

Approved 2-6-92  
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. on Tuesday, February 4, 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 Janis Lee  
James Maag, KS Bankers Association  
Carlos Wells, KS Association Chiefs of Police  
Mark Burghart, General Counsel, Legal Services Bureau, Dept. of Revenue  
Senator Marge Petty, Chief sponsor of **SB503**  
Don Christman, R.V. Council  
Jacque Oakes, KS Independent Auto Dealers  
Bill Ledgerwood, President-Augusta R.V. Inc.  
Donald R. Seifert, Assistant Director, Adm. Services, City of Olathe  
Gerry Ray, Intergovernmental Officer, Johnson County Board of Commissioners  
Ann Smith, Legislative Director, KS Association of Counties  
Art Davis, Assistant to City Administrator of Lenexa  
Nancy Zielke, Director of Finance, City of Kansas City, KS  
Ernie Mosher, Research Counsel, League of KS Municipalities  
Glen Freel, Sales Representative, John Hoffer Chrysler/Plymouth, Topeka, KS  
Pam Sommerville, Government Affairs Director, KMCDA

Chairman Dan Thiessen called the meeting to order at 11:07 a.m. and said the agenda for today calls for bill requests and a hearing on **SB503**, he recognized Senator Janis Lee.

Senator Janis Lee said she has a request that would deal with a real estate affidavit that has to be signed and filled out when you sell property. She said, the P.V.D. worked the proposal for her. She said there were certain things that people had to fill in on the forms, and there was certain data being gathered, that in no way could be used for sales ratio.

She said **numbers 7, 8, 9, 10 and 11** has been added to, with reasons why one would not have to fill out the real estate sales value on the questionnaire. (**ATTACHMENT 1**)

Senator Janis Lee moved to introduce her proposal into bill form, 2nd by Senator Sheila Frahm. The motion carried.

James Maag, representing KS Bankers Association requested the introduction of a bill to amend 79-3102 relating to mortgage registration fees. He said, this is in light of (2) recent Attorney Generals opinions on this matter as to what the basis is for assessing these mortgage registration fees. He said, the present interpretation is such, that it is harmful to the customer which is the first to start paying this mortgage registration fee.

He said, the point is whether the fee is based on the entire amount of the loan or just that portion of the loan. (**ATTACHMENT 2**)

Senator Don Montgomery moved to introduce the request into bill form, 2nd by Sheila Frahm, The motion carried.

Carlos Wells, representing KS. Association Chiefs of Police and several other KS Police Associations said they are requesting a bill be introduced for a tax exemption for public safety by increasing the amount by 10%, which would be a maximum of 10% over the tax lid. (**NO WRITTEN TESTIMONY**)

Mark Burghart, General Counsel, Legal Services Bureau, Department of Revenue said the

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON ASSESSMENT AND TAXATION,

room 519-S, Statehouse, at 11:00 a.m./~~pm~~ on Tuesday, February 4, 1992.

Departments proposed legislative package for taxation issues consists of five bills. A brief synopsis of each of the proposed bills is provided in (ATTACHMENT 3) Mr. Burghart reviewed the proposals with the committee.

Senator Janis Lee moved to introduce all (5) bill request, 2nd by Senator Audrey Langworthy. The motion carried.

Chairman Thiessen turned attention to SB503 and recognized Senator Marge Petty.

SB503:Taxation of certain motor vehicles-calculation of tax payable.

**THE FOLLOWING CONFEREES ARE PROPONENTS OF SB305.**

Senator Marge Petty, Chief sponsor of SB305 said, her proposal is not intended to be considered in isolation of some of the other property taxation bills the committee is dealing with. Senator Petty went through her handout explaining: Why it is needed, What it does and What would be the results of the bill. (ATTACHMENT 4) She said attached to her handout is a print-out by Central Research Corporation of Topeka and part of the research they did by Congressional Districts, and the reverse side are some public views and opinions of different sources. She also passed out with her handout Motor Vehicle Tax Projections by Counties, done by P.V.D.

Don Christman, R.V. Council said he would refer the committee to the testimony which he gave on SB500 last week in this committee. He said, the recreational vehicle industries comments for SB503 would be the same. He said, he would like to correct a math error in last weeks testimony, on page 2 of his testimony, said the calculation would be \$1879. rather than the \$1452. in real estate taxes on a class A motorhome in KS. (NO WRITTEN TESTIMONY)

Jacque Oakes, KS Independent Auto Dealers, turned in written testimony only. (ATTACHMENT 5)

Bill Ledgerwood, President-Augusta R.V., Inc. turned in Written testimony only (ATTACHMENT 6)

**THE FOLLOWING CONFEREES ARE OPPONENTS OF SB503**

Donald R. Seifert, Assistant Director, Administrative Services, City of Olathe said the City of Olathe supports a system of fair motor vehicle taxation. However, he said, they believe the solution of perceived inequity in the present system should not come at the expense of local revenue. He asked the committee to find a "revenue Neutral" solution to this issue. (ATTACHMENT 7)

Gerry Ray, Intergovernmental Officer, Johnson County Board of Commissioners said the Johnson County Commission opposes SB503 because it is a reduction in revenues for the county. She said, the current mill levy in Johnson County on motor vehicles is (111). SB503 would result in a 10% decrease in motor vehicle receipts. She said, the 10% decrease would amount to approximately \$770,000 for just the Johnson County government and would be about \$5.M for all taxing units within the County. She urged the committee's opposition to SB503. (ATTACHMENT 8)

Ann Smith, Legislative Director, KS Association of Counties said the Counties will be suffering a loss of revenue. She said, there have been comments made about local governments tightening their belts, and she suggested the legislators communicate with their local governments because they have been tightening their belts the last few years.

