

Approved: 1/26/93
Date

MINUTES OF THE HOUSE COMMITTEE ON TAXATION

The meeting was called to order by Chairperson Keith Roe at 9:07 a.m. on January 13, 1993 in Room 519-S of the Capitol.

All members were present except:
Representative Pottorff (excused)

Committee Staff present:
Tom Severn, Legislative Research Department
Chris Courtwright, Legislative Research Department
Don Hayward, Revisor of Statutes
Bill Edds, Revisor of Statutes
Lenore Olson, Committee Secretary

Conferees appearing before the Committee:
Mary Hafenstine, Women's Club of Topeka
Harold Riehm, Kansas Society of Association Executives
Bret Marshall, Kansas Golf Association
Albert Arnold, Masonic Grand Lodge of Kansas
Larry Winn, attorney, Prairie Village, Kansas

Chairperson Roe opened the public hearing on HB 2035.

HB 2035: An act relating to property taxation; classifying certain real property for constitutional assessment rate purposes.

Mary Hafenstine, President, Women's Club of Topeka, requested that the Women's Club of Topeka be included in legislation to reduce the tax assessment rate from 30 percent to 12 percent. She stated that the Club's real estate and personal property has been used exclusively for literary, educational, religious, benevolent, and charitable purposes (Attachment 1)

Harold Riehm, Kansas Society of Association Executives (KSAE), requested that professional and trade associations be included the category of those non-profit organizations qualifying for the 12 percent assessment rate. He stated that the associations represented by the KSAE are non-profit and exist primarily to provide services to more than 720,000 Kansans (Attachment 2). Mr. Riehm agreed to a request from Representative Wagnon to provide a list of KSAE members.

Bret Marshall, Kansas Golf Association, requested that the Committee consider approval of a blanket coverage of all non-profit organizations and to select certain non-profits would be discriminatory (Attachment 3).

Albert Arnold, Masonic Grand Lodge of Kansas, requested the 12 percent assessment rate for Masonic, Scottish Rite, and Shrine organization buildings. Mr. Arnold said that since the new classification rates went into effect 30 lodges have had to close.

CONTINUATION SHEET

MINUTES OF THE HOUSE COMMITTEE ON TAXATION, ROOM 519-S Statehouse, at 9:07 a.m. on January 13, 1993.

Larry Winn appeared before the Committee representing several not-for-profit organizations. He said that every organization that can now establish its special status and which receives a valuation notice indicating that its property will be assessed at 30 percent, will immediately file action in their respective District Courts seeking to restrain and enjoin the local taxing authority for taxing the organization at that rate (Attachment 4).

A list of Kansas Society of Association Executives was distributed to the Committee (Attachment 5).

Chairperson Roe concluded the hearing on HB 2035.

Chris Courtwright, Kansas Legislative Research Department, informed the Committee that, according to the Secretary of State's office, there are about 11,000 not-for-profit 501 (c) organizations in Kansas, but he is having difficulty finding data on how many are 501 (c) 4's in Kansas. Mr. Courtwright then reviewed a staff memo on valuation attributable to certain not-for-profit properties by county (Attachment 6).

The meeting adjourned at 10:15 a.m. The next meeting is scheduled for Thursday, January 14, at 9:00 a.m. in 519-S.

Date: 1/13/95

GUEST REGISTER

HOUSE COMMITTEE ON
ASSESSMENT AND TAXATION

NAME	ORGANIZATION	ADDRESS	PHONE
Mary H. Johnston	Woman's Club of Topeka	1008 E 9 th #806	233-8678
Dorothy Pukliam	Woman's Club Topeka	4115 Emiland Dr.	272-4446
Jack Pullan	Woman's Club	" " "	" "
Larry Wilson	Many 501(c) 3's	5000 W 95 th Pl	913 (642) 7500
Alan Steppat	PETE McGill & Assoc.	Topeka	233-4512
Jim McQuinn	OK & Co. Inc.	Topeka	268-4329
Jack A. Durivion	MASONIC BODIES OF KANSAS	TOPEKA	267-0040
ALBERT O. ARNOVA	GRAND LODGE MASONIC BODIES OF KANS	TOPEKA	234-5518 296-1239R
A. Kevin Kobler	MASONIC BODIES OF KANSAS	TOPEKA	234-5518
ELIZABETH E. Taylor	KS HIWANIS KS GIRL SCOUTS	TOPEKA	354-9900
Mark Tallman	KASB	Topeka	273-3600
Martha Hoegemith	KARF	Topeka	235-5103
Ruth Welkin	women's club Topeka	Topeka	234-9325
Sen. Bob Vancum			
Bernie Koch	Wichita Area Chamber	Wichita	316 268-7155
Ralph Snyder	American Legion	Topeka	232-9315
Topper Frenthe	Ks Gov't Consulting	"	
Chip Wheelen	Ks Medical Soc.	Topeka	235-2383
Dave Cunningham	PUD	Topeka	4218
Craig Grant	IT-NEA	Topeka	232-8271
Jim Ludwig	WR	"	575-1915
Mike Beam	Ks. LVSTK. Assn	Topeka	273-5115

1/13/93

HOUSE COMMITTEE ON
ASSESSMENT AND TAXATION

PHONE

[illegible]

Members of the Taxation Committee:

On behalf of the Woman's Club of Topeka, I am here as its President to request your support to include the Woman's Club of Topeka, a 501(c)(4) organization in the Bill to reduce the tax assessment from 30% to 12%.

In support of our request, and as background information, since the date of its organization in April, 1897, the Woman's Club of Topeka's real estate and personal property have been used exclusively for literary, educational, religious, benevolent, and charitable purposes. The Club will celebrate its 100th year in 1997.

In 1934, the State Taxation Commission announced in its decision "that the Woman's Club of Topeka is, and shall forever be exempt from property taxation so long as it does not violate its purposes." We continue to adhere to the purposes set forth in the Charter. Also, in 1934, the Board of Tax Appeals executed an order finding the real estate of the Woman's Club of Topeka was exempt from ad valorem taxation because it was used exclusively for educational, benevolent, and charitable purposes.

