

Approved: Feb 13, 1996
Date

MINUTES OF THE SENATE COMMITTEE ON ASSESSMENT AND TAXATION.

The meeting was called to order by Chairperson Audrey Langworthy at 11:00 a.m. on February 7, 1996 in Room 519--S of the Capitol.

Members present: Senator Langworthy, Senator Corbin, Senator Martin, Senator Bond, Senator Clark, Senator Feleciano, Jr., Senator Hardenburger, Senator Lee, Senator Ranson, Senator Sallee and Senator Wisdom.

Committee staff present: Tom Severn, Legislative Research Department
Chris Courtwright, Legislative Research Department
Don Hayward, Revisor of Statutes
Elizabeth Carlson, Secretary to the Committee

Conferees appearing before the committee: Gerry Ray, Johnson County Board of Commissioners
Anne Spiess, Kansas Association of Counties
Senator Lana Oleen
Dr. Marc A. Johnson, Dean of Agriculture, KSU

Others attending: See attached list

SB 601--PROPERTY TAX CLERICAL ERRORS REMEDIATION

Gerry Ray, representing Johnson County Board of Commissioners, appeared in support of **SB 601**. (Attachment 1) This bill was requested by Johnson County to better facilitate the refunding of overpayment of taxes in the larger counties. The first change would allow the county commission to delegate the authority to a county officer to approve refunds due to clerical errors. Ms. Ray went on to tell the reasons for this bill. She said in granting this authority, the Commission would probably add a condition requiring the approval of the County Clerk, County Treasurer and the County Appraiser before the refund could be made.

The second change would give an option to counties, with a five member board, to have a simple majority to vote to recommend the waiving of the three year filing limitation to the Board of Tax Appeals for tax refunds. This would apply to four counties--Johnson, Sedgwick, Coffey and Seward. The passage of **SB 601** would speed up the process of making refunds and provide the taxpayer with improved service.

Senator Martin asked why it was limited to just a few counties, he thought the authority should be given to all counties. Senator Ranson asked if this bill was supported by Sedgwick County. Willie Martin, representing the Board of Sedgwick County Commissioners, stood to say they would definitely support **SB 601** and they feel it would be helpful, not only to Sedgwick County but to all counties. The bill would expedite the process of granting refunds to the taxpayer.

Anne Spiess, representing the Kansas Association of Counties, did not present written testimony, but she said they support all counties being added to **SB 601**. She also said she thought the bill should keep the current wording on clerical errors to unanimous in the counties where there are only three county commissioners.

The hearing was closed on **SB 601**.

SB 568--COUNTY EXTENSION COUNCIL PROPERTY TAX EXEMPTED FROM TAX LID

Senator Lana Oleen appeared to introduce **SB 568** and to present Dr. Marc A. Johnson, Dean of Agriculture, Kansas State University. She also spoke of the handout which had been passed to the committee from Richard G. Jones, Executive Director, The Kansas Association of Conservation Districts. (Attachment 2)

Dr. Johnson said he would like to clarify that **SB 568** does not exempt single county Extension councils from the tax lid. (Attachment 3) This would only apply to multi-county Extension districts established under provision of KSA 2-623 through KSA 2-628. Therefore, he thought the exemption in the bill should apply to KSA 2-623 rather than KSA 2-610. He said this bill would only deal with multi-county Extension districts which would make the formation of these multi-county districts easier. There is a problem with the budget authority for such a merger when there is no budget authority in its own right. He said currently it takes about three months or longer to get the chartering resolution publicly announced and adopted. However, once

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON ASSESSMENT AND TAXATION, Room 519-S
Statehouse, at 11:00 a.m. on February 7, 1996.

outside the county tax lid, the district has immediate budget and taxing authority.

Senator Martin asked what counties this change would apply to. Dr. Johnson said currently Lane, Ness and Rush counties are considering a multi-county extension district but it could apply to other counties considering such a merger in the future.

Senator Langworthy asked if this would be an exemption past the merging stage. Dr. Johnson said they are not exempt from the tax lid.

