

Approved

February 4, 1992

Minutes of the House Committee on Taxation. The meeting was called to order by Joan Wagon, Chairperson, at 9:10 a.m. on Tuesday, JANUARY 21, 1992 in room 519-S of the Capitol.

All members were present except:

Rep. Kent Campbell, excused; Rep. Robert Krehbiel, excused; Rep. Steve Wiard, excused; Rep. Rex Crowell, excused.

Committee staff present:

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

Conferees appearing before the committee:

Larry Fischer, Kansans For Fair Taxation, Inc.; Rep. J.R. Wempe; Mark A. Burghart, General Counsel for the Kansas Department of Revenue.

Chairman Wagon welcomed committee members, staff and guests and outlined committee policies. She said the committee would maintain its policy of accepting all requests for bill introductions. She solicited requests for bill introductions from committee members and stated that requests for hearings on carryover bills should also be made. Rep. Bruce Larkin, Vice-Chair, and Rep. Keith Roe, Ranking Minority Member, would meet with her to discuss further agendas. A tentative schedule was established for the committee to meet Tuesday, Wednesday and Thursday mornings at 9:00 a.m. for the next three weeks.

Larry Fischer, representing Kansans for Fair Taxation, Inc., addressed the committee regarding the Kansas property appraisal system (Attachment 1). He noted for the record that his written testimony was incorrectly addressed to the Committee on Government Organization and that it was for the House Committee on Taxation. No specific bill request was made by Fischer.

Rep. Jack Wempe addressed the committee regarding a proposal for a four percent gross receipts tax on earnings in excess of \$10,000.00 derived from money, notes and other evidence of debt (Attachment 2). The proposal was referred to as an intangibles tax. He said the proposal was supported by Rep. George Teagarden.

In response to questions, Rep. Wempe said there was a lot of misunderstanding of intangibles tax. He said intangible investments were just like other investments. He also said his proposal was not a new tax, but that it would replace current local intangibles

CONTINUATION SHEET

MINUTES OF THE House COMMITTEE ON Taxation, room 519-S, State-house, at 9:10 a.m. on Tuesday, January 21, 1992.

taxes. He reiterated that his proposal would not hurt the elderly or people living on fixed incomes and that it would not discourage saving. If you look at the fairness issue, he said, intangible investors have just as much responsibility to support local government.

Rep. Larkin asked if the proposal would have a negative effect on townships currently utilizing the local option intangibles tax. Rep. Wempe said in reply that some townships could see increase of property tax because of lost revenue, but total tax burden would be reduced.

Rep. Wempe replied to a question regarding fluctuation in interest rates. There would be some fluctuation, he said, but the exemption would be indexed to adjust.

Rep. Wempe said a three percent intangibles tax without a \$10,000.00 exemption would raise approximately \$60 million, but that that estimate could be low. In response to another question, Rep. Wempe said that many of the current local option intangibles taxes did have exemptions for age and income, but that they were not utilized by taxpayers very often because they did not know of them.

The Chair requested and received unanimous consent of the committee to introduce a bill mandating Rep. Wempe's proposal.

The Chair requested and received unanimous consent for introduction of a bill, requested by Legislative Post-Audit, regarding statutory compliance with the collection of transient guest taxes.

Mark Burghart, General Counsel for the Kansas Department of Revenue, discussed six legislative proposals and requested they be introduced by the committee. He also reviewed several carryover bills (Attachment 3). He said that of the carryover bills, SB 213 was the most important.

In response to questions regarding the department's sixth bill request, Burghart said the committee would have a chance to review compacts made between the executive branch and representatives of several Native American reservations. The agreements would not be subject to change by the committee, but if the committee did not like the agreements then the committee could choose not to act on the proposed bill in which case the compacts would be unenforceable. Suggestions from the committee regarding the compacts would be taken into consideration in the event the compacts would have to be renegotiated.

CONTINUATION SHEET

MINUTES OF THE House COMMITTEE ON Taxation, room 519-S, State-house, at 9:10 a.m. on Tuesday, January 21, 1992.