In 1982, the Club moved to its new building at 5221 SW West Drive, Topeka, Kansas, and, through inadvertence, exemption for the new building and real property was not sought. Realizing the need for a continuation of the exemption to allow its financial existence to continue, the Club filed a Request for Exemption on August 20, 1991, under K.S.A. 79-201 Second and Article 11, Sec. 1(b)(2) of the Kansas Constitution.

The Board of Tax Appeals denied petitioner's Application for Exemption from ad valorem taxation without ever providing the Club with the opportunity for an evidentiary hearing, despite a request on January 29, 1992, and denied the petitioner's timely Request for Rehearing on February 19, 1992. It is now on appeal to the Supreme Court of Kansas, which appeal is still pending.

In 1988, the real estate taxes were \$12,164.08, and in 1992, the real estate taxes were \$17,022.22. The organization cannot survive with assessments of 30% of the assessed value.

Through the years, the Woman's Club of Topeka has made significant contributions toward scholarships for nurses at Stormont-Vail Hospital, scholarships at Washburn University, and a special Music scholarship at Washburn. Each year our members contribute through the Woman's Club to community services, such as The Salvation Army, (money, clothing and food), Topeka Rescue Mission, Kansas Neurological Institute, Let's Help, Hospice, Kansas Children's Service League, Project Topeka for food drives, Retarded Citizens Association of Topeka, Community Eye Care, KTWU Channel 11, Kansas State Historical Society, as well as to other Kansas charities. The Club donated funds to help purchase the Lincoln Statute on the State Capitol grounds, and provided the

V/13/93
House Taxation Cmte
Attachment 1

seats for the State Capitol grounds. It also helped refurbish Holbrook Hall, at Washburn College in Topeka.

We respectfully request that as a 401(c)(4) organization, it be included in the proposed Bill. Thank you for giving us the opportunity to be heard on this important tax issue.

Respectfully,

Mary Hafenstine
Mary Hafenstine, President
The Woman's Club of Topeka



JANUARY 13, 1993

Chairman Roe and Members, House Taxation Committee:

Thank you for this opportunity to appear. My name is Harold Riehm and I am, today, representing the Kansas Society of Association Executives for which I serve as Chairman of the Government Affairs Committee. KSAE appears to request that professional and trade associations be included in the category of those non-profit organizations qualifying for the 12 percent assessment rate, pursuant to provisions of the recently passed Kansas constitutional amendment.

The Kansas Society of Association Executives is itself an Association. It is a not-for-profit society of professional members who represent trade and professional, philanthropic and advocacy organizations. Its purposes are to develop and increase high standards of service and conduct for association executives, and to increase public understanding of associations. More than 90 Associations are members of KSAE.

The Bill before you provides that those organizations classified under the IRS Code as 501 (c) 4, 501 (c) 8 and 501 (c) 10 will be entitled to receive the 12 percent assessment level. Our request is that such status also be provided for those organizations classified as 501 (c) 3, 501 (c) 5, and 501 (c) 6.

We are very much aware that whenever associations are before you, it is often to present our views on pending legislation, or to suggest proposals to you that are requested by those we represent. Thus we are labeled as "special interests", with all the connotations that often includes. Yet, we think it important that we represent the many thousands of Kansas citizens who are members of our respective organizations. They are, in effect, our constituents.

In support of our request, we make the following observations:

- (1) The associations we represent are, indeed, non-profit and exist primarily in service to the more than 720,000 Kansans employed in industries or professions represented by KSAE associations. Included are large and small associations.
- (2) In addition to providing services to members, associations set and enforce product standards and standards of conduct. In 1990, associations provided training and education for approximately 95,000 persons in Kansas. A recent KU survey found that 76 percent of firms surveyed indicated Kansas associations were their number one source for technical and vocational training.
- (3) Lobbying is a visible activity of associations, but does not constitute the major expenditure. Associations reported \$1.02 million spent on lobbying in 1990, compared to \$2.23 million in philanthropic and charitable contributions and \$2.34 million in education for their members. KSAE members' associations contribute over 270,000 staff hours to community service projects each year.

House Committee on

Taxation

KANSAS SOCIETY OF ASSOCIATION EXECUTIVES

V.13/93

- (4) It is our understanding that if the associations we represent are not included as qualifying for 12 percent assessment rates, then we will be on the assessment books at 30 percent. Thus all the for-profit entities that are classified as commercial, will qualify for the 25 percent rate, while non-profit associations are at the 30 percent rate. While fairness is often an ill defined term, we think this raises that issue.

We respectfully request your consideration of this request. I and any KSAE members are available to respond to your questions. Again, thanks for this opportunity to present our case.

TESTIMONY TO KANSAS HOUSE TAXATION COMMITTEE

SUBJECT: KANSAS CONSTITUTIONAL AMENDMENT ON PROPERTY TAXES

CLASS 1, SUB-SECTION 4: NON-PROFIT ORGANIZATIONS

HONORABLE KEITH ROE, CHAIRMAN

JANUARY 13, 1993 -- TOPEKA, KANSAS

MR. CHAIRMAN AND COMMITTEE MEMBERS:

My name is Brett Marshall. I am the Executive Director of the Kansas Golf Association, a non-profit organization located in Lawrence, which represents more than 150 member clubs and more than 22,000 individual members and nearly 45,000 citizens of the State of Kansas.

The State of Kansas has 124 private clubs, most of which are in one classification or another of 501 c by the Internal Revenue Code.

Like most Kansans, the Kansas Golf Association and its members wants the best for its citizens at the lowest possible investment. With regard to the taxation rate for non-profits which was passed by the voters in the November election, the Kansas Golf Association wishes to present that there might be more self-interest for the state of Kansas than meets the eye.

