does not represent a setting of policy, but rather with the undue interference with local government rights. Whether or not the City of Topeka should instigate or consummate negotiations with a third party on contractual matters is one for the governing body of the City to resolve.

While the school board conjectures it is faced with the prospect of losing a stream of income that it had otherwise planned on, the City of Topeka has similar and more direct fears. Moreover, the school board has no dollars invested in the matter which is the subject of this inquiry. However, the taxpayers for the City of Topeka have \$7.5 million dollars invested in a racing facility and are seeking to improve their probability of success relative to that investment. Apparently the school district desires to derive tax revenues based upon the City's investment in the race track facility. The school board is no more entitled to derive tax revenues from that investment than they are from the City's investment in intra-structure improvements such as streets, water lines, sewer lines or other public improvements such as parks. To retroactively permit the school board to interfere with this transaction is ill-conceived.


I would also observe that apparently this particular transaction, although isolated in appearance, is one of a variety of transactions between local governments and private industry wherein tax exemption is dealt with. Specifically industrial revenue bond issues typically provide some level of tax exemption to the industry. In private conversations with the school district, they apparently agree the discretion to provide such tax incentives must remain with the single local unit of government as opposed to requiring cities and counties to consult with other taxing units. In instances where the Legislature has seen fit to permit school district comment on tax exemptions, generic formulas for accomplishing that result have been adequately described. Specifically, one can look at the tax increment financing statutes, K.S.A. 12-1740 et seq. which provide a methodology for other units of government to have input on tax exemptions questions. This Bill,

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Attached

because it focuses on an isolated transaction, ignores a complete variety of transactions far more common in impacting on the issues of tax exemptions generally.

Finally, I would suggest that for the Legislature to pass House Bill 2314 would result in a violation of the United States constitutional prohibition on state government interference with contractual relations. Article 1, Section 10 of the United States Constitution specifically provides "no state shall . . . pass any . . . law impairing the obligations of contracts" At this juncture, the City has a clearly written and binding agreement with a third party. The City also has entered into negotiations regarding resolution of disputes under that contract and believes a solution has been reached. For this Committee or the Legislature to adopt House Bill 2314 would impair the City's obligations under that contractual arrangement.

Your kind attention is appreciated.



Vernon L. Jarboe
City Attorney
City of Topeka, Kansas

MARVIN E. SMITH
REPRESENTATIVE, FIFTIETH DISTRICT
JACKSON AND SHAWNEE COUNTIES
123 N.E. 82ND STREET
TOPEKA, KANSAS 66617-2209
(913) 484-3417
CAPITOL-ROOM 155E
TOPEKA, KS 66612
(913) 296-7646



TOPEKA

HOUSE OF
REPRESENTATIVES

February 27, 1991

COMMITTEE ASSIGNMENTS
MEMBER: EDUCATION
TAXATION
TRANSPORTATION

HOUSE COMMITTEE ON LOCAL GOVERNMENT

HOUSE BILL 2280

Madam Chairman and Members of the Committee:

Thank you for hearing HB 2280 this session. HB 2280 would provide for election of the County Appraisers.

This proposed legislation would return the election of the county appraiser to selection by Kansas voters. Many Kansas voters believe that APPRAISERS, as well as county commissioners, county clerk, treasurer, register of deeds, county attorney, sheriff, surveyor, township trustee, township treasurer, and township clerk, should be accessible to the voters, as proposed on page 5 line 24.

I sponsored with other co-sponsors in 1985 this proposal. Many taxpayers believe they have been disenfranchised by the office of appraiser because they are appointed. In fact, one constituent said, "Some appraisers act as if they're untouchable bureaucrats and the public be damned!"

If this proposed legislation becomes reality, surely the appraisal of Kansas property will become more accountable.

I would urge your favorable consideration of HB 2280.

LS
2-27-91
Attoch. 6



TOPEKA

SENATE CHAMBER

FEBRUARY 27, 1991

DON SALLEE
SENATOR, FIRST DISTRICT
ATCHISON, BROWN, DONIPHAN, JACKSON
AND JEFFERSON COUNTIES
R.R. 2
TROY, KANSAS 66087

COMMITTEE ASSIGNMENTS

CHAIRMAN: ELECTIONS
VICE-CHAIRMAN: ENERGY AND NATURAL RESOURCES
MEMBER: AGRICULTURE
LABOR, INDUSTRY AND SMALL BUSINESS
TRANSPORTATION AND UTILITIES

TESTIMONY TO HOUSE LOCAL GOVERNMENT COMMITTEE ON HB-2280

THANK YOU MR. CHAIRMAN AND COMMITTEE MEMBERS FOR ALLOWING ME TO APPEAR ON HOUSE BILL NO. 2280. FOR THE RECORD MY NAME IS DON SALLEE, STATE SENATOR, FIRST DISTRICT.

