

Approved

April 1, 1992

Minutes of the House Committee on Taxation. The meeting was called to order by Joan Wagnon, Chairperson, at 9:10 a.m. on Tuesday, February 4, 1992 in room 519-S of the Capitol.

All members were present except:

Rep. J. C. Long, excused.

Committee staff present:

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

Conferees appearing before the committee:

Larry Clark, Wyandotte County Appraiser  
David Cunningham, Director of Property Valuation  
Representative Denise Everhart  
Gayle Landoll, Marshall County Clerk and  
Legislative Committee Chairman of the Kansas  
County Clerks Association  
Mark Tallman, Kansas Association of School Boards  
Ron Smith, Kansas Bar Association  
Bill Waters, Property Valuation Department  
Ron Smith, Kansas Bar Association  
Steve Stotts, Director of Research Analysis for  
the Department of Revenue  
Nancy Hempen, Douglas County Treasurer and  
Vice-President of the Kansas County Treasurers  
Association  
Bev Bradley, Deputy Director of the Kansas  
Association Counties  
Eileen King, Riley County Treasurer

Representative Anthony Hensley requested the introduction of a bill replacing the Kansas vehicle personal property tax system with an annual fee system (Attachment 1). Rep. Jess Harder made the motion. Rep. Bob Krehbiel seconded the motion which carried.

Public hearings were opened on HB 2804, HB 2815, HB 2789, HB 2790, HB 2819, HB 2733 and HB 2821.

Larry Clark, Wyandotte County Appraiser and President of the Kansas County Appraisers Association, testified in regard to HB 2815, HB 2789 and HB 2790 (Attachments 2 and 3).

CONTINUATION SHEET

MINUTES OF THE House COMMITTEE ON Taxation, room 519-S, State-house, at 9:10 a.m. on Tuesday, February 4, 1992.

David Cunningham, Director of Property Valuation, testified in regard to HB 2815 (Attachment 4).

Representative Denise Everhart testified in favor of HB 2789 and HB 2790. She said HB 2790 would provide an incentive to counties in need of improving their appraisals. In response to a question, Rep. Everhart suggested putting a dollar cap on penalty fees to limit taxpayer liability.

Cunningham testified in favor of HB 2819 and HB 2821 (Attachments 5 and 6). He said HB 2819 would provide the necessary information to taxpayers for their appeals. He said it was patterned after a Florida law, but that it was not the same. Cunningham described the personal property tax payment schedule established by HB 2821. He said the three payment plan allowed counties to maintain the same revenue distribution scheme currently used.

Gayle Landoll, Marshall County Clerk and Legislative Committee Chairman of the Kansas County Clerks Association, testified in regard to HB 2819 (Attachment 7). She requested the committee delay action on the bill so further study of its ramifications can be made.

Mark Tallman, representing the Kansas Association of School Boards, testified on HB 2819 and HB 2821 (Attachments 8 and 9). He stated his concern that counties would have cash flow problems if HB 2819 and HB 2821 became law.

Bill Waters, Property Valuation Department, said HB 2733 cures a conflict developed out of the 1988 Kansas Legislative Session when duplicate statutes were passed in regard to KAPA.

Ron Smith, representing the Kansas Bar Association, spoke in favor of HB 2804.

Steve Stotts, Director of Research Analysis for the Department of Revenue, testified in regard to HB 2804.

Nancy Hempen, Douglas County Treasurer and Vice-President of the Kansas County Treasurers Association, testified in favor of HB 2821 (Attachment 10). Hempen noted that many Douglas County taxpayers have trouble paying the entire tax due at one time. In Douglas County, she said, 67% of the taxes were collected, but only 40% were paid in full. She said the bill is beneficial and may reduce

CONTINUATION SHEET

MINUTES OF THE House COMMITTEE ON Taxation, room 519-S, State-house, at 9:10 a.m. on Tuesday, February 4, 1992.

delinquencies because it would make it easier for taxpayers to pay.

Bev Bradley, Deputy Director of the Kansas Association of Counties, testified against HB 2815, HB 2790 and HB 2789 (Attachment 11).

Eileen King, Riley County Treasurer, testified in favor of HB 2821 (Attachment 12). She said the bill was pro-taxpayer and pro-county government because it would reduce the tax burden during the holidays, but it would not affect the cash flow of the counties.

The public hearings on HB 2804, HB 2815, HB 2789, HB 2790, HB 2819, HB 2733 and HB 2821 were closed.

Committee minutes for January 21, 22 and 23 were approved.

The meeting was adjourned at 10:30 a.m. The next meeting will be February 5.



GUEST LIST

COMMITTEE: House Deputation

DATE: 2/4/92

NAME (PLEASE PRINT)	ADDRESS	COMPANY/ORGANIZATION
Melody Vieux	P.O. Box 287 Jetmore, KS 67854	Hedgesman County Treasurer
Kirby L. Stegman		DoR
JANICE MARCUM	Topeka	DoR
Allen King	110 Courthouse Plaza <sup>Man, KS</sup>	Riley Co. Treasurer
Bill Walters	PVD	KDOR
Donna Ruppels	Topeka	KDOR
Rick Loraal	Topeka	Governor's Office
Barbara Butts	"	Dept of Admin
Larry Stoege	Topeka	KS State Assn
Garyn Stegatter	Ashland, KS	County Clerk's Assoc.
Wayle Landell	Marysville, KS	Marshall Co. Clerk
Dorothy Damborn	Steward County	clerk
David G. Loiselle	Cherokee County	Appraiser
Jane L. Martin	Logan County	County Clerk
Meredith Frueh	Rawlins Co. Atwood KS	County Clerk
Lisaki Seaman	300 N. Court City <sup>67701</sup>	Thomas County Clerk
Mary Ann Holapple	Severa, KS	Nemaha Co. ROD - <sup>Pres. KS</sup> ROD
Jessie Farmer	Lead KS 66048	Lea Co Reg'd Assn
Dinda Finchem	Marysville, KS	Marshall Co. ROD.
Sara F. Ullmann	Olatchi, KS	Johnson Co. ROD
KAREN FRANCE	TOPEKA	KAR
Dee Ann Wittman	Russell	R.O.D. Russell Co
Rose Ann Kuepp	Edwards County	ROD
Carolyn Johnson	Topeka	Board of Tax Appeals