The Chair requested and received unanimous consent for introduction of bills as requested by the Department of Revenue.

Interim committee reports 3, 4 and 5 were reviewed by staff. (See Report on Kansas Legislative Interim Studies to the 1992 Legislature.)

The committee adjourned at 10:10 a.m. The next meeting will be January 22.

GUEST LIST

COMMITTEE: House of Representatives

DATE: 1/21/92

NAME (PLEASE PRINT)	ADDRESS	COMPANY/ORGANIZATION
Alan Steppat	Topeka	Pete McBill & Associates
<del>John McBride</del>	<del>Topeka</del>	<del>Observer</del>
HAROLD C. PITTS	Topeka	AARP-CTF
Lana Vanderplas	Topeka	Intern
SUSAN SOMERS	Topeka	KSCPA
Kay Coles	Topeka	KNEA
Mark Tallman	Topeka	KASB
Ginger Klemm	Topeka	Intern
Bob Corkins	Topeka	KCCI
Christy Young	Topeka	Topeka Chamber of Commerce
Maile Ostabug	Lawrence	WDK
Cathy Roberts	Lawrence	Intern
Brian Small	Emporia	Intern
Kelly Stephens	Topeka	K.L.S.
BOB GRANT	"	KCCI
Harriet Lange	"	Ks Assn Broadcasters
Ken Baker	"	4th Fundamental USD
Anne Smith	Topeka	Ks. Assoc. of Counties
Don Schmucke	"	Ks. Indus. Oil & Gas Assn
KAREN FRANCE	TOPEKA	KAR
Tom Whitaker	Topeka	Ks Motor Carriers Assn
Mary Ellen Conlee	Wichita	Ks. Assoc. for Small Business
Bernie Koch	Wichita	Wichita Area Chamber
Dan Haas	Overland Park	Kansas City Power & Light Co





Thompson

January 21, 1992

To: ~~Committee on Government Organization~~  
*House Committee on Taxation*

From: Kansas For Fair Taxation, Inc.  
Speaker, Larry Fischer

We were asked to appear before you apparently as a result of a letter given to the Shawnee County Delegation on January 16th. You have a copy of that letter. Our group has worked diligently with what we feel are legitimate problems. First and foremost is **Fair Market Value** of properties in our area. To this end we have tried all levels of government including the appeals process, county commission meetings and meetings with the Property Valuation Director and the Secretary of Revenue. Representative Wagnon apparently feels concern that government is not responding--citizens simply are not being heard. We thank her for this concern and for the time being allotted to us today.

Shawnee County is finally being audited. The audit is long overdue. This county had 13,339 Change-Of-Value protests. Currently we have over 5,000 Payments-Under-Protests. We understand Johnson county has less than 20 of the latter. Yet we are extremely concerned about this audit for the following reasons:

First, a PVD memo to the Governor's Task Force, dated September 13, 1991, recommended that the KSCAMA system be given an in depth review to "obtain defensible market values."

Second, a PVD memo to the same Task Force, dated October 8, 1991, recommended an in depth review of KSCAMA.

Third, a PVD memo to the same Task Force, dated November 6, 1991, stated the "existing computer system should be completely reworked..."

Fourth, the Attorney General has publicly asserted the system is unconstitutional because it is incapable of arriving at uniform and equal taxation.

Fifth, we have looked at audit reports from other counties. It appears the audit is merely a check on how diligently the appraiser is using the CAMA system; **it is NOT an evaluation of Fair Market Value.**

Sixth, the people doing the audit are the same people who brought us the system. This is nothing but incest. Further, it has come to our attention that neither MAI employed by the state is planned to have any input to this audit of the state's premier county. We ask if it is fair to expect a completely objective analysis.