I APPEAR IN SUPPORT OF HOUSE BILL NO. 2280 AND WOULD HAVE BEEN A CO-SPONSOR OF THE BILL HAD I BEEN A HOUSE MEMBER.

IN CONSIDERATION OF THE CURRENT POPULARITY IN KANSAS OF RETURNING THE POWER TO THE PEOPLE, HOUSE BILL NO. 2280 WOULD SEEM TO BE AN EXCELLENT MOVE. AS WE HAVE WORKED OUR WAY THROUGH THE APPRAISAL AND HEARINGS PROCESS IT HAS BECOME VERY EVIDENT THAT SOME COUNTY APPRAISERS HAVE INTIMIDATED TAX PAYERS TO THE POINT OF DISCOURAGING THEM FROM CONTINUING THE APPEAL PROCESS BEYOND THE COUNTY LEVEL. SUCH ACTIONS HAVE CAUSED A NUMBER OF THE DISCREPANCIES IN APPRAISALS THAT CONTINUE TO EXIST TODAY. SUBJECTING THESE PEOPLE TO THE ELECTION PROCESS, I BELIEVE, WOULD CAUSE A FAR GREATER EFFORT ON THEIR PART TO MAKE CERTAIN THAT ALL APPRAISALS ARE FAIR AND EQUITABLE. FOR THESE REASONS I WHOLE HEARTEDLY SUPPORT HOUSE BILL NO. 2280.

DS
2-27-91
Attach. 7

FRED W. PHELPS

3701 W. 12TH - P. O. BOX 1886 - TOPEKA, KS. 66601

February 27, 1991

FAX 9132739228

913 273-0338

BEFORE THE COMMITTEE ON LOCAL GOVERNMENT
OF
THE KANSAS HOUSE OF REPRESENTATIVES

Testimony of Fred Phelps

Madam Chairman and Members of the Committee:

My name is Fred Phelps, and I appreciate the opportunity to appear before this distinguished Committee, in support of HB 2280, and I thank my friends Marvin Smith, Jeff Freeman and the others for proposing this valuable legislation.

The Federalist Papers and other debates attending adoption of our federal Constitution show diffusion of power to the point of redundant redundancy to be the genius of our system of government. People like John Carlin and Kathleen Sebelius, forever seeking to abolish elective positions, have another spirit than the founders.

The Methodist preacher/president of the university I went to said he disfavored organic church union, because if all churches were united under one centralized authority the Devil wouldn't have to swallow but once. Only while we have a multiplicity of elective bases of political power is democracy safe.

For nine months in my hearing Joan Finney called for return to the election of judges and all other offices Kansas has given up in recent years. She expressed bitterness at Bennett and Carlin for their attempts to make her state treasurer's position appointive.

Property taxes should be abolished, but to ameliorate their harsh impact on the people we should go back to electing our county appraisers. Those of us who remember the gentleness of an elected John Towle *vis-a-vis* the insensitiveness of an appointed Gary Smith need no further arguments in support of HB 2280.

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Feb. 27, 1991

Testimony before the Committee on Local Government

I am Jack Bengé of Topeka, Kansas. I am here representing myself as a citizen and taxpayer, and also as a member of the Kansans For Fair Taxation. I want to thank this Committee for allowing me to present our views on HB 2280.

We wish to add our support for the adoption of HB 2280. We feel it necessary to make people that serve the public in the more responsible positions of government and especially those who meddle with our pocketbooks; accountable to the electorate.

The job of County Appraiser is a difficult and delicate task of evenly applying the rules of fairness in matters of taxation to all citizens. It is a position of high public trust that must not be compromised by acts of favoritism or special interest.

Because this is a key position that directly affects the lives and pocketbooks of all citizens residing in each taxing district, we feel that the job of County Appraiser should be made an elective office throughout the state. Bringing candidates for public office before the bar of public scrutiny and making them face the electorate at the ballot box, we feel, is still the best method yet devised for making them truly accountable for their actions and keeping them honest.

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Thank you for your attention and kind consideration.

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HOUSE LOCAL GOVERNMENT COMMITTEE

Dated, February 27, 1991.

By G. Gary Schnellbacher, President
KANSANS FOR RESPONSIBLE GOVERNMENT

Madam Chairperson and Honorable Committee Members:

My name is G. Gary Schnellbacher, I am a Certified Kansas Appraiser and an independent Property Tax Consultant. I appear before you today to stand in favor of House Bill 2280.

