Testimony of Jerry W. Chatam

House Taxation Committee

1/21/2015

1) I want to thank all members of the house for passing the 2014 legislation. I believe the legislation has made a big difference for all taxpayers. The system is not perfect. However, the system is 100% better than it was one year ago.

   It takes time to change the culture of bias we had at the Court of Tax Appeals. Several current Board members were at the Court while being led by Mr. Sam Sheldon. All of these individuals fully supported Mr. Sam Sheldon's actions. It is only reality that it will take time to overcome all bias. However, your actions taken during 2014, made a strong statement and it made a huge difference. Thank you for everything you have done.

2) The one think I would ask of you is to assist in obtaining a new Board member at the Board of Tax Appeals. The Board of Tax Appeals does, in fact, have a vacancy. We need a new Board member that has real world experience in valuing commercial real estate for purposes of loans, purchases or the sale of real estate. A new Board member with experience, and placed in charge, would go for a long way in correcting remaining issues.

3) Prior to my testimony, Mr. Paul Welcome (Johnson County Appraiser) spoke on behalf of County Appraisers. Mr. Welcome wants the District Court appeal option eliminated. The counties are accustomed to the bias of the Court of Tax Appeals. The counties did not want any changes to the Court of Tax Appeals in 2014. Therefore, the counties are unhappy with some of the changes. However, taxpayers must be assured of a fair trial. The only way to do that is allow District Court appeals. I hope and recommend that the District Court option remain in place.

4) Prior to my testimony, Mr. Arlen Siegfried spoke on behalf of the Board of Tax Appeals. Mr. Siegfried wants to do away with the rule requiring an informal decision 14 days after the hearing. This is a bad idea for the following reasons:

   a. The Board needs to make a decision directly after a hearing while information is fresh in their mind. Waiting only clouds the issues.
   b. If we go with 90 days, and the county loses, the county has to pay interest on an additional 2 ½ months. This is at a time when most counties have little money.

   It is a bad idea to remove the 14 day requirement for an informal decision.

5) Prior to my testimony, Mr. Arlen Siegfried requested their staff be allowed to be hearing officers at small claims hearings. This was changed by the legislature in 2014, in large part, due to bias at the Court/Board of Tax Appeals. The small claims hearing officers holding hearings now are incredibly biased. Ms. Erin Hatton-Landwehr is a "horrible" hearing officer, deciding in favor of the county over 85% of the time.

   I know this to be true because of research I completed under an "Open Records Request". In reality, most consulting firms will no longer go to the small claims hearing level. It is an absolute waste of time with hearing officers such as Ms. Erin Hatton-Landwehr. The decision of who is a hearing officer is that of Mr. Arlen Siegfried. As you recall, Mr. Arlen Siegfried testified before the Senate Taxation Committee in the spring of 2014 stating, "There are no problems at the Court of Tax Appeal". Mr. Siegfried's position is absolutely ridiculous in light of the Appellate Court's decision. In reality, the small claims hearing level is broken and allowing BOTA employees to hear cases will only worsen the problem.

6) I believe the County should also be required to pay filing fees. The county needs to have skin in the game.

Again, I want to personally thank you for all legislation changes made in 2014. However, we must be vigilant. The actions of the Board of Tax Appeals speaks louder than their words.

Respectfully,

Jerry W. Chatam
President