

MINUTES OF THE HOUSE COMMITTEE ON LOCAL GOVERNMENT.

The meeting was called to order by Chairperson Representative Gerry Ray at 3:30 p.m. on April 4, 2002 in Room 519-S of the Capitol.

All members were present except:

Committee staff present: Theresa Kiernan, Revisor  
Mike Heim, Research Dept.  
Kay Dick, Committee Secretary

Conferees appearing before the committee:

Others attending: See Attached List

**The Chair announced action would be taken on HB 3023 - act relating to property taxation; concerning the determination of fair market value**

She also brought to the attention of the committee, a letter from Robert Taggart, clarifying Real Estate Special Assessments. (Attachment #1)

Rep. Showalter asked for briefing of the bill and hearing. The Chair explained the bill and named the proponents and opponents.

Following a committee discussion, **Rep. Barnes made a motion to amend HB 3023 replacing the language from SB 92, Sec. 1, Lines 19 - 24, "which is burdened by any special assessment, the sales value thereof, and the sales value of any comparable real property so burdened, shall not include the present value of any such special assessment."** Rep. Gilbert seconded the motion. **HB 3023 passed out of committee, 6 yeas and 4 nays.**

The Chair announced that this was our last committee meeting. She thanked the members for all of their work and co-operation. Meeting was adjourned at 4:00.

**HOUSE LOCAL GOVERNMENT COMMITTEE GUEST LIST**

DATE: April 4, 2002

NAME	REPRESENTING
Chris Wilson	KBIA
Janet Stubbs	KBIA

*Robert C. Taggart & Associates*

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April 1, 2002

Representative Gerry Ray  
Capitol Building, Room 115  
Topeka, Kansas 66612

RE: Real Estate Special Assessments

Dear Representative Ray:

Pursuant with our discussion to clarify the consideration of special assessments I offer the following explanation. A special assessment is a lien on a property resulting from the issuance of bonds for the payment of public services. Services include, but are not limited to, street paving, storm sewer, sanitary sewer, water and sidewalks. The bonds are issued by local governments for various periods from five to twenty years.

There are two residential lots in separate subdivisions that are similar in every respect. One sells for \$40,000.00 and has no special assessments. The other sells for \$30,000.00 and has \$20,000.00 in special assessments.

The lot that sells for \$40,000.00 has all the utility services and paving installed and paid by the developer. From an appraiser's opinion the \$40,000.00 is the market value of the lot.

The lot that sells for \$30,000.00 has all the utility services and paving installed but has a \$20,000.00 lien for those utilities and paving. From an appraiser's opinion the \$30,000.00 represents the market value of that lot.

Obviously the purchaser of the \$30,000.00 lot is recognizing a part of the special assessments and is willing to pay the additional \$20,000.00 for the services even though over the life of the assessments they will be paying a total of \$50,000.00 (\$30,000.00 + \$20,000.00 plus interest).

The italicized addition to Section 1. of House Bill No. 3023 should read "In the determination of fair market value of any real property, the amount of any special assessment shall not be considered in excess of the sale price". The underlined words are changed or added. The word "value" should be changed to "amount" and the words "in excess of the sale price" should be added. This wording allows the inclusion of an amount of the special assessment that may or may not be in the sale price.

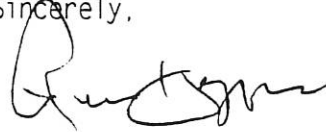
**HOUSE LOCAL GOVERNMENT**

**04/04/02**

**Attachment 1**

If there is no resolution of the problem, I would suggest the possible appointment of an interior study committee.

Sincerely,

A handwritten signature in black ink, appearing to read "Robert C. Taggart". The signature is fluid and cursive, with a large initial "R" and a long, sweeping underline.

Robert C. Taggart, MAI