As one who has spent the last Eighteen years involved in property taxation in this State and Twenty Five other States. I am here today to ask you to correct the injustice an appointed County Appraiser system has reaped upon the Citizens of the State of Kansas. The present system is unconscionable and has created a situation wherein the County Appraiser is only an extension of the County Commission. The Appraiser is not responsive to the taxpayers situation and problems, because they have no accountability to the public. By voting for House Bill 2280 you will bring public accountability back to the taxation process.

I was working for the Shawnee County Appraiser's office when we change the name from County Assessor to Appraiser and changed over from elected to appointed officials. I can remember my Father, George Schnellbacher, standing before your predecessors testifying that by changing the process. The citizens of the State would reap the benefits of a better Educated Professional and thereby raise the level of expertise in the appraisers office.

I suggest to you today that this goal was achieved. The County Appraiser today is a more Scientific, better educated and more professional appraiser than his counterpart was Ten to Fifteen years ago. I congratulate the Property Valuation Department, and the Kansas County Appraisers Association through the Certified Kansas Appraiser program for the progress I have seen over the last Eighteen years. Today's County Appraiser should be congratulated for his efforts to increase his level of professionalism.

But times have changed the County Appraisers Office. They need to be held accountable for their actions.

We have all heard the horror stories pertaining to the way our taxpayers have been treated by the County Appraisers and their staff. Stories of indifference, of bad attitudes, of lack of compassion for our fellow man. All of us have heard the stories. I myself, have numerous clients who were frustrated by the treatment they received from the reappraisal company and the County Appraisal staff during the last reappraisal.

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We must bring accountability back into our tax system! We can not continue under our present system of indifference and manipulation by the County Commission.

It is time for a change!

We need to have either elected County Appraisers or State Controlled Appraisal District. Our present situation is intolerable. The Taxpayers of this State are being dealt a cruel hand by our overburdened reappraisal and appeal process. Most have been frustrated in their attempts to find fair and just taxation.

It is time for a change!

By having elected appraisers we will bring back the check and balance process that was intended to be in our local government by the founding fathers. Insuring accountability to the public for the appraisers actions.

By have state controlled Appraisal Districts we can insure uniformity in the application of the appraisal process and a even higher level of expertise in the Appraisers office. I leave this discussion up to you, the choice is your.

Please don't leave us in the waste land of indifference, of bad attitudes, of lack of compassion.

Please don't let "we the people" become a dieing legacy.

To: House Local Government Committee
From: Larry Clark, Wyandotte County Appraiser
Date: February 27, 1991
Re: House Bill #2280

Madame Chairperson and honorable members of this committee,
I appreciate the opportunity to testify on House Bill #2280.

My name is Larry Clark and I am here representing the Kansas County Appraisers Association as their president elect and chairman of their legislative committee.

The Kansas County Appraisers Association opposes any attempt to make the position of county appraiser elective. While we wholeheartedly support the democratic process and the election of policy makers in government, positions which require specialized skills and involve administering sensitive areas of the law should not be subject to political pressures. Actions of appraisers are currently suspect simply because they are county officials. That suspicion would only increase through the political involvements of an election campaign.

This legislature made great strides toward equity within the property tax system when it required county appraisers to meet certain minimum educational requirements and to maintain their continuing education. The Appraisers Association supports the legislature and this administration in its efforts to strengthen that system. The bill under discussion will erode those efforts by diverting the appraiser's attention from a purely professional job to the necessity of satisfying enough of the right people to

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get re-elected. We recognize that legislation can be written limiting those who can run for such an office in much the same way as the current legislation limits the field of prospective appointees. We feel strongly, however, that the added pressure of having to run for re-election would severely limit the effectiveness of even the best appraiser. With the future of the reappraisal effort hanging by a precariously thin thread, this is not the time to bring added pressure on those who are trying to hold it up.



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February 27, 1991

To: Representative Mary Jane Johnson, Chairperson
Members House Local Government Committee

From: Bev Bradley, Deputy Director
Kansas Association of Counties

Re: HB 2280 Election of County Appraisers

The Kansas Association of Counties is opposed to HB 2280 which provides for the election of county appraisers. We support the appointment of appraisers by the board of county commissioners and the option of forming appraisal districts. There is currently one appraisal district in Kansas. We also support the option of employing a part time appraiser and allowing an appraiser to serve more than one county, but not forming an official district. We believe these are efficient ways of doing county business and these options should be available. As an elected official, each county would have an appraiser and the other options would no longer be present.

The function of the county appraiser is to determine values of property, not necessarily to keep the electorate "happy". We believe it is not appropriate to politicize the office by making county appraisers elected officials

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HOMES & RV CENTER, INC.

