

Approved WED. 5-6-92  
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./~~p.m.~~ on Tuesday, April 7, 1992 in room 519-S of the Capitol.

All members were present except:

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:

Representative Jim Lowther, testifying for HB3195  
Willie Martin, representing Sedgwick County Board of Commissioners  
David Furnas, Executive Director, KS Press Association, KPA

Chairman Dan Thiessen said the committee will hear HB3195 which was just received in committee 2 days ago, which did not leave anytime to generate more interest, and he recognized Representative Jim Lowther.

HB3195: Bond indebtedness limitations of Lyon County's exception for jail or law enforcement facility.

Representative Jim Lowther said HB3195 was introduced by the House Taxation Committee at the request of Lyon County. He said, Lyon County is in the process of a long drawn out valuation with the need for, and how to build a law enforcement facility and jail. He said, it might be for a lot of counties, involved with bond limitations and the debt is fairly low, and if they have any other thing on the books that are outstanding that the chances are they will be running up against this problem.

He said, they are going to go the sales tax route, or go to a vote of the people. He said, under K.S.A.10307c, bonds issued for financing law enforcement centers because they are exempt from limitations, and they are payable by the proceeds of a retailers sales tax. He said, in the development of this project, it was found that they could use some sort of a double barrel approach, and provide that they could also have it on the proposition, that they would be further backed by obligation bonds and be able to get a better rate on revenue bonds, funded by the sales tax, in case the sales tax revenue would fall below the yield needed or for whatever reason.

He said, HB3195 simply amends 10307 in sub-section G to add Lyon County into the sub-section along with Riley County. He said, Riley County is already exempt from the bond indebtedness for the purposes of law enforcement facilities. He said, the sales tax would be  $\frac{1}{2}\%$  for countywide, because there is none countywide, but there is  $\frac{1}{2}\%$  for city. (NO WRITTEN TESTIMONY)

A member asked how homerule would be affected, if the committee is exempting?

Don Hayward said it's statutory and is protected by 19-901b.

Senator Gerald Karr moved to favorably pass HB3195, 2nd by Senator Phil Martin. The motion carried.

Chairman Dan Thiessen turned attention to HB3037 and recognized Willie Martin, representing Sedgwick County Board of Commissioners.

HB3037: Registration and Regulation of personal property tax rendition form preparers.

Willie Martin said HB3037 addresses the under-reporting of personal property in the filing of personal property tax renditions.

She said, in Sedgwick County a County Tax Task Force is in the final stages of completing an inspection of tax records. To date the task force has discovered an estimated \$2.2M in unreported business personal property taxes owed by the companies that have been reviewed.

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON ASSESSMENT AND TAXATION,

room 519-S, Statehouse, at 11:00 a.m. ~~pm~~ on Tuesday, April 7, 1992.

She said, currently Tangible Personal Property Ad Valorem Tax Returns can be signed by the business or its tax representative. She said, **HB3037** would require that the owner or officer of a company or corporation and a tax representative, if used, would both be required to sign the return, certifying that the return is true and correct.

She said, they are requesting the committee to consider the need for three technical amendments, on page 2 of her hand-out. (**ATTACHMENT 1**)

Chairman Thiessen concluded the hearing on **HB3037** and recognized Senator Martin.

Senator Phil Martin moved to amend **HB3037** by sending a second rendition notice by certified mail before imposing the fine, and also included the requested amendments conceptually on page 2, of attachment 1, 2nd by Senator Gerald Karr. The motion to amend carried.

Senator Phil Martin moved to favorably pass **HB3037** as amended, 2nd by Senator Janis Lee. The motion carried.

The Chairman turned attention to **HB3080** and recognized David Furnas, executive director KS Press Association, KPA.

**HB3080**: Publication of delinquent tax notices.

David Furnas, said income from legal notices comprise less than 2% of the advertising revenue of newspapers, so the change in a once-a-year legal publication is not a major motivation to oppose **HB3080**. He said, there is a sincere belief by newspaper publishers that the publication of the delinquent tax lists motivates delinquent taxpayers to make payment.

