

MINUTES OF THE HOUSE TAXATION COMMITTEE
January 14, 2004

The meeting was called to order by Chairman John Edmonds at 9:00 a.m. on January 14, 2004 in Room 519-S of the Capitol.

All members were present except:

Representative Nancy Kirk- excused
Representative Ruby Gilbert- excused

Committee staff present:

Chris Courtwright, Legislative Research Department
Martha Dorsey, Legislative Research Department
Gordon Self, Revisors of Statutes
Carol Doel, Committee Secretary

Conferees appearing before the committee:

Rep. Frank Miller
Sue Hucke
Don Matlock
Anita Atherton
Patricia McBride
Karl Peterjohn, Kansas Tax Payers Network
Richard Rodewald
Ed Jaskinia

Others attending:

See Attached List.

Chairman Edmonds called the meeting to order at 9:00 a.m. welcoming the committee and the new staff member, Martha Dorsey.

The floor was opened for bill introduction. Representative Powers requested a bill on SMT reciprocity and special heavy machinery tax for big machinery coming into the states. Chairman accepted that bill for introduction.

Representative Siegfried requested the introduction a bill to restore tax exemption on customized computer software and a second bill to establish a moratorium on the destination source and aspect of the streamlined sales tax until legislation is enacted which enables Kansas to let those taxes from out of state business and it would have a second aspect that if the federal legislature requires us to pay out of state vendors to collect those taxes, we would pay our in state vendors at the same rate to collect sales tax. Chairman Edmonds accepted those bills for introduction.

Representative Brunk requested the introduction of a bill that would clean up some language regarding the business aircraft property tax exemption.

With no objections, Chairman Edmonds accepted for introduction.

The Chairman opened the floor for hearing on **HB 2255** - Definition of "Fair Market Value" for Property Tax Purposes, and recognizing Representative Frank Miller as a proponent of the bill. Representative Miller urges the passage of **HB 2255** because it is a bill that will encourage property owners to not fear maintaining the esthetic appearance of their home. (Attachment 1)

The second proponent for **HB 2255** was Sue Hucke of Cherryvale, Kansas. In her testimony, Mrs. Hucke stated that they had lived here their entire lives and hoped to be able to continue to do so, however, due to increasing property taxes, this may be impossible. Mrs. Hucke sited examples of problems people are experiencing in their part of Kansas. (Attachment 2)

Next to address the committee as a proponent of **HB 2255** was Don Matlock of Independence, Kansas with

CONTINUATION SHEET

MINUTES OF THE HOUSE TAXATION COMMITTEE at 9:00 a.m. on January 15, 2004 in Room 519-S of the Capitol.

information regarding the appraisal of his property and the increase in property taxes. (Attachment 3)

Anita Atherton, farm manager from Independence, Kansas gave testimony in support of **HB 2255** saying the bill was worth supporting because it would eliminate an unjust imposition on the people. (Attachment 4)

Coming before the committee in support of **HB 2255** was Patricia McBride, real estate owner/manager from Independence, Kansas. She supported the bill to promote maintenance of real estate property in the towns and cities in the state of Kansas without penalty. (Attachment 5)

Executive Director of Kansas Taxpayers Network, Karl Peterjohn with testimony stating that **HB 2255** will not solve the property tax problem in Kansas, but it will work to level the unfair tax valuation process where many taxpayers are being charged just for prudent management and good stewardship in taking care of their homes and residential property. (Attachment 6)

Richard Rodewald was recognized as wishing to testify as a proponent of **HB 2255**, however on rising he wished to talk about property tax law and was advised by the Chairman to confine himself to **HB 2225**, but unable to do so, his testimony was terminated. (No written testimony)

Ed Jaskinia who represents the Landlords of Kansas also wished to address the committee in support of **HB 2255**. Mr. Jaskinia stated that he felt the bill was a good bill, but needed amendments. He suggested an amendment saying that an individual property cannot be increased more than 5% in any given year (No written testimony)

Submitting written testimony in support of **HB 2255** were Mark Palmer, Peru, Kansas (Attachment 7); Ruth Hanke, Neodesha, Kansas (Attachment 8); Glenn German, Burlington, Kansas (Attachment 9); Harold and Charlene Swearingen, Independence, Kansas (Attachment 10); Nancy Thomas (Attachment 11).

Submitting written testimony in opposition to **HB 2255** was Paul Welcome, Johnson County Appraiser (Attachment 12).

With time running out, Chairman Edmonds elected to continue the hearing on **HB 2255** on Thursday, January 15, 2004.

Meeting adjourned
10:40 a.m.