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TESTIMONY ON H.B. 2208

FEBRUARY 27, 1991

MR CHAIRMAN AND MEMBERS OF THE COMMITTEE,

WHILE I AM UNABLE TO ATTEND THE COMMITTEE HEARING SCHEDULED FOR 1:30 TODAY, FEBRUARY 27, I APPRECIATE THE OPPORTUNITY TO SUBMIT THIS WRITTEN TESTIMONY IN SUPPORT OF H.B. 2208 WHICH WOULD MAKE COUNTY APPRAISERS SUBJECT TO ELECTION RATHER THAN APPOINTMENT.

MY NAME IS DON CHRISTMAN, I HAVE OPERATED 3 MANUFACTURED HOME COMMUNITIES IN TOPEKA FOR 21 YEARS, HAVE BEEN IN THE RECREATIONAL VEHICLE BUSINESS SINCE 1967 AND AM CURRENTLY OWNER AND PRESIDENT OF WILCOX HOMES & R.V. CENTER, INC. PROPERTIES AND INVENTORY I EITHER OWN OR CONTROL WOULD TOTAL NEARLY 3.5 MILLION DOLLARS, CONSEQUENTLY I HAVE HAD AMPLE OPPORTUNITY TO EXPERIENCE FIRST HAND THE ARROGANCE AND INSENSITIVITY OF THE COUNTY APPRAISERS OFFICE IN SHAWNEE COUNTY.

I COULD, IN THIS TESTIMONY, SUBMIT SEVERAL EXAMPLES OF THE KINDS OF PROBLEMS I ALLUDE TO ON THE PREVIOUS PARAGRAPH AND WOULD BE MOST HAPPY TO PROVIDE THOSE EXAMPLES IF REQUESTED BY THE COMMITTEE. HOWEVER IN THE INTEREST OF BREVITY LET ME EXPRESS WHAT I FEEL IS THE CAUSE OF THE PROBLEMS RATHER THAN INDIVIDUAL EXAMPLES.

COUNTY APPRAISERS ARE NOT ACCOUNTABLE TO THE PEOPLE THEY SERVE. THEY ARE ACCOUNTABLE TO THEIR COUNTY COMMISSIONERS IN THEORY BUT EVEN IF THE COMMISSIONERS WANT TO FIRE AN APPRAISER, AS I UNDERSTAND THE SYSTEM, REMEDIES AVAILABLE TO THE APPRAISER THROUGH PROPERTY VALUATION AND THE STATE BOARD OF TAX APPEAL MAKE IT EXTREMELY DIFFICULT, IF NOT IMPOSSIBLE, TO REMOVE AN APPRAISER THAT DOES NOT WANT TO GO.


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WHEN A CONDITION EXISTS SUCH AS THE ONE DESCRIBED ABOVE "LITTLE KINGDOMS" DEVELOP. INSTEAD OF GOVERNMENT SERVING THE PEOPLE, THE PEOPLE SERVE THE GOVERNMENT. THIS IS THE SITUATION IN SHAWNEE COUNTY. PROBLEMS THAT COULD BE STRAIGHTENED OUT WITH A TELEPHONE CALL REQUIRE 2 HEARINGS TO SETTLE. I PERSONALLY HAVE BEEN JUMPING THROUGH THE SHAWNEE COUNTY APPRAISERS HOOP FOR 2 YEARS AND CAN NOT, TODAY, SEE THE END OF IT AS THE MANUFACTURED HOME COMMUNITIES HAVE NOW BEEN HIT WITH HUGE INCREASES IN PROPERTY TAX IN THE 1990 TAX YEAR AS A RESULT OF AN ONGOING BATTLE WITH SHAWNEE COUNTY OVER REAPPRAISAL FOR THE 1990 TAX YEAR THAT WAS COMPLETED WITHOUT INSPECTION OF THE PROPERTIES INVOLVED. GIVE ME A CALL AND I'LL EXPAND THIS SCENARIO FOR YOU IF YOUR DESIRE.

IN CLOSING, LET ME SAY I WOULD BE HAPPY TO VISIT WITH ANY COMMITTEE MEMBER TO EXPAND UPON MY FEELINGS REGARDING THE NEED TO MAKE THE APPRAISERS OFFICE AN ELECTED RATHER THAN AN APPOINTED POSITION. I CAN BE REACHED AT (913) 357-5111.

IN CAPITALISM, THE MERCHANT IS FREE TO MARKET HIS GOODS, CHASING AND SERVING HIS CUSTOMER. IN SOCIALISM THE MERCHANT IS SO BUSY SERVING THE GOVERNMENT HE HAS NO TIME FOR THE CUSTOMER, THE CONSUMER CHASES THE MERCHANT. WHAT DO YOU THINK WE ARE BECOMING?

CORDIALLY,



(COMMRAD) DON CHRISTMAN