

Approved WED-4-1-92  
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./~~p.m.~~ on Friday, March 20, 1992 in room 531-N of the Capitol.

All members were present except:  
Senator Lana Oleen (Excused)

Committee staff present:

Bill Edds, Revisor's Office  
Don Hayward, Revisor's Office  
Chris Courtwright, Research Department  
Tom Severn, Research Department  
Marion Anzek, Committee Secretary  
Conferees appearing before the committee:

Senator Don Montgomery, Chief Sponsor of SCR1630  
Mary Hafenstine, President-Woman's Club, Topeka, KS.  
Jim Irish, Greater KS Chapter of the Appraisers Institute  
Larry Clark, President, KS County Appraisers Association  
Chuck Stones, Director of Research-KS Bankers Association  
Karen France, Director, Governmental Affairs-KS Ass'n. of Realtors  
Mark Burghart, Legal Counsel, Department of Revenue

Chairman Dan Thiessen called the meeting to order at 11:04 and said the agenda today is a hearing on SCR1630, HB2738 and HB2804 and he recognized Senator Don Montgomery, chief sponsor of SCR1630.

SCR1630: Constitutional amendment classifying property for taxation purposes.

Senator Don Montgomery passed a handout showing the effect of SCR1630, he said it shows the bottom line in tax dollar loss and where the shift goes.

He said, it only affects classes 8 and 10, of section 501(c), which is Fraternal, Benevolent Organizations to be used for charitable purposes.

He said, when the constitution change was on the ballot in 1986 many people thought that they were going to be excluded from paying any tax, and the courts ruled that unless it is used exclusively for Benevolent purposes, which includes not meeting behind closed doors, you can't be exempt from paying property taxes. He said, then they fell under the category of "all other classes" which is 30% and, he said, this amendment would place them on the ballot to reduce their appraised valuation, from 30% to 12%.

He said, he would like to run this separate and have it on the ballot for the people to vote on, as it has been around for a long time and many of these Fraternal Groups are having to borrow money to pay their taxes. (ATTACHMENT 1)

During committee discussion, concerns were; if put on the ballot, what would be the motivation for people to vote for it. Senator Montgomery said if it is kept with just these two classes, the population could be told "it is not going to make a significant difference in their tax dollar increase because of the loss of valuation. He said, the charitable organizations would not be totally exempt, they would still be paying 12%, and they have agreed to that, to pay the same as home owners who don't want to be totally exempt and, he said he would like to fend off any other amendments and keep this distinguishable between any other thing on the ballot.

After committee discussion; Chris Courtwright, Research Department explained 501(c) and 504(c) for the members.

Chairman Dan Thiessen recognized Mary Hafenstine, President-Woman's Club of Topeka.

Mary Hafenstine said she would like to request an amendment to SCR1630 by inserting on page 2, Section 1, Subclass (4), after the word "to" line 4, "section 501(c)(4)," and before the word "section".

She said, the Woman's Club of Topeka was organized in 1897 and will celebrate its 100th year in 1997, and it was chartered as a non-profit organization in accordance with the laws of KS, and is not subject to federal income taxes pursuant to section 501(c)(4) of the internal revenue code.

CONTINUATION SHEET

MINUTES OF THE Senate COMMITTEE ON Assessment and Taxation,

room 519-S, Statehouse, at 11:00 a.m./~~p.m.~~ on Friday, March 20, 1920

She said, in 1934, the State Taxation Commission announced in its decision "that the Woman's Club of Topeka is and shall forever be exempt from property taxation so long as it does not violate its purposes." She said, they continue to adhere to the purposes set forth in the Charter.

She said, the Woman's Club moved to its present building in 1982 and was put back on the tax rolls for failing to apply for an exemption on its present building. She said, they have appealed to the Board of Tax Appeals to be removed from taxation. (ATTACHMENT 2)

Jim Irish, representing the Greater KS Chapter of the Appraisers Institute said, his comments do not deal with the substance of the bill, but with consistency with previous testimony in this committee regarding the word "appraised" and he would request deleting the word "assessed" from where-ever it is in the bill, and substitute the word "tax, appraised or classified." He said, in the House Substitute Bill for SB8 this has been done, and in other bills, also. (ATTACHMENT 3)

Senator Phil Martin asked Jim Irish if he would prepare a balloon on this and bring it to the committee. Mr. Irish said he would deliver his testimony and the balloon to the secretary on Monday, March 23, 1992.

The Chairman concluded the hearing on SCR1630 and turned attention to HB2738.

HB2738: Accessibility of real estate validation questionnaire information.

The following are proponents of HB2738.

Larry Clark, President, KS County Appraisers Association said the Association support the bill as another step toward full disclosure of sales information to the general public.