GUEST LIST

DATE 1-14-04

Anita Atherton	5
Gordon / Patricia McBride Fudge, KS 413 N 5	
Charles & Sue Lucke, Cherryvale, KS. 3742 W. 5200 ST	
Donald Matlock Independence 2400 Kellie Ln	
LARRY R BAER	LKM
Michelle Peterson	Kansas Governmental Consulting
Steve KRAVY	GOODYEAR
Deann Williams	KINCA
John Benkus	DOB
Richard Cuen	KDOR
Paul Petayzha	KS Taxpayers Mutual
Tony Filson	BOTA
Pat DeLuna	SCLA
Tom BRUNG	GBBA
ED JASKINIA	THE ASSOCIATED LANDLORDS OF KS (TALK)
Steve Johnson	KANSAS Gas Service
Bills Perry	KCUA
Wanda Lee Adams	KMHA
April Holman	Kansas Action for Children
Dee M Yee	USD 1383
Maries Carpenter	Kansas Chamber
Kansas Recreation and Park Association members (15) (Bruce Andrews)	
James Dunbar	Landlords of Lawrence
Leslie Kaufman	KS Coop Council

J. FRANK MILLER
 REPRESENTATIVE, TWELFTH DISTRICT
 MONTGOMERY, CHAUTAUQUA, AND
 ELK COUNTIES
 HOME ADDRESS: P.O. BOX 665
 INDEPENDENCE, KANSAS 67301
 TOPEKA OFFICE: STATEHOUSE, RM 431-N
 TOPEKA, KANSAS 66612
 (785) 296-7646



TOPEKA

HOUSE OF
 REPRESENTATIVES

COMMITTEE ASSIGNMENT
 MEMBER: EDUCATION
 HEALTH AND HUMAN
 SERVICES
 ETHICS AND ELECTIONS
 LEGISLATIVE POST AUDIT

January 14, 2004

Honorable Representative John Edmonds - Chairman
 House Taxation Committee
 Ref: HB2255 concerning taxation; relating to rules for valuing property.

Testimony by: Representative Frank Miller – 12th District

Thank you Mr. Chairman and members of the Taxation Committee for the opportunity to come to you today to testify in support of HB2255.

During the first year of my campaigning I read a very interesting article in one of our local newspapers that basically posed the question “Why should property owners be penalized for maintenance of their properties?” The article went on to express how in many cases when a property is evaluated by the appraiser the value of the home is increased because the owner painted, or re-roofed his home. This practice then becomes an incentive for a property owner to let his home or property deteriorate and look less attractive This is just not right!

The government should make sure that it’s laws and statutes do not interfere with the good upkeep of all taxpayer’s property for several reasons:

1. The esthetic appearance of the entire community is improved.
2. Value of all property in the community does not depreciate.
3. Appraisals of a property at best are only an estimate of value, which in many cases misses reality by a large margin.

Our old home was built in 1996 by a contractor and sold to my wife in 1997. The history of the appraised value of our old home was; 1998-\$81,500, 1999-\$89,500, 2000-\$92,670, 2001-\$96,180, 2002-\$98,100, thus the cumulative increase in the appraised value of our old home over that five year period was 20.37%. The cumulative increase according to Kansas Legislative Services for the same period for the CPI-U index was 10.36%, thus making the accuracy of this appraisal suspect. Bare in mind the only improvement made to the property during that five year period was to add a fence to enclose a dog. We built a new home in 2001-02 and put the old one up for sale for an asking price of \$112,000. We received several bids all less than \$98,100 and finally after more than a year we gave up and sold our old home for \$90,000. Due to the economic slowdown I am convinced that the actual market value of my old home was about \$90,000. Now what does that have to do with maintenance?

The new owners of our old home planted two nice looking flower beds in the front yard and the West half of the house roof was re-shingled due to hail damage. The latest appraised value of our old home for the new owners did not go down to \$90,000, but rather remained at the same whopping \$98,100. Thus, I can only deduce that the flower beds and roof job added \$8,100 to the market value of the property? This of course is absurd and totally beyond reality.

I have heard many constituents complain about the increase in the appraised value of their property and you will likely hear some of this in other testimonies presented today. I have heard property

HOUSE TAXATION

Attachment 1

Date 1-14-04

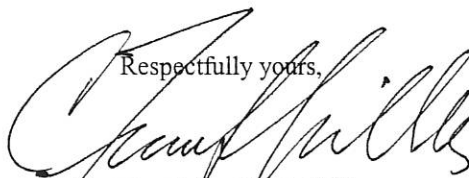
owners say they put off or do no further maintenance work on their home because they do not want the appraised value of their home to further increase their property taxes.

