

Approved

April 13, 1991
Date

MINUTES OF THE HOUSE COMMITTEE ON TAXATION

The meeting was called to order by Joan Wagnon at
Chairperson

9:10 a.m. ~~xxx~~ on Friday, March 29, 1991 in room 519-S of the Capitol.

All members were present except:

Committee staff present:

Tom Severn & Chris Courtwright, Legislative Research;
Don Hayward & Bill Edds, Revisors;
Linda Frey, Committee Secretary & Douglas E. Johnston, aide

Conferees appearing before the committee:

Chairman Wagnon called the committee to order at 9:10 a.m. for hearings on SB 72, HB 2303, SB 167, HB 2400.

Hearings were opened on SB 72.

Carol B. Bonebrake, Cherokee County Attorney, testified in favor of SB 72 (attachment 1 and 2).

Carla Fuller, Attorney for the Property Valuation Dept. (PVD), presented a proposed amendment to SB 72 on behalf of David Cunningham, Director of Property Valuation. The proposed amendment would make the following changes in the corrected version of SB 72:

On line 7 of page four replace "personnel of the division of property valuation" with "director of the division of property valuation"; On line 20, page 4, replace "state" with "director of the"; On line 24, page 4, replace "the division of" with "director of the".

In addition, Fuller stated that PVD was supporting SB 72.

Bonebrake stated in reply to a question that the SB 72 amendment in section 2 (b) of K.S.A. 79-1479 established a time period of only 30 days for counties to comply effectively with the law. She said that the 30 days was a very limited amount of time to hold appraisal protest hearings and determine finalized values which were necessary to comply.

It was stated that PVD had suggested the change from August 15 to April 30 in the Senate. A memorandum from the Director of Property Valuation regarding the change was requested by the committee.

Larry Clark, the Legislative Chair for the Appraisers Assoc., stated that county appraisers desired several changes in SB 72 including sending valuation notices earlier.

The Chair closed the public hearings on SB 72 and opened them on SB 167.

Senator Jerry Karr testified in favor of SB 167 (attachment 3).

Since there were no other conferees, public hearings were closed on SB 167.

The committee next considered HB 2400 and opened public hearings. There were no proponents.

CONTINUATION SHEET

MINUTES OF THE HOUSE COMMITTEE ON TAXATION

room 519-S, Statehouse, at 9:10 a.m./~~p.m.~~ on Friday, March 29, 1991

Bev Bradley, Deputy Director of the Kansas Assoc. of Counties, testified against HB 2400. She stated that the association opposed the punitive measures in the bill as well as the use of a single standard of compliance. In reply to a question, she said a majority of counties currently complied to the standard in the bill. She requested more time for the current appraisal process to work through the problems and said state reimbursement had been reduced from 7 million to 3 million. In reply to a question Bradley said that if no action was taken on HB 2400 until next year at which time if 25% of the counties are still out of compliance then the KAC would not oppose the bill.

Hearings were closed on HB 2400 and opened on HB 2303.

Rep. Crowell testified in favor of HB 2303. He stated that HB 2303 could solve many of the problems of the appraisal process by ensuring that appraisers use all the tools available to them and encouraging county commissioners exercise oversight of the appraisers.

It was stated that one of the intents of the bill was to reduce the emphasis on the sales approach in the appraisal process.

Larry Clark, Wyandotte County Appraiser, responded to questions about HB 2303. He stated that mass appraisal was necessary due to the large number of properties to be appraised. He also explained some of the process through which appraisal valuations were determined.

Hearings were closed on HB 2303.

The Chair requested unanimous consent for the introduction of a bill requested by Rep. Harder to deal with a problem in the inheritance tax area. There was no objection; the bill was introduced.

The committee adjourned at 10:15 a.m.

GUEST LIST

COMMITTEE:

Innovation

DATE:

3/29/91

NAME (PLEASE PRINT)	ADDRESS	COMPANY/ORGANIZATION
ROBERT E WELSHIMER	WICHITA	REP GLEN WELSHIMER
Shelley Dickson	Topeka	Washburn UN.
Pamela Duggert	Topeka	Washburn UN.
Leslie Dick	Topeka	Washburn University
Nanette Ward	Auburn	Washburn University
Jana McCormick	Topeka	Washburn University
George Barber	Topeka	Ks Consulting Engrs
John Lutticha	Topeka	Fordstrom & Siefler
Bob Corkins	Topeka	KCCI
Don Schmitt	Topeka	ICOGN
Janet Stubbs	Topeka	HBAK
Carla Fuller	Property Valuation Division	- Docking S.O.B.
Cindy Gulpin	Topeka	Budget
Steve Goodman	Topeka	Senate Demo Leaders office
R ANDERSON	OTTAWA	NBIA CONF OFF
Bob Taggart	Topeka	MAC
Curse B Bonke	Topeka	Cosgrove Welch and Omer
Wendell Steam	Topeka	RARP - CCTF
Alan Steppat	Topeka	Pete McGill + Associates
Roy Clark	Kansas City	KCAA
Rep Bradley	Topeka	KS Assoc of Counties
Mary M Smith	Topeka	Shuman Co.
James H. Irish	Topeka	Office of Thrift Supervision, D/treas.
KAREN FRANCE	TOPEKA	KAR

