

Approved: March 18, 1993  
Date

## MINUTES OF THE SENATE COMMITTEE ON ASSESSMENT AND TAXATION.

The meeting was called to order by Chairperson Audrey Langworthy at 11:09 a.m. on March 17, 1993 in Room 519-S of the Capitol.

Members present: Senator Langworthy, Senator Tiahrt, Senator Martin, Senator Bond, Senator Corbin, Senator Feleciano Jr., Senator Hardenburger, Senator Lee, Senator Reynolds, Senator Sallee, Senator Wisdom

Committee staff present: Tom Severn, Legislative Research Department  
Chris Courtwright, Legislative Research Department  
Bill Edds, Revisor of Statutes  
Don Hayward, Revisor of Statutes  
Elizabeth Carlson, Committee Secretary

Conferees appearing before the committee: Larry Clark, Kansas County Appraisers Association  
David Cunningham, Director, Property Valuation Division

Others attending: See attached list

Senator Langworthy called the committee's attention to the minutes of March 16, 1993

### **SB 223--Property taxation; annual requirements to update valuations**

Larry Clark, Kansas County Appraisers Association, appeared in support of **SB 223**. (Attachment 1) He presented proposed changes to the bill. He discussed the problem and the need for this bill and started to explain the amendments. The committee stopped him and asked for a bill with a balloon or a copy of the bill with the amendments.

David Cunningham, Director, Property Valuation Division, presented a copy of **SB 223** with amendments. (Attachment 2) The changes have been made from annual appraisal to biennial, or a two year cycle. He went on to point out other changes made in the bill and to explain the reasons for them.

The committee had many questions; if the process for appeal would be made more simple, and would things be made more stable? The statement was made that the counties were in favor of the original version of the bill.

Mr. Cunningham said they would have to continue working on the education so the appraisals and appeals are properly handled.

Senator Bond made a motion to recommend **SB 223** for interim study. The motion was seconded by Senator Wisdom. The motion carried.

Senator Langworthy suggested Senator Tiahrt and Senator Sallee work on **SB 223** to see if some part of the bill could be worked out.

Paul Welcome, Johnson County Appraiser, who was scheduled to testify, passed out his testimony to the committee. (Attachment 3)

Jack Shriver, Chairman, Board of Tax Appeals, stood to answer any questions of the committee. He said the Board just follows the policies as passed by the Legislature.

## CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON ASSESSMENT AND TAXATION, Room 519-S  
Statehouse, at 11:09 a.m. on March 17, 1993.

### **HB 2088--Taxation of recreational vehicles**

Senator Langworthy asked the committee to turn to **HB 2088**. This bill was heard yesterday, March 16, 1993. Senator Lee said she is going to present an amendment to the bill but it is not ready. There was discussion in the committee that R.V.'s are paying too much tax and the tax burden needs to be lowered. The question was asked if there was not some middle ground. There was discussion of drafting an alternative to the bill or to deal with it as it is. A member said she does not want the bill not to be acted on. She feels there are many vehicles out there that are illegally registered in other states and she asked how much revenue is Kansas losing?

Senator Langworthy appointed a subcommittee composed of Senator Bond, Chairman, with Senator Lee and Senator Sallee. The chairperson asked the committee to work with staff to get some of the questions clarified and to seek a middle ground.

Senator Tiahrt moved to approve the committee minutes of March 16, 1993. The motion was seconded by Senator Martin. The motion carried.

The meeting adjourned at 12:00 noon.

The next meeting is scheduled for March 18, 1993.

GUEST LIST  
SENATE ASSESSMENT AND TAXATION COMMITTEE

DATE: March 17, 1993

NAME (PLEASE PRINT)	ADDRESS	COMPANY/ORGANIZATION
BEV BRADLEY	TOPEKA	KS ASSOC of Counties
Terry Hamblin	Topeka	ATTY GEN'L'S OFF.
BEN WELLS	Overland Park	Ks Assoc of Appr Assn
Ken Lunkin	Topeka	PVD
Bill Waters	Topeka	PVD
Shelly Martin	Shadow	
DAVE SHEPARD	Brown County	APPRAISER /COUNTY
Sam Schmidt	Riley Co	KCAIA
JACK SHAWER	Topeka	BOTA
Betty M. Bride	Topeka	KDOR
Steve Noske	"	KDOR
Steve Stotts	Topeka	Rev.
Dave Cunningham	Topeka	PUD
Alan Stepp	Topeka	Pete McGill & Assoc.
Tom Nungesser	Topeka	KMHA
DON CHRISTMAN	TOPEKA	WILCOX R.V.
Roger Franke	"	Ks Gov Consulting
Shelly Martin	Wichita	Sedgewick County
RICHARD RODEVAUD	ENDORA	TAXPAYERS
Bill ABBOTT	WICHITA	BOEING

