

Approved: 2-10-98
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 9, 1998, in Room 519--S of the Capitol.

Members present: Senator Langworthy, Senator Corbin, Senator Lee, Senator Bond, Senator Donovan, Senator Hardenburger, Senator Karr, Senator Praeger, Senator Steffes, and Senator Steineger.

Committee staff present: Don Hayward, Revisor of Statutes
Shirley Higgins, Secretary to the Committee

Conferees appearing before the committee: Senator Anthony Hensley

Others attending: See attached list

The minutes of February 4 and 5 were approved.

SB 525--Property taxation; relating to the residential property exemption from the statewide school levy.

Senator Anthony Hensley, author of **SB 525**, testified in support. He explained that the bill would make permanent the \$20,000.00 homestead exemption from the statewide school levy passed by the 1997 Legislature for tax years 1997 and 1998. He called attention to a newspaper analysis of the positive impact of the two-year tax exemption for Douglas County. (Attachment 1) Senator Hensley believes that property tax relief in the form of a homestead exemption from the statewide school levy is good public policy. His staff currently was gathering statistics regarding the effect of this exemption in other counties. He felt statistics in other counties would be similar to those in Douglas County.

There being no other persons wishing to testify on **SB 525**, the hearing was closed.

The meeting was adjourned at 11:30 a.m.

The next meeting is scheduled for February 10.

Date: _____

Mon. 12-15-97

Exemption cushions tax

() Lawrence Journal World (

impact

Making sense of property taxes

Property tax rates

Multiply your property's total value by the tax rate shown below to figure its taxable value, or its assessment value.

Agricultural buildings	25.0%
Agricultural land	30.0%
Commercial property	25.0%
Mobile homes	11.5%
Motor vehicles	30.0%
Property owned by non-profit organizations	12.0%
Other (not residential or commercial)	30.0%
Residences on farm homesites	11.5%
Residential*	11.5%
Vacant lots	12.0%

* all residential property, including apartments and condominiums

Two-year tax break

Taxpayers will receive a break on residential property taxes in 1997 and 1998 thanks to the state school levy exemption. Up to \$20,000 of a property's appraised value will be exempted from the state school levy, resulting in savings of up to \$62.10 on property taxes.

Tax comparison

What effect will the exemption have on residential property taxes? Consider this example of a home in Lawrence.



1996		1997
\$65,000	Appraised value	\$70,000
X 11.5%	Tax rate	X 11.5%
= \$7,475	Assessment value	= \$8,050
X .116948	Total mill levy	X .111194
= \$874.19	General tax	= \$895.11
n/a	Tax exempted**	- \$62.10
= \$874.19	Total tax bill	= \$833.01

** under the state school levy exemption

(Note: the appraised value increased and the total mill levy was lowered in 1997.)

Note: Properties valued under \$20,000 receive a proportionate exemption, with their savings being less than the maximum amount.

Source: Kansas Department of Revenue

● A residential property exemption will offset rising property values for many Douglas County residents.

By SELENA STEVENS
JOURNAL-WORLD WRITER

Although they may not have noticed, many Douglas County taxpayers have a little more money to spend on last-minute Christmas shopping this week thanks to a two-year property tax exemption.

The exemption, applied by the Legislature to the state school levy, saved county residents a little more than \$1.5 million for 1997. A total of 25,404 properties were granted the exemption, which applied to the first \$20,000 of residential personal or real estate property. The exemption will also apply in 1998.

While some taxpayers say they are glad to see the exemption, they also say they didn't notice that much of a change in totals from their 1996 tax bills.

"We're always glad to get them (exemptions)," said Eugene Rock-

er, a local taxpayer to whom the exemption applied. "But I didn't think too much of it. Our taxes were about the same as last year, although it does seem like they usually go up year to year."

The maximum dollar amount saved per parcel of residential property was \$62.10. Properties valued under \$20,000 received a proportionate exemption, with their savings being less than the maximum amount.

One reason more people didn't see a decline in their 1997 tax is because the amount of tax paid by residents depends on property valuation and local mill levies, said County Treasurer Pat Wells.

"The assessment could be a big difference," she said, noting that the Lawrence mill levy dropped from 116.948 mills for 1996 to 111.194 mills for 1997.

On the other hand, average property values have risen between 4 percent and 6 percent from 1996, according to the county appraiser's office.

The need for an exemption is evidence of a problem with the tax code, said Larry Kipp, board member of the Douglas County

TERRY STEVENS/JOURNAL-WORLD GRAPHIC: Property Owners Assn.

"It's like emptying the bathtub before it overflows when all you have to do is turn off the water," Kipp said. "They (the Legislature) really do have to re-evaluate the property tax."

Kipp, who also received the exemption, said the tax break is a temporary solution for a tax code that is unnecessarily burdensome for many Kansans.

"Some people may look at this as a way to say, 'We lowered the taxes,'" he said. "But nobody wants to do the hard work and actually fix it."

For now, though, the hard work will be getting to the courthouse to pay the tax bill by the Dec. 20 deadline.

"I've been here (in Douglas County) so long I've learned taxes are just a way of life," Rocker said.

— Selena Stevens' phone message number is 832-7165. Her e-mail address is selena@ljworld.com.

Senate Assessment & Taxation
2-9-98
Attachment 1