Seventh, we have a document with the letterhead removed stating to an unknown entity that:

1. "It is clear that many counties are not at market value";
2. "I am convinced that we will not see uniformity or any real close approximation to market value unless the State intervenes in the local appraisal process...";

*House Taxation  
Attachment 1  
01-21-92*

3. "there is a "lack of consistent use of all three approaches to value"...;
4. "a significant amount of the non-uniformity..is due in large part to the county's failure to do a final review.";
5. "Commercial property values are in essence all over the place.";
6. "At the current time, we are captives to CLT (Cole-Layer-Trumble) as they are the developer of the particular software."

Eighth, there have been real, or perceived, pressures upon the Shawnee County Commissioners by PVD. These include:

- A. Late night phone calls to relay messages not to fire the appraiser.
- B. PVD has told the commission the appraiser has been correct by ignoring some PVD Directives. This is so astounding we understand the Attorney General has been asked to investigate.
- C. PVD has told the Shawnee County Commissioners that their appraiser is the best in the state; yet the appraiser ignores the directives of PVD and the orders of BOE.
- D. PVD has told the commission that the appraiser has not done anything wrong.

**If you seek answers to the Reappraisal\Classification problems, why haven't you, or some committee responsible for good government, talked to the most highly trained people in PVD--the MAI's?**

1. Ask them about the values of Johnson County--the INDEX COUNTY for the CAMA System.
2. Ask them what the MAI's were doing between 1985-89 for the upcoming reappraisal\classification implementation.
3. Ask them explain what should be done on an audit.
4. Ask the Attorney General to testify before you and explain why the system is unconstitutional.
5. Ask the county commissioners why they blindly follow oral recommendations over directives without checking any outside source.
6. Ask about the "cooking" of the ratio; study values.
7. Ask why the State of Kansas allow violation of the law in 97 counties.

In closing, the state must assure that we have arrived at **Fair Market Value** in all counties before anyone will be able to determine the magnitude of error contained in the KSCAMA system. The legislature and the judiciary are the "watch dogs" over the administrative. We are asking for your help. Without accurate information, the direction for taxation and economic development in Kansas cannot be determined.



# Stephan says scrap present appraisal plan

■ Attorney general would file suit against the system, but he doesn't have the financial resources or manpower to prosecute

By ROGER MYERS  
The Capital-Journal

The present system of property appraisal and valuation in Kansas is unconstitutional and should be thrown out by a court, Attorney General Robert Stephan said Tuesday.

Stephan said the only reason he hasn't already filed a lawsuit against the system is he doesn't have the financial resources or manpower to prosecute a case of such enormity.

The attorney general acknowledged such a suit could lead to a new statewide appraisal of all real estate in Kansas. But, he said, that may be the only way to correct the widespread flaws in the current system.

The statewide reappraisal completed in 1989 required 3½ years to complete and cost approximately \$70 million in state and local funds.

"I consider the valuations and appraisals as they now exist to be unconstitutional," Stephan said.

"The state constitution calls for appraisal of property at fair market value, and requires the appraisals to be uniform and equal.

"I have been looking at situations around the state and also statements from people who have knowledge of the methods used to arrive at appraisals and I'm convinced that the appraisals are not in conformity with the constitutional mandate."

David Cunningham, director of the Property Valuation Division in the Kansas State Department of Revenue and the state's chief appraisal official, has acknowledged repeatedly the appraised values of many parcels in Kansas are inaccurate and the valuations of similar types of property in different counties lack uniformity.

Cunningham has proposed, and a gubernatorial task force on property taxes has recommended, radical reform of the existing system for appraising and valuing real estate for tax purposes. His reform program will be submitted to the 1992 Legislature for approval and funding.

One of the improvements Cunningham wants is 71 additional people for PVD who can compare the appraised value of real estate in all 105 counties of Kansas with actual sales of similar properties in those counties to ascertain the accuracy of the appraised values. PVD said in 1990 only seven counties complied with the allowable deviation above or below actual fair market value.

Continued from page 1-A

Stephan said there are three basic ways the state can correct flaws in the present appraisal and valuation system:

■ Administratively through the Property Valuation Division and county appraisers' offices.

■ Through the Legislature by enacting laws or placing a proposed constitutional amendment on the ballot that would correct the mistakes.