GUEST LIST

COMMITTEE: House

Taxation

DATE: 2/4/92

NAME (PLEASE PRINT)	ADDRESS	COMPANY/ORGANIZATION
Linda McHenry	111 N. 1st	Grant Co. Clerk
Lucy Jordan	Wyanette County	Wyn. Co. Clerk
Lana Childen	411 N. 1st	Grant Co. Register of Deeds
Tom Whitaker	<del>Ks Motor</del> Topeka	Ks Motor Carriers Assn
Peggy J. McCullick	211 N. 1st	Ellis County Clerk
JERRY CLINGAN	TOPEKA	SANTA FE RY CO
Jim <sup>Mc</sup> Jordan	TOPEKA	OK & cover
Marion R Johnson	Lawrence	County Appraiser
Michael Montgomery	Girard	County Appraiser
JANET STUBBS	TOPEKA	HIBA OF KS.
Mark Tallman	<del>Ks</del> Topeka	KASIS
Kevin Forester	TOPEKA	Ks Longline Assn.
Heidi DeVore	Topeka	Vic Miller
Ruth Wehr	Topeka	League of Women Voters
Vic Miller	TOPEKA	SELF
AUSTIN NOTHERW	TOPEKA	KANSAS ASSOC EQUIPMENT DIST.
BEV BRADLEY	TOPEKA	KS ASSOC of COOKIES
Sharon L. Schulze	NORTON	Co. Commissioner -
NANCY WEEKS	SUBLETTE	COUNTY TREASURER
Larry Clark	Kansas City	County Appraisers Assoc
Alan Steppat	Topeka	Pete Mcbill & Associates
Lyle Clark	PUD	PUD
Cheryl Wedruski	Atwood	Lawler's Contractors
HAROLD PITTS	TOPEKA	AARP-CCTF



Revised Vehicle Registration Fee Proposal

January 31, 1992

Model Year	Count Class A (1 - 12)	Fee Class A	Revenue Class A	Count Class B (13 - 19)	Fee Class B	Revenue Class B	Count Class C (20-24)	Fee Class C	Revenue Class C	Count Class D (25-50)	Fee Class D	Revenue Class D
92 estimate	22763	300	6,828,900	37216	400	14,886,400	4271	500	2,135,500	365	600	219,000
92 actual	1483	300	444,900	6324	400	2,529,600	616	500	308,000	73	600	43,800
91	24246	275	6,667,650	43540	375	16,327,500	4887	475	2,321,325	438	575	251,850
90	28381	250	7,095,250	70747	350	24,761,450	7216	450	3,247,200	502	550	276,100
89	42073	225	9,466,425	48602	325	15,795,650	5837	425	2,480,725	530	525	278,250
88	56673	200	11,334,600	64585	300	19,375,500	5814	400	2,325,600	572	500	286,000
87	63851	175	11,173,925	48555	275	13,352,625	2055	375	770,625	401	475	190,475
86	92751	150	13,912,650	35707	250	8,926,750	1569	350	549,150	286	450	128,700
85	98328	125	12,291,000	30167	225	6,787,575	1411	325	458,575	243	425	103,275
84	106344	100	10,634,400	18013	200	3,602,600	877	300	263,100	202	400	80,800
83	78640	75	5,898,000	11562	175	2,023,350	696	275	191,400	153	375	57,375
82	72772	50	3,638,600	8251	150	1,237,650	473	250	118,250	107	350	37,450
81	75612	25	1,890,300	4858	125	607,250	289	200	57,800	45	250	11,250
80	75050	25	1,876,250	2415	75	181,125	199	150	29,850	12	200	2,400
79	104459	25	2,611,475	1300	50	65,000	217	100	21,700	12	150	1,800
78	87576	25	2,189,400	448	25	11,200	127	50	6,350	15	75	1,125
77	408485	12	4,901,820	912	12	10,944	76	12	912	41	12	492
Totals	1,439,487		112,855,545	433,202		130,482,169	36,630		15,286,062	3,997		1,970,142

Sales for rest of 92 Total Revenues: All Classes  
have been estimated 262,033,405

House Taxation  
Attachment 1  
02-04-92



# KANSAS COUNTY APPRAISERS ASSOCIATION

P.O. Box 1714  
Topeka, Kansas 66601

## EXECUTIVE COMMITTEE OFFICERS

LARRY CLARK  
President  
Wyandotte County Courthouse  
Kansas City, Kansas 66101  
913-573-2895

SAM SCHMIDT  
President Elect  
Riley County Courthouse  
Manhattan, Kansas 66502  
913-537-6310

MARK NIEHAUS  
Vice President  
Graham County Courthouse  
Hill City, Kansas 67642  
913-674-2196

MARK LOW  
Past President  
Meade County Courthouse  
Meade, Kansas 67864  
316-873-2206

## EXECUTIVE COMMITTEE BOARD MEMBERS

GARY SMITH  
(Northeast Region)  
Shawnee County Courthouse  
Topeka, Kansas 66603  
913-291-4103

JOE FRITZ  
(Southeast Region)  
Coffey County Courthouse  
Burlington, Kansas 66839  
316-364-2277

CARLA WAUGH  
(North Central Region)  
Jewell County Courthouse  
Mankato, Kansas 66956  
913-378-3271

NORMAN SHERMAN  
(South Central Region)  
Comanche County Courthouse  
Coldwater, Kansas 67029  
316-582-2544

ALAN HALE  
(Northwest Region)  
Norton County Courthouse  
Norton, Kansas 67654  
913-877-2844

GARY COLEMAN  
(Southwest Region)  
Hamilton County Courthouse  
Syracuse, Kansas 67878  
316-384-5451

To: House Taxation Committee

From: Larry Clark, Wyandotte County Appraiser

Date: February 4, 1992

Madame Chairperson and honorable members of this committee I appreciate the opportunity to offer testimony on the bills listed below.

My name is Larry Clark and I am here representing the Kansas County Appraisers Association as their president. Our executive board met briefly January 29 to discuss many of the proposals discussed below. I will deal with them as shown on the committee calendar.

House Bill 2815 - There is so much in this bill that it needs to be taken a section at a time. We favor the annual notification of all taxpayers of their classification and valuation, which section 1 implies. The dates of notification should be changed to assist both appraisers and taxpayers. The KCAA would favor a February 1 notification date for real estate in order to allow taxpayers more time to appeal. The notification date for personal property should be May 1 to allow taxpayers ample opportunity to return personal property assessment forms and

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appraisal offices to process them.

In section 2 we would favor extending the informal hearing process to the end of May which would allow more calendar days and therefore more time with each individual taxpayer. The 18 day period to notify the appraiser's office of the desire to appeal should be changed to a specific date such as May 1 for real estate and May 10 for personal property. The 18 day period requires additional, unnecessary, administration of this process. As far as personal property renditions are concerned, the counties effectively notify the taxpayers upon completion of the forms, which takes place as they are received.