He said, this bill as amended will allow access to this information by any property owner for determining whether to make an appeal. He said, the language should allow taxpayers to review sales information on parcels within the class of property they own and thereby determine whether the value of their property is in line. (ATTACHMENT 4)

Chuck Stones, Director of Research, KS Bankers Association said, the appraisal climate has changed over the past year since when the present form of real estate questionnaires to limit the availability to licensed or certified appraisers. He said, the Federal regulator's have raised their limits on the amounts of the loan that need those certified and licensed appraisers. He said, loans under \$100,000 will not require a certified or licensed appraiser.

He said, this will allow banks to do their own appraisal, but they cannot do that without access to this information, and he said banker's would still have to follow certain guidelines set by the Federal Regulators. He said, it would be a big help to banker's to have access to this information. (ATTACHMENT 5)

Karen France, Director, Governmental Affairs-KS Association of Realtors said they believe HB2738 clarifies the ability of taxpayers who are appealing or are considering appealing their valuations to have access to the sales information.

She said, they would like the committee to accept this compromise in lieu of opening the records up completely and invading the privacy of Kansans, and urged the committee members favorable consideration of the bill. (ATTACHMENT 6)

Jim Irish said he is in favor of HB2738, with the exception of the part of the bill that gives access to the sales validation questionnaire to State licensed and certified appraisers, because their work is intimately involved with the Title 11 of the Financial Institutions, the Reform and Recovery Enforcement Act of 1989 at the Federal level, and to do their work for Federally related transactions, he said they need access to data and HB2738 will give this to them. (ATTACHMENT 7)

The Chairman concluded the hearing on HB2738 and turned attention to HB2804.

HB2804: Hearings before Director of Taxation; time to request.

The Chairman said there are no conferees listed to testify on HB2804, but he said, Ron Smith, General Counsel, KS Bar Association turned in WRITTEN TESTIMONY ONLY, (ATTACHMENT 8)

CONTINUATION SHEET

MINUTES OF THE Senate COMMITTEE ON Assessment and Taxation,  
room 531-N, Statehouse, at 11:00 a.m./~~p.m.~~ on Friday, March 20, 1992

Mark Burghart, Legal Counsel, Department of Revenue said **HB2804** is The KS Bar Association proposal that gives taxpayers an additional 30 days to file appeals with the Department of Appeals and Assessments. He said, if they issue an assessment to a Corporate and a \$5.M assessment, by the time it reaches the right hands for them to respond and make thier legal defenses, it is pretty late and the 30 days is almost expiring, and they give extensions all the time, so they just decided to make it 60 days. (**NO WRITTEN TESTIMONY**)

Senator Jack Steineger moved to favorably pass **HB2804**, 2nd by Senator Phil Martin. The motion carried.

Chairman Dan Thiessen adjourned the meeting at 11:55 a.m.

GUEST LIST

COMMITTEE: ASSESSMENT & TAXATION

DATE: FRI, 3-20-92

NAME (PLEASE PRINT)	ADDRESS	COMPANY/ORGANIZATION
FRANCES KASTACE	Topeka	Ks Food Dealers
LAURIE HARTMAN	TOPEKA	: KBA
Ronald Swisher	Topeka	PVD
Russ Frey	Topeka	Ks Vet Med Assoc
Jim Irish	Topeka	Grant/Kansas Chapter APPRAISAL INSTITUTE
Don Schmitt	Topeka	ICI OGA
Jack Pulliam	Topeka	WOMAN'S CLUB
Dorothy E. Pulliam	Topeka	Woman's Club
Sylvia H. Nelson	Topeka	Woman's Club
Mary Hafertine	Topeka	Woman's Club
Chub Atkins	"	KDA
Ed Blaws	Wichita	Parabell East Corp.
David Nichols	Topeka	SWBT
Jordan T. Goulet	Topeka	CPAK
KAREN FRANCE	TOPEKA	: KAR
Ann Dapay	Wlysses	Grant/Stanton Co
BEU BRADLEY	TOPEKA	Ks Assoc of Counties
Kary Clay	Kansas City	Ks County Appraisers
JANICE MARLUM	TOPEKA	KDOR
Austin Notham	Topeka	Kans Assoc Egypt Dist.
Alan Steppat	Topeka	Pete Mcbill & Assoc.
DENNY KOCH	"	SW Bell
MARK A. BURGHART	"	REVENUE

