

Approved 2-4-92
Date

MINUTES OF THE SENATE COMMITTEE ON ASSESSMENT AND TAXATION

The meeting was called to order by Senator Dan Thiessen at
Chairperson

11:00 a.m./~~pm~~ on Thursday, January 30, 1992 in room 519-S of the Capitol.

All members were present except:

Committee staff present:

Bill Edds, Revisors Office
Don Hayward, Revisors Office
Chris Courtwright, Research Department
Tom Severn, Research Department
Marion Anzek, Committee Secretary

Conferees appearing before the committee:

Senator Don Montgomery, Sponsor of SB500
Don Christman, President - Wilcox Homes & R.V. Center, Inc.
Tommy McGeeney, President of KS Independent Automobile Dealers Assn.
Pam Somerville, Government Affairs Director - KS Motor Car Dealers Assn.
Bev Bradley, Deputy Director, KS Association of Counties

Chairman Dan Thiessen called the meeting to order at 11:08 and said the agenda for today is a hearing on SB500 and The Chairman recognized Senator Don Montgomery.

SB500: Relating to the taxation of certain motor vehicles; concerning calculation of the tax payable.

THE FOLLOWING CONFEREES ARE PROPONENTS OF SB500.

Senator Don Montgomery, Sponsor of SB500 said the bill will have a minimum effect as it would give help on the older model cars. He said, he feels we should consider automobiles as property, the same as other property for assessment and tax purposes. He said his proposed theory is to consider automobiles the same as other property, while it does not change tax on new vehicles. His handout is on Motor Vehicle Values showing current law (16% Depr) 20% Depreciation and the Difference by Counties. (ATTACHMENT 1)

Don Christman, President Wilcox Homes and R.V. Center, Inc. said SB500 accurately recognizes in an official way, what anyone who owns and pays taxes on a vehicle in KS has known for some time. (1) Excessive. (2) Significantly higher than surrounding states. (3) Causing our citizens to violate the law or move from the State.

Mr. Christman said the property tax on a \$50,000 vehicle is \$1,452 per year, with sales tax being \$2,625, a total of \$4,077 almost 8% of the cost of the vehicle.

He said, this causes many Kansans to buy in Missouri where no sales tax is collected by the retailer on vehicles, or they drive to Oregon and register without sales or property tax, or end up moving from Kansas. (ATTACHMENT 2)

Tommy McGeeney, President of KS Independent Automobile Dealers Association, representing over 200 used car dealers.

He said, one result of high property taxes on vehicles has been the withdrawal of a lot of potential buyers from the marketplace. He said, many feel it is too big a price to pay for the privilege of owning a newer vehicle, so the one's reaping the benefits are the mechanics, fixing up the older cars, and this has caused a shortage in the cars in the \$2,000 to \$5,000 price range.

He urged the committee to get something done, so they can see buyers back in the marketplace once again. (ATTACHMENT 3)

Pam Somerville, Government Affairs Director-KS Motor Car Dealers Association said she was testifying in support of SB500, but unfortunately, KS ranks at the top in the United States in the cost of registering a vehicle, and she said, they feel SB500 is a push in the right direction. (ATTACHMENT 4)

THE FOLLOWING CONFEEE IS AN OPPONENT OF SB500.

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON ASSESSMENT AND TAXATION,

room 519-S, Statehouse, at 11:00 a.m./~~pm~~ on Thursday, January 30, 1992

Bev Bradley, Deputy Director, KS Association of Counties said they are opposed to SB500 because of the loss of revenue for local governments. She said they know of no source from which to replace this revenue other than ad valorem property tax.

She said, the County Treasurers say it is as easy to administer vehicle tax from one formula as it is from another, so the administration of the formula change would not be a concern. **(ATTACHMENT 5)**

Terry Humphrey turned in **Written Testimon Only** for Ray and Helen Riner, owners - Riner's Camper Sales. **(ATTACHMENT 6)**

Chairman Thiessen concluded the hearing on SB500 and turned attention to the minutes dated 1-29-92.

Senator Audrey Langworthy moved to approve the minutes of January 29, 1992, 2nd by Senator Gerald Karr. The motion carried.