We would like to encourage the Committee and Legislators of our state, many of which are likely members of our organization as well as private clubs in the state, to consider approval of a blanket coverage of all non-profit organizations which are

House Committee

1/13/93

Taxation

Attachment 3

(Page 2 -- House Taxation Committee)

not subject to federal income taxation pursuant to section 501 of the federal Internal revenue code.

To select certain non-profits would be at best discriminatory in and of itself. We wish to provide you with a statement of support for blanket inclusion of all non-profits on many grounds - economic, recreation, aesthetics, welfare for the Kansas citizens and equity.

Property tax is the only arbitrary tax we pay. Property tax can be confiscatory (where it rises to the point we must sell to pay for it). We believe the objective of this legislation is to recognize the unique citizen units on an equal basis.

Allowing our Open Spaces to continue on an equitable tax basis is profitable, not only for the club itself, but for all Kansas citizens.

Statistics from the National Club Association and National Golf Foundation indicate that there is a risk of increasing costs to the Kansas citizen if:

a. Rising costs to private clubs force public groups to purchase clubs in self-interest. Where will the money come from to purchase and maintain such a facility?

b. If clubs are sold off to developers, what burden will the local and state authorities absorb in providing the infrastructure to these areas? In 1970, a Long Island study by Dr. Leon Hammer showed that the development of every home on one-half acre lots

(Page 3 -- House Taxation Committee)

generated a net deficit tax cost (after burden of schools, roads, police, fire) of \$10,700 in 1990 dollar value per home. So, development is rarely an attractive option for the state.

c. If private clubs are sold off, where do these people go for recreation? It will be the responsibility of the local authorities and even perhaps the state to build new courses to serve the recreation needs of former members of clubs.

d. Perhaps most overlooked in this area of economics is how much attraction to potential business and investment do our private clubs now provide? We would suggest that by the number of inquiries we receive each year, one important factor that might not be considered is where will they find a private club to join if they move to Kansas for business opportunities? We receive more than 100 inquiries a year with regard to private club possibilities when people move into our state.

It is our hope and desire that you, along with all Kansans, are committed to the health of its citizens. Planning for aesthetics is profitable for the state.

There should be a desire to provide these recreational opportunities, such as golf. Kansas ranks 14th in the nation in clubs per capita and ranks 20th in number of golf courses. We rank 14th in golfer participation. Yes, golf is an important recreational venture in Kansas.

(Page 4 -- House Taxation Committee)

Of the 243 golf courses in Kansas, 124 of them are private. Private clubs exist in every area of our state, from rural Sugar Hills Country Club in Goodland to metropolitan Kansas City Country Club in Mission Hills and all areas in between.

According to National Golf Foundation statistics and based upon Kansas information specifically, there is approximately \$87,000,000 being spent annually in our state on golf equipment, golf fees and golf apparel. It grows even more when you consider the dollars spent on maintaining these areas. This boon to Kansas sales tax needs to be insured from possible extinction.

From an aesthetics value, there can be fewer areas more attractive and beneficial to our open spaces than golf courses. While it may be hard to imagine, someday density may be a problem in some parts of Kansas. We need to insure that our citizens of the future have the necessary open spaces to enjoy.

Golf clubs provide oxygenation, bird sanctuaries, water runoff, filtration for our all-important water table. Clubs provide vistas for all who pass by. Simply knowing its there adds to feelings of well-being among citizens, members and non-members alike.

The golf industry, sparked by a genuine concern for the environment, is now recognized as a leader in environmental protection of wetlands and areas surrounding golf courses. Organizations such as the United States Golf Association and the

(Page 5 -- House Taxation Committee)

Golf Course Superintendents Association of America, located in Lawrence, have spearheaded million-dollar research projects into the protection of our environemt. The Kansas Golf Association works in concert with these groups along with local groups in Kansas, such as the Kansas Turfgrass Foundation, which conducts research projects at Kansas State University to study drought resistant grasses which will require less water for maintenance.

It is our belief that the private clubs of Kansas do something to expand and enable the leisure opportunities of citizens by lowering the costs of being in place. All we are asking is that they pay an equitable tax along with other non-profit organizations. Private clubs impart added value, as much as 15 to 25 percent, to surrounding properties, thus adding to property tax income for the state.

Members of clubs already pay high taxes as employers and as individual citizens which provide for public recreation; and then they provide for their own. Members pay high costs to provide their own recreation at no cost to the state or local government. Clubs and their members are good citizens and good taxpayers. The clubs in Kansas employ several thousand citizens who depend upon the health of the club to maintain their job status.

The state already is taking in considerable sums from clubs in sales taxes, liquor and other taxes and with property tax. Open space helps lower the overall cost burden assessed against

(Page 6 -- House Taxation Committee)

individual citizens.

When property tax rates for golf clubs was increased by reassessment and revaluation in the 1980s, many of the country clubs were severely strapped financially. Initiation dues increased 68 percent from 1985-1990 and club annual dues have increased 36 percent over the same period. We know of many instances where clubs dramatically lost membership when they were forced to increase dues to pay for higher property taxes.

The private clubs of Kansas, in fact, become accessible to the public through various tournaments, such as the KGA's Championship events throughout the year. In addition, a multitude of charitable organizations raise millions of dollars each year by conducting important fund-raising golf tournaments.

In conclusion, on behalf of the many thousands of golfers in our state, the Kansas Golf Association encourages your committee and the legislature to treat the non-profit organizations equitably. We believe they are covered by the constitutional amendment which was passed by the voters of Kansas last November. It is in your best interest and in the best interest of all Kansas citizens to treat these groups fairly. Thank you.