Lower Non-Profits to 12%

88 ASSESSED			90 ASSESSED			PROP 90 ASSESSED		
	ACTUAL	% OF TOTAL		ACTUAL (a)	% OF TOTAL	RATIO	PROPOSED	% OF TOTAL
<b>URBAN REAL ESTATE</b>			<b>URBAN REAL ESTATE</b>					
ALL OTHER	2,491,767,058	21.94%	RESID MULTI-FAM	214,358,286	1.51%	12.00%	214,358,286	1.51%
VACANT LOTS	55,585,441	0.49%	RESID "SINGLE-FAM"	3,807,847,461	26.83%	12.00%	3,807,847,461	26.84%
COMMERCIAL AND INDUSTRIAL	1,123,448,429	9.89%	MOBILE HOME PARKS	12,218,656	0.09%	12.00%	12,218,656	0.09%
			VACANT LOTS	122,918,921	0.87%	12.00%	122,918,921	0.87%
			FRATERNAL BENEFIT	9,098,098	0.06%	12.00%	3,639,239	0.03%
			COMM'L & INDUS	2,627,972,785	18.51%	30.00%	2,627,972,785	18.52%
			AG IMPROVEMENTS	3,540,915	0.02%	30.00%	3,540,915	0.02%
			AGRICULTURAL	6,086,423	0.04%	30.00%	6,086,423	0.04%
TOTAL URBAN REAL ESTATE	3,670,800,928	32.32%	TOTAL URBAN REAL ESTATE	6,804,041,545	47.93%		6,798,582,686	47.92%
<b>RURAL REAL ESTATE</b>			<b>RURAL REAL ESTATE</b>					
HOME SITES/PLANNED SUB DIV	338,344,275	2.98%	RESID MULTI-FAM	587,832	0.00%	12.00%	587,832	0.00%
			RESID "SINGLE-FAM"	783,357,217	5.52%	12.00%	783,357,217	5.52%
			MOBILE HOME PARKS	1,785,952	0.01%	12.00%	1,785,952	0.01%
			VACANT LOTS	21,729,961	0.15%	12.00%	21,729,961	0.15%
			FRATERNAL BENEFIT	813,534	0.01%	12.00%	325,414	0.00%
SPOT COMMERCIAL	156,387,083	1.38%	COMM'L & INDUS	325,769,974	2.30%	30.00%	325,769,974	2.30%
AG IMPROVEMENTS	285,964,795	2.52%	AG IMPROVEMENTS	142,344,269	1.00%	30.00%	142,344,269	1.00%
AG LAND	1,373,221,632	12.09%	AGRICULTURAL	1,416,202,028	9.98%	30.00%	1,416,202,028	9.98%
TOTAL RURAL REAL ESTATE	2,153,917,785	18.97%	TOTAL RURAL REAL ESTATE	2,692,590,767	18.97%		2,692,102,647	18.97%
<b>TANGIBLE PERSONAL PROPERTY</b>			<b>URBAN TANGIBLE PERSONAL</b>					
GAS AND OIL	1,132,435,207	9.97%	GAS AND OIL	3,354,180	0.02%	30.00%	3,354,180	0.02%
BUSINESS MACHINERY & EQUIP	873,729,421	7.69%	BUS MACH & EQ	540,554,964	3.81%	20.00%	540,554,964	3.81%
ALL OTHER PERSONAL	322,915,490	2.84%	ALL OTHER PERSONAL	60,626,519	0.43%	30.00%	60,626,519	0.43%
			MOBILE HOMES	31,304,145	0.22%	12.00%	31,304,145	0.22%
			MOTOR VEHICLES	49,943,291	0.35%	30.00%	49,943,291	0.35%
			TOTAL URBAN PERSONAL	685,783,099	4.83%		685,783,099	4.83%
			<b>RURAL TANGIBLE PERSONAL</b>					
			GAS AND OIL	1,363,463,016	9.61%	30.00%	1,363,463,016	9.61%
			BUS MACH & EQ	217,701,586	1.53%	20.00%	217,701,586	1.53%
			ALL OTHER PERSONAL	40,925,565	0.29%	30.00%	40,925,565	0.29%
			MOBILE HOMES	17,284,849	0.12%	12.00%	17,284,849	0.12%
			MOTOR VEHICLES	66,767,651	0.47%	30.00%	66,767,651	0.47%
			TOTAL RURAL PERSONAL	1,706,142,667	12.02%		1,706,142,667	12.02%
			<b>EXEMPT PROPERTY</b>					
MERCHANTS' INVENTORY	371,149,155	3.27%	MERCHANTS INVENTORY	0	0.00%	0.00%	0	0.00%
MANUFACTURERS' INVENTORY	382,172,899	3.37%	MANUFACTURERS INV	0	0.00%	0.00%	0	0.00%
LIVESTOCK	115,669,322	1.02%	LIVESTOCK	0	0.00%	0.00%	0	0.00%
			MOTOR VEH DEALERS INV	0	0.00%	0.00%	0	0.00%
			FARM MACHINERY	0	0.00%	0.00%	0	0.00%
			TOTAL EXEMPT PERSONAL	0	0.00%	0.00%	0	0.00%
TOTAL PERSONAL	3,198,071,494	28.16%	TOTAL PERSONAL	2,391,925,766	16.85%		2,391,925,766	16.86%
			PUBLIC SERVICE CORP	2,185,794,977	15.40%	30.00%	2,185,794,977	15.41%
			UTILITY INVENTORY (a)	0	0.00%	0.00%	0	0.00%
			RAILROADS (a)	120,091,670	0.85%	25.00%	120,091,670	0.85%
TOTAL STATE ASSESSED	2,333,823,827	20.55%	TOTAL STATE-ASSESSED (a)	2,305,886,647	16.24%		2,305,886,647	16.25%
<b>TOTAL ASSESSED VALUATION</b>	<b>11,356,614,034</b>	<b>100.00%</b>	<b>TOTAL ASSESSED VALUATION (a)</b>	<b>14,194,444,725</b>	<b>100.00%</b>		<b>14,188,497,746</b>	<b>100.00%</b>