The Chairman adjourned the meeting at 11:45 a.m.

GUEST LIST

COMMITTEE: SENATE
ASSESSMENT & TAXATION

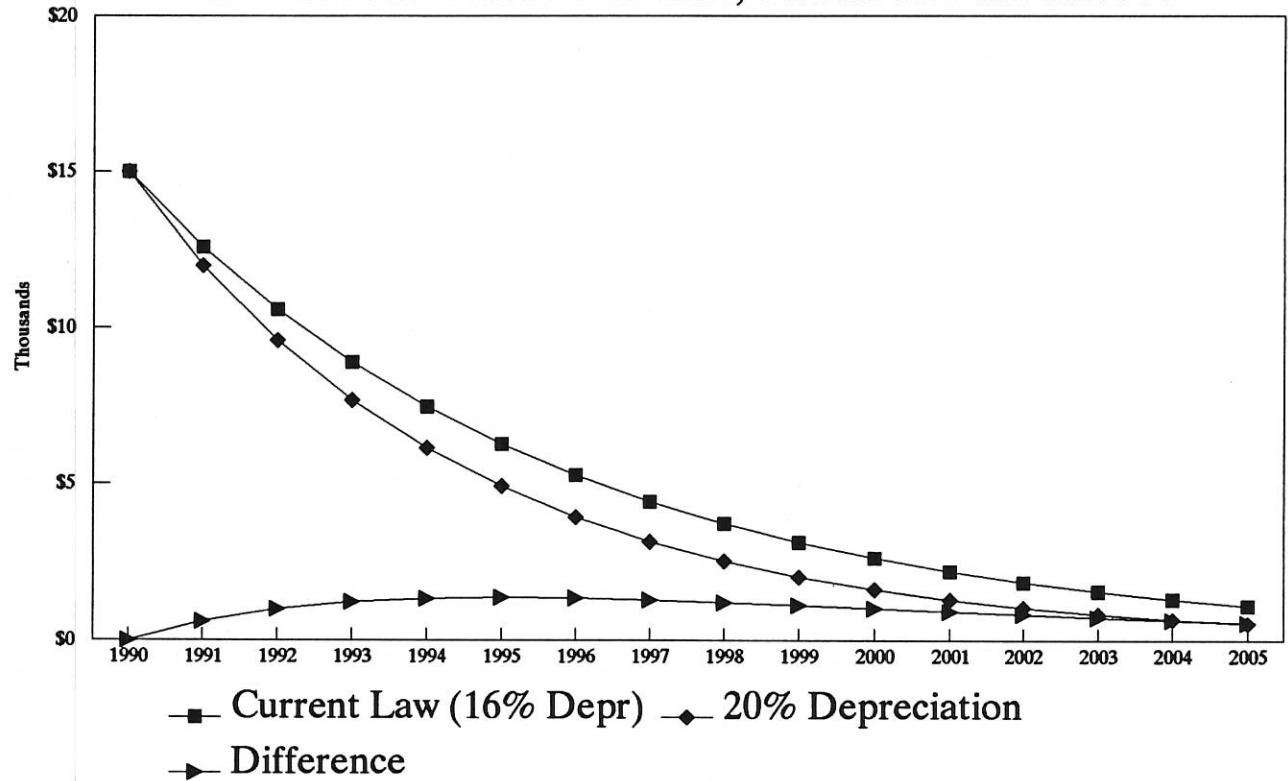
DATE: 1-30-91

NAME (PLEASE PRINT)	ADDRESS	COMPANY/ORGANIZATION
Alan Steppat	Topeka	Pete McGill & Associates
HAROLD PITTS	Topeka	AARP-COTF
Tommy Humphreys	Topeka	KMHA TV Council
DON CHRISTMAN	"	R.V. DEALER
JOANN HAMILTON	LYNDON	KANSAS COUNTY TREASURER ASSOC.
Amy Hoch	Manhattan	Intern
Steve Ast	Topeka	Revenue
MARK A. BURGHART	"	"
Steve Neske	Topeka	Revenue
Betty M'Bride	Topeka	Dept of Revenue
Rick Scheibe	Topeka	KDOR
Ken Clark	Topeka	KDOR
Pam Sonnenville	TOPEKA	Ks Motor Car Dir's
Tommy McGreenway	TOPEKA	Ks INDEP AUTO. DEAL ASSN
Jacquie Dales	Topeka	KIADA
KAREN FRANCE	TOPEKA	KAC
Curt Carpenter	Great Bend	West Plains
WALT DARLING	TOPEKA	DIVISION OF BUDGET
Amy Plugas	O.P.	Intern Langworth
Jim Kelle	Boonville	B.H.E.