■ By having the attorney general file suit seeking to have the present system invalidated and a new statewide reappraisal conducted.

"Frankly, if I was able to file suit right now, that might be the best for everyone," Stephan said.

"My hesitancy is based on the overwhelming task of such a case and the resources I have to bring a case like that."

Stephan said he plans to discuss the issue with Cunningham and Mark Beshears, secretary of the department of revenue, before he takes any action in the matter.

"If they agree with us we'll see if there's some administrative way it can be worked out. And if there is, it ought to be done that way and certainly I'd wait on them to do it," he said.

"I presume anything that might be proposed by the department of revenue would have to go through the Legislature for approval and funding, so we'd be willing to wait and see if there was movement by the Legislature.

"But, if there wasn't any movement by the Legislature to correct the system, a court would have to end up deciding the question. We might, or might not, wait until the end of the session to file suit."

Stephan said his inclination to file a lawsuit wasn't meant to reflect negatively on the department of revenue.



# Appraisal critic pursues appeal

By FREDRICK JOHNSON  
The Capital-Journal

Taxpayer John Etzel had his day before the Shawnee County Commission on Thursday. Whether he receives any satisfaction will be decided next week.

Etzel, a frequent critic of county appraiser Gary Smith and the county's appraisal process, on Nov. 4 asked the commissioners to order corrections of what he considered clerical errors in the county appraiser's description of his residence at 3124 S.W. Chelsea Drive. The errors, he said, were inflating its appraised value and property taxes.

After waiting more than two months for a reply, Etzel asked commissioners Thursday to rule on his request or order Smith to provide them the information they needed to make a decision.

The commissioners instructed Smith to have the information ready

for the next commission meeting.

Smith disagreed with Etzel's assessment of the county's property description and said making the changes Etzel has requested wouldn't change the appraised value, because the property was appraised based on the sales of comparable houses, not on the cost approach. But Smith said he would make corrections in Etzel's property file if it contained errors.

Jack Bengé, a member of Kansans For Fair Taxation Inc., took advantage of the issue to repeat his request that the county fire Smith.

Etzel's situation, Bengé said, is just another example of Smith's failure to follow the law and directives from the Kansas Division of Property Valuation.

Commission Chairwoman Winnie Kingman, however, said state officials had told her not to put too much faith in some PVD directives and that Smith was one of the best

county appraisers in the state.

Whether he is or isn't, Kingman said, should be known when the PVD completes its audit of Shawnee County's appraisal process, which is to begin Tuesday.

Etzel also Thursday argued for a change in the county's procedure for handling requests for information under the state's open records law.

The county requires a notarized signature on a form certifying applicants aren't seeking the information for commercial purposes.

Use of a standard form and the requirement signatures be notarized are violations of state law and constitute public harassment, Etzel said.

A motion by Commissioner Eric Rucker to drop the notarized signature requirement died for lack of a second, but Rucker said he would request a legal opinion on the issue from the Kansas attorney general's office.

# County to negotiate hearings contract

By FREDRICK JOHNSON  
The Capital-Journal

Topeka attorney Wayne Probasco has been selected the most likely candidate to administer the first phase of an appeal process for Shawnee County property owners who paid 1991 taxes under protest.

The Shawnee County Commission on Thursday authorized a three-member committee of county department heads to begin contract negotiations with Probasco.

The committee — county appraiser Gary Smith, financial administrator Dennis Taylor and human resources director Charlie Wells — selected Probasco's from five pro-

posals.

If the committee can't negotiate a contract, Taylor said, it will recommend an alternate proposal. According to Taylor, committee members favor Probasco's proposal for conducting the hearings but his bid might snag negotiations.

Probasco will have to compromise on price if the committee is to recommend a contract, Taylor said.

More than 5,000 property owners have paid 1991 taxes under protest and challenged the basis of valuation. Their appeal process begins with informal hearings.

In the past, the county appraiser's staff and temporary employees have served as hearing officers for the

informal phase.

Smith, however, has said his staff is tied up with appraisal work and hearings on earlier appeals now before the Kansas Board of Tax Appeals and won't be available for the latest round of informal hearings.