a) Adjusted for util inv and rr settlement.

SEANATE ASSES. STAFF  
 3-20-92  
 ATT. 1

Members of the Senate Taxation Committee:

On behalf of the Woman's Club of Topeka, I am here as its President to request your support of an amendment to Senate Concurrent Resolution No. 1630 by inserting on page 2 in Section 1, Subclass (4) the following: "section 501(c)(4)" of the federal internal revenue code which would make the section read as follows:

- (4) Real property which is owned and operated by a taxpayer which is organized for not-for-profit purposes and is not subject to federal income taxation pursuant to section 501(c)(4), section 501(c)(8) or 501(c)(10) of the federal internal revenue code as in effect on January 1, 1992.....12%

We also support House concurrent Resolution No. 5007 which has passed the House and is now before the Senate.

For background information, the Woman's Club of Topeka was organized in 1897 and will celebrate its 100th year in 1997. It was chartered as a non-profit organization in accordance with the laws of Kansas, and is not subject to federal income taxes pursuant to section 501(c)(4) of the internal revenue code. In 1934, the State Taxation Commission announced in its decision "that the Woman's Club of Topeka is, and shall forever be exempt from property taxation so long as it does not violate its purposes." We continue to adhere to the purposes set forth in the Charter.

However, when the Woman's Club moved to its present building, it was put back on the tax rolls for failing to apply for an exemption on its present building. We are appealing to the Board of Tax Appeals to be removed from taxation. In 1988, the real estate taxes were \$12,164.08, and in 1990, the taxes raised to \$21,849.52. In 1991, the taxes were raised even higher. The organization cannot survive with assessments of 30% of the assessed value.

Through the years the Woman's Club of Topeka has made significant contributions toward scholarships for nurses at Stormont-Vail Hospital, scholarships at Washburn University, and a special Music scholarship at Washburn. Each year our members contribute through the Woman's Club to community services, such as The Salvation Army, Rescue Mission, Kansas Neurological Institute, Let's Help, Hospice, Kansas Children's Service League, Project Topeka for food drives, and Retarded Citizens Association of Topeka.

Thank you for giving us the opportunity to be heard on this important tax issue.

Respectfully,

Mary Hafenstine, President

SENATE ASSES. & TAX  
3-20-92  
ATT. 2

GREATER KANSAS CHAPTER of the APPRAISAL INSTITUTE

JAMES H. "JIM" IRISH, SRA, LEGISLATIVE COORDINATOR

2063 Southwest Regency Parkway Drive

Topeka, Kansas 66604-4402

VOICE (913) 272-2647

FAX (913) 273-1611

March 20, 1992

Senator Dan Thiessen, Chairman  
Committee on Assessment and Taxation  
Kansas Senate, Senate Capitol, Room 143-N  
Topeka, Kansas 66612

Re: Senate Concurrent Resolution No. 1630  
Senators Montgomery and Vidricksen, et al

Dear Mr. Chairman:

The Greater Kansas Chapter of the Appraisal Institute urges the legislature to amend Senate Concurrent Resolution No. 1630 to clarify the distinctions between appraised value, and classified or taxable value. Failure to understand this distinction results from use of the outdated term, "assessed value." This may underlie the public's current state of confusion. Specifically, we recommend amending:

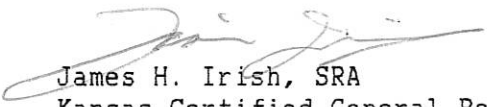
1. Sec. 1(a) at Page 1, Line 40 to delete "assessment and";
2. Sec. 1(a) at Page 2, Line 1 to replace "of" with "for the appraised";
3. Sec. 1(a) at Page 2, Lines 6 and 7 to replace "assessment and assessed" with "taxation and taxed";
4. Sec. 1(a) at Page 2, Line 10 to replace "assessed" with "taxed";
5. Sec. 1(a) at Page 2, Line 29 to replace "assessed" with "taxed";
6. Sec. 2 at Page 3, Line 19 to replace "assessed" with "classified";

These amendments to Senate Concurrent Resolution No. 1630 will serve to clarify responsibilities. "Assessed" has become obsolete because of the confusion which it generates. Witness that a county's official responsible for property valuations and the state oversight agency no longer are identified with a derivative of the root word "assess."