Don Lindsay	OSAWATOMIE	UTU

Year	Value Current Law	Value @ 20% Deprec.	Difference in Value	% Difference
1990	15,000	15,000	0	0%
1991	12,600	12,000	600	5%
1992	10,584	9,600	984	9%
1993	8,891	7,680	1,211	14%
1994	7,468	6,144	1,324	18%
1995	6,273	4,915	1,358	22%
1996	5,269	3,932	1,337	25%
1997	4,426	3,146	1,281	29%
1998	3,718	2,517	1,202	32%
1999	3,123	2,013	1,110	36%
2000	2,624	1,611	1,013	39%
2001	2,204	1,288	915	42%
2002	1,851	1,031	820	44%
2003	1,555	825	730	47%
2004	1,306	660	646	49%
2005	1,097	528	569	52%
2006	NA	NA	NA	NA
2007	NA	NA	NA	NA
2008	NA	NA	NA	NA
2009	NA	NA	NA	NA
2010	NA	NA	NA	NA
2011	NA	NA	NA	NA
2012	NA	NA	NA	NA
2013	NA	NA	NA	NA

Motor Vehicle Values

1990 Class 17 Vehicle over Time, Current Law and S.B. 500



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 1-30-92
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MV/TxPropCmp/20%DPR18-9