The citizens' group Kansans For Fair Taxation Inc. has questioned the constitutionality of contracting the job out.

Rep. Clyde Graeber, R-Leavenworth, has asked the Kansas attorney general's office for a legal opinion on the issue.

Those dissatisfied with informal hearing results can take their case to the county commission then the Kansas Board of Tax Appeals.

January 16, 1992

Dear Legislator,

These are some of the people that are in positions of authority on PVD's Audit Team:

Russ Gibbs	Nancy Tomberlin
Larry Reynolds	Ken Coats
Jean Hostetler	Peter Davis
Brenda Layher	Virginia Daly

They also are greatly involved in policy development in PVD.

They all arrived at PVD on the coat-tails of George Donetello. They were instrumental in implementing and developing the **Computer Assisted Mass Appraisal (CAMA) System** which is now in use in all Kansas counties.

Their training and experience is exclusively in the area of the operation of this system. Many, if not all, did not meet the **minimum educational and experience requirements of PVD at the time they were first employed.** In view of the fact the Director has stated the aforementioned system is "flawed," and the Attorney General has said the same system is "unconstitutional," why are the people who brought us this methodology the same people who are auditing it?

Isn't it more reasonable, instead of using these individuals, to use an **MAI Appraiser** to implement a Market Value-Based System, as required by statute (KS 79-503a)? **Why have the only two MAI's presently employed at PVD been relegated to secondary duties?**

Your cooperation in answering these questions is sought. We feel we will not obtain an accurate audit in Shawnee county unless these questions are answered. We feel confident you will agree that only the best qualified people should perform this vital function.

Respectfully,

Board of Directors, Kansans for Fair Taxation, Inc.  
Anita Metz  
Larry Fischer, DVM  
Jack Berge



THIS IS THE SUMMARY OF SIX LETTER PRESENTED  
TO PVD DIRECTOR, CUNNINGHAM

The Shawnee County Appraiser has repeatedly and willfully failed to follow the Director's directive of July 12, 1990 requiring due deference to 1989\1990 appeal results. The appraiser has continued to ignore the directive in spite of repeated demands by, or from, the Board of Equalization.

The Shawnee County appraiser has willfully neglected to follow the statues, guidelines and directives in regard to the appraisal of exempt property. This disregard for statutory and contractual requirements has negatively impacted the appraisals of other commercial property in shawnee county.

The Shawnee County appraiser has willfully neglected to perform the mandatory requirement of final review. This violation of POD Guidelines and Maintenance Specifications has resulted in faulty appraisals in Shawnee County.

The Shawnee county appraiser has willfully neglected to enforce the July 2, 1990 PVD Directive regarding reserves for replacement. This has resulted in the over valuation of all commercial property in Shawnee county that were valued by the income approach.

The Shawnee county appraiser has willfully and repeatedly refused to allow taxpayers access to public information. This violation of guidelines and requirements has denied the taxpayers of Shawnee county basic appeal rights.

The Shawnee county appraiser has willfully and repeatedly ignored guidelines, directives, course material, and generally accepted appraisal practice in his development of capitalization rates for Shawnee county commercial property.



December 23, 1991

To: David Cunningham, Director  
Division of Property Valuation  
526-S Docking State Office Bldg.  
Topeka, KS 66612

From: Kansans For Fair Taxation, Inc.  
1834 NW Topeka Blvd, Suite 200  
Topeka, Kansas 66608

Subject: Shawnee County Appraiser

Director Cunningham,

We are cognizant that you have power and duty, pursuant to KSA 79-1404 tenth, to examine complaints of violation of laws for the assessment of property. It is our intention to register such a complaint.

The Shawnee County Appraiser has repeatedly and willfully failed to follow the Director's directive of July 12, 1990 requiring due deference to 1989\1990 appeal results. The appraiser has continued to ignore the directive in spite of repeated demands by, or from, the Board of Equalization.

