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House Taxation Committee January 21, 2015

Good afternoon, I am Carol B. Bonebrake, an attorney with Cosgrove, Webb & Oman here in Topeka. I am appearing today on behalf of Lee Harris, President and CEO, of Cohen-Esrey, LLC, Overland Park, Kansas. Cohen-Esrey is a major apartment owner, developer and property manager in Kansas; it is very interested in how the property tax system works in Kansas. Thank you for the opportunity to appear, discuss my experiences with BOTA and offer suggestions for improvement of the process.

Positive progress was made during the last legislative session with the enactment of House Substitute for Senate Bill 231. Matters heard by BOTA are being decided quickly which is a plus to taxpayers. While quick decisions are a positive change, the "rocket docket" procedure established by BOTA to hear cases is a step backward as inadequate hearing time is being allotted. In order to assure that there is adequate time in which to try a case, BOTA must schedule appeals so that both sides have an opportunity to present their case. If less cases were filed with BOTA, some of the rocket docket issues would be resolved. One way to reduce filings at BOTA would be to provide incentives for the counties to resolve valuation disputes at the local level.

Representative Steve Brunk has pre-filed a bill which would reduce the number of cases at BOTA. BOTA should be a court that hears disputes which could not be locally resolved. However, it frequently appears that little effort is made to resolve matters locally and Taxpayers therefore must appeal to obtain a fair hearing and relief. Representative Brunk's bill, which prohibits a county from using taxes paid under protest until the valuation issue is resolved, will provide an incentive to the county to resolve valuation disputes more quickly.

Another incentive which would make the valuation process work more smoothly would be to vest Property Valuation with the authority and responsibility of publishing very comprehensive guidelines instructing on the valuation methodology of various types of real property. Presently, there is a hodge-podge of methodologies being used for the same type of property. PVD would assemble groups of experts from the various industries (such as apartments, affordable housing, commercial offices, etc.) to assist in the development of the valuation guidelines. The counties would be required to follow the guidelines (absent clear and compelling reasons for not doing so). If the valuation guidelines are not followed, taxpayers could appeal to BOTA and move for summary judgment.

We look forward to working with the Legislature to make the system work properly. Thank you for your time.

Carol B. Bonebrake
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