Respectfully Submitted,

Brett A. Marshall, Executive Director

For the Board of Directors and Members, Kansas Golf Association

Dear Mr. Chairman and Members of the Committee:

My name is Larry Winn. By occupation I am one of the senior partners of the Prairie Village law firm of Bennett, Lytle, Wetzler, Winn & Martin. When I am not practicing law, which my partners sometimes feel is too often, I serve on the Boards of Directors of the Heart of America Council of Boy Scouts, the Johnson County Bar Foundation, the Shawnee Mission School Foundation, the Johnson County Community College Foundation, Kansas City Public Television, the Shawnee Mission Medical Center Foundation, the Johnson County Cancer Society and on the board of my golf club in the Kansas City area. Some if not all of these organizations own real property that is affected by Article 11 1(a)(4) of the Kansas Constitution pertaining to the assessment rate to be used to assess the real property for not-for-profit organizations. As a result of those involvements, I have followed with some diligence this proposed constitutional amendment as it wound its way through the 1992 session of the legislature. At some point I learned that either in the Senate or the House, or perhaps both, there were versions of the amendment that attempted to pick if you choose if you will between certain types of 501(c) organizations. In fact I believe House Concurrent Resolution 5007, at least as it was introduced, provided only the real property of those not-for-profit organizations organized under 501(c)(8) and 501(c)(10) was to be assessed at 15% (later amended to 12%). Later the House assessment and tax committee

1/13/93

House Taxation Committee
Attachment 4

approved an amendment which deleted the references to 501(c)(8) and 501(c)(10). I in fact contacted my Senator, Dick Bond, to inquire as to what the rationale was for attempting to select one particular 501(c)(~~8~~) organization over another. I remember that call well because he was not certain that there was a compelling legislative intent and referred me to Senator Thiessen who happened to be in his office when I made the call. Senator Thiessen as I recall indicated that he had some interest in an exemption for perhaps an Elk's Club or a VFW Club in his district but indicated quite clearly that there was no reason beyond that to pick and choose. In fact I believe he might have been partially responsible from a Senate perspective of having those selective provisions removed. The fact of the matter is now however that the Constitutional Amendment refers to all 501(c) organizations. It seems to me that what went before is now of no consequence. The legislature's very clear language has now in fact been ~~modified~~ ^{Approved} by the voters of the state and the Constitutional Amendment is the law of the land in the State of Kansas. Some of the organizations that I described to you earlier are 501(c)(3)s. Some are 501(c)(7)s and I think some may be either 501(c)(8)s or 501(c)(10)s. A 501(c)(3) is I suppose somewhat unique in that not only is the organization exempt from the payment of federal income taxes, but donations to such organizations as the Cancer Society are

also deductible as charitable deductions on your personal income tax return. However, all of these organizations have one thing in common. They have taken the necessary steps to make application to the Internal Revenue Service for tax exemption. They file annual returns with the IRS in order to continue to enjoy that status. They are incorporated as not-for-profit organizations and file all of the mandated state reports in order to maintain that status. If their character changes of course, they are subject to losing the status that they have gained with the Internal Revenue Service. I cannot develop for you a rational distinction between these organizations. Nor do I think that this committee could develop a rational distinction when it passed out the bill containing the Constitutional Amendment. It is our belief that should you now legislatively attempt to include one organization and exclude another organization having all the appropriate legal characteristics of 501(c), you may not do so without again submitting this issue to the voters. That is obviously not desirable nor in our opinion is it at all necessary. The result in fact I believe would be that every organization who can establish its special status and which receives a valuation notice indicating that its property is going to be assessed at 30% will immediately file an action in a respective district court in which the property is located seeking to restrain and enjoin the local taxing authorities

for taxing that organization at that rate. That's going to litigation in all 105 counties and in some cases will involve literally dozens of cases in each of those counties. While that may be good for law business, it is a terrible result as far as tax payers and property owners are concerned. We believe however that there probably does need to be some administrative regulations passed that would help implement the clear intent of this law. I know our county appraiser has just within the last few days sent a notice to all such effected organizations placing the burden clearly on the organization to send to him a copy of all relevant Internal Revenue Service documentation and all relevant Secretary of State documentation. The burden should be on the taxpayer to establish that its particular organization is currently entitled to the status which it claims. If that cannot be established, then clearly the organization is not entitled to the benefits of the Constitutional Amendment. If can be, they are as a matter of law so entitled. It is that simple. If you try to make it more complicated, it can be infinitely more complicated. I cite you as an example certain types of golf clubs, both in Johnson County and throughout the state. Some of these golf courses are in effect owned and operated by private developers who attempt to sell lots around the golf course and continue to reap the benefits of owning the clubhouse and other ancillary facilities. Others however are

501(c)(7)s which means that they are federally exempt organizations owned by the members and are exempt from the payment of federal income tax. These organizations are obviously not even attempting to enjoy the proprietary benefits of lot selling and the like. In our area as an example under the new Constitutional Amendment those organizations who are legally and correctly organized as 501(c)(7)s will enjoy the benefit of the Constitutional Amendment and those who are not won't. It is nonetheless clear and distinguishable and should be readily enforceable by our local county appraiser. If you feel compelled to pass legislation for whatever reason, that legislation should simply do nothing more than to confirm the clear language of the amendment. In other words, the legislation could provide that all organizations enjoying that status under 501(c) whether that subsection currently exists or is later added or amended by the Internal Revenue Service fall within the definition. That would probably be an immense assistance to your local county appraisers, some of whom may or may not be versed in the intricacies of 501(c) organizations. That legislation together with the administrative regulations that I am suggesting should constitute all of the enabling legislation that needs to occur. I think at this point the only conceivable way that you could create confusion and get yourselves in difficulty and create a lot of litigation is to

come back in arrears and attempt to go through the painful process of picking and choosing among organizations that enjoy by law the status. You will in my opinion be subject to endless lobbying from the have nots if you try to pit them against the haves. Again, there is no public policy reason to do so and the legal consequences of doing it I think are potentially disastrous.