nty	Baseline	20% DPR 18/9	Difference	% Change
Allen	\$1,650,053	\$1,458,176	(\$191,877)	(11.63%)
Anderson	\$712,456	\$632,924	(\$79,532)	(11.16%)
Atchison	\$1,703,960	\$1,491,200	(\$212,760)	(12.49%)
Barber	\$623,677	\$557,967	(\$65,710)	(10.54%)
Barton	\$3,555,586	\$3,158,238	(\$397,348)	(11.18%)
Bourbon	\$1,463,120	\$1,278,000	(\$185,120)	(12.65%)
Brown	\$1,051,361	\$925,730	(\$125,631)	(11.95%)
Butler	\$5,980,086	\$5,301,425	(\$678,661)	(11.35%)
Chase	\$290,528	\$255,458	(\$35,070)	(12.07%)
Chautauqua	\$418,129	\$372,901	(\$45,228)	(10.82%)
Cherokee	\$1,661,045	\$1,481,452	(\$179,593)	(10.81%)
Cheyenne	\$350,593	\$314,929	(\$35,664)	(10.17%)
Clark	\$308,190	\$274,622	(\$33,568)	(10.89%)
Clay	\$930,630	\$822,014	(\$108,616)	(11.67%)
Cloud	\$1,362,702	\$1,190,191	(\$172,511)	(12.66%)
Coffey	\$404,536	\$383,410	(\$21,126)	(5.22%)
Comanche	\$302,243	\$271,782	(\$30,461)	(10.08%)
Cowley	\$4,138,735	\$3,633,679	(\$505,056)	(12.20%)
Crawford	\$3,318,677	\$2,939,730	(\$378,947)	(11.42%)
Decatur	\$405,140	\$360,803	(\$44,337)	(10.94%)
Dickinson	\$1,843,916	\$1,633,368	(\$210,548)	(11.42%)
Doniphan	\$766,822	\$667,870	(\$98,952)	(12.90%)
Douglas	\$7,722,728	\$6,897,760	(\$824,968)	(10.68%)
Edwards	\$465,766	\$415,627	(\$50,139)	(10.76%)
Elk	\$319,352	\$282,823	(\$36,529)	(11.44%)
Ellis	\$2,532,261	\$2,249,037	(\$283,224)	(11.18%)
Ellsworth	\$719,242	\$639,379	(\$79,863)	(11.10%)
Finney	\$2,912,411	\$2,594,997	(\$317,414)	(10.90%)
Ford	\$3,038,450	\$2,676,372	(\$362,078)	(11.92%)
Franklin	\$2,291,184	\$2,011,648	(\$279,536)	(12.20%)
Genry	\$1,645,800	\$1,464,716	(\$181,084)	(11.00%)
Gove	\$354,776	\$318,876	(\$35,900)	(10.12%)
Graham	\$428,787	\$376,551	(\$52,236)	(12.18%)
Grant	\$463,438	\$431,925	(\$31,513)	(6.80%)
Gray	\$709,475	\$632,606	(\$76,869)	(10.83%)
Greeley	\$183,074	\$162,160	(\$20,914)	(11.42%)
Greenwood	\$894,616	\$778,831	(\$115,785)	(12.94%)
Hamilton	\$267,030	\$238,089	(\$28,941)	(10.84%)
Harper	\$837,275	\$740,518	(\$96,757)	(11.56%)
Harvey	\$3,594,336	\$3,142,157	(\$452,179)	(12.58%)
Haskell	\$289,425	\$267,822	(\$21,603)	(7.46%)
Hodgeman	\$332,183	\$293,271	(\$38,912)	(11.71%)
Jackson	\$1,141,151	\$991,712	(\$149,439)	(13.10%)
Jefferson	\$1,707,441	\$1,510,541	(\$196,900)	(11.53%)
Jewell	\$482,615	\$423,830	(\$58,785)	(12.18%)
Johnson	\$52,971,600	\$47,796,862	(\$5,174,738)	(9.77%)
Kearny	\$223,972	\$212,057	(\$11,915)	(5.32%)
Kingman	\$923,118	\$822,287	(\$100,831)	(10.92%)
Kiowa	\$386,209	\$349,811	(\$36,398)	(9.42%)
Labette	\$2,474,012	\$2,161,639	(\$312,373)	(12.63%)
Lane	\$357,154	\$317,041	(\$40,113)	(11.23%)
Leavenworth	\$5,280,232	\$4,680,964	(\$599,268)	(11.35%)
Lincoln	\$415,875	\$366,354	(\$49,521)	(11.91%)
Linn	\$535,924	\$489,707	(\$46,217)	(8.62%)