On this page is a chart that shows the percent increase in the appraised value of Residential and All Classes of property for Kansas as compared to the CPI-U index for the calendar years 1993-2003. The data was provided by the Kansas Legislative Research Department. It is alarming that the rate of residential appraised value has increased 98.87% for this 10 year period, but the increase for the same period for the CPI-U has only increased 28.20%. Now, we can assume that part of that increase is due to the increase in population and the construction of new homes, but not enough to justify being 250.60% more than the rate of inflation.

x Mr. Chairman I wish to urge the committee to vote in support of HB2255, because it is a bill that will encourage property owners to not fear maintaining the esthetic appearance of their home. This is a small concession for the government, yet something we all want for our community and will make life more pleasant for all Kansans. x

Summary of Kansas Property Valuation Verses Inflation - 1993-2002						
Prepared by Rep. Frank Miller -- 1/8/04						
Source of Data: Kansas Legislative Research Department.						
Calendar Year	Annual Kansas Inflation rate (CPI-U) %	Cumulative Inflation Rate Increase (CPI-U) %	Assessed Value Growth (Residential Only) %	Cumulative Value Increase (Residential Only) %	Assessed Value Growth (All Classes) %	Cumulative Value Growth (All Classes) %
1993	2.99%	2.99%	0.25%	0.25%	1.84%	1.84%
1994	2.56%	5.63%	5.91%	6.17%	4.25%	6.17%
1995	2.83%	8.62%	10.55%	17.38%	4.46%	10.90%
1996	2.95%	11.82%	6.29%	24.76%	3.15%	14.40%
1997	2.29%	14.38%	8.42%	35.26%	8.66%	24.30%
1998	1.56%	16.16%	7.30%	45.14%	4.04%	29.33%
1999	2.21%	18.73%	8.27%	57.14%	4.04%	34.55%
2000	3.36%	22.72%	9.93%	72.75%	6.49%	43.28%
2001	2.85%	26.22%	8.23%	86.96%	7.58%	54.14%
2002	1.57%	28.20%	6.37%	98.87%	2.56%	58.09%

Thank you and I now stand for questions.

Respectfully yours,

 Representative Frank Miller

From: "Charles Hucke" <cwhucke@earthlink.net>
To: <CarolD@house.state.ks.us>
Date: 1/8/04 7:39PM
Subject: Ref. HB 2255

January 14, 2004

Honorable Representative John Edmonds

House Taxation Committee

Ref: HB 2255 concerning taxation; relating to rules for valuing property

Testimony by: Charles & Sue Hucke

Address: 3249 W 5200 St., Cherryvale, KS 67335

Occupation and/or professional title: Charles, controller for 20 plus years, Sue, buyer of automotive aftermarket parts for 20 years, both retired, and raising beef cattle on 200 acres in Montgomery county.

Chairman Edmonds and Committee, it is my pleasure to come to you in support of HB 2255. We support HB 2255 because as residents of the great state of Kansas our entire lives, we would like to be able to continue to enjoy the rest of our retirement here, but due to increasing property taxes, this may be impossible. In the past ten years, we have seen a 30% rise in our property taxes. Since 1987, they have increased by 224%. We are trying to maintain two homesteads, one built by my grandfather in 1920 on 120 acres, and the one next to it, a home built by my father in 1967, after the existing home burned. It is on 80 acres. The farm is located on a rocky hill, so about all you can do is pasture it. My son and his family moved into my grandparents home after my parents died in 1991 and 1992, respectively. My father had remodeled the home in 1962, after having let it sit empty for a number of years due to problems with renting.

Since my parents had lived there 30 years, after their deaths we had to start replacing quite a few items, hot water tank, painting the interior, new carpet, etc. We also decided to put vinyl siding on the house, because the paint seemed to never stay on for very long. My father had re-painted just a year before his death, and two years later, it was already starting to peel off. We also replaced the windows (the old ones had the window weights and the ropes had rotted, so you had to prop them up with boards to open them). Two years after my son and his family moved in, we had some major storm damage, so had to replace the roof on the garage and the house. These are all routine maintenance items, and if you don't keep a place up, then the homes are doomed.

All you have to do is drive around the countryside, and you see home after home that is falling down. People just do not want to spend the money on upkeep, due to cost and higher property taxes. A classic example of this happening is on a farm just east of us. The individuals moved into their parents home, and they are just letting the house and barns fall down. They don't even mow the grass around the house in the summer. I know it is because they don't want to try renting, and they know if they fix it up, their property taxes will rise. This is a shame. Our county is economically depressed right now. You would be hard pressed to find a good paying job anywhere in Montgomery County. After my husband was forced into early retirement at age 59, he searched for over two years for another job in his field. He has a college degree, and 20 plus years of experience, but of course, no one would hire him due to his age. So, we were forced to start using retirement funds to live on, and are trying to make a little money raising cattle. As any of you who has tried farming knows, this is not a very lucrative business! Everything you need costs a lot of money, but when you sell your crops and/or livestock you are forced to take what the

HOUSE TAXATION

Attachment 2

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market is paying at the time. If you are working at a high paying job, you might be able to pay the escalating taxes, but on a fixed income, this soon becomes impossible. In my years of working, I don't know how many times I have heard individuals say, as soon as I retire, I am moving out of this state. Another person I knew told me that he had lived in five or six different states in his lifetime, but he never saw a state that liked to tax you like Kansas does! These comments speak volumes.