M E M O R A N D U M

TO: Members of the House Committee on Assessment
FROM: Carol B. Bonebrake
RE: Senate Bill 72
DATE: March 28, 1991

In 1989, following the certification of the reappraisal of valuations statewide, Cherokee County filed a complaint pursuant to K.S.A. 79-1413a with the Kansas Board of Tax Appeals seeking a determination that the reappraisal of Cherokee County was not in substantial compliance with law. In July, 1989, after hearing all the evidence, BOTA agreed and ordered Cherokee County reappraised. Cherokee County is presently in the process of reappraising pursuant to K.S.A. 79-1413a. At the time K.S.A. 79-1413a was initially enacted in the 1960s, the tax calendar and the hearing process was different than it is today. (For example, K.S.A. 79-1413a required that hearings on the reappraised values be held by November and prior to the January 1 assessment date.) S.B. 72 amends K.S.A. 79-1413a so that the dates for reappraisal being conducted will coincide with the present statutory procedure of which provides that Change of Value Notices be sent in April following the January 1 assessment date with taxpayer hearings following thereafter.

HOUSE TAXATION
Attachment #1
03/29/91

Amendment to S.B. 72:

We would request that the House Committee amend S.B. 72 to reduce the requirement for bonding the reappraisal project ordered by the State Board of Tax Appeals from two (2) years to one (1) year. Since a ratio study is the ordinary and customary manner of demonstrating compliance with a reappraisal and since an adequate ratio study can be conducted within one (1) year of the printing of the Change of Value Notices, it is the opinion of Cherokee County that the two (2) year bond requirement is simply an additional expense to be borne by the counties. The results of the ratio study conducted after the printing of the Change of Value Notices of the reappraisal will show the degree of uniformity and equality achieved. Any departure from the statutory or contract performance standards will be readily ascertainable by the performance of an independent ratio study within the first year following the printing of the Change of Value Notices of the reappraisal.

To that end, we would propose that the language on page 3, line 19-21 of S.B. 72 be amended to read as follows:

19-21 "effect for one (1) year subsequent
 to the date of the printing of the
 Change of Value Notices for the
 reappraisal and the delivery thereof
 to the county or district appraiser."

State of Kansas

Senate Chamber

GERALD "JERRY" KARR
SENATOR, SEVENTEENTH DISTRICT
CHASE, LYON, MARION, MORRIS,
OSAGE COUNTIES
R.R. 2 BOX 101
EMPORIA, KANSAS 66801



COMMITTEE ASSIGNMENTS
MEMBER: ASSESSMENT & TAXATION
INTERSTATE COOPERATION
LEGIS. & CONG. APPORTIONMENT
LEGIS. BUDGET COMM.
EDUCATION
STATE BUILDING CONSTRUCTION
LEGIS. COORDINATING COUNCIL
STATE FINANCE COUNCIL

Office of Democratic Leader

STATE CAPITOL
TOPEKA, KANSAS 66612-1565
913-296-3245

**STATEMENT BY SENATOR GERALD "JERRY" KARR
BEFORE THE HOUSE ASSESSMENT AND TAXATION COMMITTEE
CONCERNING SENATE BILL 167
MARCH 29, 1991**

Thank you, Madame Chairman, for the opportunity to appear today concerning Senate Bill 167. I introduced Senate Bill 167 at the request of a constituent whose home had been destroyed during the tornado which struck Emporia last year.

Senate Bill 167 is simple and straight forward. It would permit boards of county commissioners to abate or provide credits against residential property taxes for property destroyed by fire, wind or other calamity. If the property were destroyed between January 1st and August 15th, the owner of the property could apply to board of county commissioners for an abatement of the taxes levied on the property. If the property were destroyed after August 15th, the owner could apply to the county commissioners for a credit against the property taxes for the next succeeding year.

We are again in tornado season. Even this week there were tornados in the Hutchinson area and high wind storms causing serious property damage in many areas of the state. It seems only fair that a board of county commissioners be extended the authority to grant an abatement or credit on property destroyed during a

HOUSE TAXATION
Attachment #3
03/29/91

tornado or other calamity. The language of this bill is permissive and merely give the commissioners the flexibility to grant temporary relief for those residential property owners losing their homes.

Thank you, Madame Chair and members of the committee. I will be happy to answer any questions.