Because of his repeated failure to follow the directive, we believe the county appraiser has violated the provisions of KSA 79-1456. We ask that you immediately investigate this willful neglect and remove the appraiser from office under the provisions of KSA 79-1473, and KSA 79-2919.

Please keep all correspondence in written form.

Respectfully submitted,

Board of Directors

Anita Metz

Larry Fischer

Jack Bengé

\*c: Shawnee County Commissioners  
Eric Rucker  
Winnie Kingman  
Velma Paris  
Secretary of Revenue  
Mark Beshears

December 27, 1991

To: David Cunningham, Director  
Division of Property Valuation  
526-S Docking State Office Bldg.  
Topeka, KS 66612

From: Kansans For Fair Taxation, Inc.  
1834 NW Topeka Blvd, Suite 200  
Topeka, Kansas 66608

Subject: Shawnee County Appraiser

Director Cunningham,

We are cognizant that you have power and duty, pursuant to KSA 79-1404 tenth, to examine complaints of violation of laws for the assessment of property. It is our intention to register such a complaint.

The Shawnee County appraiser has willfully neglected to follow the statutes, guidelines and directives in regard to the appraisal of exempt property. This disregard for statutory and contractual requirements has negatively impacted the appraisals of other commercial property in shawnee county.

Because of his repeated failure to follow the directives guidelines and statutes, we believe the county appraiser has violated the provisions of KSA 79-1456. We ask that you immediately investigate this willful neglect and remove the appraiser from office under the provisions of KSA 79-1473, and KSA 79-2919.

Please keep all correspondence in written form.

Respectfully submitted,

Board of Directors

Anita Metz

Larry Fischer

Jack Bengel

\*c: Shawnee County Commissioners  
Eric Rucker  
Winnie Kingman  
Velma Paris  
Secretary of Revenue  
Mark Beshears

December 31, 1991

To: David Cunningham, Director  
Division of Property Valuation  
526-S Docking State Office Bldg.  
Topeka, KS 66612

From: Kansans For Fair Taxation, Inc.  
1834 NW Topeka Blvd, Suite 200  
Topeka, Kansas 66608

Subject: Shawnee County Appraiser

Director Cunningham,

We are cognizant that you have power and duty, pursuant to KSA 79-1404 tenth, to examine complaints of violation of laws for the assessment of property. It is our intention to register such a complaint.

The Shawnee County appraiser has willfully neglected to perform the mandatory requirement of final review. This violation of PVD Guidelines and Maintenance Specifications has resulted in faulty appraisals in Shawnee County.

Because of his repeated failure to follow the directives guidelines and statutes, we believe the county appraiser has violated the provisions of KSA 79-1456. We ask that you immediately investigate this willful neglect and remove the appraiser from office under the provisions of KSA 79-1473, and KSA 79-2919.

Please keep all correspondence in written form.

Respectfully submitted,

Board of Directors

Anita Metz

Larry Fischer

Jack Bengé

cc: Shawnee County Commissioners  
Eric Rucker  
Winnie Kingman  
Velma Paris  
Secretary of Revenue  
Mark Beshears



January 2, 1992

To: David Cunningham, Director  
Division of Property Valuation  
526-S Docking State Office Bldg.  
Topeka, KS 66612

From: Kansans For Fair Taxation, Inc.  
1834 NW Topeka Blvd, Suite 200  
Topeka, Kansas 66608

Subject: Shawnee County Appraiser

Director Cunningham,

We are cognizant that you have power and duty, pursuant to KSA 79-1404 tenth, to examine complaints of violation of laws for the assessment of property. It is our intention to register such a complaint.

The Shawnee county appraiser has willfully neglected to enforce the July 2, 1990 PVD Directive regarding reserves for replacement. This has resulted in the over valuation of all commercial property in Shawnee county that were valued by the income approach.

Because of his repeated failure to follow the directives guidelines and statutes, we believe the county appraiser has violated the provisions of KSA 79-1456. We ask that you immediately investigate this willful neglect and remove the appraiser from office under the provisions of KSA 79-1473, and KSA 79-2919.

