

MINUTES OF THE HOUSE TAXATION COMMITTEE.

The meeting was called to order by Chairperson Wagle at 9:00 a.m. on February 9, 2000, in Room 519-S of the Capitol.

All members were present except:

Committee staff present: Chris Courtwright, Legislative Research Department
April Holman, Legislative Research Department
Don Hayward, Revisor of Statutes
Ann Deitcher, Committee Secretary
Edith Beaty, Taxation Secretary

Conferees appearing before the committee: Representative Ralph Tanner
Karl Peterjohn, Kansas Taxpayers Association
Karen France, Kansas Association of Realtors
Randy Allen, Kansas Association of Counties
Marlee Bertholf, Ks Chamber of Commerce and Industry
Don Moler, League of Municipalities
John Koepke, Kansas Association of School Boards
Don Seifert, City of Olathe

HB 5031 - Constitutional amendment allowing legislature to limit real estate appraised valuation increases.

HB 5035 - Constitutional amendment limiting appraised valuation increases for property tax purposes.

The Chair introduced Representative Ralph Tanner who spoke to the Committee as a proponent for both **HB 5031** and **HB 5035** and presented additional information supporting his position. (Attachments 1, 2 and 3).

Representative Tanner said that they were offering this remedy, recognizing that it wasn't an end-all or a be-all but a beginning for the legislature of Kansas to take hold of the issue of property tax.

Next to appear before the Committee as a proponent for both **HB 5031** and **HB 5035** was Karl Peterjohn of the Kansas Taxpayers Network. (Attachment 4).

In regard to the enactment of a similar law in Ohio, the Chair asked if Mr. Peterjohn knew how long it had been in effect. Mr. Peterjohn said it had been in place since the 1970's.

Karen France of the Kansas Association of Realtors spoke in favor of **HB 5031** and **HB 5035**. (Attachment 5).

Ms France asked that the Committee look at the concept of these bills and consider ways to separate market value from tax values.

Speaking as opponents to **HB 5031** and **HB 5035** were:

Randy Allen, Ks Association of Counties, (Attachments 6 and 7);
Marlee Bertholf, Ks Chamber of Commerce and Industry, (Attachment 8);
Don Moler, League of Ks Municipalities, (Attachment 10);
John Koepke, Ks Association of School Boards, (Attachment 11) and
Donald Seifert, City of Olathe, (Attachment 12).

CONTINUATION SHEET

Eugene Troehler of the Overland Park Chamber of Commerce, provided testimony in opposition to **HB 5031** and **HB 5035** but did not speak before the Committee. (Attachment 13).

Representative Gregory asked Don Moler how it was possible to have actual value when one year it goes up 17 percent, the next year 0 percent and the next year 19 percent. Mr. Moler said he wasn't an appraiser but he would indicate that properties do increase in value in certain parts of the state at a very high rate and these same properties will be sold at a much higher rate than they once were valued at. This takes into account sales relative to that property. He felt the variations were due to the fact that appraising is an imprecise science.

The Committee received copies of Valuation Growth Analysis for Real Property by Subclass that was provided by the Division of Property Valuation. (Attachment 14).

The meeting was adjourned at 10:15 a.m. The next meeting is scheduled for Thursday, February 10, 2000.