The present language in Senate Concurrent Resolution No. 1630 perpetuates the confusion. So does the similar language found in Senate Bill No. 414 and Senate Concurrent Resolution No. 1640, as I noted in previous testimony. All similar bills and resolutions (i.e., such as SCR's No. 1606, 1635 & 1636, and HCR's No. 5007, 5017 & 5025) should be so amended.

Mr. Chairman, the adoption of our recommendations will greatly assist the legislature in dealing effectively with the current public furor concerning property valuations for ad valorem tax purposes. We appreciate your interest in this issue.

Sincerely yours,  
Greater Kansas Chapter of the Appraisal Institute

  
James H. Irish, SRA  
Kansas Certified General Real Property Appraiser No. G-48  
Legislative Coordinator

SENATE ASSES. & TAX  
3-20-92  
ATT. 3

**KANSAS COUNTY APPRAISERS ASSOCIATION**

**P.O. Box 1714**

**Topeka, Kansas 66601**

**EXECUTIVE COMMITTEE  
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President

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Kansas City, Kansas 66112  
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Manhattan, Kansas 66502  
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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

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Topeka, Kansas 66603  
913-291-4103

JOE FRITZ  
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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: Senate Assessment and Taxation Committee

From: Larry Clark, President KCAA

Date: March 20, 1992

Mr. Chairman and members of the committee thank you for the opportunity to appear in support of House Bill 2738. My name is Larry Clark and I am here representing the Kansas County Appraisers Association as their president.

The Association supports this bill as another step toward full disclosure of sales information to the general public. As you know during the 1991 session the legislature provided for the filing of a sales validation questionnaire at the time of filing a deed. This questionnaire took the place of the old certificate of value and its dissemination was similarly restricted. In fact the only time the owner of any property could have access to the information on those questionnaires was when they filed an appeal with the county. This unnecessarily forced people into the appeals process who did not have to be there.

This bill, as amended, will allow access to this information by any property owner "for determining whether to make such an appeal". That

SENATE ASSES BTAK

3-20-92

ATT. H-1



language should allow taxpayers to review sales information on parcels within the class of property they own and thereby determine whether the value of their property is in line.

# The Kansas Bankers Association

1500 Merchants National Bank Bldg.

Topeka, KS 66612

913-232-3444

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3-20-92

TO: Senate Taxation Committee  
FROM: Chuck Stones, Director of Research

RE: HB 2738

Mr. Chairman and Members of the Committee,

The Kansas Bankers Association appreciates the opportunity to appear on behalf of HB 2738. As you know under the Real Estate Sales Questionnaire legislation passed last year only certain public officials, those officially protesting their property taxes, *and certified or licensed appraisers* are allowed to review the document. At the time the law was passed, it was assumed that nearly all real estate transactions in which a bank was involved would require the use of a certified or licensed appraiser after January 1, 1992. In the "Federal Deposit Insurance Corporation Improvement Act of 1991" that was passed by Congress in November, the effective date for use of certified or licensed appraisers was postponed until January 1, 1993. Included in your packet of information is the January Newsletter from the Kansas Real Estate Appraisal Board supporting that fact. In addition, federal banking regulators have set or are on the verge of setting a higher minimum level for required appraisals. The Federal Reserve and the FDIC have implemented rules stating that a licensed or certified appraisal is not needed on transactions below \$100,000. The OCC has proposed a similar minimum level and is expected to announce their final rulings soon.

Thus, banks and other financial institutions are permitted to do in-house appraisals on all transactions for another year and on a permanent basis for transactions below a certain dollar amount. However, to complete such an appraisal requires access to the information contained in the real estate sales questionnaires. By allowing a bank employee to complete the appraisal can be a significant saving to the bank customer. The cost of an appraisal can be a significant contributor to the closing costs of obtaining a real estate loan.