He said, KPA's proposed amendment to the House Committee on page 1, of his handout would reduce the frustrations being directed at treasurers and clerks by those taxpayers who do pay their taxes and want their names removed from subsequent publications.

He said, the current law allows the treasurers to collect a \$15. fee to offset the three time publication of current law. He said the House Committee did reduce the number of publication times, but did not reduce the collection fee.

He said, KPA believes the 3 time publication, and allowing names to be removed as payment is received, is the best method at this time to save money and collect information about how many times the list should be published and the best method to collect delinquent taxes.

He asked the committee members to amend **HB3080** to a 3 time publication and maintain the amendment allowing the names to be removed. (**ATTACHMENT 2**)

Chairman Dan Thiessen concluded the hearing on **HB3080** and said we received the bill so late that we would wait to work it to give people time to testify. He said, we would be meeting tomorrow at 11:00 a.m. in room 519-S.

The Chairman adjourned the meeting at 11:32 a.m.

**WRITTEN TESTIMONY** was turned in by: R. Eileen King, Riley County Treasurer on **HB3080**, (**ATTACHMENT 3**)

GUEST LIST

COMMITTEE: ASSESSMENT & TAXATION

DATE: TUES. 4-7-92

NAME (PLEASE PRINT)	ADDRESS	COMPANY/ORGANIZATION
Alan Steppat	Topeka	Pete Mcbill & Associates
Jim McFarlin	Topeka	OB & Co
Steve Humphreys		
Jack Blank	Wichita	Panhandle Center
Curt Carpenter	Great Bend	West Plains Energy
Dan Haas	Overland Park	KCPH
Ken Peterson	Topeka	KPC
Treva Potter	"	Peoples Nat. Gas
KAREN FRANCE	TOPEKA	KAR
Russ Frey	Topeka	KUMA
Kim Baker	"	4th Financial Corp.
Tom Whitaker	Topeka	KS Assoc. of Counties
Tim Irish	"	Grant's Honor Chapter of the APPRAISAL INSTITUTE
BEU BRADLEY	Topeka	KS Assoc of Counties
GERRY TAY	Olathe	Johnson Co Comm.
Willie Martin	Wichita	Sedgwick Co Comm.
Rich McKee	Topeka	KS Agricultural Assoc.
Don Schuckle	Topeka	KIOGA
Gordon T. Hawett	Topeka	CPAK
John Ensky	Topeka	KS. Press Assoc.
ED SCHTAUB	"	KPL
Kirby L. Stegman	"	DOR
JANICE MARCUM	"	DOR



SEDGWICK COUNTY, KANSAS  
INTERGOVERNMENTAL COORDINATOR

WILLIE MARTIN

COUNTY COURTHOUSE • SUITE 315 • WICHITA, KANSAS 67203-3759 • TELEPHONE (316) 268-7552

TO: SENATE ASSESSMENT AND TAXATION  
FROM: WILLIE MARTIN  
DATE: APRIL 8, 1992  
SUBJ: HB 3037

Mr. Chairman and members of the Committee, I am Willie Martin representing the Sedgwick County Board of Commissioners. I sincerely appreciate the time you have allowed to hear comments on HB 3037.

HB 3037 addresses the underreporting of personal property in the filing of personal property tax renditions.

In Sedgwick County a County Tax Task Force is in the final stages of completing an inspection of tax records. To date the task force has discovered an estimated \$2.2 million in unreported business personal property taxes owed by the companies that have been reviewed.

The task force has identified the need for legislative action to ensure accountability and compliance with laws governing the reporting of business personal property.

Currently Tangible Personal Property Ad Valorem Tax Returns can be signed by the business or its tax representative. HB 3037 would require that the owner or officer of a company or corporation and a tax representative, if used, would both be required to sign the return, certifying that the return is true and correct.

In addition, K.S.A. 79-1420 is amended to make the penalty for filing a false or fraudulent personal property tax rendition form, for willfully failing to disclose taxable property or for understating the value of taxable property, or for refusal to deliver such rendition, a fine of not less than \$1,000 or more than \$5,000. The current misdemeanor fine is fifty (\$50).

The Sedgwick County Commission believes that the legislation requested will bring accountability and fairness in the reporting of business personal property taxes.