Final delivery of appraisal rolls should not take place until June 30 or the last business day in June. That will allow the large majority of hearings at the county level to occur and the results processed which will eliminate the extra work required to adjust the certified roll. Electronic data processing allows the transfer of data from the appraiser's office to the clerk in a matter of minutes instead of days. Assuming the appraiser is monitoring the appraisal roll on a continuous basis, that roll could be transferred with no more lead time than that necessary to process the abstract.

With some misgivings about the loss of due process, the KCAA favors the testing of arbitration boards in selected counties as spelled out in Section 6. We have no comment on sections 4 or 5 or sections 7 - 11 except as they relate to the concept of appraisal districts, which is discussed elsewhere.

Section 12 appears to do away with protests of valuation which the KCAA strongly supports. Taxing entities are forced to

increase their budgets to account for tax revenue that is held in jeopardy and counties are forced to provide additional administration. If all costs were properly monitored, the cost of protests would likely offset any benefit individual taxpayers receive.

House Bill 2789 - Counties who are committed to the proposition of finding and maintaining market value will budget the extra cost which this bill will force on them. Market value is always subject to debate in which two reasonable people can disagree. On the other hand counties who want to avoid the cost will force their appraisers to give property whatever they want in the informal appeals process in order to avoid appeals to the state board, which will result in a shifting of the tax burden to those taxpayers who choose not to appeal and a general erosion of equity in those counties. They will be trapped, however, in the payment under protest process since the county can only recommend and the final determination may still require a hearing before the state board of tax appeals.

This bill forces taxpayers to bear an extra burden of either the cost of appeals by their fellow property owners, or the shifts caused by this newly created inequity or some combination of both.

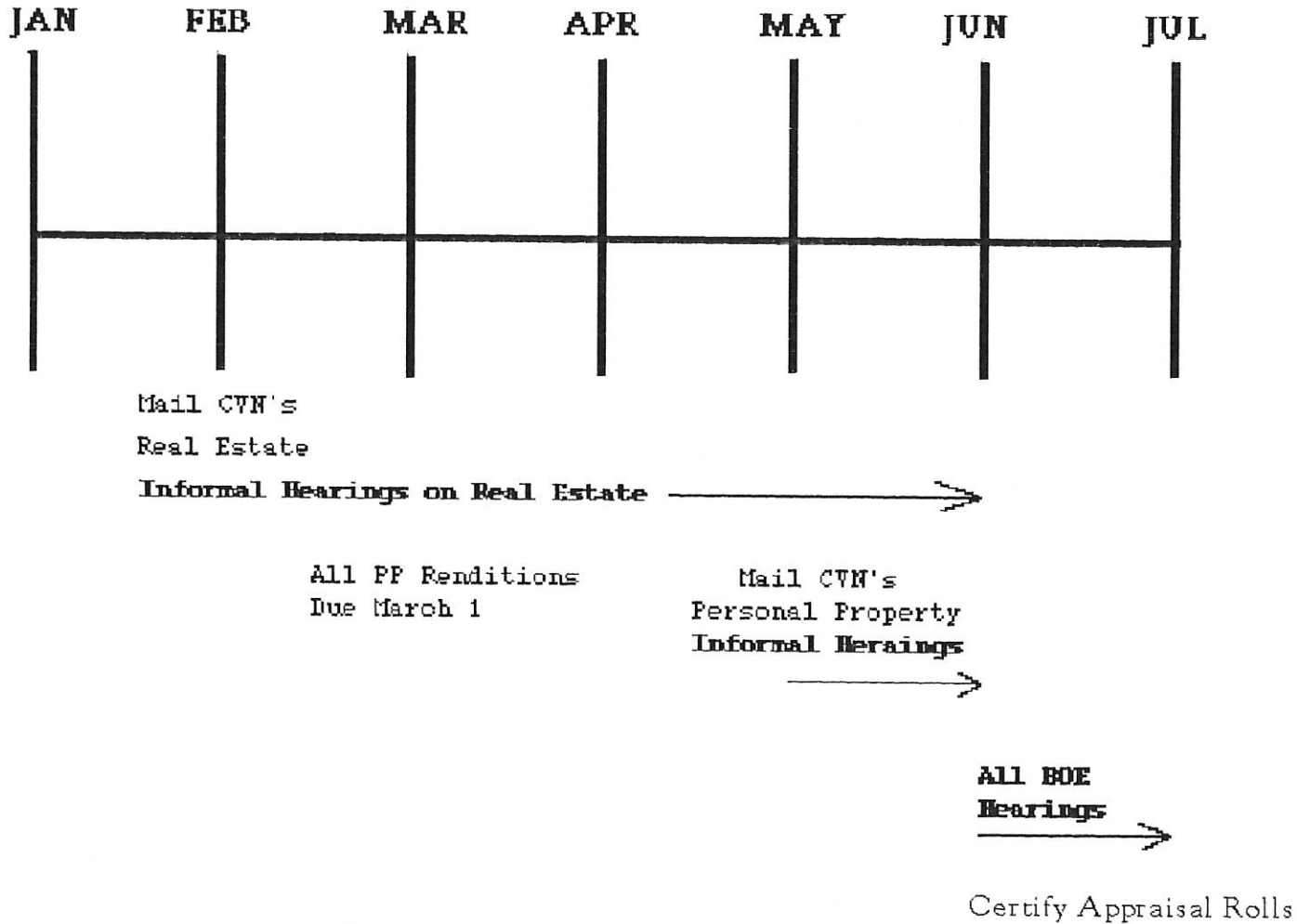
Finally, with all due respect to the present board, what qualifies the state board of tax appeals to make decisions on the fair market value of property? Are they required to be trained in real estate matters? What is there to assure taxpayers that their decisions are correct? If a county successfully appeals a state board decision to district court what happens to the award



of costs made by the state board?

House bill 2790 - Taxpayers will have their taxes increased significantly by this bill. The local charge for appraising a single family residence ranges from \$230 - \$300. The charge for commercial real estate ranges into the thousands of dollars. Therefore I will have to increase my current budget of \$1.6 million by \$2 million to account for the possibility of paying for these appeals and of course all of that will be added to local tax bills. In addition, a taxpayer faces the prospect of paying \$200+ for an appeal that previously cost him only his time. The only beneficiaries of this bill are the licensed appraisers hired to carry out its requirements.

# PROPOSED TIMELINE FOR VALUATION NOTICES AND EQUALIZATION APPEALS



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## SUMMARY H.B. 2815

I. BILL BRIEF: House Bill 2815 repeals the existing hearing and appeal processes and completely rewrites them. If enacted it would do the following:

1. Every taxpayer would receive a valuation notice annually. Real property notices would be required by March 1 and personal property notices would be required by April 1. The real property notice would contain the uniform parcel identification number. Both notices would apprise the taxpayer of the hearing and appeal process. The mailing of the notice would trigger the hearing and appeals process. The taxpayer would have 18 days to appeal such valuation to the county appraiser.

