

Approved: 2-11-98  
Date

MINUTES OF THE SENATE COMMITTEE ON ASSESSMENT AND TAXATION.

The meeting was called to order by Chairperson Audrey Langworthy at 11:08 a.m. on February 10, 1998, in Room 519--S of the Capitol.

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

Committee staff present: Chris Courtwright, Legislative Research Department  
Don Hayward, Revisor of Statutes  
Shirley Higgins, Secretary to the Committee

Conferees appearing before the committee: Senator Les Donovan  
Wendy McFarland, American Civil Liberties Union  
Shirley Sicilian, Kansas Department of Revenue  
Paul Welcome, Johnson County Appraiser  
Rod Broberg, Kansas County Appraisers Association  
Karen France, Kansas Association of Realtors

Others attending: See attached list

The minutes of February 9 were approved.

**SB 521--Income taxation; providing credits therefrom for teaching aid contributions.**

Senator Les Donovan testified in support of **SB 521**. He explained that **SB 521** was similar to a House bill which he introduced during the 1997 legislative session which provided that teachers who spend their own funds to supply teaching aids for the classroom could apply for a state income tax credit, not to exceed \$300.00. **SB 521** increases the credit cap to \$500.00 and has a refundability clause providing that a teacher who does not have a tax liability can apply for a refund of funds spent on teaching aids, not to exceed \$500.00. He felt the bill provides a simple, common sense way to insure that money goes directly into the classroom, bypassing administrative procedures and any other entity that may have interest in that cash. Senator Donovan noted that, based on the number of teachers in the state multiplied by \$300.00, the fiscal note on the House bill he introduced last year was \$9.1 million. However, he believed that figure was an over-estimation as 100 percent would not apply for the credit.

Senator Hardenburger expressed her opinion that contributions of classroom materials was a personal choice for teachers, and it is not up to taxpayers to subsidize that choice. She felt teachers needing extra supplies in their classrooms could solicit donations of particular needs from their local community.

Wendy McFarland, American Civil Liberties Union, testified in support of **SB 521** if amended to limit the tax credit to public school teachers, in accordance with the First Amendment which forbids government from subsidizing sectarian education. She suggested that the bill be amended on page one, line 20 by inserting "public" between "accredited" and "school" and by striking the phrase "whether public or otherwise." (Attachment 1)

Shirley Sicilian, Kansas Department of Revenue, reported that the Department's calculation of the fiscal note on **SB 521** was \$16.4 million, based on \$500.00 multiplied by the number of accredited public and private teachers in Kansas. With this, the hearing on **SB 521** was closed.

**SB 543--Property taxation; concerning contents of appraised valuation notice.**

Paul Welcome, Johnson County Appraiser, testified on behalf of the Johnson County Board of Commissioners in support of **SB 543**. The bill would allow the inclusion of the following information on

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON ASSESSMENT AND TAXATION, Room 519-S  
Statehouse, at 11:00 a.m. on February 10, 1998.

notices of appraised property valuation: the address, sales amount, sales date, and the adjusted sales amount used in the estimation of the appraised value of residential property. Mr. Welcome felt this would be an enhancement to the property notification of value process and would streamline the procedures now in place for property owners to appeal or understand their property valuations. The bill would be county optional. (Attachment 2)

In the interest of clarification, Mr. Welcome suggested that **SB 543** be amended on page two, line 22 by adding "address and" before "parcel identification" and "if address number is unknown" after "identification." Staff suggested an amendment on line 23 by adding "of other residential real property" after "sales."

Rod Broberg, Kansas County Appraisers Association, followed with testimony in support of **SB 543** and in support of the suggested amendments. He felt the sales information on the change of value notice would be advantageous to the taxpayer in that they would know immediately what sales were used to value their property without having to specifically request the information from the county appraiser. (Attachment 3)

Karen France, Kansas Association of Realtors, gave final testimony in support of **SB 543** as a convenience for taxpayers and as a time saver for county appraiser offices. (Attachment 4)

The hearing on **SB 543** was closed.

Senator Bond moved to amend **SB 543** as suggested and to report it favorable for passage as amended, seconded by Senator Hardenburger. The motion carried.

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

The next meeting is scheduled for February 11, 1998.