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HB 3037 passed the House April 2nd, 123 to 1.

Bill Edds of the Revisors office has assisted us in identifying the need for three technical amendments as follows:

A. In Section 2, line 16, by striking under penalties of perjury.

B. In Section 2, line 28, by striking under penalties of perjury.

C. In Section 3, line 35, by striking or county counselor.

Amendments A. and B. removes perjury which is a felony offense and in direct conflict with the misdemeanor penalty for the same offense.

Amendment C. This amendment removes the county counselor from the responsibility of criminal prosecutions. In Sedgwick County, as in most counties, criminal prosecutions are the responsibility of the district attorney.

Dave Cunningham, Director of PVD and Chairman Wagnon are both aware of the amendments needed.

We respectfully request your support of HB 3037.

**Kansas Press Association Testimony**  
**before the**  
**Senate Assessment & Taxation Committee**  
**on HB 3080**  
**April 7, 1992**

Mr. Chairman and members of the committee: My name is David Furnas and I am the executive director of the Kansas Press Association. KPA represents the 250 daily and weekly newspapers in the state.

The loss of revenue to newspapers is not a major reason for our industry's concern about HB 3080. Income from legal notices comprise less than two percent of the advertising revenue of newspapers, so the change in a once-a-year legal publication is not a major motivation to oppose HB 3080.

There is a sincere belief by newspaper publishers that the publication of the delinquent tax lists motivates delinquent taxpayers to make payment.

In testimony before the House Committee, KPA offered an amendment to allow the names of delinquent taxpayers to be removed from the list for subsequent publication. By amending current law to allow delinquent taxpayer's names to be removed from the second and third publication as payment is received, the costs of the publication could be reduced. That would meet one of the goals for the proponents of the bill. Additionally, the publishers, treasurers and the Legislature would have some accurate data on the true impact of the publication of delinquent taxpayers' names as a motivation for timely payment.

The KPA's suggested amendment would also reduce the frustrations being directed at treasurers and clerks by those taxpayers who do pay their taxes and want their names removed from subsequent publications.

The committee recommended to the full House publication of the list twice. Without the third publication, however, the Legislature, publishers and treasurers do not know how many more delinquent taxpayers would be motivated to pay.

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The current law allows the treasurers to collect a \$15 fee to offset the three time publication of current law. The House amendment, while reducing the number of publication times, did not reduce the collection fee.

Certainly, as the bill has been amended, this committee and the Legislature would want to at least reduce the \$15 collection fee because the costs of collection would be reduced.

KPA believes the three time publication, and allowing names to be removed as payment is received, is the best method at this time to save money and collect information about how many times the list should be published and the best method to collect delinquent taxes.

We would ask the Senate committee to amend this bill to a three time publication and maintain the amendment allowing the names to be removed.

R. Eileen King  
Riley County Treasurer

110 Courthouse Plaza  
913-537-6320

OFFICE OF COUNTY TREASURER

RILEY COUNTY  
MANHATTAN, KANSAS 66502

TO: SENATE ASSESSMENT AND TAXATION COMMITTEE MEMBERS  
FROM: R. EILEEN KING  
DATE: APRIL 7, 1992  
RE: HOUSE BILL 3080 PUBLICATION OF DELINQUENT NOTICES

Thank you for your consideration of HB 3080 regarding the publication of delinquent taxes and the mill levy. The present law states that delinquent real estate tax lists, delinquent personal property tax lists and the mill levy are to be published 3 consecutive weeks in the County newspaper. HB 3080 would give state that we are required to publish these items at least once. By letting it be a county option, those counties that could see a cost savings would be able to. We are all looking for ways to help the taxpayers of Kansas. I feel that this is one way of helping without hurting the effectiveness of the office. By reducing the number of publications required for the delinquent real estate tax notices, delinquent personal property tax notices and the mill levy rate, it would allow each county to reduce the cost of the publication by two-thirds. Most newspapers charge the same per inch charge for each publication, so by eliminating two out of the three publications, each county would realize a savings of two-thirds. As you will notice, the bill does state that these publications will be made at least once. That way those counties that feel there is a direct benefit in their county for the second and third publications can still do so. But in the counties where the additional publications are thought to be redundant, the additional costs could be eliminated. I have been the Riley County Treasurer for 7 years, and I feel that the first publication serves a definite purpose, but the additional ones are not necessary. The first one gives many taxpayers an incentive to pay the tax or get the matter cleared up before their name appears in the newspaper.