Barbara Butts, Municipal Accounting, stood to explain some of these requirements. She said the law appears to state the levy limit is 2 1/2 mills or \$75 thousand, whichever is greater. The problem is they have no base under the tax lid.

Senator Langworthy asked if there were other counties considering this merger. Dr. Johnson said there are other counties who could consider a merger and this would be a saving because the counties could share the county agents. Instead of having 4 agents, the two or three counties might have just three agents. One agent cannot cover all services in one county.

Senator Lee said it is very important for counties to share these services and it would be a cost savings for the counties.

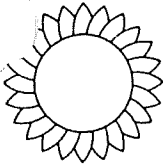
The meeting was adjourned at 11:55 a.m.

The next meeting is scheduled for Thursday, February 8, 1996.

SENATE ASSESSMENT AND TAXATION COMMITTEE
GUEST LIST

DATE: February 7, 1996

NAME	REPRESENTING
Marc Johnson	Kansas State Univ.
SCOTT CARLSON	State Conserv Comm
Wesley Halpern	WICHITA AREA BLDG. ASSO.
JANET STUBBS	Ks. BIA
Barbara Butts	
Gerry Ray	Jo Co Comm
Steve Anderson	Western Resources
Sue Peterson	Kstate
Ma Lana Olson	Senate
Anne Spiess	Ks. Assoc of Counties
Gary Hahnback	Homes Landscaping
Martha Jean Smith	KMHA
MARK BECK	KDOR
Mr. Mentzer	Sedg. County
Maria Howard	"
Jim Siemens	Reno County Appr.
Jerry FRANK	Sedgwick County
KAREN FRANCE	Ks. Assoc of REALTORS
SHIRLEY MOSES	ACT & REPORTS



FEBRUARY 7, 1996

SENATE ASSESSMENT AND TAXATION COMMITTEE

HEARING ON SENATE BILL 601

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

Madam Chair, members of the Committee, my name is Gerry Ray, Intergovernmental Coordinator for the Johnson County Board of Commissioners. I am appearing today in support of SB 601 which was requested by Johnson County to better facilitate the refunding of overpayment of taxes in large counties.

The first change is found on page 2, lines 1 through 6. This would assist in expediting the process by allowing the county commission to delegate the authority to a county officer to approve refunds due to clerical errors. In 1995 Johnson County had 350 refunds of \$1,000 or less, of those more than 200 were on individual person property. \$1,000 may not seem too significant when compared to the county's budget, but to some individuals it can be very important. As a fairness issue, the taxpayer, who is due a refund, should not be denied access to their money because of built in delays in the system.

In Johnson County the department heads are authorized to make purchases up to \$2,000 without taking bids and up to \$25,000 with bids. Therefore it seems logical that the same authority could be granted for processing \$1,000 refunds. In granting this authority the Commission would probably add a condition requiring the approval of the County Clerk, Treasurer and Appraiser before the refund could be made.

The second change being sought is on Page 2, line 42-43 and Page 3, line 1. The statutes require that an aggrieved taxpayer show proof to the Board of Tax Appeals that the board of county commissioners voted unanimously to recommend the waiving of the three year filing limitation for tax refunds. SB 601 would give an option to counties, with five member boards, to reduce the vote to a simple majority with the adoption of a resolution to that effect. The option would apply to three counties, Sedgwick, Coffey and Johnson.

The Johnson County Commission asks the Committee to consider the proposals contained in SB 601 as a means to speed up the process of making refunds and thus provide the taxpayer with improved service.