This issue is becoming increasingly important for many reasons. Two of which are: 1) Kansas banks are making more and more real estate loans. Real estate loans held on the books of Kansas bank have increased by 46.5% since 1988. As banks make more and more loans access to the information on the real estate sales questionnaire becomes increasingly critical; and 2) Rural areas are especially hard hit by this situation. As referenced in the letter found in your information packet from a banker in Ellsworth county, and illustrated by the enclosed map, many rural counties do not have an appraiser located within their boundaries. This situation can be the cause of time delays and increased costs for the real estate borrower. If the banker could have access to the information this issue could be easily and cheaply resolved.

It is important for you to know that appraisals done in-house by bankers would not affect the legitimacy or the accuracy of the appraisal. Since August 1990 all appraisals, no matter who does them, must meet federal requirements as to content and form. This continues to be in effect. In other words, appraisals done by bankers in-house will still be required to meet stringent federal guidelines.

House Bill 2738 would meet our needs and allow banker's access to the real estate sales questionnaire. In many cases this would allow appraisals to be done in a more cost effective manner for the consumer and it would go a long way in alleviating a major time-delay problem in the rural counties of Kansas.

SENATE ASSES & TAX

3-20-92

ATT. 5-1

Handwritten notes: HHS, meeting, B. J. [unclear], [unclear]

# KANSAS REAL ESTATE APPRAISAL BOARD

## NEWSLETTER

January 1992

### Federal Extension

Title XI has been amended to state: "Not later than December 31, 1992, all appraisals performed in connection with federally related transactions shall be performed only by individuals certified or licensed in accordance with the requirements of this Title."

The Appraisal Subcommittee urged states to proceed in their efforts to implement Title XI as soon as reasonably possible. The Kansas Real Estate Appraisal Board has notified the Appraisal Subcommittee that our state system is operative even though state law does not require licensure or certification until the federal deadline.

A roster of all appraisers licensed and certified by Kansas is being sent to the Appraisal Subcommittee with the annual registry fee. This means that Kansas licensed and certified appraisers will be placed on the National Registry.

### Renewal Applications - Continuing Ed

All licenses and certificates expire on June 30, 1992. Renewal applications must be filed no later than May 31, 1992. Renewal applications will be mailed to your residence address in mid-April.

*Your license or certificate expires on June 30, 1992. You must file a renewal application by May 31, 1992 with evidence of ten hours of approved continuing education.*

Certificate(s) showing completion of ten hours of continuing education courses approved by the Board must be filed with your renewal application. A list of currently approved courses is attached. You may request an updated list at any time. If you have any questions, call Sally at the Board office (913/296-0706).

*the Kansas state system is operative*

### Residence Address

### Business Address

Be sure to notify us in writing of a change in either your residence or business address. Help us keep our records up to date and ensure that you will receive information disseminated by the Board.

### Certificate/License No.

Appraisers have asked for guidance on exactly how and where their certificate or license should be noted. The only reference in the Kansas law is subsection (b) of 58-4115:

"Each state certified or licensed appraiser shall designate the appraiser's classification on any appraisal report or in any contract or other instrument used by the appraiser in conducting real property appraisal activities and shall place the appraiser's certificate or license number adjacent to or immediately below the classification."

### Wall Certificate

An amendment to the law is being requested to allow us to collect a fee of \$10 to provide you with a beautiful 8 x 10 certificate with a gold Kansas state seal. The certificate will have no expiration date -- a one-time deal -- and it will be your option to order one or not. We regret that funds don't allow us to issue them without additional cost to you (\$8 of the fee will go to the appraiser fee fund and \$2 to the general fund). If the legisla-

tion is passed, the certificates will be available by July.

### Roster

You may be interested in the attached roster which shows licensed and certified appraisers with the county designation ["R" = nonresident].



July 10, 1991

Mr. James S. Maag  
Senior Vice President  
Kansas Bankers Association  
1500 Merchants National Bldg.  
Topeka, KS 66612

Dear Jim:

This letter is to request your assistance with a problem we are experiencing obtaining comparable sales data from our County Appraiser's office. Apparently, as of July 1, 1991, banks no longer have access to comparable sales data from local county appraiser offices as evidenced by a memorandum from the Department of Revenue to county appraisers which I have enclosed for your review.

It is unfair that licensed fee appraisers have access to this data, while real estate lenders do not. We fully intend to continue preparing real estate appraisals in-house for loans falling below the minimum level established by bank regulators.

I have also enclosed a copy of a comparable sales form for a subject property in Ellsworth, KS. As you can see, this form provides five comparable sales from which we can easily prepare our in-house appraisals. This form is no longer available to non-licensed appraisers.

Thank you very much for any assistance you might be able to provide in allowing bankers access to this data. Presently, we do not have a licensed real estate appraiser in Ellsworth County nor do I expect there to be one in the foreseeable future.