**SENATE ASSESSMENT AND TAXATION COMMITTEE  
GUEST LIST**

DATE: February 10, 1998

| NAME               | REPRESENTING                    |
|--------------------|---------------------------------|
| Kelly Kuetala      | City of Deerland Park           |
| MARK BECK          | KDOT                            |
| S. Sicilian        | KDOT                            |
| Paul Welcome       | Johnson Co. Appraiser           |
| Bonnie Dunham      | " " "                           |
| Ime Langford       | DOB                             |
| Michelle Miller    | Johnson County                  |
| Julie Stramberg    | Jo Co                           |
| Rod Broberg        | Kansas County Appraisers Assoc. |
| Dennis Gros Intern | San. Huelskamp                  |
| Blair Whitehead    | Retired GOOD YEAR               |
| Cedric Moeye       | KS for Equal Prop + Services    |
| Ray Brinnett       | " " " "                         |
| Bob Merck          | SEN. EMERY'S OFF.               |
| Tom PALACE         | KOMA                            |
| Steve Montgomery   | CAS Construction                |
| Mark Tallman       | KASB                            |
| George Peterson    | KS Taxpayers Network            |
| Talman Cole        | Int'l - Sen. Johnson            |

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**SENATE ASSESSMENT AND TAXATION COMMITTEE  
GUEST LIST**

DATE: February 10, 1998

| NAME          | REPRESENTING           |
|---------------|------------------------|
| KAREN FRANCE  | Ks. Assoc. of REALTORS |
| Paul Petajoki | Taxpayers Network      |
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# American Civil Liberties Union of Kansas and Western Missouri

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Wendy McFarland / Lobbyist (785) 233-9054

## Testimony On SB 521 Concerning Tax Credits For School Teachers Presented To Senate Assessment and Taxation Committee February 10, 1998

THE AMERICAN CIVIL LIBERTIES UNION APPEARS BEFORE YOU TODAY TO REQUEST A SMALL BUT SIGNIFICANT CHANGE IN SB 521. WE SEEK THIS CHANGE IN AN EFFORT TO INSURE THE CONSTITUTIONAL SURVIVAL OF THIS WELL INTENTIONED BUT POTENTIALLY PROBLEMATIC BILL.

OUR REQUESTED AMENDMENT WOULD APPEAR ON PAGE ONE, LINE 20. WE WOULD ASK YOU TO INSERT THE WORD 'PUBLIC' BETWEEN 'ACCREDITED' AND 'SCHOOL' AND STRIKE THE PHRASE 'WHETHER PUBLIC OR OTHERWISE'. LINE 20 WOULD THEN READ "ACCREDITED PUBLIC SCHOOL, AN AMOUNT, NOT TO EXCEED".

OUR AMENDMENT WOULD LIMIT THE TAX CREDIT THIS BILL OFFERS TO PUBLIC SCHOOL TEACHERS WHO HAVE FOR YEARS GENEROUSLY BORNE THE COST FOR OUT OF POCKET EXPENSES.

OUR PURPOSE IN LIMITING THIS TAX CREDIT TO ONLY TEACHERS OF PUBLIC SCHOOLS CAN BE FOUND IN THE ESTABLISHMENT CLAUSE OF THE FIRST AMENDMENT TO THE U.S. CONSTITUTION. IT READS IN PART "CONGRESS SHALL MAKE NO LAW RESPECTING AN ESTABLISHMENT OF RELIGION" AND IT IS IN THOSE VERY WORDS THAT THE SEPARATION OF CHURCH AND STATE CAN BE FOUND. IT IS THIS PROVISION THAT FORBIDS GOVERNMENT FROM SUBSIDIZING SECTARIAN EDUCATION.

CURRENTLY PRIVATE SECTARIAN SCHOOLS ACCOUNT FOR 85 PER CENT OF THE TOTAL PRIVATE SCHOOL ENROLLMENT IN THE UNITED STATES.

THESE SCHOOLS CLEARLY HAVE A RIGHT TO CO- EXIST WITH PUBLIC SCHOOLS. WE SHOULD NEVER FORGET, HOWEVER, THAT PRIVATE SCHOOLS CAN AND DO REJECT ADMISSION OF CHILDREN BASED UPON FACTORS SUCH AS THE CHILD'S SEX, RELIGION, RACE OR SPECIAL NEEDS.