She said, there are situations in law enforcement where they don't have the money to offer aid from their department. She said they are opposed to the bill because it would be an extreme loss of revenue. She said, until there is some sort of guarantee of replacement revenue, she see's nothing worth considering in these bills. (NO WRITTEN TESTIMONY)

Art Davis, Assistant to City Administrator of Lenexa said they are opposed to SB503 because of the residential, commercial and personal property taxes. He said one-third of their general fund revenue comes from property taxes, and all of their employee benefit fund and the death service fund revenue comes from property taxes. He said Johnson County has an average county mill levy of 111 mills and he said, a 10% reduction in Lenexa would be about \$100,000 they would lose. (NO WRITTEN TESTIMONY)

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MINUTES OF THE SENATE COMMITTEE ON ASSESSMENT AND TAXATION,

room 519-S, Statehouse, at 11:00 a.m./~~p.m.~~ on Tuesday, February 4, 1992

Nancy Zielke, Director of Finance, City of Kansas City, KS said the proposed cap of 100 mills would mean a reduction of 51.032 mills or 35% from the current average rate of 151.032. She said, the impact to the City of Kansas City, KS would mean an annual loss of \$1,750,000. (**ATTACHMENT 9**)

Ernie Mosher, Research Counsel, League of KS Municipalities said The League's convention-adopted Statement of Municipal Policy provides that "any changes to the state law levying the special, in lieu tax on motor vehicles should be revenue neutral to avoid further shifts to the general property tax.

He said, their analysis of 1990 average rates shows that only 12 counties, mostly rural, had an average tax rate of less than 100 mills, the lowest being Stevens County at 34.7 mills. In these counties, vehicle taxes would increase. In contrast, there were 43 counties, generally urban, with an average rate of more than 125 mills, the highest being in Cloud County at 164.2 mills. In those counties, the taxes paid, and local revenue, would drop significantly. (**ATTACHMENT 10**)

Glen Freel, Sales Representative, John Hoffer Chrysler/Plymouth, Topeka, KS said there are several bills for lowering personal property tax and he said, they do support **SB503**. He said, he did not know if the committee members are aware of just how many other jobs in the state are associated with the automobile industry and how this also, will affect the loss of revenue and sales tax in the depressed market that we have. (**NO WRITTEN TESTIMONY**)

Pam Somerville, Government Affairs Director, KMCDA turned in written testimony in **support of SB503**. (**ATTACHMENT 11**)

Senator Marge Petty moved to adopt the minutes of January 30, 1992, 2nd by Senator Audrey Langworthy. The motion carried.

Chairman Thiessen adjourned the meeting at 12:12 p.m..



AN ACT relating to property taxation; requiring sales validation questionnaires to be filed upon making transfers of title to real estate and providing for the administration thereof; amending K.S.A. 1991 Supp. 79-1437c, 79-1437e and 79-1437g.

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

Section 1. K.S.A. 79-1436 is hereby amended to read as follows: K.S.A. 79-1436. No deed or instrument providing for the transfer of title to real estate or affidavit of equitable interest in real estate shall be recorded in the office of register of deeds unless such deed, instrument or affidavit shall be accompanied by a completed real estate sales validation questionnaire by the grantor, [or] grantee ~~or his or her agent~~ concerning the property transferred. Such questionnaire shall not be filed of record by the register of deeds but shall be retained for a period of two years at which time they shall be destroyed. The register of deeds shall in conjunction with the county clerk use the information derived from such questionnaire in preparing the report to the director of property valuation as provided in K.S.A. 79-1436, and amendments thereto.

Sec. 2. K.S.A. 1991 Supp. 79-1437e is hereby amended to read as follows: K.S.A. 79-1437e. The real estate sales validation questionnaire required by this act shall not apply to transfers of title:

- (1) Recorded prior to the effective date of this act;
- (2) made solely for the purpose of securing or releasing security for a debt or other obligation;
- (3) made for the purpose of confirming, correcting, modifying or supplementing a deed previously recorded, and without additional consideration;
- (4) by way of gift, donation or contribution stated in the deed or other instrument;
- (5) to cemetery lots; ~~or~~
- (6) by leases and transfers of severed mineral interests:[;]
- [(7) when title is transferred to a trust;
- (8) as a result of a divorce settlement where one party transfers his or her interest in a property to the other party;
- (9) when a recording takes place solely for the purpose of creating a joint tenancy or tenancy in common;
- (10) sheriff's deeds;
- (11) deeds which have been in escrow for longer than five years.]