Kindest regards,

David W. Brownback  
Senior Vice President & Cashier

Enclosure

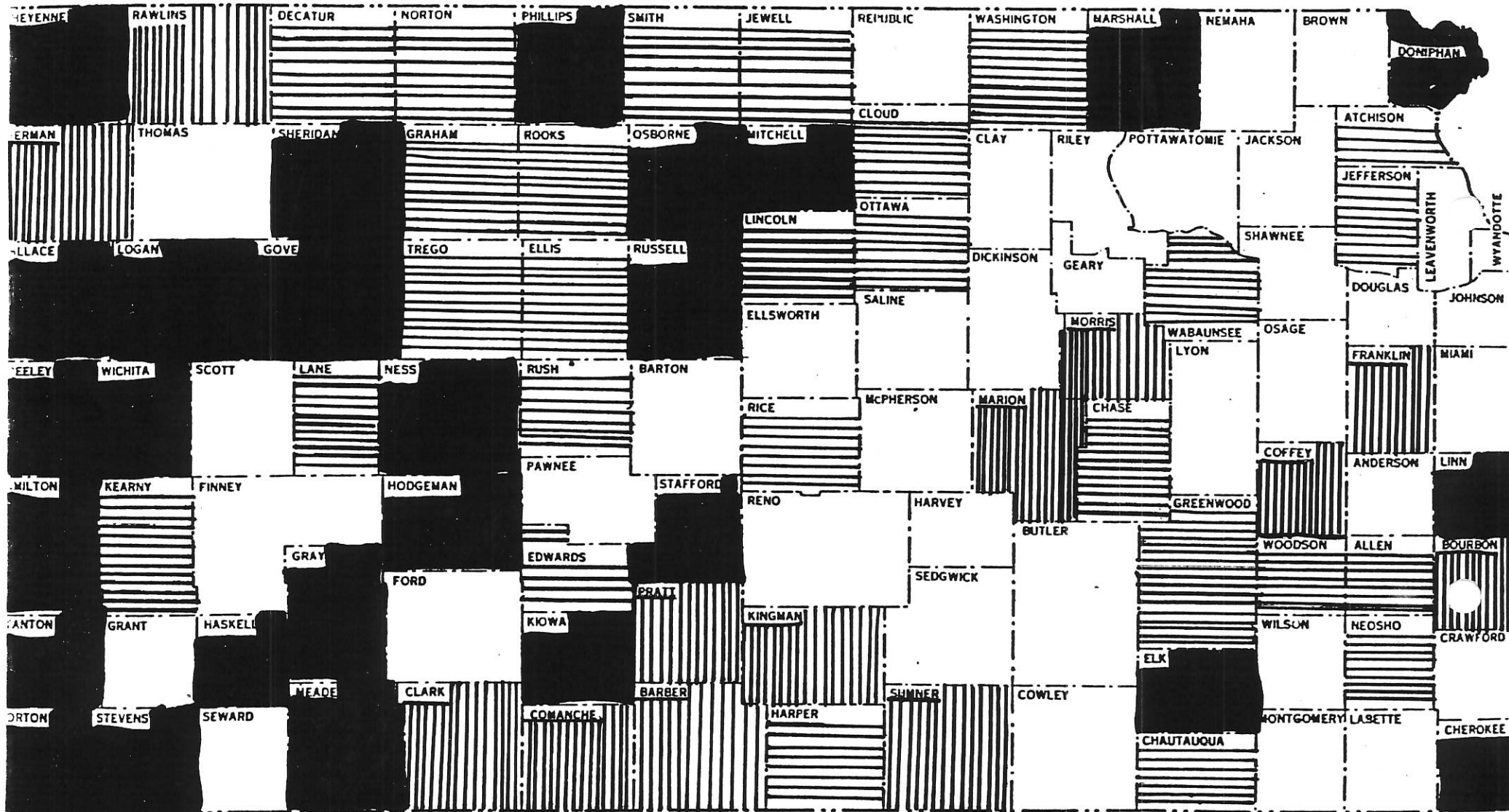
DWB/dv

IV-6

5-3

# KANSAS

Number of Certified and Licensed Appraisers per County



5-11  
= 2      = 1      = 0



## KANSAS ASSOCIATION OF REALTOR

Executive Offices:  
3644 S. W. Burlingame Road  
Topeka, Kansas 66611  
Telephone 913/267-3610

TO: THE SENATE TAXATION COMMITTEE  
FROM: KAREN FRANCE, DIRECTOR, GOVERNMENTAL AFFAIRS  
DATE: MARCH 20, 1992  
SUBJECT: HB 2738, SALES VALIDATION QUESTIONNAIRES

On behalf of the Kansas Association of REALTORS®, I appear today to support HB 2738.

