

MINUTES OF THE SENATE ASSESSMENT AND TAXATION COMMITTEE

The meeting was called to order by Chairman David Corbin at 10:30 a.m. on March 8, 2004 in Room 519-S of the Capitol.

All members were present except:

Senator Edward Pugh  
Senator Phillip Journey- excused

Committee staff present:

Martha Dorsey, Legislative Research Department  
Shirley Higgins, Committee Secretary

Conferees appearing before the committee:

Tony Folsom, General Counsel, Board of Tax Appeals

Others attending:

See Attached List.

Senator Corbin called the Committee's attention to the minutes of the March 3 and 4 meetings.

Senator Goodwin moved to approve the minutes of the March 3 and 4, 2004. meetings, seconded by Senator Donovan. The motion carried.

**SB 535–Board of Tax Appeals filing fee, repealing certain exemptions**

Tony Folsom, general counsel for the Board of Tax Appeals (BOTA), explained that **SB 535** was introduced by the Senate Ways and Means Committee upon the recommendation of a Ways and Means budget subcommittee. He called attention to a handout concerning the BOTA filing fees schedule which became effective September 1, 2003. (Attachment 1) He noted that, currently, BOTA is limited to a \$10 charge for not-for-profit organizations seeking property tax exemptions with property valued less than \$100,000. The bill would authorize the collection of filing fees on these organizations at the same level others are charged. In addition, the bill would authorize the collection of filing fees on appeals involving single-family residential property, which are currently exempt from fees. He went on to explain that agricultural land protests, grievances concerning a clerical error, and governmental entities and school districts appeals would remain exempt from filing fees.

Mr. Folsom called attention to a handout showing that BOTA received a total of \$60,940 in fees in the six month period from September 1, 2003, through February 26, 2004. (Attachment 2) He then called attention to copies of a memorandum to the Ways and Means Subcommittee regarding the subcommittee's request for an estimate of increased filing fees necessary to generate a minimum of \$300,000 in Fiscal Year 2005. (Attachment 3) He discussed the suggested fee increases shown for non-for-profit tax exemption applications (NFP TXs), equalization appeals and payment under protests (EQs & PRs), and single-family small claims. He explained that the proposed \$300,000 in filing fees is approximately 17% to 20% of BOTA's budget (\$1.6 million). The remainder of the budget would come from the State General Fund.

Mr. Folsom observed that many people opted not to file an appeal after the current filing fees were put in place. Although there is no way to estimate the number of persons choosing not to appeal, he noted that many persons who filed an appeal without paying a filing fee dismissed their appeal after receiving a letter from BOTA requesting that the filing fee be paid. Senator Corbin commented that, in effect, the bill concerns a policy issue rather than a tax issue. With this, the hearing on **SB 535** was closed.

The meeting was adjourned at 11:05 a.m.

The next meeting is scheduled for March 9, 2004.

SENATE ASSESSMENT AND TAXATION COMMITTEE  
GUEST LIST

DATE: March 8, 2004

NAME	REPRESENTING
George Petersen	Ks Taxpayers Network
Larry R Baser	LKW
Bill Brady	Ks. Gov't Consulting
DAVID PATTON	BD OF TAX APPEALS
Ann Durkes	Div. of the Budget

BOARD OF TAX APPEALS  
FILING FEES SCHEDULE  
EFFECTIVE SEPTEMBER 1, 2003

**EXEMPTIONS**

IRBX/EDX Applications.....	\$250.00
Not-for-profit if value is less than \$100,000.....	\$ 10.00 *
All other Exemptions (per vehicle or per parcel).....	\$ 50.00
Governmental entities and school districts.....	Exempt

**GRIEVANCES**

Penalty abatement (79-332a, 79-1422, 79-1427a).....	\$ 15.00
Clerical error (79-1701, 79-1702).....	Exempt

**EQUALIZATIONS AND PROTESTS**

Real Estate

Not-for-profit if value is less than \$100,000.....	\$ 10.00 *
\$250,000 or less.....	\$ 50.00
Greater than \$250,000 up to \$1,000,000.....	\$ 75.00
Greater than \$1,000,000.....	\$125.00
Multiple contiguous parcels owned by the same person or entity that comprise one economic unit.....	Fee for highest valued parcel + \$15.00 for each add'l parcel
Single-family residential property.....	Exempt *
Farmsteads.....	Exempt *
Agricultural land.....	Exempt