KANSAS COUNTY APPRAISERS ASSOCIATION  
P.O. BOX 1714  
TOPEKA, KANSAS 66601

To: Senate Assessment and Taxation Committee  
From: Larry Clark, Past President KCAA  
Date: February 22, 1993

Madame Chairman and members of the committee thank you for the opportunity to testify in support of Senate Bill 223. My name is Larry Clark and I represent the Kansas County Appraisers Association.

Background:

The legislation which initiated statewide reappraisal requires updating of values "on an annual basis" (K.S.A. 79-1476) In order to accomplish that task it is necessary for each county to complete a number of functions, including but not limited to:

- \* collecting and verifying sales data
- \* physically reinspecting 25% of all the parcels
- \* reviewing the boundaries of market areas
- \* determining the trend in value changes over time
- \* calibrating land value models
- \* calibrating the county index
- \* calibrating the depreciation tables
- \* calibrating income and expense models
- \* calibrating comparable sales models

Problem

The problem this presents for the local appraiser is that these functions are done in conjunction with several others. The equalization appeals process occurs at the beginning of the year; and no one can know with any degree of certainty how many hearings will have to be scheduled from one year to the next. At that same time of the year personal property assessments are being completed in preparation for certification of the total appraisal roll. At the end of the year the appraiser must be ready for protest hearings, which like the equalization hearings, vary in number from year to year.

There are a number of ways to allocate resources in any organization depending on the type and quantity of resources available. The application of a given resource will depend to a large extent upon the task to be accomplished and the time period in which it must be accomplished. For example, Wyandotte County must reinspect approximately 17,225 parcels each year. At the rate of 25 parcels per day production it will take one field person 689 days to complete that reinspection (17225/25). Two persons will require only half that time or 344.5 days (17225/25/2). Another approach to this calculation is to take the number of days in the period and the production rate to calculate the number of persons to be applied to this project:

6 months = 4 weeks x 5 days/week x 6 months = 120 days  
17225 parcels/25 parcels per day/120 days = 5.74 persons

*Senate Assessment & Taxation*  
*March 17, 1993*  
*Attachment 1-1*

it will take 6 persons to complete this task at the given production rate within the established time frame. Fewer persons will be required if we cut corners on the inspection requirements and thereby increase the rate of production, or if we increase the number of days in the work period.

The problem counties have faced is a combination of a time period which is fixed at one year and lack of adequate support to increase staff resources to accommodate that lack of time. When appraisers have been pressed to finish all the tasks assigned by statute and administrative regulation in a one year time frame they have had to call on their county commissioners for additional staff resources. Unfortunately the level of local and state support for appraisal has not kept pace with the demand, leaving appraisers with the only remaining option of cutting corners wherever possible to get any kind of job done.

#### Senate Bill 223

This bill has been amended to include provisions for a two year appraisal cycle for locally appraised real estate. Such a time frame will allow local appraisers to devote more time to appraisal analysis without expending any additional resources, state or local. The result should be an increase in appraisal quality.

Several points need to be specifically brought to the attention of committee members.

- \* Owners of real estate whose property characteristics have not changed will receive a notice of value and classification every other year beginning in 1994.

- \* Only properties experiencing some change such as new construction, demolition or the combination or separation of two or more parcels will receive a notice in the intervening year.

- \* A separate and additional notice will be required on or before January 1 of the appraisal year for parcels whose value is to increase by 15% or more. An individual physical inspection will also be required. This appears to be a duplication of the notice requirement already in place.

- \* Valuation notices will carry an estimate of property taxes based on the new value, property class and the mill levies for the preceding tax year. Strenuous efforts will have to be made to educate the public to the fact that this does not represent an estimate of the taxes they will pay but is only a way of portraying the value increase in another manner. Otherwise, it will confuse the relationship between valuation and taxes.

- \* Specific language has been added to eliminate the requirement to pay under protest to protect a previously filed equalization appeal. In other words, if an equalization appeal is not finalized prior to tax statements being mailed, the property owner will still be entitled to a refund if the equalization appeal is decided in his/her favor without the requirement to pay under protest.