I would be happy to respond to any questions that you might have. Thank you Mr. Chairman for your time and attention and that of the Committee Members.

total
Dollars

KANSAS SOCIETY OF ASSOCIATION EXECUTIVES

American Heart Association
American Institute of Architects-Kansas
American Legion, Department of Kansas
Applied Measurement Professionals
Associated Clubs
Associated General Contractors of Kansas
Association of Community Mental Health Centers of Kansas, Inc.
Association Services Corporation
Barbee and Associates
Builders Association, Kansas City Chapter, AGC
Community Bankers Association of Kansas
Greater Topeka Chamber of Commerce
Independent Insurance Agents of Kansas
Kansas - Nebraska League of Savings Institutions
Kansas Academy of Family Physicians
Kansas Asphalt Pavement Association
Kansas Association of Broadcasters
Kansas Association of Centers for Independent Living
Kansas Association of Community Colleges
Kansas Association of Counties
Kansas Association of Educational Negotiators
Kansas Association of Financial Services
Kansas Association of Homes for the Aging
Kansas Association of Life Underwriters
Kansas Association of Osteopathic Medicine
Kansas Association of Realtors
Kansas Association of Rehabilitation Facilities
Kansas Association of School Boards
Kansas Association of Wheat Growers
Kansas Bankers Association
Kansas Bar Association
Kansas Beef Council
Kansas Beer Wholesalers Association
Kansas Business and Industry Recycling Program, Inc.
Kansas Chamber of Commerce and Industry
Kansas Chapter, National Association of Social Workers
Kansas Child Abuse Prevention Council, Inc.
Kansas Chiropractic Association
Kansas Contractors Association
Kansas Cooperative Council
Kansas County and District Attorneys Association
Kansas Crop Improvement Assn / Kansas Seed Industry Assn
Kansas Dental Association
Kansas Electric Cooperatives, Inc
Kansas Engineering Society
Kansas Farm Bureau
Kansas Foundation for Medical Care
Kansas Funeral Directors and Embalmers Association

1/13/93
House Taxation
Committee
(over) Attachment 5

Kansas Good Roads Association
Kansas Grain and Feed / Kansas Fertilizer and Chemical Association
Kansas Health Care Association
Kansas Home Economics Association
Kansas Hospital Association
Kansas Independent College Association
Kansas Independent Oil and Gas Association
Kansas Livestock Association
Kansas LP-Gas Association
Kansas Manufactured Housing Association
Kansas Medical Society
Kansas Motor Car Dealers Association
Kansas Motor Carriers Association
Kansas Municipal Utilities, Inc.
Kansas National Education Association
Kansas Oil Marketers Association
Kansas Optometric Association
Kansas Petroleum Council
Kansas Pharmacists Association
Kansas Pharmacy Service Corporation
Kansas Pork Producers Council
Kansas Press Association, Inc.
Kansas Psychological Association
Kansas Railroad Association
Kansas Ready Mix Concrete Assn / Aggregate Producer's Assn
Kansas Recreation and Park Association
Kansas Restaurant and Hospitality Association
Kansas Society of Certified Public Accountants
Kansas State Alumni Association
Kansas State High School Activities Association
Kansas State Nurses' Association
Kansas State Ophthalmological Society
Kansas Telecommunications Association
Kansas Tire Dealers Association
Kansas Trial Lawyers Association
Kansas Veterinary Medical Association
KS Auto Dismantlers & Recylers Association
KS Responsible Liquor Education Council/KS Lottery Retailers Assn
Professional Insurance Agents of Kansas
Salisbury Association Management
Taylor & Associates
The Public Accountants Association of Kansas, Inc.
Topeka Bar Association
Topeka Board of Realtors, Inc.
Topeka Home Builders Association
United School Administrators of Kansas
Wichita Bar Association
Wichita Independent Business Association

MEMORANDUM

Kansas Legislative Research Department

300 S.W. 10th Avenue
Room 545-N – Statehouse
Topeka, Kansas 66612-1504
Telephone (913) 296-3181 FAX (913) 296-3824

January 12, 1993

To: House Committee on Taxation
From: Chris W. Courtwright, Principal Analyst
Re: Valuation Attributable to Certain Not-for-Profit Properties

The attached data from the final 1992 abstract represent the valuation by county from the following land use codes:

(Real Property Only)

Land Use Code 680	"Charitable Institutions"
Land Use Code 681	"Civic Clubs"
Land Use Code 682	"Union Halls"
Land Use Code 683	"Fraternal"

Of course, there is no way to match up the land use codes in the Kansas CAMA system with the numbered subsections of the Internal Revenue Code Section 501(c) under which various not-for-profit groups or organizations may be chartered.