Personal Property

Single-family residential mobile/manufactured homes.....	\$ 50.00
.....	Exempt *

**MORTGAGE REGISTRATION PROTESTS**

\$ 15.00

**DIVISION OF TAXATION**

Homestead property tax refund.....	Exempt
All other appeals	
\$500 or less at issue.....	\$ 25.00
more than \$500 but less than \$1,000.....	\$ 50.00
more than \$1,000 but less than \$5,000.....	\$100.00
more than \$5,000 but less than \$10,000.....	\$175.00
more than \$10,000.....	\$250.00

**DIVISION OF PROPERTY VALUATION**

\$500 or less at issue.....	\$ 25.00
more than \$500 but less than \$1,000.....	\$ 50.00
more than \$1,000 but less than \$5,000.....	\$100.00
more than \$5,000 but less than \$10,000.....	\$175.00
more than \$10,000.....	\$250.00

**IRB INFORMATIONAL STATEMENT FILINGS (K.A.R. 94-3-2)**

\$250.00

Tony Folsom

Senate Assessment + Taxation  
3-8-04  
Attachment 1

Board of Tax Appeals Filing Fees received during the period September 1, 2003 through February 26, 2004.

	<u># of filings times filing fee</u>	<u>Total dollar amount received</u>
Industrial Revenue Bond Exemptions (IRBX)	8 x \$250.00	\$ 2,000
Economic Development Exemptions (EDX)	18 x \$250.00	\$ 4,500
All other Exemptions involving not-for-profits	414 x \$10.00	\$ 4,140
All other Exemptions	410 x \$50.00	\$ 20,500
Tax Grievances	163 x \$15.00	\$ 2,445
Equalizations and Protests		
Not-for-profits	2 x \$10.00	\$ 20
\$250,000 valuation or less	45 x \$50.00	\$ 2,250
\$250,000 to \$1,000,000 valuation	29 x \$75.00	\$ 2,175
greater than \$1,000,000 valuation	56 x \$125.00	\$ 7,000
Contiguous parcels	20 x \$15.00	\$ 300
Mortgage Registration Protests	44 x \$15.00	\$ 660
Division of Taxation Appeals		
\$500 or less	0	\$ 0
\$500 to \$1,000	0	\$ 0
\$1,000 to \$5,000	0	\$ 0
\$5,000 to \$10,000	2 x \$175.00	\$ 350
greater than \$10,000	21 x \$250.00	\$ 5,250
Division of Property Valuation	1 x \$100.00	\$ 100
IRB Informational Statements	<u>37</u> x \$250.00	<u>\$ 9,250</u>
Total	1,270 filings	\$ 60,940

Tony Folsom

Senate Assessment & Taxation  
3-8-04  
Attachment 2





# K A N S A S

DAVID L. PATTON, CHAIRMAN  
DWIGHT D. KEEN, MEMBER  
THOMAS H. SLACK, MEMBER

KATHLEEN SEBELIUS, GOVERNOR

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## BOARD OF TAX APPEALS

### MEMORANDUM

TO: Senator Jean Schodorf and Senator Henry Helgerson  
Senate Ways and Means Budget Subcommittee  
FROM: David L. Patton, Chairman  
and  
Tony R. Folsom Executive Director/General Counsel  
DATE: February 16, 2004  
RE: Board of Tax Appeals Filing Fees

Pursuant to your request, attached is our estimation of the filing fees required to generate a minimum of \$300,000. Also, included is an informational sheet that explains the various acronyms used on the filing fee schedule.

The attached estimate assumes that the law is changed to grant the Board the authority to charge filing fees on single-family appeals, which are currently exempt from fees, and to charge full fees on not-for-profit applications and appeals, which are currently limited to a \$10.00 filing fee.

Please feel free to contact us if you have any questions or concerns.