2. Upon appeal the county appraiser would hold an informal meeting with the taxpayer and could change the value as a result of such meeting. Real property informal meetings must be finished by April 15 and personal property informal meetings must be finished by May 15. Final determinations of value are due on real property on April 20 and on personal property on May 20.

3. The county appraiser would certify the property tax rolls to the county clerk on or before the last business day in May.

4. The taxpayer would have 18 days to appeal the final determination of value of the county appraiser to either a hearing officer or a hearing panel appointed by the board of county commissioners. In four counties the taxpayer could, at the taxpayer's option, submit the appeal to a binding arbitration board for resolution or appeal to the county or district hearing panel.

5. In four counties binding arbitration boards would be established as a pilot program for tax years 1993, 1994 and 1995. Each binding arbitration board would consist of three members, appointed by the state board of tax appeals, the director of property valuation and the county or district appraiser selection committee [Note: There is presently no county or district appraiser selection committee. It is recommended that the third member be appointed by the board of county commissioners.] In those four counties any taxpayer could appeal the final determination of the county appraiser to the binding arbitration board. A final nonappealable

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decision would be mandatory within 15 day of the hearing before the binding arbitration board or on or before July 5 of the tax year, whichever date is earlier.

6. County Commissioners would appoint hearing officers or hearing panels to hear appeals from the final determination of the county appraiser. All hearing officers and hearing panel would adjourn on or before the last business day in June. All decisions would be mailed to the taxpayer on or before July 5.

7. Taxpayers aggrieved by the decision of the county hearing officer or panel could appeal their decision to the board of tax appeals within 30 days of the date of the order.

8. Interest would be paid on all valuation appeals filed with the board of tax appeals which result in a refund of taxes if the order of the board of tax appeals is issued more than 60 days after the matter is fully submitted to the board.

9. Payment under protest is limited to illegal levies. The written statement of protest is filed with the county treasurer. Within 30 days of filing the written statement of protest the protester would be required to file an application for refund with the board of tax appeals.

## II. CHANGES FROM EXISTING LAW:

1. The valuation notice is now sent by some counties annually, but not by all. Under H.B. 2815, a notice would be sent annually. The notice dates are moved up one month (to March 1 from April 1 for real property and from May 1 to April 1 for personal property).

2. The appeal date from the valuation notice to the county appraiser is changed from 21 days to 18 days. The county appraiser is given more time to complete informal meetings (expanded from May 1 under existing law to May 15). Also, informal meetings on personal property are given a definite cutoff date (May 15).

3. County Commissions no longer hear property tax appeals. Instead, county or district hearing panels are established as outlined above. There is no longer a county equalization function; however, the board of tax appeals would still have this duty.

4. Binding arbitration boards would be established as a pilot program in four counties. At this point I would recommend that this program be established in Lyon, Saline, Shawnee, and Ellis Counties.

5. The date by which the county clerk is required to prepare an abstract of the assessment rolls of the county is changed from July 1 to July 15.

6. The appeal time from the county or district hearing officer or panel is shortened from 45 days to 30 days.

7. Payment under protest is limited to illegal levies. The protest is limited to the first payment and must be filed on or before December 20.

III. RECOMMENDATIONS: I have brought a ballooned copy of H.B. 1815 for some changes, mostly technical in nature.

1. K.S.A. 79-306 must be amended to provide that all personal property renditions are due on or before March 1 (corporations presently file on April 1). This change is necessary because H.B. 1815 requires the valuation notice on personal property to be mailed by the county appraiser on or before April 1.

2. I recommend that all counties have the authority to unite to form hearing districts, subject to the approval of the director of property valuation. H.B. 2815 (§ 5) contemplates such authority being limited to counties with \_\_\_\_\_ or fewer parcels. Also, H.B. 2815 limits the maximum size of a district to \_\_\_\_\_ parcels.

3. There needs to be a provision in § 6 establishing the procedure to establish the salary for members of the binding arbitration boards. The balloon bill would give this authority to the boards of county commissioners in the counties wherein binding arbitration boards are established.

4. H.B. 2815 provides that the three members of the binding arbitration boards be appointed by the state board of tax appeals, the director of property valuation and the "county or district appraisal selection committee." Presently, there is no such entity as a "county or district appraisal selection committee"; thus, it is

recommended that the board of county commissioners of the four counties designate the third binding arbitration board member.

5. Page 4, line 43 to page 5, line 1, should be amended to read: "the [verified] certificate of the director of property valuation" instead of "authenticated by the official seal of the director of property valuation." There is no such seal in existence.



AN ACT relating to property taxation; concerning the hearing and appeals process; [amending K.S.A. 79-304 and] repealing K.S.A. 79-1466, 79-1467, 79-1601, 79-1603, 79-1604, 79-1609, 79-1610 and K.S.A. 1991 Supp. 79-1448, 79-1460, 79-1607 and 79-2005.

*Be it enacted by the Legislature of the State of Kansas:*

[New Section 1. K.S.A. 79-306 is amended to read as follows: K.S.A. 79-306. On or before March 1 of each year, or the next following business day if such date falls on a day other than a regular business day, every person, ~~except a corporation, domestic or foreign, in which case the filing date shall be on or before April 1, or the next following business day if such date falls on a day other than a regular business day,~~ required by this act to list property shall make and sign a statement listing all tangible personal property which by this act such person is required to list, either as the owner thereof, or as parent, guardian, trustee, executor, administrator, receiver, accounting officer, partner or agent, as the case may be, and deliver the same to the county appraiser of the county where such property has its situs for the purposes of taxation.]

Sec[.]tion ~~1~~[2]. The county appraiser shall notify each taxpayer in the county annually on or before March 1 for real property and April 1 for personal property, by mail directed to the taxpayer's last known address, of the classification and appraised valuation of the taxpayer's property. The term "taxpayer" shall be deemed to be the person in ownership of the property as indicated on the records of the office of register of deeds [or county clerk]. Such notice shall contain the uniform parcel identification number prescribed by the director of property valuation. Such notice shall also contain a statement of the taxpayer's right to appeal and the procedure to be followed in making such appeal. Failure

to receive such notice shall in no way invalidate the classification or appraised valuation.