County	Baseline	20% DPR 18/9	Difference	% Change
Logan	\$339,033	\$301,269	(\$37,764)	(11.14%)
Lyon	\$3,657,869	\$3,217,994	(\$439,875)	(12.03%)
Marion	\$1,171,593	\$1,040,455	(\$131,138)	(11.19%)
Marshall	\$1,330,609	\$1,165,017	(\$165,592)	(12.44%)
McPherson	\$3,033,285	\$2,681,235	(\$352,050)	(11.61%)
Meade	\$417,759	\$377,474	(\$40,285)	(9.64%)
Miami	\$2,768,833	\$2,438,789	(\$330,044)	(11.92%)
Mitchell	\$861,780	\$760,686	(\$101,094)	(11.73%)
Montgomery	\$4,174,879	\$3,653,471	(\$521,408)	(12.49%)
Morris	\$660,720	\$583,927	(\$76,793)	(11.62%)
Morton	\$310,092	\$284,565	(\$25,527)	(8.23%)
Nemaha	\$1,014,046	\$895,780	(\$118,266)	(11.66%)
Neosho	\$2,219,572	\$1,939,744	(\$279,828)	(12.61%)
Ness	\$487,523	\$434,961	(\$52,562)	(10.78%)
Norton	\$623,512	\$546,804	(\$76,708)	(12.30%)
Osage	\$1,475,686	\$1,301,034	(\$174,652)	(11.84%)
Osborne	\$531,215	\$472,132	(\$59,083)	(11.12%)
Ottawa	\$651,363	\$579,472	(\$71,891)	(11.04%)
Pawnee	\$780,395	\$698,883	(\$81,512)	(10.44%)
Phillips	\$704,202	\$618,305	(\$85,897)	(12.20%)
Pottawatomie	\$1,087,483	\$992,567	(\$94,916)	(8.73%)
Pratt	\$1,216,122	\$1,081,328	(\$134,794)	(11.08%)
Rawlins	\$423,207	\$369,957	(\$53,250)	(12.58%)
Reno	\$7,322,978	\$6,445,691	(\$877,287)	(11.98%)
Republic	\$784,846	\$692,619	(\$92,227)	(11.75%)
Rice	\$1,090,551	\$966,647	(\$123,904)	(11.36%)
Riley	\$4,294,150	\$3,810,447	(\$483,703)	(11.26%)
Rooks	\$686,380	\$610,838	(\$75,542)	(11.01%)
Rush	\$391,215	\$346,765	(\$44,450)	(11.36%)
Russell	\$859,695	\$770,382	(\$89,313)	(10.39%)
Saline	\$5,514,600	\$4,902,286	(\$612,314)	(11.10%)
Scott	\$723,065	\$649,755	(\$73,310)	(10.14%)
Sedgwick	\$46,660,345	\$41,298,649	(\$5,361,696)	(11.49%)
Seward	\$1,767,486	\$1,576,533	(\$190,953)	(10.80%)
Shawnee	\$21,068,025	\$18,524,515	(\$2,543,510)	(12.07%)
Sheridan	\$363,243	\$318,440	(\$44,803)	(12.33%)
Sherman	\$725,844	\$643,388	(\$82,456)	(11.36%)
Smith	\$612,570	\$534,257	(\$78,313)	(12.78%)
Stafford	\$548,582	\$490,993	(\$57,589)	(10.50%)
Stanton	\$254,128	\$233,799	(\$20,329)	(8.00%)
Stevens	\$236,247	\$227,637	(\$8,610)	(3.64%)
Sumner	\$2,774,880	\$2,440,162	(\$334,718)	(12.06%)
Thomas	\$895,481	\$796,897	(\$98,584)	(11.01%)
Trego	\$375,753	\$331,017	(\$44,736)	(11.91%)
Wabaunsee	\$619,657	\$550,103	(\$69,554)	(11.22%)
Wallace	\$216,688	\$194,941	(\$21,747)	(10.04%)
Washington	\$679,935	\$591,887	(\$88,048)	(12.95%)
Wichita	\$347,958	\$307,858	(\$40,100)	(11.52%)
Wilson	\$959,645	\$842,523	(\$117,122)	(12.20%)
Woodson	\$377,708	\$334,861	(\$42,847)	(11.34%)
Wyandotte	\$16,668,306	\$14,472,061	(\$2,196,245)	(13.18%)
Total	\$277,903,836	\$246,485,639	(\$31,418,197)	(11.31%)

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TESTIMONY BEFORE THE SENATE
ASSESSMENT AND TAXATION COMMITTEE

TO: Senator Dan Thiessen, Chairman and
Members of the Committee

FROM: Don Christman, President
Wilcox Homes and R.V. Center, Inc.

DATE: January 30, 1992

RE: Senate Bill 500

I appreciate the opportunity to appear this morning to speak as a proponent of SB 500 and to ask you to amend SB 500 to provide even greater property tax relief on all titled vehicles. My name is Don Christman. I own Wilcox R.V. Center in Topeka and am Chairman of the Recreational Vehicle Council of the Kansas Manufactured Housing Association.

SB 500 accurately recognizes in an official way, what anyone who owns and pays taxes on a vehicle in Kansas has known for some time, vehicle taxes in Kansas are:

1. Excessive
2. Significantly higher than surrounding states
3. Causing our citizens to violate the law or move from the State.

Having said that, I don't think anyone would argue with number 1 or number 2, so let me address number 3 briefly.

Homer Gifford moved to Topeka in 1969, raised his family here, retired here and wanted to stay here. Homer's personal property consisted of two cars, one motorhome and a manufactured home that served as summer quarters in Topeka. One car and the motorhome were registered in Texas for two reasons:

1. He wintered in Texas six or more months a year and the motorhome and car were his residence and transportation respectively.