I am very sentimental about the farms I live on. I have roamed every inch of these pastures, both on foot and on horseback growing up. I helped my father from the age of 8 years old, raising sheep, cattle, hogs, driving tractors, combining, baling hay, etc. He used to rent a lot of cropland when I was a child. He farmed and raised cattle for over 70 years, and his father before him. My grandfather was named Master Farmer in the 1930's. So, as you can see, we have a lot of history in this state. I urge the members of this committee to support HB 2255, to help us avoid the possibility of having to sell our property and move elsewhere.

Respectfully yours,

Charles & Sue Hucke

From: Arlinda Shaughnessy
To: Carol Doel
Date: 1/9/04 1:31PM
Subject: HB 2255

This is Don Matlock's testimony.

----- Original Message -----

From: Don & Lois Matlock
To: CarolD@house.state.ks.us
Sent: Wednesday, January 07, 2004 7:03 PM
Subject: Ref hb2255

Honorable Representative John Edmonds.

I have lived in Independence for 10 years. and my taxes for the house that I own has gone up from \$1200 to \$1600 and the house to day if I had to sell it would maybe bring around \$75,000 now but it would take a while to sell it at that price. The county has appraised it at \$89,000. I have put siding on it and a new roof from a hail storm that came though. That's all that I have done to it. The Selling price was \$60,000 when I bought it.

When Cessna came in the prices on houses jump up. The People didn't move to Independence like everyone thought they would. They build a few homes in town thinking that it would bring in people. I know that it takes things like that to build a town and Community. but this day and time people will drive fifty miles to work and think nothing about it. So I really think that this is a great bill and needs to be passed. I want to Compliment Representative Frank Miller for this.

I hope that the State will Do what is best for the people of the State and the Elderly that are on fixed income. Also I don't think that the taxes on an old house with the same footage should be taxed the same as a new house that is being built.

Thanks for your time and for letting me put in my thoughts on this.

Respectfully Don and Lois Matlock
2400 Kelly Ln
Independence, Kansas 67301

HOUSE TAXATION

Attachment 3

Date 1-14-04

From: "Atherton" <atherton@terraworld.Net>
To: <CarolD@house.state.ks.us>
Date: 1/13/04 1:35PM
Subject: House Bill No. 2255

January 14, 2004

Honorable Representative John Edmonds - Chairman
House Taxation Committee

Re. HB2255 concerning taxation; relating to rules for appraising property

Testimony by Anita Atherton
5220 Hwy 75 N., Independence, KS 67301
Farm Manager

Chairman Edmonds and Committee members, I come before you to support HB2255

This Bill is worth of support because it would eliminate and unjust imposition on the people. I am most sincerely concerned about the impact of constantly increasing appraised values in the lives of the elderly. And in a time when the economy is suffering undue increasing values on any homeowner is bad policy.

The imposition of the extra property taxes is often enough to stop homeowners from making a routine repair to the house which is of the nature that it can be "put off". I have several sheds and barns and am reluctant to paint them knowing that they will indeed excite the appraisers interest in increasing the value of my entire property. One of the common comments among the farmers at our local coffee shop in our rural community is: "I don't think I paint the barn or replace roofing on the shed, this year, because it will just raise my property values." Because of the multiplying effect of the dollar, it would be far better for the farm to buy the paint and hire the workman to do the job than just put it off an other year. I have refrained from buying new paint for my biggest barn, because it didn't make sense not to wait as long a possible since I knew the appraiser would just take a more critical look at all my property. This use of routine maintenance in valuation makes a property owner feel like a target and reluctant to do what is best for his property and the community.

The good citizen knows that to use any type of routine maintenance as a measure of value actually reduces the viability and safety of our community. It seems criminals liked to lurk in shabby and paint peeling neighborhoods.

When I had a bookkeeping service I often worked for the retired older citizen and small business owner. And since we are a "graying society", I know I will soon be older and have an interest in what effects the elderly. One lady, Ida has a home she bought 25 years ago for \$15,000. It is the core of her holdings and she protested the last increase in value. She had a shed used as a one-car garage, which some might have been better taken down was repaired. In evaluating what her tax increase meant: That the little two bedroom house she bought for \$15,000 in 1987, 17 years ago, would become a\$150,000 and house and she would have a 125 year old house. The shed which had been there for years was measured and used to assess up the property. The appraises increases are ridiculous, exceeding inflation. When she protested her tax increase because it was based on re-roofing a shed which had had holes in the roof and painting the facial board around the edge of the roof, she was told by the clerk that accepted her protest

HOUSE TAXATION

Attachment 4

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form that there was likely not any change going to come from her protest. Ida expressed to me that she dared not to change anything to her home, living on a fixed income the way she does. Isa is not a dumb person, just try8ng to pay her bills and stay even. Often the small increase of taxes here and there makes a truly large burden on those trying to finish their days in their own home.