Sec. 2[3]. Any taxpayer may appeal to the county appraiser from the classification or appraised valuation of the taxpayer's property by giving notice to the county appraiser within 18 days of the mailing of the classification and valuation notice. Upon receipt of said notice the county appraiser or the appraiser's designee shall set a time for an informal meeting with the taxpayer with reference to the property in question. In no event shall an informal meeting be scheduled to take place after April 15 for real property or May 15 for personal property, nor shall a final determination of classification and appraised valuation be given by the appraiser after April 20 for real property or May 20 for personal property. Any taxpayer who is aggrieved by the final determination of classification or appraised valuation of the county appraiser may appeal to the county or district hearing panel appointed as provided in section 4[5]. An informal meeting with the county appraiser or the appraiser's designee is a condition precedent to an appeal to the county or district hearing panel.

Sec. 3[4]. On or before the last business day in May the county appraiser shall deliver all appraisal rolls to the county clerk accompanied by a certification that such rolls constitute the complete appraisal rolls of the county.

Sec. 4[5]. The county appraiser, hearing panel and arbitration board shall adopt, use and maintain the following records, the form and method of use of which shall be prescribed by the director of property valuation:

- (a) Appeal form,
- (b) hearing docket, and
- (c) record of cases, including the disposition thereof.

The county clerk shall furnish appeal forms to any property owner who desires to further appeal to the county or district hearing panel as to the classification or appraised valuation of property by the county appraiser.

Any such appeal shall be filed with the county clerk within 18 days of the date that a notice of final determination of classification and appraised valuation was mailed to the taxpayer as provided in K.S.A. 79-1448, and amendments thereto.

Sec. 5[6]. The board of county commissioners of each county shall appoint at least one county hearing panel of not fewer than three individuals to hear and determine appeals from the final determination of classification and appraised valuation of real or personal property by the county appraiser. Provided, however, the board of county commissioners ~~of counties having fewer than \_\_\_\_\_ parcels of real property,~~ with the approval of the director of property valuation, may unite with the board of county commissioners of one or more counties to form a district for the purpose of appointing at least one district hearing panel of not fewer than three individuals. ~~No district shall consist of more than \_\_\_\_\_ parcels of real property.~~

The board of county commissioners shall fix the salary to be paid each member of the county hearing panel. In the case of district hearing panels, the salary to be paid each member of the district hearing panel shall be fixed by joint resolution by the boards of county commissioners published in the official county newspaper of each county.

No person may serve on the county or district hearing panel who is not qualified by virtue of experience and training in the field of property appraisal and property tax administration, such qualifications to be determined by the director of property valuation who shall prescribe guidelines governing the duties of the county and district hearing panels. Each member of the county or district hearing panel shall attend and complete a training program conducted by the director of property valuation or the director's designee. Any person who has performed an appraisal of any property the appraised valuation of which is appealed to the county or district hearing panel shall recuse himself or herself from hearing such appeal and may not participate in any deliberations on such appeal.

The director of property valuation shall prescribe guidelines governing the duties of the county and district hearing panels.

Sec. 6[7]. Binding arbitration boards consisting of persons qualified by virtue of experience and training in the field of property appraisal and tax administration shall be established on or before January 15, 1993, in \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_ and \_\_\_\_\_ counties. [The board of county commissioners of each county in which binding arbitration boards are to be established shall on or before December 15, 1992, and on or before December 15 of each ensuing year, by resolution fix the salary to be paid each binding arbitration board member and notify the board of tax appeals and the director of property valuation of the amount thereof.] Each binding arbitration board shall consist of three members appointed annually on or before January 15, one of which shall be appointed by the state board of tax appeals, one of which shall be appointed by the director of property valuation and one of which shall be appointed by the [board of] county [commissioners of the county in which the binding arbitration board is to set] or ~~district appraiser selection committee.~~ ~~The county clerk or the county clerk's designee shall serve as clerk of the binding arbitration board.~~

The county clerk shall furnish arbitration forms to any property owner who desires to submit the final determination of classification and appraised valuation by the county appraiser to binding arbitration. The arbitration forms must be filed with the county clerk within 18 days of the date that a final determination of classification and appraised valuation was mailed to the property owner as provided in section 2. A request for binding arbitration shall be in lieu of an appeal to the county or district hearing panel as provided in section 3[4].

Every request for binding arbitration shall be promptly set for hearing by the county clerk. All such hearings shall be completed on or before the last business day in June. The county clerk shall notify the property owner and the county appraiser of the date for hearing at

least 10 days in advance of such hearing. Every request for arbitration shall be determined by order of the binding arbitration board and such order shall be recorded in the minutes of such board on or before July 5 and the binding arbitration board shall have no authority to be in session thereafter. Such recorded orders shall be open to public inspection. Notice of the decision of the binding arbitration board shall be mailed by the county clerk to the property owner and the county appraiser within 15 days of the hearing. The decision of the binding arbitration board shall be final and not subject to appeal.

The director of property valuation shall prescribe guidelines governing the duties of the binding arbitration boards.

The provisions of this section shall apply to all taxable years commencing after December 31, 1992, through December 31, 1995.

Sec. 7[8]. The county or district hearing panel shall hear and determine any appeal made by any taxpayer or such taxpayer's agent or attorney as provided in section 4.

Every appeal filed as provided in section 4 shall be promptly set for hearing by the county clerk. All such hearings shall be completed on or before the last business day in June. The county clerk shall notify each appellant and the county appraiser of the date for hearing of the taxpayer's appeal at least 10 days in advance of such hearing. Every such appeal shall be determined by order of the county or district hearing panel and such order shall be recorded in the minutes of such panel on or before July 5 and the county or district hearing panels shall have no authority to be in session thereafter. Such recorded orders shall be open to public inspection. Notice as to disposition of the appeal shall be mailed by the county clerk to the taxpayer and the county appraiser within five days after the determination by the county or district panel.

The county or district panel shall provide for sufficient evening and Saturday meetings for the performance of its duties as shall be necessary to hear all



parties making requests for such evening or Saturday meetings.

Sec. 8[9]. The county clerk, immediately after the county or district panel shall have completed its labors, shall prepare an abstract of the assessment rolls of the county and forward it to the director of property valuation on or before July 15. Said abstract shall be made in the form prescribed by the director of property valuation and shall give the information asked by the director of property valuation under the various subjects fully and completely as required. The director shall have authority to prescribe a statewide database format. The abstract on motor vehicles will include only those motor vehicles assessed as of the date the abstract is prepared and until September 1, will be assessed and added or subtracted from the original assessment allowing an additional valuation to the abstracted figure on motor vehicles. Any motor vehicles acquired, purchased, traded or sold after the time the abstract is being prepared will be assessed and added or subtracted from the original assessment allowing an additional valuation to the abstracted figure on motor vehicles. After the levy is set according to law, valuations of motor vehicles shall be credited as supplementary assessments are now credited.