Please keep all correspondence in written form.

Respectfully submitted,

Board of Directors

Anita Metz

Larry Fischer

Jack Bengel

cc: Shawnee County Commissioners  
Eric Rucker  
Winnie Kingman  
Velma Paris  
Secretary of Revenue  
Mark Beshears

January 7, 1992

To: David Cunningham, Director  
Division of Property Valuation  
526-S Docking State Office Bldg.  
Topeka, KS 66612

From: Kansans For Fair Taxation, Inc.  
1834 NW Topeka Blvd, Suite 200  
Topeka, Kansas 66608

Subject: Shawnee County Appraiser

Director Cunningham,

We are cognizant that you have power and duty, pursuant to KSA 79-1404 tenth, to examine complaints of violation of laws for the assessment of property. It is our intention to register such a complaint.

The Shawnee county appraiser has repeatedly and systematically circumvented the hearing and appeals process. This violation of statute, guidelines and directives effectively denied appeal rights to property owners in Shawnee county.

Because of his repeated failure to follow the directives guidelines and statutes, we believe the county appraiser has violated the provisions of KSA 79-1456. We ask that you immediately investigate this willful neglect and remove the appraiser from office under the provisions of KSA 79-1473, and KSA 79-2919.

Please keep all correspondence in written form.

Respectfully submitted,

Board of Directors

Anita Metz

Larry Fischer

Jack Bengé

cc: Shawnee County Commissioners

Eric Rucker

Winnie Kingman

Velma Paris

Secretary of Revenue

Mark Beshears

January 13, 1992

To: David Cunningham, Director  
Division of Property Valuation  
526-S Docking State Office Bldg.  
Topeka, KS 66612

From: Kansans For Fair Taxation, Inc.  
1834 NW Topeka Blvd, Suite 200  
Topeka, Kansas 66608

Subject: Shawnee County Appraiser

Director Cunningham,

We are cognizant that you have power and duty, pursuant to KSA 79-1404 tenth, to examine complaints of violation of laws for the assessment of property. It is our intention to register such a complaint.

The Shawnee county appraiser has willfully and repeatedly refused to allow taxpayers access to public information. This violation of guidelines and requirements has denied the taxpayers of Shawnee county basic appeal rights.

Because of his repeated failure to follow the directives guidelines and statutes, we believe the county appraiser has violated the provisions of KSA 79-1456. We ask that you immediately investigate this willful neglect and remove the appraiser from office under the provisions of KSA 79-1473, and KSA 79-2919.

Please keep all correspondence in written form.

Respectfully submitted,

Board of Directors

Anita Metz

Larry Fischer

Jack Bengel

cc: Shawnee County Commissioners

Eric Rucker

Winnie Kingman

Velma Paris

Secretary of Revenue

Mark Beshears



January 15, 1992

To: David Cunningham, Director  
Division of Property Valuation  
526-S Docking State Office Bldg.  
Topeka, KS 66612

From: Kansans For Fair Taxation, Inc.  
1834 NW Topeka Blvd, Suite 200  
Topeka, Kansas 66608

Subject: Shawnee County Appraiser

Director Cunningham,

We are cognizant that you have power and duty, pursuant to KSA 79-1404 tenth, to examine complaints of violation of laws for the assessment of property. It is our intention to register such a complaint.

The Shawnee county appraiser has willfully and repeatedly ignored guidelines, directives, course material, and generally accepted appraisal practice in his development of capitalization rates for Shawnee county commercial property.

Because of his repeated failure to follow the directives guidelines and statutes, we believe the county appraiser has violated the provisions of KSA 79-1456. We ask that you immediately investigate this willful neglect and remove the appraiser from office under the provisions of KSA 79-1473, and KSA 79-2919.

Please keep all correspondence in written form.