Another expense to the citizen which is unnecessary is the measuring of property at every revaluation cycle. Why are houses which have had not addition or changes, measured. Why are the measured when they are not growing. This is an expense to the taxpayer of unnecessary hours of work by those appraising property.

The use of ordinary repairs to increase the valuation of property makes property go up faster than appreciation or inflation. Often it makes it difficult for the elderly to keep their homes. So many of our elderly live on subsistence levels and still have the pride of ownership of a home. And anything which hits at that ability of th elderly to maintane their life in their own homes is a cruelty to those who have built our state and nation.

I want to thank you for your kind attention to my remarks.

Respectfully,
Anita Atherton

CC: "atherton@terraworld.net" <Atherton@terraworld.net>

January 14, 2004

Honorable Representative John Edmonds—Chairman
house Taxation Committee
RE: HB2255 concerning taxation, relating to rules for valuing property

Testimony by: Patricia McBride
Address: 413 N. Fifth St Independence, KS 67301
Occupation and/or title: real estate owner/manager

Chairman Edmonds and Committee, it is my pleasure to come to you in support of HB2255.

We support HB2255 to promote maintenance of real estate properties in the towns and cities of the state of Kansas without taxation penalty.

With the present formulas used to appraise real estate property owners are discouraged from maintaining their properties because of excess increases in taxes. In this past year we received the appraisal on our home at 413 N. Fifth, Independence, KS increased in value of \$18,000. We followed the appropriate procedure and appealed using the comparables, and taking pictures, and showing just cause why our property appraisal should not be increased in this excessive manner. We also have rentals that we do maintain and find ourselves penalized taxation wise every year that we put on roofs or paint the outside or maintain the porches. This is very discouraging and economically devastating because contrary to popular belief in our area of southeast Kansas rentals are a dime a dozen and also owner occupied homes. We cannot pass on the costs to our tenants as they also financially maxed.

We know property owners who are not maintaining their property until they sell and move out of Kansas because of the increasingly high property taxes. Past experience has shown that if they did do this type of maintenance the appraisal on their homes would raise considerably and thus increase their taxes and in many cases cause an exodus from Kansas to more “tax friendly” states.

Maintenance on real estate property in an enhancement to any and all of our communities and state. Real estate property owners in Kansas should never be penalized for pride of ownership in maintaining our properties.

We support HB2255 to promote **maintenance** of real estate property in the towns and cities in the state of Kansas without penalty.

We GRACIOUSLY THANK YOU for your time to consider your support of HB2255

Respectively,

HOUSE TAXATION
Attachment 5
Date 1-14-04

KANSAS TAXPAYERS NETWORK

P.O. Box 20050
Wichita, KS 67208
January 14, 2004

web:www.kansastaxpayers.com
316-684-0082
Fax 316-684-7527

Testimony For H.B. 2255

By Karl Peterjohn, Executive Director

Property taxes in Kansas are high and continue to grow at an excessive and unfair amount. Higher property taxes are mostly being created on existing properties by rising tax appraisals. In theory, there are supposed to be effective ways for taxpayers to fight unfair and inappropriate tax appraisal increases. In practice, the average Kansan is at a disadvantage when they step into the tax valuation appeal process. The appraisers and attorneys for the county have an advantage in information and knowledge of the tax system over taxpayers.

H.B. 2255 would help homeowners and other taxpayers covered by KSA 79-503a in eliminating the use of regular maintenance and landscaping as the basis for raising valuations. Sadly, this is one of the ways county appraisers are now using for a justification of valuation increases. Landscaping and even routine maintenance are inherently subjective (see personal preferences on paint colors) and not a good basis for anything except an indication of the property owner's effort to maintain their property.

The Kansas Taxpayers Network is well aware that the changes proposed by H.B. 2255 in and of themselves are no guarantee on improving the behavior of tax appraisers. This current statute already has a provision, "Sales in and of themselves shall not be the sole criteria of fair market value but shall be used in connection with cost, income and other factors including but not by way of exclusions...." and then this statute lists 11 specific provisions for measuring valuation. This proposed bill would add a 12th provision.

Kansas Taxpayers Network continues to receive complaints that the sole criteria for increases is tied to the purchase price despite the specific provisions to the contrary that are contained within this statute.

Taxpayers who Kansas Taxpayers Network hears from indicate that the problem of rising tax appraisals is one of the driving factors over unhappiness about the Kansas property tax system. Rising cynicism is becoming apparent as taxpayers complain that it is the un-elected appraiser who is driving property taxes and not elected officials who simply spend the increased property tax collections.