- \* Consistent with that, a taxpayer may not protest the payment of property taxes if an appeal has been commenced earlier in the same tax year under the equalization appeal process defined in K.S.A. 79-1448. The Appraisers Association has consistently favored the elimination of payment under protest appeals based on value. These appeals leave the tax roll in

constant jeopardy, which translates into higher tax burdens from local units of government attempting to protect their revenue base by raising the mill rate on all parcels. We would suggest an approach which recognizes the necessity for property owners to exercise their appeal rights at the first of the tax year while giving those who were denied that opportunity the right to gain entry into the appeal process at the time taxes are due. The latter might include persons who purchased property after the appraisal roll was certified.

## SENATE BILL No. 223

AN ACT relating to property taxation; concerning the appeal process; amending K.S.A. 1992 Supp. 79-1448, 79-1460, 79-1476, 79-1479 and 79-2005 and repealing the existing statutes.

*Be it enacted by the legislature of the State of Kansas:*

Section 1. K.S.A. 1992 Supp. 79-1460 is hereby amended to read as follows: K.S.A. 79-1460. The county appraiser shall notify each taxpayer in the county ~~annually biennially commencing on or before March 1, 1994 and February 1 of each even numbered year thereafter~~ for real property and ~~annually on or before May 1~~ for personal property, by mail directed to the taxpayer's last known address, of the classification ~~or~~ and appraised valuation of the taxpayer's property, except for tax year ~~1993-1994~~, and each ~~appraisal~~ year thereafter, the valuation for all real property shall not be increased unless: (a) ~~A specific review thereof is conducted, including an individual physical inspection of such property by the county or district appraiser or such appraiser's designee provided that no inspection shall be required to change the valuation of land devoted to agricultural use;~~ (b) a record of ~~such inspection is maintained, including the documentation for such increase is maintained,~~ and such record is available to the affected taxpayer; and ~~(c)~~ (b) for the taxable year next following the taxable year that the valuation for real property has been reduced due to a final determination made pursuant to the valuation appeals process, documented substantial and compelling reasons exist therefor and are provided by the county appraiser. *Notwithstanding the foregoing provisions, the county or district appraiser shall appraise or reappraise any real property on which there has been new improvement or demolition or a parcel split or combination and notify the taxpayer of the classification and valuation thereof on or before March 1 of the year following the year such new improvement, demolition, split or combination occurred. If the appraised valuation of any real property is proposed to be increased by an amount equal to or exceeding 15% of its appraised valuation at the time of the last valuation cycle, the county or district appraiser shall notify the taxpayer of the proposed increase on or before January 1 of the valuation year, and such county or district appraiser or such appraiser's designee shall perform an individual physical inspection of such property before such valuation is changed.* For the purposes of this section and in the case of real property, the term "taxpayer" shall be deemed to be the person in the ownership of the property as indicated on the records of the office of register of deeds or county clerk. Such notice shall specify separately both the previous and current appraised and assessed values for the land and buildings situated on such lands. Such

*Senate Assessment & Taxation  
March 17, 1993  
Attachment 2-1*

notice shall also include the most recent county sales ratio for the particular subclass of property to which the notice relates, except that no such ratio shall be disclosed on any such notices sent in any year when the total assessed valuation of the county is increased or decreased due to reappraisal of all of the property within the county. Such notice shall also contain the uniform parcel identification number prescribed by the director of property valuation. *Such notice shall contain an estimation of the taxes that would be due for the current year based on the assessed valuation of the taxpayer's property using the preceding year's mill levies.* Such notice shall also contain a statement of the taxpayer's right to appeal and the procedure to be followed in making such appeal. Failure to timely mail or receive such notice shall in no way invalidate the classification or appraised valuation as changed. The secretary of revenue shall adopt rules and regulations necessary to implement the provisions of this section.