I have done a survey of the counties to see what the cost savings would be. Out of the 105 counties, 90 counties have responded with the cost of their publications. I have attached a copy of the cost per county. As you can see the costs range from \$241.20

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in Hamilton County to \$57,024.66 in Sedgwick County. Some of the cost is based on the size of the county, but the number of delinquencies in a county also contribute to the difference in costs. Other factors that can influence the costs are the format used, the size of print and whether the copy is camera ready. In Riley County the cost of these publications is \$7,978.95. This figure could be reduced by \$2,659.65 by eliminating the two additional publications. This would be a savings of \$5,319.30. This cost savings isn't huge, but if we watch the small expenditures, they add up. I was always taught that "if you watch the pennies, the dollars will take care of themselves."

Statewide the cost of the 1991 publications in the 90 counties that responded to my survey was approximately \$465,120. I have attached a copy of the results of my survey. If this cost could be reduced by two-thirds, it would be a statewide savings of approximately \$310,080. This would allow those counties to use those budgeted funds for other purposes.

My purpose in supporting this is bill is to allow the counties a way of saving a few dollars for the taxpayers without reducing services or effectiveness. I feel that this would be a positive step towards that goal. We are all looking for ways of cutting back and this would be a help. Thank you for the opportunity to present my view point.

COUNTY	COST OF DELINQUENT PUBLICATIONS	COUNTY	
AMOUNT	1991	AMOUNT	
367.00	Allen	2843.00	Linn
735.77	Anderson	1852.92	Logan
637.60	Atchison	5603.76	Lyon
349.25	Barber	1976.00	Marion
015.00	Barton	2465.20	Marshall
	Bourbon	2380.00	McPherson
403.28	Brown	2164.38	Meade
400.00	Butler	4142.36	Miami
121.74	Chase	1029.48	Mitchell
571.20	Chautauqua	19161.45	Montgomery
697.78	Cherokee		Morris
	Cheyenne	655.76	Morton
910.12	Clark		Nemaha
600.00	Clay		Neosho
323.24	Cloud	701.70	Ness
215.00	Coffey	1065.60	Norton
645.40	Comanche	2846.84	Osage
709.00	Cowley	384.00	Osborne
741.27	Crawford	1250.00	Ottawa
857.00	Decatur		Pawnee
396.82	Dickinson	960.00	Phillips
729.78	Doniphan	1881.87	Pottawatomie
654.58	Douglas	5444.66	Pratt
588.64	Edwards	728.70	Rawlins
519.74	Elk	17264.76	Reno
449.36	Ellis	1121.91	Republic
850.86	Ellsworth	3542.10	Rice
223.16	Finney	7978.95	Riley
765.41	Ford	1071.53	Rooks
	Franklin	1899.24	Rush
	Geary	7737.11	Russell
587.82	Gove	10400.00	Saline
103.55	Graham	818.82	Scott
770.97	Grant	57024.66	Sedgwick
734.22	Gray	10721.70	Seward
792.75	Greeley	55364.98	Shawnee
014.85	Greenwood	263.82	Sheridan
241.20	Hamilton	1893.12	Sherman
761.25	Harper		Smith
	Harvey	651.00	Stafford
297.00	Haskell	1086.60	Stanton
506.61	Hodgeman	652.50	Stevens
327.16	Jackson	6262.96	Sumner
242.48	Jefferson	2003.20	Thomas
058.15	Jewell	5338.37	Trego
995.56	Johnson	4692.00	Wabaunsee
938.28	Kearney	854.07	Wallace
564.98	Kingman		Washington
	Kiowa		Wichita
856.06	Labette	4305.00	Wilson
083.57	Lane		Woodson
466.28	Leavenworth		Wyandotte
811.74	Lincoln		

TOTAL \$495,118.56