We believe HB 2738 clarifies the ability of taxpayers who are appealing or are considering appealing their valuations to have access to the sales information. This bill offers a reasonable middle ground between preventing taxpayers from seeing their comp sheets at the county appraisers office as the current law is being interpreted and making the sales information a public record subject to publication in newspapers.

This version of the bill was a compromise worked out by a subcommittee of the House Taxation Committee after several meetings and discussions of all interested parties. All persons who testified on this issue were able to sign off on this compromise, including the county appraisers. The bill passed the House with 125 votes.

We remind you of the informal survey we took of buyers and sellers this summer to see what the people who would be most effected by this change in law had to say about it. Six-hundred-thirty-two buyers and sellers were interviewed and 520 or approximately 82% of those asked, said that access to this information

should be restricted. Sixty-six people, or approximately 10% said that public access should be allowed while 46 persons or approximately 7% were unsure. (Percentages were rounded and thus will not add to a perfect 100%.) It was interesting to note that when we broke it down further, 86% of the sellers interviewed and 78% of the buyers interviewed wanted the information to remain private.

While we know that our survey was not scientifically conducted, we believe it provides you with more insight than any proponent can provide as to how the people who would be directly effected by making this information public feel about changing the law.

We hope you can accept this as a compromise in lieu of opening the records up completely and invading the privacy of Kansans, and we ask for your favorable passage of this bill.

GREATER KANSAS CHAPTER of the APPRAISAL INSTITUTE  
JAMES H. "JIM" IRISH, SRA, LEGISLATIVE COORDINATOR  
2063 Southwest Regency Parkway Drive  
Topeka, Kansas 66604-4402

VOICE (913) 272-2647

FAX (913) 273-1611

March 20, 1992

Senator Dan Thiessen, Chairman  
Committee on Assessment and Taxation  
Kansas Senate, Senate Capitol, Room 143-N  
Topeka, Kansas 66612

Re: House Bill No. 2738, by Representative Wagon  
Accessibility of real estate sales validation questionnaire information.

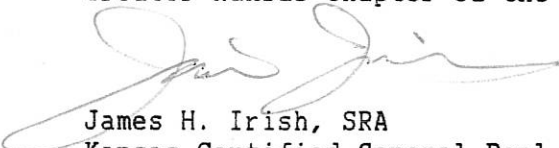
Dear Mr. Chairman:

The Greater Kansas Chapter of the Appraisal Institute urges the legislature to pass House Bill No. 2738. Real estate appraisers need access to all possible data sources if they are to fulfill their obligations under Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA). I might add that this also is true insofar as the "just compensation" provision of The Fifth Amendment to the United States Constitution is concerned.

Real estate appraisal is a process of data assimilation and analysis. The adage of "Garbage in, garbage out" so often applied to the computer world applies to appraisal preparation, whether or not the process is computer assisted. The United States Congress recognized this during its drafting of the FIRREA. Specifically, it required in Section 1122(e) of Title XI that it receive from the newly-created Appraisal Subcommittee of the Federal Financial Institutions Examination Council (FFIEC) an Appraisal Data Availability Study. Three copies of this study are submitted herewith for the committee's reference as you have requested.

Mr. Chairman, the Greater Kansas Chapter of the Appraisal Institute respectfully requests that your committee report favorably on House Bill No. 2738. It will continue the access to real estate sales validation questionnaire information needed by appraisers licensed or certified pursuant to K.S.A. 58-4101 et seq. We appreciate your interest in this issue.

Sincerely yours,  
Greater Kansas Chapter of the Appraisal Institute

  
James H. Irish, SRA  
Kansas Certified General Real Property Appraiser No. G-48  
Legislative Coordinator

SENATE ASSES. & TAX  
3-20-92  
ATT. 7





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William B. Swearer, President-elect  
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Patti Slider, Communications Director  
Ronald Smith, General Counsel  
Art Thompson, Public Service/IOLTA Director

### POSITION STATEMENT

TO: Senate Tax Committee  
FROM: Ron Smith, General Counsel  
Kansas Bar Association  
SUBJ: HB 2804  
DATE: March 20, 1992

Mr. Chairman, members of the Committee. KBA supports this legislation. It simply expands the time available for persons or businesses wanting to appeal from a ruling of the director of taxation from 30 to 60 days.

Last fall, the Secretary of Revenue asked if the Bar had an interest in this legislation. Our tax practitioners reported that many of their corporate clients often had such bureaucracies to climb in order to get authority for an appeal that thirty days often was not enough time. Sixty days would be appropriate.

It's my understanding the Department of Revenue supports this bill.

Thank you.

1200 Harrison • P.O. Box 1037 • Topeka, Kansas 66601-1037 • FAX (913) 234-3813 • Telephone (913) 234-5696

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3-20-92

ATT. 8