Sec. 9[10]. If any county clerk shall refuse or neglect to properly prepare an abstract of the assessment roll of the county and forward the same to the director of property valuation, as required by law, he or she shall forfeit to the state the sum of five hundred dollars, to be recovered in the name of the county commissioners by civil action before any court of competent jurisdiction, and the [verified] certificate of the director of property valuation, ~~authenticated by the official seal of the director of property valuation,~~ setting forth the failure of the clerk to comply with the provisions of said section, shall be prima facie evidence of such refusal or neglect, on the trial of such action.

Sec. 10[11]. Any appeal duly perfected not heard by the county or district hearing panel on or before the

date of final adjournment of the county or district hearing panel, shall be deemed to have been denied as of the date of final adjournment and the county or district hearing panel shall mail a notice of such denial to the taxpayer within five days after the date of final adjournment.

Sec. 41[12]. Any person aggrieved by any order of the county or district hearing panel may appeal to the state board of tax appeals by filing a written notice of appeal, on forms approved by the state board of tax appeals and provided by the county clerk for such purpose, stating the grounds thereof and a description of any comparable property or properties and the appraisal thereof upon which they rely as evidence of inequality of appraisal of their property with the board of tax appeals and by filing a copy thereof with the clerk of the county wherein the property is located within 30 days after the date of the order from which the appeal is taken. A county or district appraiser may appeal to the state board of tax appeals from any order of the county or district hearing panel.

A final order of the state board of tax appeals shall be mailed to the property owner, the county treasurer and the county appraiser within 60 days of the date an appeal was fully submitted to such board for final decision. Each final order of the state board of tax appeals shall state the date the appeal was fully submitted to such board. If taxes have been paid and the final order of the state board of tax appeals is not mailed to the property owner, the county treasurer and the county appraiser within 60 days of the date such appeal was fully submitted to such board and such order results in a refund of taxes interest at the rate prescribed in K.S.A. 79-2968, and amendments thereto, shall accrue and be paid on the refund from and after 60 days of the date such appeal was fully submitted to such board.

Any refund of property taxes resulting from a final order of the state board of tax appeals on any appeal filed as hereinbefore provided shall be processed by the [county clerk or] county treasurer as provided in section 11[13].

Sec. -12[13]. Any person, association, partnership or corporation may allege that any tax levy, or any part thereof, is illegal no later than December 20, by filing a written statement protest with the county treasurer, on forms approved by the state board of tax appeals and provided by the county treasurer, clearly stating the grounds on which the whole or any part of such taxes are protested and citing any law, statute or facts on which such taxpayer relies in protesting the whole or any part of such taxes.

Upon the filing of a written statement of protest, the county treasurer shall mail a copy of such protest to the governing body of the taxing district making the levy being protested.

Within 30 days after filing the written statement of protest, the protesting taxpayer must file an application for refund with the state board of tax appeals, on forms approved by the state board of tax appeals and provided by the county treasurer, together with a copy of the written statement of protest. If a protesting taxpayer fails to file an application for refund with the state board of tax appeals within the time limit prescribed, such protest shall become null and void and of no effect whatsoever.

Upon receipt of the application for refund, the board shall docket the same and notify the taxpayer and the county treasurer of such fact.

After examination of the application for refund, the board shall fix a time and place for hearing, unless waived by the interested parties in writing, and shall notify the taxpayer and the county treasurer of the time and place so fixed. The county treasurer shall then notify the clerk, secretary or presiding officer of the governing body of any taxing district affected by such application for refund, of the time and place for hearing.

When a determination is made as to the merits of the tax protest, the board shall render and serve its order thereon. The county treasurer shall notify all affected taxing districts of the amount by which tax revenues will be reduced as a result of a refund.

In the event the board orders that as refund be made and no appeal is taken from such order, the county treasurer shall, as soon thereafter as reasonably

practicable refund to the taxpayer such protested taxes from tax moneys collected but not distributed. Upon making such refund, the county treasurer shall charge the fund or funds having received such protested taxes.

Whenever, by reason of the refund of taxes from any fund, it will be impossible to pay for the imperative functions of such fund for the current budget year, the governing body of the taxing district affected shall issue no-fund warrants in an amount necessary to pay such refund. Such warrants shall conform to the requirements prescribed by K.S.A. 79-2940, and amendments thereto, except they shall not bear the notation required by such section and may be issued without the approval of the state board of tax appeals. The governing body of such taxing district shall make a tax levy at the time fixed for the certification of tax levies to the county clerk next following the issuance of such warrants sufficient to pay such warrants and the interest thereon. All such tax levies shall be in addition to all other levies authorized or limited by law and the tax levy limitations imposed by article 19 of chapter 79 of the Kansas Statutes Annotated, and amendments thereto, and K.S.A. 79-5001 to 79-5016, inclusive, and amendments thereto, shall not apply to such levies.

The county treasurer shall disburse to the proper funds all portions of taxes paid under protest and shall maintain a record of all portions of such taxes which are so protested and shall notify the governing body of the taxing district levying such taxes thereof and the director of accounts and report if any tax protested was levied by the state.

Sec. -13[14]. K.S.A. [79-304], 79-1466, 79-1467, 79-1601, 79-1603, 79-1604, 79-1609, 79-1610 and K.S.A. 1991 Supp. 79-1448, 79-1460, 79-1606, 79-1607, 79-2005 are hereby repealed.

Sec. -14[15]. This act shall take effect and be in force from and after its publication in the statute book.

**Change**

**Currently**

**HB 2819**

Taxing districts to submit proposed budget plus date, time, and place of hearing.

none

On or before July 15

County clerk prepare preliminary levies.

none

To be mailed on or before Aug. 1

County clerk to mail notices of proposed levies to owner of record

none

On or before August 1 (10 days prior to scheduled budget hearings.

County Commission to meet to budget and levy for county purposes.

1st Monday in August

1st Monday in September

Taxing districts to meet and prepare budget.

No later than August 1

No later than July 10

Publication of budgets

Weekly or daily newspaper of general circulation 10 days prior to hearing.

No publication--taxpayer may request copy of budget; \_\_\_\_\_ to furnish.

Hearings on budgets.

10 days prior to certification to county clerk.

10 days prior to certification to county clerk.

Taxing districts submit adopted budget.