SENATE ASSES. & TX
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ATT. 2-1

2. He sought relief from the excessive tax on his motorhome and car.

The Shawnee County Treasurer threatened the Giffords with a lawsuit trying to force Kansas registration of the vehicles that were registered in Texas. Homer vowed to never pay Kansas tax again, and he won't. Homer Gifford is retired, has a comfortable income, is mobile and has cast his vote on taxation. Homer and his wife now reside in Grand Island, Nebraska.

The above scenario is real and unfortunately happening more and more. My typical customer is 55 years and older, mobile, and financially comfortable yet not rich. These people are made criminals for registering their vehicles out of state so they often give up on Kansas, and move to any one of the four surrounding states and find tax relief. Instead of fixing the problem two years ago we made these people even bigger criminals, if you will, by increasing the fine from \$500 to \$2,500 for not registering in Kansas.

How high is the personal property tax on a motorhome in Kansas? A medium price Class A motorhome would sell for around \$50,000 using a base price of \$41,000 times 30%, times the 1991 mill levy of 152.807 for Topeka, Shawnee County, yields a tax of \$1,452 or over \$121 per month. By comparison a conventional home would have to have an appraised value of \$66,500 to produce \$1,452 in real estate taxes.

Now lets look at the property tax on a towable recreational vehicle and you will see an even more exorbitant tax. Take a 1991 NuWa Champagne with a taxable value of \$31,800 times 30%, times the Topeka USD 501 mill levy of 181.91 and it yields a tax bill of \$1,736. By comparison a conventional home would have to have an appraised value of \$79,520 to provide a \$1,736 real estate tax.

Furthermore, the tax figure we just calculated does not take into account that there is a \$15,000 to \$20,000 truck that is used to pull the unit where as the motorhome is self contained.

How high is the personal property tax in Kansas? It is high enough that I regularly have customers tell me they can not buy my product because the personal property tax is too high. It is high enough that Kansas residents are registering their vehicles out of state. It is high enough that the Recreational Vehicle Council has been formed. A Council of R.V. dealers and manufacturers from across this state, to seek relief from the exorbitant and unfair personal property taxes levied against recreational personal property in this state.

I believe SB 500 identifies a class of property whose taxes are disproportionate to the use they receive or the value that they have. That class is vehicles to include all classes of recreational vehicles.

Imagine if you will that you are one of our Kansas citizens nearing retirement. Looking forward to having the time to travel, see the sights that you have read about, visit the kids, the lakes and in short, kick back and enjoy life. The lifestyle of choice, the R.V. lifestyle. Into the shopping mode, full of enthusiasm, you pick out a vehicle and are ready to make a deal.

You ask: "How much is the property tax on this \$50,000 vehicle?"

"A mere \$1,452 per year" the sales person replies.

You question: "So that's \$1,452 property tax payable up front at registration and we're paying how much in sales tax?"

"Only \$2,625" comes the reply.

You quickly figure: "Lets see \$2,625 plus \$1,452 equals \$4,077 That's nearly 8% of the cost of the vehicle!"

End of conversation...end of shopping..end of dream...end of opportunity for any Kansas retailer. End of the whole process unless, of course, our fictitious customer has done his homework:

1. They buy in Missouri (no sales tax collected by retailer on vehicles.
2. They drive to Oregon and register without sales or property tax: or they move from Kansas, such as Homer Gifford did.

The Kansas R.V. Council urges you to support the issue addressed in SB 500 and build on it with amendments to provide even greater property tax relief on all titled vehicles including travel trailers. Please don't allow this extreme tax to continue any longer. My business and the thousand of other people employed by the Kansas R.V. industry are depending on you to correct this very serious situation.

FIVE YEAR ILLUSTRATION
(Using Actual Sales/Millage Figures)

1985 Southwind 29V Motorhome
Sold new 2/16/85 for \$48,984
Re-sold used 2/15/90 for \$28,000

Assume Straight Line Depreciation:
 $\$48,984 - \$28,000 = \$20,984$ Depreciation
 $\$20,984 / 5 = \4196 per year

Assume a constant mill levy of 152.807 the current Topeka, Shawnee County, USD 501 Mill Levy, which is lower than the actual mill levy over the period in question.