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Sec. 3. K.S.A. 1991 Supp. 79-1437g is hereby amended to read as follows: K.S.A. 79-1437g. Any person who shall ~~falsify the value of real estate transferred~~ [certify for filing a real estate sales validation questionnaire containing false information] shall ~~be deemed guilty of a misdemeanor and upon conviction thereof shall be fined not more than \$100~~ [forfeit not less than \$1,500 for each such offense, such penalty to be recovered in an action in the name of the state of Kansas and paid into the state treasury].

Sec. 4. K.S.A. 1991 Supp. 79-1437a, K.S.A. 1991 Supp. 79-1437e and K.S.A. 79-1437g are hereby repealed.

Sec. 5. This act shall take effect and be in force from and after its publication in the Kansas register.

**79-310:** Mortgage registration; fee exemptions; registered mortgage and note secured, exempt from additional taxation. (a) Before any mortgage of real property, or renewal or extension of such a mortgage, is received and filed for record, there shall be paid to the register of deeds of the county in which such property or any part thereof is situated a registration fee of \$ 26 for each \$100 and any fraction thereof ~~of the principal debt or obligation which is secured by such mortgage,~~ paid upon which no prior registration fee has been paid.

(b) As used herein, "principal debt or obligation" shall not include any finance charges or interest.

(c) In any case where interest has been precomputed, the register of deeds may require the person filing the mortgage to state the amount of the debt or obligation owed before computation of interest.

(d) No registration fee whatsoever shall be paid, collected or required for or on: (1) Any mortgage or other instrument given solely for the purpose of correcting or perfecting a previously recorded mortgage or other instrument; (2) any mortgage or other instrument given for the purpose of providing additional security for the same indebtedness, where the registration fee herein provided for has been paid on the original mortgage or instrument; (3) any mortgage or other instrument upon that portion of the consideration stated in the mortgage tendered for filing which is verified by affidavit to the principal indebtedness covered or included in a previously recorded mortgage or other instrument with the same lender or their assigns upon which the registration fee herein provided for has been paid; (4) any lien, indenture, mortgage, bond or other instrument or reimbursement nor for the note or other promise to pay thereby secured, all as may be assigned, continued, transferred, reissued or otherwise changed by reason of, incident to or having to do with the migration to this state of any corporation, by merger or consolidation with another domestic corporation as survivor, or by other means, where the original secured transaction, for which the registration fee has once been paid, is thereby continued or otherwise acknowledged or validated; (5) any mortgage or other instrument given in the form of an affidavit of equitable interest solely for the purpose of providing notification by the purchaser of real property of the purchaser's interest therein; (6) any mortgage in which a certified development corporation certified by the United States small business administration participates pursuant to its community economic development program; or (7) any mortgage for which the registration fee is otherwise not required by law.

(e) The register of deeds shall receive no additional fees or salary by reason of the receipt of fees as herein provided. After the payment of the registration fees as aforesaid the mortgage and the note thereby secured shall

of the following amounts, whichever is less:

- (i) the principal debt or obligation which is secured by such mortgage, or
- (ii) the maximum amount of indebtedness to be secured by the mortgage as indicated on the mortgage document.

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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 Dan Thiessen, Chairman  
Senate Committee on Assessment and Taxation

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

Date: February 4, 1992

Subject: Proposed Legislation

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The Department of Revenue's proposed legislative package for taxation issues consists of five 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 proposed bills is provided below.

- Proposed Bill No. 1 -- Enact new legislation to allow taxpayers to pay their state income taxes via a credit card.
- Proposed Bill No. 2. -- Enact new legislation to allow the electronic filing of individual income tax returns.
- Proposed Bill No. 3. -- Amend K.S.A. 70a-102 to clarify the proper manner in which sand royalties are to be distributed to local water districts.
- Proposed Bill No. 4. -- Enact legislation to enable the Department of Revenue to enter into reciprocal agreements with other states to allow the set-off of tax liabilities of other states; the other states would in turn set off Kansas tax liabilities.
- Proposed Bill No. 5. -- (A) Amend K.S.A. 79-3234 to allow a taxpayer's name, address and residency status to be released to the Department of Wildlife and Parks to be used

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by the Department's license fraud investigation unit; (B) amend K.S.A. 75-5133 to allow mineral production statistics to be released by the Department of Revenue as a public record.

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

MARGE PETTY  
SENATOR, 18TH DISTRICT  
SHAWNEE COUNTY



TOPEKA

SENATE CHAMBER

COMMITTEE ASSIGNMENTS  
MEMBER: ASSESSMENT AND TAXATION  
ECONOMIC DEVELOPMENT  
JUDICIARY  
LABOR, INDUSTRY AND SMALL BUSINESS  
LOCAL GOVERNMENT

SB503: Uniform Vehicle Tax

Why is SB503 needed?

- .Kansas ranks number one among 50 states in vehicle tax and fees.
- .Lack of uniformity of vehicle tax among counties is inequitable.
- .Kansas tax structure is too dependent on property tax.
- .Tax relief is the most direct when handled through vehicle tax reduction.

What does SB503 do?

- .Creates a uniform vehicle mil levy of 100 mils statewide. A car owner would pay the same taxes on the same car whether she/he was in Douglas or Marshall County.
- .Reduces property tax paid by vehicle owners by \$75 million statewide.
- .Provides property tax relief to vehicle owners in 96 counties.
- .Maintains progressivity of the current ad valorem tax structure. A person driving a more expensive car will pay more taxes.