*Senate Assessment & Taxation  
2-10-98  
Attachment 1*

THE FREEDOM TO ACCEPT ONLY CERTAIN STUDENTS COMES WITH A PRICE AND THAT PRICE IS PROVIDED FOR IN THE SUPREME COURTS INTERPRETATION OF THE FIRST AMENDMENT WHICH HAS CONSISTENTLY HELD THAT TAX DOLLARS CANNOT BE USED TO SUBSIDIZE PRIVATE SCHOOLS.

ANY FUNDING OF SCHOOLS THAT ARE ALLOWED TO DECIDE WHO MAY ATTEND AND WHAT MAY BE TAUGHT MUST COME FROM THE PRIVATE SECTOR THEN, NOT GOVERNMENT AND THERE IS NO VIABLE DISTINCTION TO BE FOUND IN ATTEMPTING TO SEPARATE THE TEACHER IN ONE OF THESE LEGALLY SEGREGATED SCHOOLS FROM THE SCHOOL ITSELF. IN THE CONTEXT OF THIS BILL, THE SUPREME COURT WOULD VIEW THEM AS ONE.

AS A GENERAL RULE, THE GOVERNMENT REGULATES WHAT EVER IT CHOOSES TO SUBSIDIZE.

THEREFORE IF YOU CHOOSE TO UNDERWRITE PRIVATE SCHOOLS BY UNDERWRITING THEIR TEACHERS, YOU HAVE BOTH A RIGHT AND A RESPONSIBILITY TO ENSURE THAT THE FUNDS ARE BEING SPENT WELL.

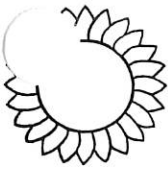
THIS TYPE OF GOVERNMENT ASSISTANCE IN THE FORM OF TAX CREDITS OPENS THE DOOR TO EXTENSIVE STATE REGULATION OF PRIVATE SCHOOLS AND ONE WOULD PRESUME THEY ARE PRIVATE JUST TO AVOID ANY REGULATION BY GOVERNMENT..

KANSANS VOLUNTARILY SUPPORT A WIDE VARIETY OF SCHOOLS AND RELIGIOUS INSTITUTIONS BUT THOSE WHO DO, DO SO WILLINGLY.

THEY SHOULD NOT BE FORCED TO PAY TAXES FOR SCHOOLS THAT ARE ALLOWED TO SELECT THEIR STUDENTS OR FOR THOSE THAT MAY TEACH RELIGIOUS VIEWS A TAXPAYER DISAGREES WITH AND ACCORDING TO THE MEANING PROSCRIBED TO THE FIRST AMENDMENT, NO CITIZEN OF THIS COUNTRY SHOULD EVER BE FORCED TO UNDERWRITE THE RELIGIOUS TEACHINGS OF ANOTHER. AND EQUALLY AS COMPELLING, NO RELIGIOUS SCHOOL SHOULD EVER HAVE THE LONG ARM OF GOVERNMENT TELLING THEM WHAT TO PREACH. THAT IS THE BEAUTY OF OUR FOREFATHERS INTENT IN SEPARATING CHURCH FROM STATE.

THE ACLU RESPECTFULLY ASKS YOU TO ADD THE SIMPLE AMENDMENT WE HAVE PROPOSED THAT WILL MAKE THIS OTHERWISE ADMIRABLE BILL ONE THAT IS CONSTITUTIONAL.

THANK YOU.



**TESTIMONY ON HB 543  
PRESENTED TO THE HOUSE TAXATION COMMITTEE  
On Behalf of the Johnson County Board of Commissioners**

By Paul Welcome, CAE  
Johnson County Appraiser

February 10, 1998

Mr. Chairman, thank you for the opportunity to offer my testimony on House Bill 543 which proposes to include the address, sales amount, sales date and the adjusted sales amount used in the estimation of the appraised value of residential property. The Property Valuation Director specifically stated that a change in statute is required to allow sales information on the notices, therefore, we are requesting the change.