Kansas Legislative Research is now telling legislators that the statewide mill levy will collect \$22 million per mill for the upcoming budget. This is a significant and dramatic increase in value. The rapid growth in this figure, with \$20 million per mill being used last year as I recall, indicates that regardless of any other tax legislation or "revenue enhancements" or "cash generators" enacted by the 2004 legislature the property tax problem in Kansas will continue to worsen. This must stop.

H.B. 2255 will not solve the property tax problem in Kansas but it will work to level the unfair tax valuation process where many taxpayers are being charged just for prudent management and good stewardship in taking care of their homes and residential property.

HOUSE TAXATION

Attachment 6

Date 1-14-04

HOW BAD ARE KANSAS PROPERTY TAXES?

Kansans have largely been disenfranchised when it comes to tax hikes. In Missouri, Colorado, and Oklahoma the politicians have to get voter approval before taxes and bonds can be raised. That's not true in Kansas where property taxes are commonly raised two ways by higher mill levies and appraisal hikes.

Kansas property taxes are high. This fits in a state that is the high tax point on the prairie (See federal government web site that documents this point: www.census.gov/govs/www/statetax.html for 2001 data). Here's the state's most recent property tax data taken from the 2001 Kansas Inc. report, "Business Taxes and Costs: A Cross State Comparison 2001 Update," page 68-9.

		Effective <u>Tax Rate</u>
Kansas		
Statewide	Residential	1.19%
"	Commercial/Industrial	2.67%
Metro	Residential	1.19%
"	Commercial/Industrial	2.66%
Non Metro	Residential	1.20%
"	Commercial/Industrial	2.70%
Colorado		
Statewide	Residential	0.73%
"	Commercial/Industrial	2.17%
Metro	Residential	0.82%
"	Commercial/Industrial	2.43%
Non Metro	Residential	0.56%
"	Commercial/Industrial	1.68%

(OVER)

Missouri

Statewide	Residential	1.13%
"	Commercial/Industrial	2.20%
Metro	Residential	1.23%
"	Commercial/Industrial	2.42%
Non Metro	Residential	0.86%
"	Commercial/Industrial	1.59%

Nebraska

Statewide	Residential	1.76%
"	Commercial/Industrial	1.78%
Metro	Residential	1.87%
"	Commercial/Industrial	1.90%
Non Metro	Residential	1.65%
"	Commercial/Industrial	1.68%

Oklahoma

Statewide	Residential	0.96%
"	Commercial/Industrial	1.05%
Metro	Residential	1.06%
"	Commercial/Industrial	1.05%
Non Metro	Residential	0.81%
"	Commercial/Industrial	0.91%

Voters get to decide tax hikes in three of the states in this region. Only Kansas and Nebraska do not. It is no surprise that Kansas and Nebraska have higher property taxes.

Taxpayers are protected in Colorado, Missouri, and Oklahoma by tax and or spending lids that limit government growth. Why not Kansas? We can't afford to continue to be the high tax point on the prairie!

KANSAS TAXPAYERS NETWORK

P.O. Box 20050

Wichita, KS 67208

www.kansastaxpayers.com

316-684-0082

January 14, 2004
Honorable Representative John Edmonds - Chairman
House Taxation Committee
Ref: HB2255 concerning taxation, relating to rules for valuing property.

Testimony by: Mark W Palmer
Address: 537 Rd 25, Peru, KS 67360
Occupation: Engineer

Chairman Edmonds and Committee it is my pleasure to share with you why I request your support of HB2255:

Human activity, aimed at moving the world around us from a lower state of order to a higher state of order, constitutes value creation. Value creation is the backbone of any viable economy, the very foundation upon which all other economic activity depends. The value thus created constitutes what we recognize collectively as the wealth of our nation.

A standing structure embodies the material value of its components, as well as all of the labor value required to bring it into being. When a structure is allowed to deteriorate beyond the point of economic repair, all of that value is lost, and the wealth of our nation is diminished accordingly.

We should be very careful then, when examining how we go about taxing properties, to distinguish between preservation of existing value, and creation of additional value. The future prosperity of our nation will be better served if we create incentives to preserve, and penalties for allowing deterioration, rather than the other way around. Conservation should always take precedence over waste.

Please support HB2255.

Respectfully,

Mark W Palmer

House Taxation
1-14-04
Attachment 7

From: "Ruth A. Hanke" <cge@terraworld.net>
To: <CarolD@house.state.ks.us>
Date: 1/8/04 3:46PM
Subject: RE: HB2255 valuing property

January 14, 2004

Honorable Representative John Edmonds - Chairman

House Taxation Committee

Ref: HB2255 concerning taxation; relating to rules for valuing property.

Testimony by: Ruth Angelina Hanke (You may remember me, I've sung the "Lord's Prayer" twice for the Kansas House of Representatives)

Address: RR2 Box 225, Neodesha KS 66757

Occupation and/or professional title: Teacher - Working on PhD dissertation in Teaching and Leadership at the University of Kansas

Chairman Edmonds and Committee:

I come to you in support of HB2255.