93-4356/CC

1/13/93
House Taxation Cmte
Attachment 6

County	1992 Appr Val Land Use Codes 680 thru 683	92 Assessed (at 30 percent) 680 thru 683	1992 TOTAL ASSESSED VALUATION	Pct of 92 Tax Base 680 thru 683	92 Assessed (at 12 percent) 680 thru 683	Change Assessed Valuation
Allen	\$67,040	\$20,112	\$53,773,265	0.037%	\$8,045	(\$12,067)
Anderson	45,990	13,797	37,708,720	0.037%	5,519	(8,278)
Atchison	157,230	47,169	59,915,029	0.079%	18,868	(28,301)
Barber	51,010	15,303	54,035,797	0.028%	6,121	(9,182)
Barton	294,820	88,446	144,619,724	0.061%	35,378	(53,068)
Bourbon	250,610	75,183	51,673,457	0.145%	30,073	(45,110)
Brown	312,050	93,615	50,055,096	0.187%	37,446	(56,169)
Butler	791,790	237,537	218,076,574	0.109%	95,015	(142,522)
Chase	0	0	21,950,370	0.000%	0	0
Chautauqua	48,490	14,547	21,607,356	0.067%	5,819	(8,728)
Cherokee	139,230	41,769	75,534,501	0.055%	16,708	(25,061)
Cheyenne	51,280	15,384	27,493,225	0.056%	6,154	(9,230)
Clark	6,660	1,998	28,887,707	0.007%	799	(1,199)
Clay	236,970	71,091	40,353,571	0.176%	28,436	(42,655)
Cloud	158,260	47,478	43,777,597	0.108%	18,991	(28,487)
Coffey	45,610	13,683	537,388,537	0.003%	5,473	(8,210)
Comanche	5,030	1,509	25,171,509	0.006%	604	(905)
Cowley	212,080	63,624	144,272,896	0.044%	25,450	(38,174)
Crawford	291,190	87,357	105,483,521	0.083%	34,943	(52,414)
Decatur	57,060	17,118	26,546,444	0.064%	6,847	(10,271)
Dickinson	332,710	99,813	80,784,312	0.124%	39,925	(59,888)
Doniphan	61,710	18,513	34,947,213	0.053%	7,405	(11,108)
Douglas	1,566,533	469,960	374,876,043	0.125%	187,984	(281,976)
Edwards	12,910	3,873	34,957,770	0.011%	1,549	(2,324)
Elk	9,840	2,952	17,543,316	0.017%	1,181	(1,771)
Ellis	197,180	59,154	142,095,703	0.042%	23,662	(35,492)
Ellsworth	0	0	56,068,859	0.000%	0	0
Finney	689,800	206,940	284,044,243	0.073%	82,776	(124,164)
Ford	727,750	218,325	150,269,654	0.145%	87,330	(130,995)
Franklin	48,130	14,439	83,871,500	0.017%	5,776	(8,663)
Geary	200,890	60,267	87,853,285	0.069%	24,107	(36,160)
Gove	46,450	13,935	32,282,146	0.043%	5,574	(8,361)
Graham	81,420	24,426	36,945,819	0.066%	9,770	(14,656)
Grant	16,800	5,040	250,273,314	0.002%	2,016	(3,024)
Gray	19,510	5,853	44,203,640	0.013%	2,341	(3,512)
Greeley	10,920	3,276	27,544,957	0.012%	1,310	(1,966)
Greenwood	7,900	2,370	43,174,535	0.005%	948	(1,422)
Hamilton	65,410	19,623	41,382,562	0.047%	7,849	(11,774)
Harper	26,210	7,863	49,090,182	0.016%	3,145	(4,718)
Harvey	286,180	85,854	126,029,397	0.068%	34,342	(51,512)
Haskell	0	0	114,477,189	0.000%	0	0
Hodgeman	11,080	3,324	25,255,419	0.013%	1,330	(1,994)
Jackson	26,170	7,851	41,255,009	0.019%	3,140	(4,711)
Jefferson	80,290	24,087	63,432,710	0.038%	9,635	(14,452)
Jewell	3,310	993	26,371,682	0.004%	397	(596)
Johnson	3,996,350	1,198,905	2,718,930,065	0.044%	479,562	(719,343)
Kearny	98,570	29,571	178,172,609	0.017%	11,828	(17,743)
Kingman	52,640	15,792	68,850,777	0.023%	6,317	(9,475)
Kiowa	37,930	11,379	49,678,128	0.023%	4,552	(6,827)
Labette	213,980	64,194	71,554,040	0.090%	25,678	(38,516)
Lane	3,070	921	25,991,268	0.004%	368	(553)
Leavenworth	722,500	216,750	201,996,455	0.107%	86,700	(130,050)
Lincoln	34,450	10,335	23,718,380	0.044%	4,134	(6,201)
Linn	75,870	22,761	132,099,219	0.017%	9,104	(13,657)
Logan	0	0	26,646,060	0.000%	0	0
Lyon	219,220	65,766	127,525,613	0.052%	26,306	(39,460)

<u>County</u>	<u>1992 Appr Val</u> <u>Land Use Codes</u> <u>680 thru 683</u>	<u>92 Assessed</u> <u>(at 30 percent)</u> <u>680 thru 683</u>	<u>1992 TOTAL</u> <u>ASSESSED</u> <u>VALUATION</u>	<u>Pct of 92</u> <u>Tax Base</u> <u>680 thru 683</u>	<u>92 Assessed</u> <u>(at 12 percent)</u> <u>680 thru 683</u>	<u>Change</u> <u>Assess</u> <u>Valuation</u>
Marion	0	0	58,604,671	0.000%	0	0
Marshall	170,620	51,186	53,623,009	0.095%	20,474	(30,712)
McPherson	251,920	75,576	158,557,311	0.048%	30,230	(45,346)
Meade	10,280	3,084	58,280,884	0.005%	1,234	(1,850)
Miami	171,350	51,405	99,328,794	0.052%	20,562	(30,843)
Mitchell	0	0	33,689,574	0.000%	0	0
Montgomery	174,330	52,299	140,677,289	0.037%	20,920	(31,379)
Morris	29,300	8,790	34,038,218	0.026%	3,516	(5,274)
Morton	0	0	107,065,955	0.000%	0	0
Nemaha	317,320	95,196	50,531,757	0.188%	38,078	(57,118)
Neosho	137,450	41,235	55,451,798	0.074%	16,494	(24,741)
Ness	43,950	13,185	48,239,285	0.027%	5,274	(7,911)
Norton	62,270	18,681	27,429,605	0.068%	7,472	(11,209)
Osage	129,230	38,769	58,691,011	0.066%	15,508	(23,261)
Osborne	8,440	2,532	25,905,264	0.010%	1,013	(1,519)
Ottawa	6,460	1,938	32,958,568	0.006%	775	(1,163)
Pawnee	64,140	19,242	47,657,957	0.040%	7,697	(11,545)
Phillips	40,970	12,291	39,321,038	0.031%	4,916	(7,375)
Pottawatomie	69,880	20,964	272,543,324	0.008%	8,386	(12,578)
Pratt	154,380	46,314	69,251,841	0.067%	18,526	(27,788)
Rawlins	108,880	32,664	30,301,712	0.108%	13,066	(19,598)
Reno	828,540	248,562	288,457,151	0.086%	99,425	(149,137)
Republic	39,527	11,858	34,262,621	0.035%	4,743	(7,115)
Rice	62,200	18,660	70,591,496	0.026%	7,464	(11,196)
Riley	173,610	52,083	170,909,170	0.030%	20,833	(31,250)
Rooks	52,660	15,798	48,884,787	0.032%	6,319	(9,479)
Rush	13,140	3,942	32,297,962	0.012%	1,577	(2,365)
Russell	113,140	33,942	61,381,838	0.055%	13,577	(20,365)
Saline	766,510	229,953	225,165,760	0.102%	91,981	(137,972)
Scott	35,600	10,680	42,872,800	0.025%	4,272	(6,408)
Sedgwick	5,318,730	1,595,619	2,017,959,768	0.079%	638,248	(957,371)
Seward	429,200	128,760	164,089,484	0.078%	51,504	(77,256)
Shawnee	3,221,730	966,519	791,728,327	0.122%	386,608	(579,911)
Sheridan	85,960	25,788	28,745,809	0.090%	10,315	(15,473)
Sherman	281,390	84,417	43,672,805	0.193%	33,767	(50,650)
Smith	0	0	28,119,431	0.000%	0	0
Stafford	232,390	69,717	57,082,269	0.122%	27,887	(41,830)
Stanton	25,220	7,566	63,694,111	0.012%	3,026	(4,540)
Stevens	112,040	33,612	269,373,980	0.012%	13,445	(20,167)
Sumner	246,820	74,046	109,942,668	0.067%	29,618	(44,428)
Thomas	94,970	28,491	59,709,631	0.048%	11,396	(17,095)
Trego	120,720	36,216	30,416,148	0.119%	14,486	(21,730)
Wabaunsee	58,290	17,487	33,840,565	0.052%	6,995	(10,492)
Wallace	3,560	1,068	21,550,391	0.005%	427	(641)
Washington	10,110	3,033	41,719,288	0.007%	1,213	(1,820)
Wichita	7,640	2,292	25,399,450	0.009%	917	(1,375)
Wilson	42,150	12,645	41,168,390	0.031%	5,058	(7,587)
Woodson	111,560	33,468	23,542,412	0.142%	13,387	(20,081)
Wyandotte	2,665,480	799,644	609,535,759	0.131%	319,858	(479,786)
STATE TOTAL	30,310,140	9,093,042	14,600,781,105	0.062%	3,637,217	(5,455,825)