August 25

September 15

County clerk set levies to fund budgets

After August 25 and before tax roll certified to treasurer on or about Nov. 1

no change

Levy to be made only if:

1. budget prepared
2. published an filed

proposed budget has been filed with clerk within time required in Sec. 1

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**Change**

**Currently**

**HB 2821**

Payment of taxes

1/2 on or before Dec. 20  
1/2 on or before June 20

1/3 on or before Dec. 20  
1/3 on or before Mar. 20  
1/3 on or before June 20

**Delinquent:**

Real: 1st half Dec. 21  
2nd half June 21

1st 1/3 Dec. 21  
2nd 1/3 Mar. 21  
3rd 1/3 June 21

accrued interest on 1st half and full tax  
delinquent June 21--interest compounded  
June 21

1st 1/3 to draw interest from due date until paid  
2nd 1/3 to draw interest from due date until paid

All real estate outstanding taxes and interest shall draw  
interest until paid from and after June 20.

Pers. Prop.: full amount due with  
interest Dec. 21--interest compounded  
June 21.

1st 1/3 is not paid on or before Dec. 20, full amount of  
outstanding tax and interest due.

2nd 1/3 is not paid on or before Mar. 20, full amount of  
outstanding tax and interest due.

All outstanding tax and interest shall draw interest from and  
after June 20 until paid.

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# Kansas County Clerks Association

February 4, 1991

To: House Taxation Committee  
Representative Joan Wagnon, Chairperson

From: Gayle Landoll, Marshall County Clerk and  
Legislative Committee Chairman, Kansas  
County Clerks Association

Re: House Bill 2819

The County Clerk's Association feels that House Bill 2819 has merit in it's attempt to keep each taxpayer personally informed, but we respectfully request further study be done to determine the answers to some of the questions we have.

We understand this bill was patterned after a similar law in Florida. The President of the County Clerk's Association has been in contact with county officials in Tallahassee, Florida and has obtained information on their proposed property tax notification process, but we have not had the opportunity to compare their procedures to those proposed in House Bill 2819, as yesterday was the first opportunity we had to see House Bill 2819.

One thing we ascertained was that Florida combines their "proposed tax notice" with their "change of value notice", thereby saving the cost of an additional mailing.

After quickly reading over House Bill 2819, we have identified the following concerns:

Where would the money come from to prepare and mail this notice? Would the counties be permitted to exceed the tax lid in order to levy the additional money needed? According to information available from my county treasurer's office, the cost of the form and the postage to mail the tax notices last year was approximately 46 cents per statement. The cost to a county the size of Marshall with approximately 10,000 real estate parcels would be \$4,600.00. (This amount would differ from county to county due to the lack of uniformity in the tax notices.)

If the cost of the notice is not outside the tax lid, shouldn't the other taxing districts (such as schools, cities, townships, etc.) share proportionately in the cost of this notification since they would no longer have the expense of publishing their notice of budget hearing?

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February 4, 1992

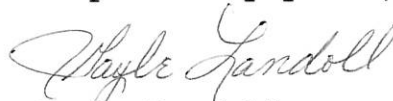
If the tax lid and other budget laws continue to be applicable for only one year at a time it will be difficult for all taxing districts to prepare and file their budgets with the County Clerk by the proposed date of July 15th. The budget forms are subject to change each year due to legislative action and therefore are not made available to the various taxing districts until after the legislature adjourns.

How would we handle the tax districts that overlap county boundaries, such as school districts and regional libraries? For example -- would the regional library file a copy of their budget with each County Clerk in their district or would the "home" County Clerk certify the proposed levy to the other County Clerks in that library district? Marshall County has 141 taxing units, 133 of which include the regional library. If I am unable to obtain the proposed levy for the regional library there are only 8 taxing units in which I would be able to process the proposed tax notice.

House Bill 2819 also states that "upon request, any taxpayer of the taxing district shall be furnished a copy of the proposed budget". Who provides this copy - the county or the tax district whose budget is requested?

We would respectfully request that a thorough research of the budget laws and related time lines be conducted to determine if there are conflicts or problems not readily identifiable before acting on this legislation.

Respectfully yours,



Gayle Landoll  
Marshall County Clerk  
KCCA Legislative Chairman



Testimony on H.B. 2819  
before the  
House Committee on Taxation

by

Mark Tallman, Coordinator of Governmental Relations  
Kansas Association of School Boards

February 4, 1992

Madam Chair, Members of the Committee:

We appreciate the opportunity to express our concerns about H.B. 2819.

First, as we understand the bill, the date school boards are required to submit a proposed budget would be moved up to July 15. This would shorten the time available for school districts to develop budget proposals following the completion of the Legislative session, unless the Legislature also move up its own timetable. In recent years, the final decisions on school budget controls and state funding have been occurring later in the year, rather than earlier.

Second, we would note that requiring districts to furnish a copy of the budget to any taxpayer making such a request could be quite expensive. These budget documents may run 50 pages or more. Currently, districts make these documents available for public study at some place in the district.

We ask the committee to weigh the additional complications and costs these actions would entail. We believe that current law provides adequate time and information for taxpayer consideration of budget proposals.

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Testimony on H.B. 2821  
before the  
House Committee on Taxation

by

Mark Tallman, Coordinator of Governmental Relations  
Kansas Association of School Boards

February 3, 1992

Madam Chair, Members of the Committee:

We appreciate the opportunity to present our concerns about H.B. 2821.

Allowing taxpayers to spread property tax payments over three dates instead of two would have two negative consequences for school districts.

First, by potentially reducing district income following the December payment date, districts could experience cash flow problems during the first quarter of the year. This is particularly true if payments of state aid are delayed, which has happened in the past.

Second, the delay in tax receipts may also cost districts interest earnings on those receipts. This would have the effect of reducing total district resources available; which could lead to higher property taxes the following year to make up the loss.

We understand that this bill could ease the payment problems of some taxpayers. It is important to understand, however, that this bill would likely have a negative fiscal impact on school districts.

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**Douglas County Treasurer**  
**DOUGLAS COUNTY COURTHOUSE**  
Eleventh & Massachusetts  
Lawrence, Kansas 66044

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TO: Joan Wagnon, Chairperson  
House Taxation Committee and Committee Members

FROM: Nancy Hempen, Douglas County Treasurer and Vice-President  
of the Kansas County Treasurers Association.

RE: HB 2821

I appear today in support of House Bill 2821, on behalf of Douglas County and the Kansas County Treasurers Association.

Two years ago I gave testimony relating to the 105 county treasurers and their staffs feeling the effects of reappraisal and dealing daily with confused, irate taxpayers. Today the situation is even more complex, as we are definitely feeling helpless to address these pleas.

At a time when "taxpayer relief" is one of the top legislative concerns, one form of relief, without harm to local units of government, would be to increase tax payments from 2 to 3 annually. Although, this does not decrease the total amount of tax dollars paid, it does relieve the taxpayer in the amount which must be paid at one time. By adding a third payment date, the effect would only be on those individuals that had the inability to pay half or full tax.