*David Patton*

*Tony R. Folsom*

*Senate Assessment + Taxation  
3-8-04  
Attachment 3*

DOCKING STATE OFFICE BUILDING, 915 SW HARRISON, SUITE 451, TOPEKA, KS 66612-1505

Tele. 785-296-2388 Fax 785-296-6690 Website: <http://www.accesskansas.org/bota> Email: [maildesk@bota.state.ks.us](mailto:maildesk@bota.state.ks.us)

	# of Filings		Filing Fee	Estimated Amount Generated	
<b>Regular Division</b>					
IRB	80	x	\$250	\$ 20,000	
IRBX	57	x	\$250	\$ 14,250	
EDX	65	x	\$250	\$ 16,250	
TX's	1,000	x	\$ 50	\$ 50,000	
Gov't TX's	500	x	\$ 50	\$ 25,000	} currently
NFP TX's	700	x	\$ 50	\$ 35,000	→ SB 535
TG Penalties	500	x	\$ 15	\$ 7,500	
TG Clerical Errors	100	x	\$ 15	\$ 1,500	} currently
MRP's	100	x	\$ 15	\$ 1,500	
NFW	5	x	\$ 50	\$ 250	} currently
PV's <\$500	1	x	\$ 25	\$ 25	
\$500-\$1,000	2	x	\$ 50	\$ 100	
\$1,000-\$5,000	1	x	\$100	\$ 100	
\$5,000-\$10,000	1	x	\$175	\$ 175	
\$>\$10,000	2	x	\$250	\$ 500	
DT's <\$500	2	x	\$ 25	\$ 50	
\$500-\$1,000	10	x	\$ 50	\$ 100	
\$1,000-\$5,000	10	x	\$100	\$ 1,000	
\$5,000-\$10,000	20	x	\$175	\$ 3,500	
\$>\$10,000	40	x	\$250	\$ 10,000	
EQ's & PR's (multi-family and commercial)					
<\$250,000	300	x	\$ 50	\$ 15,000	
\$250-\$1,000,000	200	x	\$ 75	\$ 15,000	
\$1-\$5,000,000	300	x	\$125	\$ 37,500	
\$5-\$10,000,000	100	x	\$175	\$ 17,500	} currently
>\$10,000,000	75	x	\$200	\$ 15,000	
Contiguous Parcels	120	x	\$ 15	\$ 1,800	
EQ's & PR's (single-family and agland)					
<\$100,000	350	x	\$ 10	\$ 3,500	} SB 535
\$100-500,000	250	x	\$ 20	\$ 5,000	
>500,000	30	x	\$ 25	\$ 750	
Total				\$297,850	
<b>Small Claims</b>					
Single-family	2300	x	\$ 10	\$ 23,000	} SB 535
Multi-family & Commercial	1300	x	\$ 20	\$ 26,000	} currently
Total for Regular & Small Claims				\$346,850	

IRB	Industrial Revenue Bond Informational Statement, K.S.A. 12-1744a
IRBX	Industrial Revenue Bond Exemption Application, K.S.A. 79-201a <i>Second</i>
EDX	Economic Development Exemption Application, Kansas Constitution Article 11 § 13
TX's	Tax Exemption Applications, K.S.A. 79-201 <i>et seq.</i>
Gov't TX's	Governmental and School District Tax Exemption Applications, K.S.A. 79-201 <i>et seq.</i>
NFP TX's	Not-for-profit Tax Exemption Applications, K.S.A. 79-201 <i>et seq.</i>
TG Penalties	Tax Grievance Applications for Waiver of Penalties, K.S.A. 79-332a, 79-1422 & 79-1427a
TG Clerical Errors	Tax Grievance Applications requesting correction of clerical error, K.S.A. 79-1702
MRP's	Mortgage Registration Protests, K.S.A. 79-3107c
NFW's	No-Fund Warrant Applications, K.S.A. 79-2938, 79-2939, 12-110a, etc.
PV's	Kansas Department of Revenue, Division of Property Valuation appeals, 74-2438 appeals involving state assessed properties
DT's	Kansas Department of Revenue, Division of Taxation, K.S.A. 74-2438 appeals involving income, sales and use, inheritance, homestead, controlled substance taxes, etc.
EQ's & PR's	Equalization appeals pursuant to K.S.A. 79-1448 and 79-1609 and Payment Under Protests pursuant to K.S.A. 79-2005
Single-family	Includes vacant residential land, single-family residential houses, single-family duplexes, single-family condominiums, mobile homes, farmsteads
Multi-family	Includes apartment buildings, duplexes, triplexes, four-plexes, multi-family condominiums.
Commercial	Everything except single-family and multi-family