Assume a base price of 75% of retail value as a book value for this propose.

	TAX PAID	
Sales tax 2/16/85		\$2,571.66
1st Year Taxes		
$\$48,984 (.75)(.30)$	$= \$11,021.40 (.152807)$	$= \$1,684.15$
2nd Year Taxes		
$\$48,984 - \$4,196 (.75)(.30)$	$= \$10,077.30 (.152807)$	$= \$1,539.88$
3rd Year Taxes		
$\$48,984 - \$8,392 (.75)(.30)$	$= \$9,133.20 (.152807)$	$= \$1,395.62$
4th Year Taxes		
$\$48,984 - \$12,588 (.75)(.30)$	$= \$8,189.10 (.152807)$	$= \$1,251.35$
5th Year Taxes		
$\$48,984 - \$16,784 (.75)(.30)$	$= \$7,245.00 (.152807)$	$= \$1,107.09$
TOTAL TAXES PAID OVER 5 YEARS		= \$9,549.75

Percentage of total taxes to original purchase price:
 $\$9,549.75 / \$48,984 = 19\%$

Vehicle driven 21,000 miles...cost per mile in taxes:
 $\$9,549.75 / 21,000 = \$.45$ cost per mile for taxes

Questions:

1. Can you see the taxes paid in the above illustration are in excess of what they should be?
2. Do you believe the State is:
 - A. Robbing our citizens of their choice of leisure time activity through taxation?
 - B. Affecting the sale of recreational vehicle products as a result of the exorbitant taxes they command?



KANSAS INDEPENDENT AUTOMOBILE DEALERS ASSOCIATION



Citizens Bank & Trust Building • 6th & Humboldt • Manhattan, Kansas 66502
Phone: 913-776-0044 FAX: 913-776-7085

January 30, 1992

TO: SENATE COMMITTEE ON ASSESSMENT AND TAXATION

SUBJECT: SB 500--CERTAIN MOTOR VEHICLES: CALCULATION
OF THE TAX PAYABLE

FROM: KANSAS INDEPENDENT AUTOMOBILE DEALERS ASSOCIATION

Mr. Chairman and Members of the Committee:

I am Tommy McGeeney, President, of Kansas Independent Automobile Dealers Association, representing over 200 used car dealers.

We would like you to know that anything that can be done to get the property tax reduced on automobiles will have our backing.

One result of these high property taxes on vehicles has been the withdrawal of a lot of potential buyers from the marketplace. Many feel it is too big a price to pay for the privilege of owning a newer vehicle. So, the only people that are reaping the benefits are the mechanics. Rather than replacing the car and paying the exorbitant property tax, they are fixing up their older car. This has caused a malaise in the consumer marketplace.

Consequently, this attitude of the potential buyer has caused a shortage of those cars in the \$2,000 to \$5,000 price range, and this has had another negative impact on the marketplace by forcing the price up on these cars.

The adverse perception of the public toward these property taxes is our biggest enemy. If you can do anything to lower these outlandish property taxes on vehicles, you will see a drastic change in the attitude of the potential buyer. It will adjust itself accordingly. You may recall what happened when the manufacturers first came out with rebates. It brought thousands of people into the dealerships. It is my opinion that if you get something done--if someone will bite the bullet and say "yes, we are going to do it"--then you will see buyers back in the marketplace once again.

Thank you for your time and consideration.
Individually we struggle to be heard—Collectively we cannot be ignored.

SENATE ASSES. & TAX

1-30-92

ATT. 3



KANSAS MOTOR CAR DEALERS ASSOCIATION

800 Jackson, Suite 808 • Topeka, Kansas 66612 • (913) 233-6456 • (800) 748-8201 (KS only) • FAX (913) 233-1462

January 30, 1992

TO: The Honorable Dan Thiessen, Chairman
Senate Taxation Committee

FROM: Pam Somerville, Government Affairs Director

RE: Senate Bill 500

Good morning Mr. Chairman and members of the committee. I am Pam Somerville, Government Affairs Director for the Kansas Motor Car Dealers Association. I appear before you today in support of Senate Bill 500.