Nancy L. Hempen, County Treasurer  
Courthouse

Eleventh & Massachusetts / Lawrence, Kansas 66044 / (913) 841-7700

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This reduction should also decrease the percentage of taxes which are delinquent due to taxpayers inability to pay. The percentage of delinquent taxes is used in preparing budgets and is factored into the amount of tax levied. This should result in lower levy's to fund budgets and give additional relief to taxpayers by lowering payments (thirds) and lowering levies (delinquency factor.)

We believe this bill, using the December 20th, March 20th and June 20th dates, is a workable option and one that would not require legislators to re-write the many statutes pertaining to the annual tax cycle. The present statutes governing legal publications, or the distributions of tax revenue, or the statutes pertaining to the statutory dates for delinquencies (warrants, redemptions) could remain intact.

Your support and passage of HB 2821 will demonstrate to property taxpayers your awareness and concern to address some form of tax relief. It displays sympathy and understanding to our taxpayers, by introducing flexibility into a system of tax payment collections that is currently without options.



"Service to County Government"

1275 S.W. Topeka Blvd.  
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Barbara Wood  
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(316) 223-3800, ext 54

**NACo Representative**  
Keith Devenney  
Geary County Commissioner  
(913) 238-7894

**Executive Director**  
John T. Torbert, CAE

To: Representative Joan Wagon, Chairperson  
Members House Taxation Committee

From: Bev Bradley, Deputy Director  
Kansas Association of Counties

Re: HB 2815 hearings and appeals process, eliminating BOE  
HB 2790 appeals of appraised property, using an independent appraiser  
HB 2789 allowing BOTAs to require counties to pay cost of appeal

The Kansas Association of Counties opposes HB 2815, HB 2790 and HB 2789 for the following reasons.

HB 2815 would take the board of county commissioners out of the appeals loop and would require that if a taxpayer who is aggrieved by the final determination of classification or appraised valuation of the county appraiser wished to appeal to the county or district hearing panel such a panel would have to be established. This would incur additional costs to pay expenses for hearing panels in cases where the county may not normally use them. This process would be used for a quicker resolution to their grievance. It would also require the establishment of a board of binding arbitration. The bill outlines the qualifications for the arbitration boards and suggests using four counties as pilot projects. The KAC is concerned with the additional costs involved for counties with the salary and expenses of board of arbitration as well as hearing panels. KAC strongly opposes HB2815. We believe that county commissioners are as well trained and as knowledgeable as many other persons who might serve on the additional boards.

The Kansas Association of Counties also opposes HB 2789. This bill would allow the state board of tax appeals, if the taxpayer is successful in the prosecution of an appeal or protest, to award payment of all or any portion of the costs reasonably associated with and actually incurred by the taxpayer be made by the county. If the county position is

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upheld will the taxpayer pay the costs incurred by the county in going to the state BOTA? That would seem fair.

Counties would need to budget a very large amount of money for this cost since there is absolutely no way to tell how much would be needed. This is more unnecessary monetary obligation for counties and it is our opinion that this would not solve any of the current appeals problems.

The Kansas Association of Counties also opposes HB 2790. This again would be a financial burden on counties that is not in the best interest of good appraisal. This bill would require the county appraiser to contract with a state certified real estate appraiser to perform an independent appraisal of the property upon which the taxpayer was dissatisfied. If the difference between the appraisal of the county appraiser and the independent appraiser were 10 percent or more the cost would be borne by the county. There is no guarantee that the independent appraiser would be looking for fair market value. There is good indication that county appraisals would be influenced by the fear of incurring great expense paying for the independent appraisal of perhaps very large commercial property--like Goodyear for instance.

This bill would in no way improve the values placed on property by county appraisers and it would again be very costly for counties. KAC opposes HB 2790.

TSB2789

**OFFICE OF COUNTY TREASURER**  
**RILEY COUNTY**  
**MANHATTAN, KANSAS 66502**



TO: MEMBERS OF THE HOUSE TAXATION COMMITTEE  
FROM: EILEEN KING, RILEY COUNTY TREASURER  
DATE: FEBRUARY 4, 1992  
RE: HOUSE BILL 2821

Thank you for the opportunity to speak in favor of House Bill 2821 relating to the proposal of increasing the number of tax payments from two to three. This proposal has been a statewide effort of all County Officials. The only concept that is being proposed in this bill is the change from payment dates of December 20 and June 20 to payment dates of December 20, March 20 and June 20. All other aspects of the laws related to payments have been left intact.

As a County Treasurer, I am very aware of the problem that some people have in paying their taxes during the present economic times. This bill would help those people with financial problems, but not create financial problems for the County. Recently there have been many suggestions on how to help the taxpayers; this bill helps achieve that goal. I hope to explain how both the County and the taxpayers win with this solution.

By adding the third payment in March, it achieves several objectives. One is that the taxpayer only has to come up with one-third of the tax amount by December 20 rather than half. This should help ease their financial burden during the Holiday season. Another objective is for the solution to be revenue neutral to the Counties. Since the taxes collected in December will be less than under the present system, there will be less money to invest and earn interest. Herein lies a potential for a revenue loss by the Counties. But by getting the second payment on March 20, which is half way between the two present payment dates, it does not affect the cash flow for the County. The County has less money between December and March, but it has more between March and June. Inversely the taxpayer has more money between December and March and less from March until June. This solution is as revenue neutral as possible. Right now with the interest rate being so low, many Counties are already trying to

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figure out how to make up the loss. Another objective that is achieved is that all of the dates related to the tax roll can be left intact. Some proposals would make it necessary to rewrite all of the tax statutes, which would be very cumbersome and time consuming for all involved.

In Riley county 21% of the tax bills are paid in full in December, which amounts to 17% of the abstract. This percentage would not change because there are many considerations people make regarding the decision of whether to pay in half or in full. The majority of those paid in full are paid by mortgage companies, the others do so for income tax reasons. I feel that this percentage would be representative for the other 104 counties.

In conclusion, there have been many proposals for helping the taxpayers, but this one makes the most sense for everyone. Some plans would help the taxpayers, but would cost the counties a lot of money to implement them. We do not need a solution to a problem that only creates another problem as would be the case when more than 3 payments are suggested. Not all taxpayers will take advantage of the three payments. Those taxpayers that already pay their taxes in full in December will continue to pay them in full. Those that will benefit from this plan are the taxpayers that are having a difficult time coming up with the half payment all at once, especially in December. This would be one way to directly benefit the overburden taxpayer.

Thank you for your time. I would be happy to answer any questions you may have.