New Sec. 2. K.S.A. 1992 Supp. 79-1448 is amended to read as follows: K.S.A. 79-1448. K.S.A. 1992 Supp. 79-1448. Any taxpayer may complain or appeal to the county appraiser from the classification or appraisal of the taxpayer's property by giving notice to the county appraiser on or before April 15 *of any year* for real property and on or before May 15 *of any year* for personal property. The county appraiser or the appraiser's designee shall arrange to hold an informal meeting with the aggrieved taxpayer with reference to the property in question. At such meeting it shall be the duty of the county appraiser or the county appraiser's designee to initiate production of evidence to substantiate the valuation of such property. The county appraiser may extend the time in which the taxpayer may informally appeal from the classification or appraisal of the taxpayer's property for just and adequate reasons. Except as provided in K.S.A. 79-1404, and amendments thereto, no informal meeting regarding real property shall be scheduled to take place after May 15, nor shall a final determination be given by the appraiser after May 20. Any taxpayer who is aggrieved by the final determination of the county appraiser may appeal to the hearing officer or panel appointed pursuant to K.S.A. 1992 Supp. 79-1611, and amendments thereto, and such hearing officer, or panel, for just cause shown and recorded, is authorized to change the classification or valuation of specific tracts or individual items of real or personal property in the same manner provided for in K.S.A. 79-1606 and amendments thereto. Any taxpayer who is aggrieved by the final determination of a hearing officer or panel may appeal to the state board of tax appeals as provided in K.S.A. 79-1609, and amendments thereto. An informal meeting with the county appraiser or the appraiser's designee shall be a condition precedent to an appeal to the county or district hearing panel. *It shall not be necessary for any taxpayer who has commenced an appeal of the classification and/or valuation of such taxpayer's property as*



*herein provided to pay the property taxes on such property under protest as provided in K.S.A. 79-2005, and amendments thereto, to protect such taxpayer's right to a property tax refund in the event such taxpayer is entitled to a property tax refund based on the final determination of such appeal. In the event a property tax refund is required as a result of the final determination of any appeal commenced as herein provided, such refund shall be made as provided in subsections (l) and (m) of K.S.A. 79-2005, and amendments thereto.*

Sec. 23. K.S.A. 1992 Supp. 79-1476 is hereby amended to read as follows: K.S.A. 79-1476. The director of property valuation is hereby directed and empowered to administer and supervise a statewide program of ~~reappraisal~~ appraisal of all real property located within the state. Except as otherwise authorized by K.S.A. 19-428, and amendments thereto, each county shall comprise a separate appraisal district under such program, and the county appraiser shall have the duty of reappraising all of the real property in the county pursuant to guidelines and timetables prescribed by the director of property valuation and of updating the same on an ~~annual~~ biennial basis. In the case of multi-county appraisal districts, the district appraiser shall have the duty of reappraising all of the real property in each of the counties comprising the district pursuant to such guidelines and timetables and of updating the same on an ~~annual~~ biennial basis. Commencing in 1990, every parcel of real property shall be actually viewed and inspected by the county or district appraiser once every four years. *Any county or district appraiser shall be deemed to be in compliance with the foregoing requirement in any year if 25% or more of the parcels in such county or district are actually viewed and inspected and the valuation on all remaining are updated by statistical analysis in such year.* The director shall require the initiation of such program of statewide reappraisal immediately after the effective date of this act.

Compilation of data for the initial preparation or updating of inventories for each parcel of real property and entry thereof into the state computer system as provided for in K.S.A. 79-1477, and amendments thereto, shall be completed no later than January 1, 1989. Whenever the director determines that reappraisal of all real property within a county is complete, notification thereof shall be given to the governor and to the state board of tax appeals.

Valuations shall be established for each parcel of real property at its fair market value in money in accordance with the provisions of K.S.A. 79-503a, and amendments thereto.

In addition thereto valuations shall be established for each parcel of land devoted to agricultural use upon the basis of the agricultural income or productivity attributable to the inherent capabilities of such land in its current usage under a degree of management reflecting median production

levels in the manner hereinafter provided. A classification system for all land devoted to agricultural use shall be adopted by the director of property valuation using criteria established by the United States department of agriculture and conservation service. For all taxable years commencing after December 31, 1989, all land devoted to agricultural use which is subject to the federal conservation reserve program shall be classified as cultivated dryland for the purpose of valuation for property tax purposes pursuant to this section. Productivity of land devoted to agricultural use shall be determined for all land classes within each county or homogeneous region based on an average of the eight calendar years immediately preceding the calendar year which immediately precedes the year of valuation, at a degree of management reflecting median production levels. The director of property valuation shall determine median production levels based on information available from state and federal crop and livestock reporting services, the soil conservation service, and any other sources of data that the director considers appropriate.

