

Approved: 2/25/93  
Date

## MINUTES OF THE HOUSE COMMITTEE ON TAXATION.

The meeting was called to order by Chairperson Keith Roe at 9:00 a.m. on February 24, 1993 in Room 519-S of the Capitol.

All members were present except:

Representative Grotewiel, excused  
Representative McKinney, excused  
Representative Wagle, excused

Representative Lowther, excused  
Representative Rock, excused  
Representative Welshimer, 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:

Bill Waters, Division of Property Valuation, Kansas Department of Revenue

Others attending: See attached list

Chairperson Roe directed the Committee to turn to SB 97.

SB 97 Real estate ratio study; study years.

Bill Waters, representing David Cunningham, Director, Division of Property Valuation, testified in support of SB 97. Mr. Waters said that allowing the Division to pick up sales from the previous four years will be more accurate than performing appraisals and it will be more cost effective (Attachment 1).

Chairperson Roe closed the hearing on SB 97.

The Chair opened the hearing on SB 98.

SB 98 Public utility property sales validation questionnaires.

Bill Waters, representing David Cunningham, Director, Division of Property Valuation, testified in support of SB 98. He said that the purpose of this bill is technical in nature and is to clean up the statute and to delete the words "Certificate of Value" to the words "Sales Validation Questionnaire" (Attachment 2).

Chairperson Roe closed the hearing on SB 98.

A motion was made by Representative Wagon, seconded by Representative Pottorff, to approve SB 98 for placement on the consent calendar. The motion carried.

The meeting adjourned at 9:15 a.m.

The next meeting is scheduled for February 25, 1993.

Date: 2/24/95

GUEST REGISTER

HOUSE COMMITTEE ON  
ASSESSMENT AND TAXATION

[illegible]

STATE OF KANSAS

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Department of Revenue  
*Division of Property Valuation*

MEMORANDUM

TO: Representative Keith Roe, Chairman  
House Assessment and Taxation

FROM: David C. Cunningham, Director, PVD

DATE: February 24, 1993

RE: Senate Bill No. 97

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The Division of Property Valuation appreciates this opportunity to appear in support of Senate Bill No. 97. I believe this is an important bill because it will give the Division the ability to use the best possible data in the Sales Ratio Study. Obviously, the better the data, the better the analysis. I believe this bill benefits both the Division and the counties.

The current law allows the Division to use sales from the current and one previous year. If there are still insufficient sales, the Division is authorized to do appraisals to supplement the ratio study. Appraisals are not the preferred practice and, in fact, the IAAO in its Standards on Ratio Studies suggests using sales five (5) years old if necessary. Allowing the Division to pick up sales from the previous four (4) years will be more accurate than performing appraisals. Additionally, it will be more cost effective.

The key ingredient to the success of this methodology is to research market trends. If appropriate, the older sales should be trended for time or they will not represent a valid comparison to the current value. The Division will do this analysis and trend where appropriate.

2/24/93  
House Taxation Cmte  
Attachment 1

STATE OF KANSAS

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House Assessment and Taxation Committee

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RE: Senate Bill No. 98

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The Division of Property Valuation appreciates this opportunity to appear in support of Senate Bill No. 98. The purpose of this bill is technical in nature. Last session the "Certificate of Value" became the "Sales Validation Questionnaire." However, K.S.A. 79-5a08 was not changed and to make the statutes consistent, this revision was suggested.

I will be happy to answer any questions you may have.

2/24/93  
House Taxation Cmte  
Attachment 2