Unfortunately, Kansas ranks at the top in the United States in the cost of registering a vehicle. The cost of taxes payable for the purchase of a motor vehicle continues to hinder sales in an already greatly depressed market. Our members have long felt that personal property taxes on vehicles are excessive, and we believe Senate Bill 500 is a push in the right direction.

Thank you, Mr. Chairman, for the opportunity to appear in support of SB 500.

SENATE ASSES. & FAX

1-30-92
ATT. 4



"Service to County Government"

1275 S.W. Topeka Blvd.
Topeka, Kansas 66612
(913) 233-2271
FAX (913) 233-4830

EXECUTIVE BOARD

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Marion Cox
Wabaunsee County Sheriff
Wabaunsee County Courthouse
Alma, KS 66401
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Vice-President
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Olathe, KS 66061
(913) 432-3784

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Roy Patton
Harvey County Weed Director
(316) 283-1890

Nancy Prawl
Brown County Register of Deeds
(913) 742-3741

DIRECTORS

Leonard "Bud" Archer
Phillips County Commissioner
(913) 689-4685

George Burrows
Stevens County Commissioner
(316) 593-4534

Dudley Feuerborn
Anderson County Commissioner
(913) 448-5411

Howard Hodgson
Rice County Commissioner
(316) 897-6651

Harvey Leaver
Leavenworth County Engineer
(913) 684-0468

Mark Niehaus
Graham County Appraiser
(913) 674-2196

Gary Watson
Trego County Treasurer
(913) 743-2001

Vernon Wendelken
Clay County Commissioner
(913) 461-5694

Barbara Wood
Bourbon County Clerk
(316) 223-3800, ext 54

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

Executive Director
John T. Torbert, CAE

TO: Senator Dan Thiessen, Chairman
Members Senate Assessment and Taxation
Committee

FROM: Bev Bradley, Deputy Director
Kansas Association of Counties

RE: SB 500 an act relating to the taxation of motor
vehicles

The Kansas Association of Counties is opposed to SB 500 because of the loss of revenue for local governments. We know of no source from which to replace this revenue other than ad valorem property tax. Increasing property tax is no more popular than paying high tax on motor vehicles.

The County Treasurers tell us that it is as easy to administer vehicle tax from one formula as it is from another, so the administration of the formula change would not be a concern.

The stated platform position of the Kansas Association of Counties is to oppose further narrowing of the tax base or revenue loss. Therefore we oppose SB 500.

TSBSB500

SENATE ASSES. & TAX
1-30-92
ATT. 5

1-29-92

ATTN: TERRY HUMPHREY
Reference to: Senate bill no. 500

Attention, the Senate and Assesement Taxation Committee
and Senator Dan Thiessen.

Subject: the issue of extremely high personal property tax,
and the tax burden of Kansas citizens.

To whom it may concern,

We are a local recreational vehicle dealer in the greater
Wichita, Ks area, and wish to make a few comments to your
committee.

Having just completed our Wichita RV Show, the number one
concern of Kansas citizens attending the show was the tre-
mendous personal property tax cost of purchasing a
recreational vehicle from a Kansas based dealer. The
comments most heard were, their plans to buy and title out
of state to save the high Kansas personal property tax. Or
due to the high Kansas personal property tax, they
could not afford to buy a new or late model RV.

Also, an alarming number of retired citizen are seriously
talking of selling all property owned and moving out of
state. The states most mentioned were: Oklahoma, Arkansas
or Missouri.

Our local business is hurting, and has been these last few
years, due to these high taxes and several dealers and
other such type businesses have gone out of business.

As concerned business people and property owners ourselves,
we can understand how the average tax payer is over burden
by our state's present tax laws. We know that you in the
policital arena are also concerned about how the voters are
thinking. We urge you to consider the present laws and how
you can ease the tax burdens of the citizens of this state.

Sincerely,



Ray and Helen Riner, owners
Riner's Camper Sales
6630 W. Kellogg
Wichita, KS 67209

SENATE ASSES. & TAX
1-30-92
ATT. 6