Testimony of Rachelle Standley, Trego County Appraiser
Before the House Taxation Committee
In Support of House Bill No. 2701
March 3, 2016

Chairman Kleeb and Members of the House Taxation Committee:

I support House Bill No. 2701 and would ask for your support.

Oil and gas renditions are required to be filed by each operator on or before April 1 each year. The County establishes a value on each lease on or before May 1 based on the valuation date of January 1. The Kansas Oil and Gas Appraisal Guide is used by appraisers to determine fair market value. When determining a value, historical data plus the first quarter of the next year may be used by the county appraiser.

In Trego County, we have some examples where taxpayers, during first half payment under protest hearings, requested that post valuation data be used to establish the values. The tax year 2014 value was in question and our county set the value using the data submitted by the taxpayer as required on May 1, 2014. The County's value matched the taxpayer's requested value. The taxpayer waited until December 19, 2014 to file a first half payment under protest. The taxpayer submitted the entire year of 2014 production on these leases for consideration. The Board of Tax Appeals conducted a hearing on February 8, 2016 for these leases and determined the first quarter of 2014 should be considered in the valuation, but nothing beyond this point.

My concern in allowing post valuation production data without a statutory limit does not prevent a taxpayer from waiting years after the taxes are due and filing a payment under protest. If the taxpayer waits five years and pays under protest on delinquent taxes and wants post production used to establish the value will this information be acceptable? Should it be? I don't believe it should.

Please pass House Bill No. 2701.

Sincerely,
Rachelle Standley, RMA
Trego County Appraiser