This bill would be an enhancement to the property notification of value process and would streamline the procedures now in place for property owners to appeal and/or understand their property valuations. Last year Johnson County included (at our option) postcards with the valuation notices, which allowed property owners to request additional information. Approximately 17,000 information packets were mailed at a cost of \$1.65 per packet for materials, processing, and postage. This expenditure of more than \$28,000 could be eliminated with the inclusion of sales comparables on the Change of Valuation Notices (CVN). The \$28,000 does not include the labor cost to process the 17,000 packets.

Steve Bonner, Deputy Assessor, Arapahoe County, Colorado recently reported that their customer service activity was reduced more than 50% after including the sales information on their notices to property owners. Property owners appreciate the information and opportunity to better comprehend their valuations. I believe most property owners are not aware of the sales activity in their neighborhood and this would be a simple way to notify them of the activity.

Johnson County would like to see this bill passed which would allow for the sales information to be included on the notices at the county's option. I believe improving the public's understanding of their home valuation is the right thing to do.

February 6, 1998 (10:18am)  
F:\PAW\1998\LEGISLAT\SB543.WPD

*Senate Assessment + Taxation  
2-10-98  
Attachment 2*

**ST. LOUIS COUNTY**  
**CHANGE OF ASSESSMENT NOTICE**  
*(THIS IS NOT A TAX BILL)*

LOCATOR NUMBER 08J630527

PROPERTY ADDRESS 1385 PEPPERHILL DR

MARCH 5, 1997

08J630527 111DE  
 TAYLOR VIRDON W & ELSIE MAE H/W  
 3523 PINTAIL DR  
 LAFAYETTE, IN 47905

Your real property has been reassessed as required by Missouri Statutes. Our final estimate of value and the reason for the change is shown below.

| LEGAL DESCRIPTION  | PLAT | PAGE NO. | ACREAGE | SURVEY | SECTION | TWP. | RANGE |
|--|------|----------|---------|--------|---------|------|-------|
| 1385 PEPPERHILL DR<br>0073/0081 X 0113/0110<br>FOXRUN PLAT 2 | 04   | 239R     |         |        | 69      |      |       |

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|--|
| <b>TOTAL APPRAISED VALUE AS OF<br/>JANUARY 1, 1997</b> |
| <b>\$75,300</b>  |
| <b>REASON FOR THE CHANGE:</b>                          |
| REASSESSMENT   |

| PRIOR ASSESSED VALUE   |       |                                   |        |
|------------------------|-------|-----------------------------------|--------|
| SUBCLASS               | LAND  | IMPROVEMENTS<br>(BUILDINGS, ETC.) | TOTAL  |
| RESIDENTIAL            | 3,170 | 11,210                            | 14,380 |
| CURRENT ASSESSED VALUE |       |                                   |        |
| SUBCLASS               | LAND  | IMPROVEMENTS<br>(BUILDINGS, ETC.) | TOTAL  |
| RESIDENTIAL            | 2,600 | 11,700                            | 14,300 |

THE "COMPARABLE SALES METHOD" IS ONE OF THE METHODS USED BY THE ASSESSOR TO ESTIMATE THE MARKET VALUE OF RESIDENTIAL PROPERTY. COMPARABLE PROPERTIES ARE SELECTED BASED ON LOCATION AND PHYSICAL CHARACTERISTICS SIMILAR TO YOUR PROPERTY. THE ACTUAL SALES PRICES OF THE COMPARABLES WERE ADJUSTED TO ACCOUNT FOR ANY DIFFERENCES IN THE CHARACTERISTICS BETWEEN YOUR PROPERTY AND THE PROPERTY THAT SOLD. THE FOLLOWING COMPARABLE PROPERTIES, SHOWN WITH THEIR ACTUAL SALE PRICES AND ADJUSTED SALE PRICES, WERE USED TO DETERMINE THE INDICATED MARKET VALUE OF YOUR PROPERTY.

| ADDRESS OF COMPARABLE PROPERTY | SALE DATE | ACTUAL SALE PRICE | ADJUSTED SALE PRICE |
|--------------------------------|-----------|-------------------|---------------------|
| 1415 SPRING VALLEY DR          | 05/96     | 73,500            | 77,461              |
| 1290 FOX RUN DR                | 09/96     | 68,000            | 73,096              |
| 1440 WILLOWBROOK DR            | 04/96     | 78,500            | 79,859              |
| 1550 PEPPERHILL DR             | 07/96     | 71,337            | 71,607              |
| 1435 BURNING TREE DR           | 07/95     | 78,000            | 77,068              |