Respectfully submitted,

Board of Directors

Anita Metz

Larry Fischer

Jack Bengel

cc: Shawnee County Commissioners

Eric Rucker

Winnie Kingman

Velma Paris

Secretary of Revenue

Mark Beshears

STATE OF KANSAS



J. R. (JACK) WEMPE  
REPRESENTATIVE, ONE HUNDRED THIRTEENTH DISTRICT  
BARTON & RICE COUNTIES  
895 MAIN, P O BOX 187  
LITTLE RIVER, KANSAS 67457

COMMITTEE ASSIGNMENTS  
MEMBER: AGRICULTURE  
ECONOMIC DEVELOPMENT  
LOCAL GOVERNMENT  
JOINT COMMITTEE ON ECONOMIC  
DEVELOPMENT

TOPEKA

HOUSE OF  
REPRESENTATIVES

Representative Jack Wempe and Representative George Teagarden respectfully request a committee bill be drafted which would provide the following:

1. A statewide 4% gross receipts tax on intangibles income in excess of \$10,000.00.
2. A return of all monies collected from this tax to the county treasurers through the LAVTR formula.
3. A suspension of the local option intangibles tax authority.

This tax would be collected by the state at the time income tax is paid, placed directly in the LAVTR fund, and distributed under the existing formula on the existing timetable.

It is our belief this proposal broadens the local tax base, recognizes ability to pay, relates tax to a stream of revenue, and treats all Kansas citizens equally.

We believe it protects the elderly and others on fixed incomes and does not discourage saving. We believe the property tax is regressive and needs to be reduced.

We thank you for your consideration.

---

Jack Wempe

---

George Teagarden

House Taxation  
Attachment 2  
01-21-92

STATE OF KANSAS



Mark A. Burghart, General Counsel  
Robert B. Docking State Office Building  
915 S.W. Harrison St.  
Topeka, Kansas 66612-1588

(913) 296-2381  
FAX (913) 296-7928

Department of Revenue  
*Legal Services Bureau*

**MEMORANDUM**

To: The Honorable Joan Wagon, Chairperson  
House Committee on Taxation

From: Mark A. Burghart, General Counsel  
Kansas Department of Revenue

Date: January 21, 1992

Subject: Proposed Legislation

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The Department of Revenue's proposed legislative package consists of six bills. Bill drafts have previously been provided to the Revisor of Statutes Office. We respectfully request that the bills be introduced and given favorable consideration by your committee. A brief synopsis of each of the bills is provided below.

- Proposed Bill No. 1. -- Amend K.S.A. 1990 Supp. 65-3424 to change the date for remitting the new tire fee to the 25th of the month following the month of sale.
- Proposed Bill No. 2. -- Amend K.S.A. 79-1107 to require a savings and loan association to elect to use either (1) the experience method; or (2) 5% to determine loss deductions for privilege tax purposes.
- Proposed Bill No. 3. -- Amend K.S.A. 79-1009 to increase the threshold for contracts from \$1,000 to \$25,000 before a nonresident contractor would be required to post a bond for payment of taxes.
- Proposed Bill No. 4. -- Combine K.S.A. 79-1481 and 79-1481a which pertain to appeals from class assessment changes to eliminate any possibility of conflicting interpretations.

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Proposed Bill No. 5. -- Amend K.S.A. 79-201g(b) to provide that "land" which is exempt from property tax because it is connected with the construction of a dam or reservoir does not include land improvements.

Proposed Bill No. 6.-- Enact new legislation which would authorize the Department of Revenue to relinquish the State's taxing jurisdiction on the federally-recognized Indian reservations in Kansas.

The Department would further request additional consideration of several bills carried over from the 1991 Session:

S.B. 213 -- (A) Requires invoices to separately state amount of sales tax collected; (B) eliminates the sales tax permit revocation hearing conducted by the director of taxation; (C) requires retailers to obtain exemption certificates within 60 days after notice from director; (D) eliminates waiver of interest after 48 months.

S.B. 215 -- (A) Further identify the individuals to be held responsible for collecting & remitting withholding tax; (B) create successor liability for unpaid withholding tax when a business is sold; (C) as a conformity measure, increase from 80% to 90% the amount of tax which is used to compute the underpayment of estimated tax penalty.

I would be happy to respond to any questions you might have.