What would be the results of this bill?

This proposal:

- .Provides direct property tax relief.
- .Provides a uniform tax system statewide.
- .Stimulates the economy by encouraging car purchases.
- .Encourages instate car registrations.
- .Reduces property dependence by local government \$75 million

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What opportunities does by SB503 provide?

- .Provides direct property tax relief.
- .Sets a higher expectation of dialogue between governments and community, with governments responsible for "selling" the funding of programs.
- .Encourages creating more flexible revenue options at a local level.

Should revenues be replaced?

Local options-

- .Tighten budgets.
- .Expand revenue sources through user and service fees.
- .Pursue voluntary service fees and payments-in-lieu of taxes.
- .Expand functional consolidation and interlocal agreements among local taxing units.
- .Examine tax abatements.
- .Shift from property to sales tax funding, requiring public approval and the selling of funding to the public.
- .Pursue delinquent taxes.

State options-

- .Give cities authority to raise sales tax in 1/4 cent increments, subject to a public vote. This raises about \$55 million statewide to remain with local government.
- .Review state mandates which are not funded.
- .State wide school levy with replacement dollars for schools.
- .\$30 to \$60 million non-tax revenue afforded by expanding investment authority of state treasure. (SB480)
- .Review delinquent taxes problem.

What is the most important problem or issue that needs to be addressed while the Kansas Legislature is in session this year?

- [multiple responses permitted]	StateWide	By Congressional District					By AGE				By GENDER	
	ALL	CD 1	CD 2	CD 3	CD 4	CD 5	18-29	30-44	45-64	65 +	Male	Female
	(n=500)	(98)	(99)	(102)	(100)	(101)	(45)	(164)	(158)	(130)	(245)	(255)
Property Taxes	43%	45%	45%	35%	43%	46%	40%	42%	39%	48%	47%	39%
School Funding/Education Costs	34%	36%	30%	39%	24%	40%	29%	34%	37%	32%	33%	35%
Taxes (non-specific)	17%	21%	4%	11%	19%	28%	13%	11%	19%	22%	16%	17%
The Economy	14%	13%	12%	17%	15%	11%	4%	18%	12%	13%	12%	15%
Medical & Health Insurance Costs	11%	14%	10%	8%	14%	9%	9%	12%	9%	14%	10%	12%
Jobs/Employment/Wages	11%	10%	7%	19%	8%	9%	13%	11%	13%	7%	14%	7%
Abortion	3%	1%	2%	7%	6%	0%	9%	5%	2%	1%	2%	4%
Homeless/Aged People	2%	3%	1%	2%	3%	3%	4%	2%	1%	4%	1%	4%
Income Taxes	1%	3%	1%	0%	1%	1%	2%	0%	2%	2%	2%	1%
Agriculture/Farmers	1%	2%	1%	2%	1%	0%	0%	1%	1%	2%	1%	1%

Others responses included: Crime; Highways; Child care; Environment; Sales Tax  
 Gambling; KPERS; Utilities; Liquor; Tort Reform;  
 plus more than a dozen other problems mentioned  
 only one time each.

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StateWide ALL =====	By Congressional District					By AGE				By GENDER	
	CD 1	CD 2	CD 3	CD 4	CD 5	18-29	30-44	45-64	65 +	Male	Female
(n=500)	(98)	(99)	(102)	(100)	(101)	(45)	(164)	(158)	(130)	(245)	(255)

Do you think public schools and local governments should continue to be funded mostly by property taxes...or...should funding be shifted to other types of taxes...like sales tax or state income tax?

Continue with Property Tax	17%	18%	14%	22%	13%	17%	20%	22%	17%	9%	19%	15%
Shift to Other Taxes	65%	60%	68%	52%	78%	67%	60%	66%	59%	72%	64%	65%
Don't Know	18%	21%	18%	26%	9%	16%	20%	12%	23%	19%	17%	20%

Would you describe PROPERTY TAXES in Kansas as...?

Reasonable	18%	21%	17%	27%	12%	12%	16%	18%	21%	15%	16%	20%
A Little Too High	29%	39%	21%	33%	28%	25%	47%	24%	34%	23%	32%	27%
Far Too High	50%	34%	59%	37%	57%	61%	31%	55%	42%	58%	50%	49%
[Don't Know]	3%	6%	3%	2%	3%	2%	7%	2%	3%	4%	2%	4%

Would you describe SALES TAXES in Kansas as...?

Reasonable	77%	72%	86%	68%	72%	85%	80%	78%	75%	77%	77%	76%
A Little Too High	16%	20%	8%	25%	19%	10%	18%	14%	18%	15%	15%	18%
Far Too High	6%	7%	5%	7%	6%	4%	2%	8%	4%	6%	7%	4%
[Don't Know]	1%	0%	1%	1%	3%	1%	0%	0%	3%	2%	1%	2%

Would you describe State INCOME TAXES in Kansas as...?

