

Approved Monday, March 4, 1991

Date

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 Thursday, February 21, 1991 in room 519-S of the Capitol.

All members were present except:

Committee staff present:

Don Hayward, Assistant Revisor
Chris Courtwright, Research Department
Tom Severn, Research Department
Marion Anzek, Committee Secretary

Conferees appearing before the committee:

Senator Marge Petty, Chief Sponsor of SB161
Senator Gerald Karr,, Chief Sponsor of SB167
David Cunningham, Director of Property Valuation Dept., Dept. of Revenue
Ann Papay, Grant County Appraiser

Chairman Dan Thiessen called the meeting to order at 11:03 a.m. and told the members they had minutes dates February 18, 1991 and February 19, 1991 in front of them and he would call for a motion at the end of the meeting. He said, the agenda called for hearings on SB161, SB167 and SB176 and he announced we would not be hearing SB176 as the chief sponsor requested we allow for more time to prepare for the hearing. He turned attention to SB161.

SB161:AN ACT amending the homestead property tax refund act; concerning the definition of a claimant; amending K.S.A. 79-4502 and repealing the existing section.

The Chairman recognized Senator Marge Petty, Chief sponsor of SB161.

Senator Marge Petty said SB161 basically does the same thing that a previous amendment made last year and passed out of this committee and passed the full Senate, and this particular issue was hung up in the House Committee because it was near the end of the session. She said, the bill basically shifts the requirement for being eligible for the homestead act from the entire calendar year to a majority of the year. She said, if someone is disabled for six months out of the year, they would be eligible for the homestead refund as opposed to requiring that they are disabled for the entire 12 months.

The Chairman concluded hearings on SB161 and turned attention to SB167 recognizing Senator Gerald Karr, chief sponsor of SB167.

SB167:AN ACT relating to property taxation; providing authority for boards of county commissioners to abate or provide credit against property taxes levied upon residential property destroyed by clamity.

Senator Gerald Karr said this bill was introduced at the request of individuals in his Senate district. He said, 1990 was an unusually stormy year as there were several major disasters which occurred. This bill resulted out of a request because of the toronado that came through Heston and came through the westside of his district, where homes were lost, and in the Morris County area there was also a very significant toronado that went through the Emporia area and homes were lost early in the spring, and they were assessed for the year, there was no option, as far as the local county commissioners to do anything in the way of abatement or partial abatement.

The worst storm was probably the one that started in Wichita and came across the southside of his district, which probably did more damage, than some that receive more publicity.

He said the intent of this bill is to allow county commissioners to abate or partially abate or provide some credit against property taxes, in cases of disasters which could be a storm or also be major fire.

After committee discussion regarding dates and abatement for taxes taxpayers, who have had a castastrophe.

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON ASSESSMENT AND TAXATION,

room 519-S, Statehouse, at 11:00 a.m./~~p.m.~~ on Thursday, February 21, 1991

Tom Severn said January 1, is the date that the house is valued. You have to start re-building before January 1.

Chairman Thiessen concluded hearings on SB167.

Chairman Thiessen asked David Cunningham, Director, Property Valuation, Department of Revenue if he would comment or answer questions the members may have.

Senator Montgomery asked if Director Cunningham could give us an update on appraisals, as we have received information "saying a lot of appraisals have been jacked up out there" and we are getting appeals verifying that. David Cunningham said he did not know about that, and in terms of the number of appeals, he does not know what has happened. He said, values are going up for 1991 in the general sense, he said, he has no statistics. Senator Montgomery asked Mr. Cunningham if he was aware of the problem under use value, identifying certain types of soil, and that being the only criteria in the County being used for determining the value of the land? The Senator said the people involved in this in his area, keep telling him that the Department always says "We have no authority to adjust that" and he said, he thought, if you have some sales ratio studies done in that area, it should show that variance, and it has nothing to do with the use value concepts, but that doesn't mean it should be the sole criteria for determining tax purposes on that land. David Cunningham said that is something that falls into a general category, all appraisal judgments, and while it is nice to be able to put a number on the table and multiple that number against a given number of acres and come up with a value, he said, he viewed a computer in much the same way, you plug in the perimeters of the property and it spits out a number and if you use that number you are not doing your job.

Chairman Thiessen said, if one section of the county has actual production figures lower than the county average, which apparently is what they use, is that grounds for appeals?

David Cunningham said, yes it would be. That gives the board an opportunity to look at that end year average and if things are not as they originally thought, when they put those tables together then we could go back and look at those again.

Ann Papay, Grant County Appraiser said last year the Property Valuation Department started the productive groups from 5 to 10, which was mostly on irrigation land, but the tools that P.V.D. has for us now on our land is working real well. She said, as an appraiser, she would look at the land and where you make the adjustments on an adverse influence.

Senator Phil Martin said anything that affects productivity, they can adjust.

Chairman Thiessen said we have had a 2 year period in a recessionary time and the property is 2 years older, can we justify to our taxpayers that it should be higher today, under these circumstances? Director Cunningham said, if those models are done correctly, it should reflect what's happening in the market, and if they are not done correctly, then you would have a problem justifying an increasing value in a recessionary time.

Senator Audrey Langworthy moved to approve the minutes of February 18, and February 19, 1991, 2nd by Senator Sheila Frahm. The motion carried.

Chairman Dan Thiessen adjourned the meeting at 11:51 a.m.