I'll tell you why I support HB2255 ...when I used to work for the Kansas public school system; I was a tutor for high school students who had to stay at home per doctor's request. For one of my tutoring jobs I was sent to tutor a young man who needed to stay at home for a month. This young boy lived in the country, which I am used to since we are a rural community. When I drove up the gravel road to the disheveled white two-story farmhouse, all I could think of was "Please, dear God protect me." Two dogs came to my vehicle and started barking at me, one had attached himself to my car door. I honked my horn so that the owner of the house could escort me in. The "Mrs." of the house came out, called the dogs off, and assisted me through the mess on the decaying porch. Once again I said a prayer "Please, dear God protect me." She opened up the screen door and then the main door and said to go on in the house her son was waiting for me at the dinning room table, she was going to lock the dogs up in the barn.

Then came the surprise, I walked into a completely remodeled home, the interior was finished in pink with avocado green high-lights. I sat down at the table and by this time the mother had come back in. This is what she said to me, "Where you surprised at the difference between the inside of our house and the outside?" I didn't comment. She continued, "As long as we never paint or fix the outside of our house and barn our property taxes will stay the same." I still didn't comment and started my lessons with her son. The reason I didn't comment was for professional reasons but I have never forgotten that experience and every time I drive by that dilapidated farmhouse I think what a shame that our system has made us survive in this fashion.

Likewise, my husband and I live on a farm ...we also live at the mercy of property taxes. My husband is much older than I am (by 22 years) and it looks like I may be living alone for the later years of my life. When I'm older and on a set income if my sons decide to paint the place and my property taxes go up I would have to move out of my house. I would just tell my sons, leave this house as it is so I don't have to

HOUSE TAXATION

Attachment 8

Date 1-14-04

move out. It really is unfair to treat our citizens this way and is counter productive, it would seem that the upkeep of our property would make Kansas look better; if anything a tax break/incentive would be more in order, but since that is not likely, I would recommend that HB2255 be passed.

In closing, I urge the members of this committee to support HB2255, and if you have any questions regarding this letter please feel free to call me at (620) 325-5251 or send an e-mail to cge@terraworld.net

Sincerely,

Ruth A. Hanke

From: "Glenn R. German" <grey1020@hotmail.com>
To: <CarolD@house.state.ks.us>
Date: 1/8/04 1:56PM
Subject: HB2255

January 8, 2004

Honorable Representative John Edmonds û Chairman
House Taxation Committee

Ref: HB2255 concerning taxation; relating to rules for valuing property.

Testimony by Glenn R. German

Address: 1434 US Hwy 75, P. O. Box 74, Burlington, KS 66839

Occupation: Farmer

Chairman Edmonds and committee it is my pleasure to come to you in support of HB2255. I support HB 2255 because we constructed a workshop building (30x60) in 1999. Our appraised value at that time was \$131,300. The next year with the new building it jumped to \$143,400, which reflected the approximate building cost.

The most recent appraisal (2003) was \$207,800. I am afraid to make any more improvements since homes here, due to the economy are not selling for any more than they were in 1999, yet the appraisal increases continue at a rate exceeding inflation.

In closing I would again urge the members of this committee to support HB2255.

Respectfully yours,

GLENN R. GERMAN

Working moms: Find helpful tips here on managing kids, home, work û and yourself. <http://special.msn.com/msnbc/workingmom.armx>

CC: <frank@frankmiller.org>

HOUSE TAXATION

Attachment 9

Date 1-14-04

From: "Rep. Frank Miller" <frank@frankmiller.org>
To: "Carol Doel" <CarolD@house.state.ks.us>
Date: 1/14/04 6:25AM
Subject: Fw: HB2255

Carol here is another testimony that needs to be added to the list of proponents, but Mr. Swearingen will not give his testimony in person. He is a very busy farmer and works hard to pay his taxes. Regards:
Rep. Frank Miller

----- Original Message -----

From: Harold & Charlene Swearingen
To: CarolD@house.state.ks.us
Cc: Derek Schmidt
Sent: Wednesday, January 14, 2004 2:35 AM
Subject: HB2255

January 13,2004

Honorable Representative John Edmonds - Chairman
House Taxation Committee
Attention Carol Doel - Sec House Taxation Committee

Ref: HB2255 concerning taxation; relating to rules for valuing property.

Testimony by: Harold L. Swearingen
Address: 4581 CR 4200 Independence KS 67301
Occupation: Farmer/Rancher

Chairman Edmonds and Committee it is my pleasure to come to you in support of HB2255. I support HB2255 because a person should not be penalized for maintaining their home in as good a condition as they can afford. The present system which is in place is very subjective as the appraiser assigns a word to the property like poor, fair, average etc. This subjective assignment are made on the drive by appearance of the property and it has a drastic affect upon the appraised value. Speaking from first hand experience in 1993 my homes classification was changed from fair to average and my appraised value increased 25%.