Reasonable	53%	48%	64%	56%	49%	47%	53%	52%	54%	50%	57%	49%
A Little Too High	27%	33%	22%	25%	26%	27%	29%	29%	25%	24%	24%	29%
Far Too High	13%	14%	10%	14%	15%	12%	13%	12%	16%	11%	12%	14%
[Don't Know]	8%	5%	4%	5%	10%	15%	4%	7%	4%	15%	7%	8%

MOTOR VEHICLE TAX PROJECTIONS

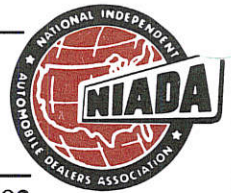
	<u>Projected CY91 Taxes</u>	<u>Projected CY92 Taxes</u>	<u>Projected CY93 Taxes</u>	<u>Projected CY93 Taxes at 100 mills</u>	
ALLEN	\$1,395,242	\$1,608,002	\$1,767,319	1,227,202	(540,117)
ANDERSON	625,219	694,799	911,632	676,702	(234,930)
ATCHISON	1,479,578	1,570,204	1,649,997	1,146,783	(503,214)
BARBER	539,224	556,363	613,908	538,262	(75,646)
BARTON	2,952,192	3,244,315	3,768,109	2,639,928	(1,128,182)
BOURBON	1,264,231	1,336,563	1,555,556	1,016,680	(538,876)
BROWN	851,090	1,059,295	1,252,213	897,336	(354,878)
BUTLER	5,096,458	5,566,652	6,355,055	4,615,093	(1,739,962)
CHASE	228,810	224,702	226,749	188,642	(38,107)
CHAUTAUQUA	355,373	388,625	455,303	360,141	(95,162)
CHEROKEE	1,413,185	1,532,152	1,695,909	1,569,128	(126,781)
CHEYENNE	288,305	329,797	368,794	355,155	(13,639)
CLARK	263,075	308,598	347,603	282,019	(65,584)
CLAY	806,332	852,529	972,625	710,838	(261,787)
CLOUD	1,136,271	1,288,160	1,502,030	832,855	(669,175)
✓ COFFEY	417,680	422,272	482,372	1,019,634	537,262
COMANCHE	256,202	270,206	295,175	244,480	(50,694)
COWLEY	3,575,949	3,881,369	3,478,028	2,760,832	(717,196)
CRAWFORD	2,767,585	3,034,806	3,358,703	2,639,542	(719,161)
DECATUR	323,280	380,618	454,663	351,912	(102,751)
DICKINSON	1,504,568	1,752,827	2,045,509	1,526,897	(518,613)
DONIPHAN	661,662	697,248	784,113	563,097	(221,016)
DOUGLAS	6,759,908	7,299,096	8,371,538	6,498,263	(1,873,275)
EDWARDS	361,027	457,059	508,506	405,143	(103,363)
ELK	332,944	309,544	364,889	274,067	(90,822)
ELLIS	2,130,433	2,333,531	2,822,359	2,240,367	(581,992)
ELLSWORTH	635,810	700,411	799,905	581,745	(218,160)
FINNEY	2,592,468	2,781,901	3,158,814	2,755,583	(403,230)
FORD	2,456,709	2,872,474	3,390,068	2,190,136	(1,199,932)
FRANKLIN	1,889,803	2,200,335	2,429,652	1,769,754	(659,898)
GEARY	1,535,117	1,531,519	1,825,347	1,454,039	(371,308)
GOVE	317,984	339,632	404,285	350,889	(53,396)
GRAHAM	368,234	386,271	399,019	302,906	(96,113)
GRANT	420,966	434,277	543,979	872,874	328,894
GRAY	612,679	700,701	758,672	615,678	(142,994)
GREELEY	172,443	184,847	190,477	188,022	(2,455)
GREENWOOD	783,984	793,747	926,235	577,537	(348,698)
HAMILTON	231,085	255,075	264,404	260,168	(4,236)
HARPER	737,040	801,227	881,476	678,902	(202,574)
HARVEY	2,982,944	3,498,369	3,726,991	2,498,346	(1,228,644)
✓ HASKELL	274,343	272,357	332,584	476,306	143,722
HODGEMAN	294,922	349,477	364,436	267,138	(97,298)
JACKSON	871,859	1,047,982	1,047,981	840,820	(207,161)
JEFFERSON	1,396,597	1,589,374	1,750,957	1,435,199	(315,758)
JEWELL	392,734	449,940	511,609	364,120	(147,489)
JOHNSON	44,774,203	49,265,347	55,431,325	46,853,524	(8,577,801)
✓ KEARNY	209,497	217,497	299,183	495,756	196,573
KINGMAN	830,541	878,838	966,773	825,524	(141,249)
✓ KIOWA	330,062	383,306	416,500	426,020	9,520
LABETTE	2,102,524	2,254,717	2,599,875	1,607,840	(992,034)
LANE	329,903	354,369	394,702	282,255	(112,447)
LEAVENWORTH	4,636,473	4,804,814	5,467,848	4,067,413	(1,400,435)
LINCOLN	339,517	383,530	420,237	292,553	(127,684)
✓ LINN	465,286	489,323	559,457	719,203	159,746
LOGAN	285,769	310,404	349,887	290,420	(59,467)
LYON	3,238,451	3,523,082	3,751,397	2,547,710	(1,203,687)
MARION	1,046,452	1,182,652	1,361,958	1,160,139	(201,819)
MARSHALL	1,121,975	1,290,448	1,364,894	1,017,242	(347,652)
McPHERSON	2,328,672	2,560,032	2,871,720	2,128,495	(743,224)