SECTION 137.115 RSMO 1994 REQUIRES A REASSESSMENT OF PROPERTY EVERY SEVEN YEAR. THIS CHANGE OF ASSESSMENT NOTICE MEETS THE REQUIREMENT OF SECTION 137.355 RSMO 1994 WHICH STATES THAT THE ASSESSOR MUST NOTIFY THE OWNER OF ANY PROPERTY WHERE THE ASSESSMENT IS INCREASED.

IF YOU DISAGREE WITH THE INDICATED VALUE, PLEASE SEE THE OTHER SIDE OF THIS NOTICE FOR INFORMATION ON SCHEDULING AN INFORMAL CONFERENCE WITH THE ASSESSOR'S OFFICE TO REVIEW THIS ASSESSMENT OR THE PROCEDURES REQUIRED TO FILE AN APPEAL WITH THE ST. LOUIS COUNTY BOARD OF EQUALIZATION.



TO: Senate Tax Committee  
FROM: Rod Broberg  
RE: SB 543  
DATE: 02-10-98

Madam Chairman, members of the committee, My name is Rod Broberg and I represent the Kansas County Appraisers Association. I appreciate the opportunity to appear today in support of SB 543. This bill proposes language that would allow County Appraisers, at their option, to print sales information on the Change of Value notice. We feel that this would be advantageous to the taxpayer in that they would know immediately what sales were used to value their property without having to specifically request this information from the county appraiser.

I have two comments about the new language that appears on line 22 of page two of the bill. First, the language is permissive in that the counties may notify taxpayers of the sales. This is important because at the present time only the mainframe counties have the ability to implement this procedure. The AS400 counties would not be able to do this immediately without significant programming changes. I would hope that this could be a future enhancement for the AS400, and be available to those counties that want to use it.

Secondly, the current language does not include the address in the list of permissible items. We feel that the address is a much more user friendly piece of information than the Parcel ID Number. The Parcel ID Number should remain however because some counties do not have addressing systems in place. We would encourage the committee to amend the language to include the address.

The Kansas County Appraisers Association feels that this bill is a good step in providing better information to the taxpaying public. We would appreciate your support of this bill.

*Senate Assessment & Taxation  
2-10-98  
Attachment 3*



TO: SENATE ASSESSMENT AND TAXATION COMMITTEE  
FROM: KAREN FRANCE, DIRECTOR OF GOVERNMENTAL AFFAIRS *KE*  
DATE: FEBRUARY 10, 1997  
SUBJECT: SB 543, CONTENTS OF APPRAISED VALUATION NOTICE

Thank you for the opportunity to testify. On behalf of the Kansas Association of REALTORS® I appear today in support of the concepts presented in SB 543.

We feel it would be very valuable to property taxpayers to be told the sales information which triggered the change in value for their property, at the time they receive the notice of change. This would be convenient for taxpayers, rather than having to write or call the county appraiser's office to have it sent to them. Additionally, it would seem that, once the programming of the computers to include this information is completed, the time savings for county appraiser offices should be great.

We question why only the parcel number is included, not the address of the property. Parcel numbers only have meaning in reality for the county appraiser, not for the average citizen. The taxpayer cannot tell if the parcel is anywhere near their neighborhood. They will still have to request the address from the county appraiser's office, thus potentially defeating the beneficial aspect of the whole proposal, both for the county appraiser's office and the taxpayer.

While we support the concept of permitting this information to be included with the change of value notice, we ask you to consider, at some time in the future, the possibility of requiring county appraisers to include this information. We think the beneficial results would be greater for taxpayers and county appraisers alike if all counties provided it to their taxpayers, rather than just a few who choose to provide it. Additionally, think of the owners who own property in more than one county. It would be great if they could get the same information on all of their properties.

Thank you for the opportunity to testify. I will be happy to answer any questions you might have.

*Senate Assessment & Taxation  
2-10-98  
Attachment 4*