I apologize that I am not there in person but as a Farmer you must be in the field when the weather permits and we are having beautiful weather.

In closing I would again urge the members of this committee to support HB2255.

Respectfully yours,
Harold L. Swearingen

CC: "Harold & Charlene Swearinger" <owlsrost@comgen.com>, "Tim AAA Holloway" <flyingt@swbell.net>, "Sharon AAA Miller" <sjmiller@comgen.com>, "Arlinda AAA Shaughnessy" <arlindas@house.state.ks.us>

HOUSE TAXATION
Attachment 10
Date 1-14-04

January 11, 2004

The Honorable Frank Miller
P.O. Box 665
Independence, KS 67301

Dear Representative Miller:

Received your e-mail concerning Property Appraisal and Maintenance dated January 9, 2004. I agree with you completely concerning the problem faced by property owners of Montgomery County and appreciate, very much, HB2255 and your effort to deal with this problem. I sincerely hope something can be done, although, I can't remember any effort by Montgomery County Commissions to lower taxes. At our house, when income is reduced, we simply tighten our belt another notch. I refer to savings interest rates dropping from approximately 6 or 7 percent to 2 ½ percent as has happened in the last 2 to 3 years.

To give you an example of our personal problem... In 1997, I carried all the information incurred on our small retirement home to the local tax officials. This included total cost for any and all expenses. Since that time, our taxes have increased 127% - in other words from 1997 thru 2003, the taxes on our home have doubled plus 27%.

In 1998, I appealed the increase twice and obtained a reduction. At that time, I carried all my papers again detailing all expenses on our home and property to the County Appraiser & his assistant and obtained a reduction nearly equal to 1997 taxes. That was well and good. However in 1999 my taxes increased nearly 50%. Since that time from 1998 thru 2003, as I stated earlier in this letter, it has increased from 1997 to date approximately 127%.

The only improvements we have made since we moved here in 1996 was to work, seed and improve our rather large yard and keep it mowed (it does look nice when greened-up) and Mrs. Thomas planted flowers here and there. There was an old horse barn on the property when we purchased the property, and I would like to paint it to blend in with the house and other barn. But, when I see the increase in my taxes I decided to live with it. Oh yes, there was another improvement. We built a 12' x 16' stock shed out of used tin which I duly reported to Mr. Hendrix 2 or 3 years ago at a cost of zero in used material and a good bit of sweat.

Frank, we do appreciate your and Senator Schmidt's efforts in this matter for we and our neighbors need tax relief. It was no surprise to me when a good friend of ours, who was retired from the cement plant, sold his home and rental property and moved just across the line to Oklahoma, bought a nice 2 bedroom house on one acre of ground and built himself a 24 x 30 metal shop. His taxes for 2003 was (hold on to your hat) exactly \$77.78. Sounds unbelievable doesn't it? Should you or Senator Schmidt feel you need to use this missile, feel free to do so. It might pay to have a fiddle playing softly if you decide to do so.

HOUSE TAXATION

Attachment 11

Date 1-14-04

Respectively yours,

Jack Fred Thomas

copy: Senator Schmidt

P.S. I have all letters and papers on hand to verify all the above statements.



Office of the County Appraiser

Named "Distinguished Assessment Jurisdiction" for 2000

To: House Taxation Committee
From: Paul Welcome, Johnson County Appraiser
Subject: HB 2255

My name is Paul Welcome and I appear before you today in opposition to passage of House Bill 2255.

The proposed amendment to K.S.A. 79-503a does not represent sound appraisal practice and is vague and unenforceable. The statute as amended would be internally inconsistent in that other sections call on the appraiser to consider:

"cost of reproduction of improvements" that may change with physical changes to those improvements

"rental or reasonable rental values" that may change if the property is maintained or made more desirable through physical changes to the improvements

"comparison with values of other property of known or recognized value" when accurate comparison demands similarity in the physical characteristics of the improvements.

It is, in the language of this statute, "generally accepted appraisal" procedure to consider the amount of deferred maintenance evidenced by a given improvement. Failure to do so results in inequitable treatment of similar properties. This amendment, through its vague reference to "any other similar change to the property" does not allow appraisers to follow generally accepted appraisal procedures with regard to those properties. When an appraiser can identify a change in a property and can quantify the resulting change in the value of that property, that appraiser is bound by generally accepted appraisal procedures and the laws of the state of Kansas to apply that difference in value to avoid inequitable treatment of properties.

Regular maintenance is performed to retain the value of the property to the owner. When regularly done, it results in the owner receiving a differential in selling price over individuals who choose not to perform such maintenance. Failure to recognize that differential repudiates the standard of fair market value adopted as the standard for equity in property tax administration.

HOUSE TAXATION

Attachment 12

Date 1-14-04