MOTOR VEHICLE TAX PROJECTIONS

	<u>Projected CY91 Taxes</u>	<u>Projected CY92 Taxes</u>	<u>Projected CY93 Taxes</u>	<u>Projected CY93 Taxes at 100 mills</u>	
MEADE	379,639	383,545	488,102	448,170	(39,932)
MIAMI	2,239,231	2,676,638	3,117,017	2,237,982	(879,035)
MITCHELL	749,126	857,490	1,000,132	716,856	(283,276)
MONTGOMERY	3,593,908	3,903,246	4,380,096	2,757,186	(1,622,910)
MORRIS	549,126	672,729	767,727	619,912	(147,815)
✓ MORTON	289,677	312,216	344,766	486,440	141,674
NEMAHA	827,636	997,409	1,171,428	1,031,524	(139,904)
NEOSHO	1,992,535	2,101,738	2,291,069	1,355,335	(935,734)
NESS	428,357	437,728	465,266	392,851	(72,415)
NORTON	570,070	597,590	692,942	483,161	(209,781)
OSAGE	1,244,141	1,368,612	1,510,945	1,314,028	(196,917)
OSBORNE	465,510	496,029	550,654	421,427	(129,227)
OTTAWA	496,351	573,040	600,575	447,283	(153,292)
PAWNEE	641,628	748,417	882,293	689,488	(192,806)
PHILLIPS	646,705	668,423	780,036	562,596	(217,441)
✓ POTTAWATOMIE	930,051	1,058,188	1,260,262	1,591,817	331,555
PRATT	1,079,280	1,132,455	1,297,208	926,798	(370,410)
RAWLINS	332,418	381,312	399,610	270,457	(129,153)
RENO	5,606,051	7,072,117	8,057,861	5,282,217	(2,775,644)
REPUBLIC	675,744	749,273	786,092	600,283	(185,809)
RICE	968,180	1,023,611	1,139,769	905,209	(234,560)
RILEY	3,625,506	4,131,962	4,807,935	3,340,746	(1,467,189)
ROOKS	635,529	645,380	702,355	595,668	(106,687)
RUSH	352,956	350,046	394,658	315,870	(78,789)
RUSSELL	882,953	842,847	1,041,337	835,965	(205,372)
SALINE	4,719,031	5,215,122	5,713,135	4,472,946	(1,240,190)
SCOTT	573,845	650,192	658,462	557,453	(101,009)
SEDGWICK	39,023,819	44,547,330	52,746,482	36,611,382	(16,135,100)
SEWARD	1,570,433	1,643,141	1,824,366	1,663,807	(160,560)
SHAWNEE	17,491,068	19,390,823	22,101,157	13,275,995	(8,825,161)
SHERIDAN	287,245	340,307	383,548	295,228	(88,320)
SHERMAN	594,878	692,314	762,635	633,716	(128,918)
SMITH	485,978	582,666	657,464	431,070	(226,394)
STAFFORD	470,869	474,019	508,801	439,525	(69,276)
✓ STANTON	239,009	253,736	298,829	367,151	68,323
✓ STEVENS	232,596	235,419	294,420	738,031	443,610
SUMNER	2,255,006	2,642,586	2,844,655	1,974,190	(870,465)
THOMAS	753,698	851,982	966,246	778,279	(187,967)
TREGO	370,002	396,045	456,267	356,064	(100,204)
WABAUNSEE	554,622	602,306	683,620	599,578	(84,042)
WALLACE	149,851	202,259	219,454	199,439	(20,015)
WASHINGTON	569,247	619,591	680,385	515,945	(164,440)
WICHITA	295,525	328,180	351,103	264,545	(86,558)
WILSON	821,866	898,032	1,047,054	765,197	(281,857)
WOODSON	336,988	355,582	416,596	331,621	(84,976)
WYANDOTTE	13,625,894	14,617,662	15,400,930	9,090,105	(6,310,825)
State Totals	\$234,416,748	\$260,208,941	\$294,317,049	\$219,765,787	(\$74,551,262)



# KANSAS INDEPENDENT AUTOMOBILE DEALERS ASSOCIATION



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

February 4, 1992

TO: SENATE COMMITTEE ON ASSESSMENT AND TAXATION

SUBJECT: SB 503--TAXATION OF CERTAIN MOTOR VEHICLES--  
CALCULATION OF TAX PAYABLE

FROM: KANSAS INDEPENDENT AUTOMOBILE DEALERS ASSOCIATION

Mr. and Chairman and Members of the Committee:

We are the Kansas Independent Automobile Dealers Association representing over 200 used car dealers.

We are submitting written testimony to tell you that we favor anything that can be done to reduce property tax on automobiles.

The automobile industry is certainly in a sluggish economy. We believe that there have been lot of potential buyers withdraw from the market due to the high property taxes. The adverse perception of the public toward these property taxes has been our worst enemy.

We would appreciate any help that you can give our industry.

