

**Kansas House of Representatives' House Taxation Committee
Testimony of Richard Eckert, Shawnee County Counselor
Shawnee County Counselor in Opposition to House Bill No. 2134**

Discussion of Bill sections appear in order of importance to Shawnee County

Sec. 2 of HB 2134 amending K.S.A. 79-1448

As written, this amendment to K.S.A. 79-1448 would effectively require Shawnee County to accept the value of every appraisal submitted by a taxpayer at the informal level. The reasoning for this is that Shawnee County cannot begin to predict the cost of litigation and attorneys fees for budgeting purposes for all cases taken to the small claims or regular division of COTA.

It is common for COTA to make a final determination that does not mirror exactly a county's or taxpayer's appraisal, but instead submit its own value based upon all of the evidence submitted at an evidentiary hearing before them. As written, the amendment would result in the county being required to pay costs and attorney fees in every one of those situations where the Court chooses, for instance, a value in between the two appraisals. Additionally, it is common for the parties to negotiate during the course of the case for settlement purposes. It is not irregular for the parties to stipulate to a value acceptable to both given the information they obtain during the discovery process. A stipulation approved by the court is a final determination. Thus, as the amendment is written, the County would be responsible for paying costs and attorney's fees if it stipulates to even a remotely lesser value than it originated with.

Shawnee County simply cannot accommodate for this risk in our budget. Thus, we would not contest any taxpayer who presented an appraisal at the informal level, which would in effect cause the county to be in violation of the Division of Property Valuation's substantial compliance requirements regarding uniformity. The Kansas Constitution requires that the legislature shall provide for a uniform and equal basis of valuation and rate of taxation of all property subject to taxation. Kan. Const. Art. 11 § 1(a). This proposed amendment would destroy that uniformity if one property owner submits an appraisal at the informal level, and another doesn't.

Sec. 3 of HB 2134 amending K.S.A. 79-1460

This suggested amendment disregards the long-standing requirement that fair market value be used to determine the value of property for ad valorem purposes pursuant to K.S.A. 79-503a. Further, there are instances of when a property's value increase is warranted despite the square footage not being expanded. Just as an example, in the event a residential property owner makes repairs to a home that was dilapidated at the time of purchase, those repairs would increase the fair market value of the property. As proposed, this amendment prevents the county from increasing that value.

Sec. 1 of HB 2134 amending K.S.A. 74-2433f

As written, the proposed amendment would give the small claims division of the state court of tax appeals jurisdiction over multi-million dollar commercial and industrial value appeals. This cannot possibly be the intent of the legislature in defining a "small claim."

For the reasons identified above, the Board of County Commissioners of Shawnee County strongly opposes H.B. 2134.