*Sen. Assess + Tax
Feb. 7, 1996
attach 1-1*



THE KANSAS ASSOCIATION OF CONSERVATION DISTRICTS
 522 Winn Road
 Salina, Kansas 67401
 Telephone (913) 827-2547

February 5, 1996

Board of Directors

DON FAXSON
 President
 P.O. Box 497
 Fort Scott, Kansas 67228
 Telephone (913) 674-2364
 Area I

DEANNE YOUK
 Vice President
 Route 2, Box 38
 Upland, Kansas 67438
 Telephone (316) 732-2788
 Area V

CARL JORDAN
 Secretary-Treasurer
 Route 1, Box 110
 Glen Elder, Kansas 67440
 Telephone (913) 848-3387
 Area III

SANDRA JONES
 Director
 5160 E. Road 17
 Johnson, Kansas 67886
 Telephone (316) 487-6686
 Area II

DON M. REZAC
 Director
 12380 Ranch Road
 Emporia, Kansas 66822
 Telephone (913) 838-3941
 Area IV

RICHARD G. JONES
 Executive Director
 522 Winn Road
 Salina, Kansas 67401
 Telephone (913) 827-2547

Mrs. Lana Oleen
 Kansas Senate
 State Capitol, Room 136-N
 Topeka, Kansas 66612

Dear Senator Oleen:

I just found out that hearing will be held in the Assessment and Taxation Committee on Senate Bill 568 at 11:00 AM on Wednesday, February 7, 1996. Sunday, February 4, my wife and I were called home from the National Association of Conservation Districts Annual Convention because of the death of her brother and the funeral is Wednesday, February 7 in Nebraska. I would like for this letter to be my testimony in favor of Senate Bill 568.

I previously discussed with you the interest of the Conservation Districts of Kansas in being exempt from the County aggregate levy limitations. The Conservation Districts have been given the responsibility to carry out the conservation and clean water programs required by our State Water Plan. Cost sharing for local farmers and ranchers in applying conservation and water quality practices was made available through funding of the State Water Plan, but we forgot that it also takes money to operate these programs by local Conservation Districts. We failed to provide Districts with proper operating funds. We hope the County Commissions across the State understand how important these programs are to our natural resources and would provide additional funds to Conservation Districts to implement them.

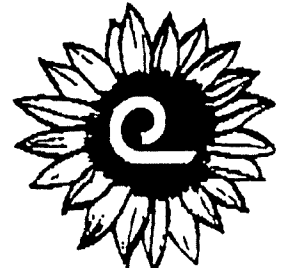
As stated above, I previously discussed this problem with you and mailed you a letter with the resolution on this need passed at our 1996 Annual Convention, November 21, 1996.

I am sorry I could not be there to testify in person, but that does not mean we do not have a strong interest in Senate Bill 568. If there is anything further I can do prior to the hearing please let me know.

Sincerely,

Richard G. Jones

Richard G. Jones
 Executive Director



cc: Senator Ben Vidricksen

*Sen. Assess + Tax
 2-7-96
 attach 2-1*

**Testimony
before the**

Senate Committee on Assessment and Taxation

**Regarding SB 568
February 7, 1996**

Good morning. My name is Dr. Marc A. Johnson, Dean of the College of Agriculture at Kansas State University, Director of the Kansas Cooperative Extension Service, and Director of the Kansas Agricultural Experiment Station. I am here to provide information on SB 568 as it exempts Extension districts from the county tax lid law.

First, let me clarify that this bill is not intended to exempt single county Extension councils from the tax lid law. County Extension Councils are single county entities established by KSA 2-608 through 2-622. SB 568 is intended to affect on multi-county Extension districts established under provisions of KSA 2-623 through 2-628. Therefore, the exemption in the bill should apply to KSA 2-623 rather than 2-610.

Secondly, I would like to interpret exemption of Extension districts as a technical correction making the formation of multi-county districts easier. We now have experience with forming districts, permitted by the 1991 Extension District Law. Mitchell and Lincoln counties merged Extension Councils in 1993. Lane, Ness, and Rush counties have committed to merging their Extension councils in 1996.

When a new district is organized in July of a year, participating county commissions give county spending authority to the district equivalent to the previous year's extension budget. Once the district has formed, it must pass a chartering resolution to establish budget and taxing authority on its own right. The tax lid originally limits authority to establish a district budget because of district has no budget history. The procedure to get the chartering resolution publicly announced and adopted takes about three months, longer than counties can allow to prepare property tax billings which include the district extension levy. Once outside of the county tax lid, the district has immediate budget and taxing authority.

Thank you for your consideration.

Sen. Assess + Tax

2-7-96

attach 3-1