Thank you for your consideration.

SENATE ASSESSMENT & TAX  
ATT. 5  
2-4-92

*Individually we struggle to be heard—Collectively we cannot be ignored.*



TESTIMONY BEFORE THE SENATE  
ASSESSMENT AND TAXATION COMMITTEE

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

FROM: Bill Ledgerwood, President  
Augusta R.V., Inc.

DATE: January 30, 1992

RE: Senate Bill 500 and Senate Bill 503

Ladies and Gentlemen, It is high time that the issue of overtaxation on automobiles and recreational vehicles (R.V.) in Kansas is addressed. I commend the Committee highly for considering SB 500 and SB 503, but it is not enough relief.

The topic of conversation at all our R.V. retail centers, shows, etc. is not whether the buyer can afford the vehicle, but whether he can afford the high taxes he will pay on this vehicle year after year. Not only is the R.V. Industry losing customers but the potential R.V. buyer is having to give up a retirement dream because the taxes are too high.

However, for those Kansans who are determined to have an R.V., every effort is made to title it out of state. So Kansas in effect also loses not only the revenue but its retirees.

It is imperative that we bring our personal property tax on vehicles in line with the surrounding states or we will all continue to be the loser.

If a person in Augusta, Kansas purchases a 1991 NuWa Champagne fifth wheel for \$26,000 he pays sales tax of \$1105. Personal property tax of \$1200 plus tag fee. Every year thereafter he will pay nearly the same personal property tax if the mill levy continues to go up like it has. Motorized units are nearly the same but tax is paid up front at tag purchase.

Why not try to keep all our fees and people in our state instead of making it economically impossible for them to stay. Thank you.

SENATE ASSESSMENT & TA.  
ATT. 6  
2-4-92



MEMORANDUM

**TO:** Members of the Senate Committee on Assessment and Taxation

**FROM:** Donald R. Seifert, Assistant Director, *DRS*  
Administrative Services

**SUBJECT:** Senate Bill No. 503, Motor Vehicle Tax Rate

**DATE:** February 4, 1992

On behalf on the city of Olathe, thank you for the opportunity to appear today concerning Senate Bill No. 503. This bill would establish a statewide uniform rate of 100 mills for calculating the motor vehicle tax.

The motor vehicle tax is an important revenue source for local government operations, raising some \$277 million statewide. For the city of Olathe, 1992 motor vehicle tax receipts are expected to be approximately \$1.43 million, or 14% of the property tax revenue that supports our library, debt service and general operating funds. Olathe is very concerned about this bill because its impact is not revenue neutral, and there is no mention of replacement revenue. In its present form, we estimate a revenue loss of approximately \$143,000 with this bill. This would be an additional loss beyond the \$550,000 loss experienced in 1991 following statewide reappraisal and the rollback of mill levies in Johnson County.

For the past several years, many units of local government have appeared before this Committee expressing concern about proposed changes to the motor vehicle tax. We have no quarrel with the general intent of lowering taxes on automobiles. Many feel the present system is inequitable. Our problem is simply that most efforts to fix the motor vehicle tax system have carried a hefty price for local government. In the absence of alternate sources of revenue, local units are forced to shift additional burden to the general property tax or reduce services.

SENATE ASSESSMENT & TAX

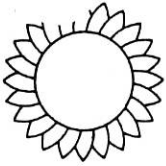
ATT. 7-1 2-4-92

Senate Committee on Assessment and Taxation  
February 4, 1992  
Page 2

In the last two years, Olathe has eliminated 25 full time positions, or 5% of our workforce to balance our budgets without a property tax rate increase. It is unrealistic to expect local government to continually absorb these kinds of losses without seriously impacting essential services.

In summary, Olathe supports a system of fair motor vehicle taxation. However, we believe the solution to perceived inequity in the present system should not come at the expense of local revenue. We again respectfully ask the Committee to find a "revenue neutral" solution to this issue.

rc



February 4, 1992

SENATE ASSESSMENT AND TAXATION COMMITTEE

HEARING ON SENATE BILL 503

TESTIMONY OF GERRY RAY, INTERGOVERNMENTAL OFFICER  
JOHNSON COUNTY BOARD OF COMMISSIONERS

Mr. Chairman, members of the Committee, thank you for opportunity to testify on Senate Bill 503 setting a state wide 100 mill levy on motor vehicles.

The Johnson County Commission opposes Senate Bill 503 because it is a reduction in revenues for the county. The current mill levy in Johnson County on motor vehicles is 111. SB 503 would result in a 10% decrease in motor vehicle receipts. In itself this would be minimal, however added to the 40% reduction Johnson County experienced due to the mill levy adjustments under reappraisal and the adjustment made for alphabet equity, it becomes a significant factor to the revenue level.

A 10% reduction would amount to approximately \$770,000 for just the Johnson County government and would be about five million dollars for all taxing units within the County. Unless accompanying legislation is passed that guaranteed a means to replace the lost revenue the bill could be damaging to already strained budgets in the local units.

The Johnson County Commission urges the Committee to not recommend Senate Bill 503 for passage.