<u>County</u>	<u>1992 Appr Val Land Use Codes 680 thru 683</u>	<u>92 Assessed (at 30 percent) 680 thru 683</u>	<u>1992 TOTAL ASSESSED VALUATION</u>	<u>Pct of S Tax Base 680 thru 683</u>	<u>92 Assessed (at 12 percent) 680 thru 683</u>	<u>Change Assess Valuation</u>
Sherman	\$281,390	\$84,417	\$43,672,805	0.193%	\$33,767	(\$50,650)
Nemaha	317,320	95,196	50,531,757	0.188%	38,078	(57,118)
Brown	312,050	93,615	50,055,096	0.187%	37,446	(56,169)
Clay	236,970	71,091	40,353,571	0.176%	28,436	(42,655)
Bourbon	250,610	75,183	51,673,457	0.145%	30,073	(45,110)
Ford	727,750	218,325	150,269,654	0.145%	87,330	(130,995)
Woodson	111,560	33,468	23,542,412	0.142%	13,387	(20,081)
Wyandotte	2,665,480	799,644	609,535,759	0.131%	319,858	(479,786)
Douglas	1,566,533	469,960	374,876,043	0.125%	187,984	(281,976)
Dickinson	332,710	99,813	80,784,312	0.124%	39,925	(59,888)
Stafford	232,390	69,717	57,082,269	0.122%	27,887	(41,830)
Shawnee	3,221,730	966,519	791,728,327	0.122%	386,608	(579,911)
Trego	120,720	36,216	30,416,148	0.119%	14,486	(21,730)
Butler	791,790	237,537	218,076,574	0.109%	95,015	(142,522)
Cloud	158,260	47,478	43,777,597	0.108%	18,991	(28,487)
Rawlins	108,880	32,664	30,301,712	0.108%	13,066	(19,598)
Leavenworth	722,500	216,750	201,996,455	0.107%	86,700	(130,050)
Saline	766,510	229,953	225,165,760	0.102%	91,981	(137,972)
Marshall	170,620	51,186	53,623,009	0.095%	20,474	(30,712)
Labette	213,980	64,194	71,554,040	0.090%	25,678	(38,516)
Sheridan	85,960	25,788	28,745,809	0.090%	10,315	(15,473)
Reno	828,540	248,562	288,457,151	0.086%	99,425	(149,137)
Crawford	291,190	87,357	105,483,521	0.083%	34,943	(52,414)
Sedgwick	5,318,730	1,595,619	2,017,959,768	0.079%	638,248	(957,371)
Atchison	157,230	47,169	59,915,029	0.079%	18,868	(28,301)
Seward	429,200	128,760	164,089,484	0.078%	51,504	(77,256)
Neosho	137,450	41,235	55,451,798	0.074%	16,494	(24,741)
Finney	689,800	206,940	284,044,243	0.073%	82,776	(124,164)
Geary	200,890	60,267	87,853,285	0.069%	24,107	(36,160)
Harvey	286,180	85,854	126,029,397	0.068%	34,342	(51,512)
Norton	62,270	18,681	27,429,605	0.068%	7,472	(11,209)
Sumner	246,820	74,046	109,942,668	0.067%	29,618	(44,428)
Chautauqua	48,490	14,547	21,607,356	0.067%	5,819	(8,728)
Pratt	154,380	46,314	69,251,841	0.067%	18,526	(27,788)
Graham	81,420	24,426	36,945,819	0.066%	9,770	(14,656)
Osage	129,230	38,769	58,691,011	0.066%	15,508	(23,261)
Decatur	57,060	17,118	26,546,444	0.064%	6,847	(10,271)
Barton	294,820	88,446	144,619,724	0.061%	35,378	(53,068)
Cheyenne	51,280	15,384	27,493,225	0.056%	6,154	(9,230)
Cherokee	139,230	41,769	75,534,501	0.055%	16,708	(25,061)
Russell	113,140	33,942	61,381,838	0.055%	13,577	(20,365)
Doniphan	61,710	18,513	34,947,213	0.053%	7,405	(11,108)
Miami	171,350	51,405	99,328,794	0.052%	20,562	(30,843)
Wabaunsee	58,290	17,487	33,840,565	0.052%	6,995	(10,492)
Lyon	219,220	65,766	127,525,613	0.052%	26,306	(39,460)
Thomas	94,970	28,491	59,709,631	0.048%	11,396	(17,095)
McPherson	251,920	75,576	158,557,311	0.048%	30,230	(45,346)
Hamilton	65,410	19,623	41,382,562	0.047%	7,849	(11,774)
Cowley	212,080	63,624	144,272,896	0.044%	25,450	(38,174)
Johnson	3,996,350	1,198,905	2,718,930,065	0.044%	479,562	(719,343)
Lincoln	34,450	10,335	23,718,380	0.044%	4,134	(6,201)
Gove	46,450	13,935	32,282,146	0.043%	5,574	(8,361)
Ellis	197,180	59,154	142,095,703	0.042%	23,662	(35,492)
Pawnee	64,140	19,242	47,657,957	0.040%	7,697	(11,545)
Jefferson	80,290	24,087	63,432,710	0.038%	9,635	(14,452)
Allen	67,040	20,112	53,773,265	0.037%	8,045	(12,067)