*SENATE ASSESSMENT & TAX*

*ATT. 8 2-4-92*



# CITY OF KANSAS CITY, KANSAS



**Nancy L. Zielke**  
**Finance and Budget Director**  
**One McDowell Plaza**  
**Kansas City, Kansas 66101**  
**(913) 573-5270**

February 4, 1992

TO : SENATE ASSESSMENT AND TAXATION COMMITTEE  
FROM : NANCY L. ZIELKE, DIRECTOR OF FINANCE  
SUBJECT : SENATE BILL 503

The City of Kansas City, Kansas appreciates the opportunity to appear before the Committee on the proposed cap of 100 mills on Motor Vehicle Property Tax Revenues. The proposed cap of 100 mills would mean a reduction of 51.032 mills or 35% from the current average rate of 151.032. The impact to the City of Kansas City, Kansas would mean an annual loss of \$1, 750,000. This would be a dramatic impact to the City's general operating budget when a cities' ability to raise new revenues is limited. While tax relief is needed for the taxpayers of this State, this dramatic a loss would be devastating to our community. Unless accompanying legislation is passed that guaranteed a means to replace the lost revenue the bill could be damaging to already strained budgets in the local units.

The City of Kansas City, Kansas urges the Committee to not recommend Senate Bill 503 for passage.

Respectfully Submitted By:

NANCY L. ZIELKE

SENATE ASSESSMENT & TAX

ATT. 9

2-4-92



**League  
of Kansas  
Municipalities**

**MUNICIPAL  
LEGISLATIVE  
TESTIMONY**

PUBLISHERS OF KANSAS GOVERNMENT JOURNAL 112 W. 7TH TOPEKA, KS 66603 (913) 354-9565 FAX (913) 354-4186

**TO:** Senate Committee on Taxation  
**FROM:** E.A. Mosher, Research Counsel, League of Kansas Municipalities  
**RE:** SB 503--100 Mill Levy on Motor Vehicles  
**DATE:** February 4, 1992

On behalf of the League and its member cities, I appear in opposition to SB 503. The League's convention-adopted "Statement of Municipal Policy" provides that: "any changes to the state law levying the special, in lieu tax on motor vehicles should be revenue neutral to avoid further shifts to the general property tax".

We are not aware that accurate information is available as to the 1991 average state-wide property tax rate. The most recent rate that we have seen is 116.09 mills, for the tax year 1990. Since it is unlikely that the current state-wide rate has changed substantially, it appears that, under the bill, some local governments--and motor vehicle owners--would win and some would lose, with a general, state-wide average reduction.

Our analysis of 1990 average rates shows that only 12 counties, mostly rural, had an average tax rate of less than 100 mills, the lowest being Stevens County at 34.7 mills. In these counties, vehicle taxes would increase. In contrast, there were 43 counties, generally urban, with an average rate of more than 125 mills, the highest being in Cloud County at 164.2 mills. In those counties, the taxes paid, and local revenue, would drop significantly.

In addition to our concerns about the loss of local revenue, and the uncertainty as to where the replacement revenue would come from, we suggest to you that there is no special public policy reason why the tax rate applied to motor vehicles should be uniform throughout the state. Local conditions, local needs and local valuations, vary widely throughout the state. We know of no persuasive reasons why the public should even expect vehicle tax rates to be identical throughout the state, anymore than the rates on real estate.

If the objective of the bill is simply to reduce the amount of tax paid by the average motor vehicle owner, we would note that there are other ways to accomplish this, such as changing the depreciation rate or setting the levy rate as a percentage of the average county rate.

Finally, we would again note, as we have in the past, that the minimum \$6 dollar fee on motorcycles and the \$12 minimum on vehicles has not been changed since 1979.

President: Bob Knight, Mayor, Wichita \* Vice President: Joseph E. Steineger, Jr., Mayor, Kansas City \* Past President: Frances J. Garcia, Commissioner, Hutchinson \* Directors: \* Donald L. Anderson, Mayor, Lindsborg \* Michael A. Conduff, City Manager, Manhattan \* Ed Eilert, Mayor, Overland Park \* Harry L. Felker, Mayor, Topeka \* Idella Frickey, Mayor, Oberlin \* William J. Goering, City Clerk/Administrator, McPherson \* Ralph T. Goodnight, Mayor, Lakin \* Jesse Jackson, Commissioner, Chanute \* Stan Martin, City Attorney, Abilene \* Mark Mingenback, Councilmember, Great Bend \* John Nalbandian, Commissioner, Lawrence \* Mary E. Reed, City Clerk/Director of Finance, Parsons \* Acting Executive Director: Jim Kaup

SENATE ASSESSMENT & TAX

ATT. 10 2-4-92



KANSAS MOTOR CAR DEALERS ASSOCIATION

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

February 4, 1992

TO: The Honorable Dan Thiessen, Chairman  
Senate Taxation Committee

FROM: Pam Somerville, Government Affairs Director

RE: Senate Bill 503

Mr. Chairman and members of the committee. The Kansas Motor Car Dealers Association submits written testimony in support of Senate Bill 503 to reduce personal property taxes on vehicles. 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 503 is a push in the right direction.

Thank you, Mr. Chairman, for the opportunity to submit our comments on SB 503.

SENATE ASSESSMENT & TAX  
ATT 11 2-4-92