County	1992 Appr Val Land Use Codes 680 thru 683	92 Assessed (at 30 percent) 680 thru 683	1992 TOTAL ASSESSED VALUATION	Pct of 92 Tax Base 680 thru 683	92 Assessed (at 12 percent) 680 thru 683	Change Assessed Valuation
Montgomery	174,330	52,299	140,677,289	0.037%	20,920	(31,379)
Anderson	45,990	13,797	37,708,720	0.037%	5,519	(8,278)
Republic	39,527	11,858	34,262,621	0.035%	4,743	(7,115)
Rooks	52,660	15,798	48,884,787	0.032%	6,319	(9,479)
Phillips	40,970	12,291	39,321,038	0.031%	4,916	(7,375)
Wilson	42,150	12,645	41,168,390	0.031%	5,058	(7,587)
Riley	173,610	52,083	170,909,170	0.030%	20,833	(31,250)
Barber	51,010	15,303	54,035,797	0.028%	6,121	(9,182)
Ness	43,950	13,185	48,239,285	0.027%	5,274	(7,911)
Rice	62,200	18,660	70,591,496	0.026%	7,464	(11,196)
Morris	29,300	8,790	34,038,218	0.026%	3,516	(5,274)
Scott	35,600	10,680	42,872,800	0.025%	4,272	(6,408)
Kingman	52,640	15,792	68,850,777	0.023%	6,317	(9,475)
Kiowa	37,930	11,379	49,678,128	0.023%	4,552	(6,827)
Jackson	26,170	7,851	41,255,009	0.019%	3,140	(4,711)
Linn	75,870	22,761	132,099,219	0.017%	9,104	(13,657)
Franklin	48,130	14,439	83,871,500	0.017%	5,776	(8,663)
Elk	9,840	2,952	17,543,316	0.017%	1,181	(1,771)
Kearny	98,570	29,571	178,172,609	0.017%	11,828	(17,743)
Harper	26,210	7,863	49,090,182	0.016%	3,145	(4,718)
Gray	19,510	5,853	44,203,640	0.013%	2,341	(3,512)
Hodgeman	11,080	3,324	25,255,419	0.013%	1,330	(1,994)
Stevens	112,040	33,612	269,373,980	0.012%	13,445	(20,167)
Rush	13,140	3,942	32,297,962	0.012%	1,577	(2,365)
Greeley	10,920	3,276	27,544,957	0.012%	1,310	(1,966)
Stanton	25,220	7,566	63,694,111	0.012%	3,026	(4,540)
Edwards	12,910	3,873	34,957,770	0.011%	1,549	(2,324)
Osborne	8,440	2,532	25,905,264	0.010%	1,013	(1,519)
Wichita	7,640	2,292	25,399,450	0.009%	917	(1,375)
Pottawatomie	69,880	20,964	272,543,324	0.008%	8,386	(12,578)
Washington	10,110	3,033	41,719,288	0.007%	1,213	(1,820)
Clark	6,660	1,998	28,887,707	0.007%	799	(1,199)
Comanche	5,030	1,509	25,171,509	0.006%	604	(905)
Ottawa	6,460	1,938	32,958,568	0.006%	775	(1,163)
Greenwood	7,900	2,370	43,174,535	0.005%	948	(1,422)
Meade	10,280	3,084	58,280,884	0.005%	1,234	(1,850)
Wallace	3,560	1,068	21,550,391	0.005%	427	(641)
Jewell	3,310	993	26,371,682	0.004%	397	(596)
Lane	3,070	921	25,991,268	0.004%	368	(553)
Coffey	45,610	13,683	537,388,537	0.003%	5,473	(8,210)
Grant	16,800	5,040	250,273,314	0.002%	2,016	(3,024)
Logan	0	0	26,646,060	0.000%	0	0
Marion	0	0	58,604,671	0.000%	0	0
Smith	0	0	28,119,431	0.000%	0	0
Haskell	0	0	114,477,189	0.000%	0	0
Chase	0	0	21,950,370	0.000%	0	0
Ellsworth	0	0	56,068,859	0.000%	0	0
Mitchell	0	0	33,689,574	0.000%	0	0
Morton	0	0	107,065,955	0.000%	0	0
STATE TOTAL	30,310,140	9,093,042	14,600,781,105	0.062%	3,637,217	(5,455,825)

6-5