The share of net income from land in the various land classes within each county or homogeneous region which is normally received by the landlord shall be used as the basis for determining agricultural income for all land devoted to agricultural use except pasture or rangeland. The net income normally received by the landlord from such land shall be determined by deducting expenses normally incurred by the landlord. The net rental income normally received by the landlord from pasture or rangeland within each county or homogeneous region shall be used as the basis for determining agricultural income from such land. The net rental income from pasture and rangeland which is normally received by the landlord shall be determined by deducting expenses normally incurred from the gross income normally received by the landlord. Commodity prices, crop yields and pasture and rangeland rental rates and expenses shall be based on an average of the eight calendar years immediately preceding the calendar year which immediately precedes the year of valuation. Net income for every land class within each county or homogeneous region shall be capitalized at a rate determined to be the sum of the contract rate of interest on new federal land bank loans in Kansas on July 1 of each year averaged over a five-year period which includes the five years immediately preceding the calendar year which immediately precedes the year of valuation, plus a percentage not less than .75% nor more than 2.75%, as determined by the director of property valuation.

Based on the foregoing procedures, the director of property valuation shall make ~~an annual~~ *a biennial* determination of the value of land within each of the various classes of land devoted to agricultural use within each county or homogeneous region and furnish the same to the several county appraisers who shall classify such land according to its current usage and

apply the value applicable to such class of land according to the valuation schedules prepared and adopted by the director of property valuation under the provisions of this section.

For the purpose of the foregoing provisions of this section the phrase "land devoted to agricultural use" shall mean and include land, regardless of whether it is located in the unincorporated area of the county or within the corporate limits of a city, which is devoted to the production of plants, animals or horticultural products, including but not limited to: Forages, grains and feed crops, dairy animals and dairy products; poultry and poultry products; beef cattle, sheep, swine and horses; bees and apiary products; trees and forest products; fruits, nuts and berries; vegetables; nursery, floral, ornamental and greenhouse products. Land devoted to agricultural use shall not include those lands which are used for recreational purposes, suburban residential acreages, rural home sites or farm home sites and yard plots whose primary function is for residential or recreational purposes even though such properties may produce or maintain some of those plants and animals listed in the foregoing definition.

The term "expenses" shall mean those expenses typically incurred in producing the plants, animals and horticultural products described above including management fees, production costs, maintenance and depreciation of fences, irrigation wells, irrigation laterals and real estate taxes, but the term shall not include those expenses incurred in providing temporary or permanent buildings used in the production of such plants, animals and horticultural products.

~~The valuations established for tangible property under the program of statewide reappraisal shall not be applied by any county as a basis for the levy of taxes until January 1, 1989.~~ The provisions of this act shall not be construed to conflict with any other provisions of law relating to the appraisal of tangible property for taxation purposes including the equalization processes of the county and state board of tax appeals.

New Sec. 4. K.S.A. 79-1479 is hereby amended to read as follows: K.S.A. 79-1479. On or before January 15, 1992, and quarterly thereafter, the county or district appraiser shall submit to the director of property valuation a progress report indicating actions taken during the preceding quarter calendar year to implement the appraisal of property in the county or district. Whenever the director of property valuation shall determine that any county has failed, neglected or refused to properly provide for the appraisal of property or the updating of the appraisals on ~~an annual~~ *a biennial* basis in substantial compliance with the provisions of law and the guidelines and timetables prescribed by the director, the director shall file with the state board of tax appeals a complaint stating the facts upon which the director has made the determination of

noncompliance as provided by K.S.A. 79-1413a, and amendments thereto. If, as a result of such proceeding, the state board of tax appeals finds that the county is not in substantial compliance with provisions of law and the guidelines and timetables of the director of property valuation providing for the appraisal of all property in the county or the updating of the appraisals on ~~an annual~~ *a biennial* basis, it shall order the immediate assumption of the office of county appraiser by the director of the division of property valuation until such time as the director of property valuation determines that the county is in substantial compliance with the provisions of law. In addition, the board shall order the state treasurer to withhold all or a portion of the county's entitlement to moneys from either or both of the local ad valorem tax reduction fund and the city and county revenue sharing fund for the year following the year in which the order is issued. Upon service of any such order on the board of county commissioners, the appraiser shall immediately deliver to the director of property valuation, or the director's designee, all books, records and papers pertaining to the appraiser's office. Any county for which the director of the division of property valuation is ordered by the state board of tax appeals to assume the responsibility and duties of the office of county appraiser shall reimburse the state for the actual costs incurred by the director of the division of property valuation in the assumption and carrying out of such responsibility and duties, including any contracting costs in the event it is necessary for the director of property valuation to contract with private appraisal firms to carry out such responsibilities and duties.

(b) On or before June 1 of each year, the director of property valuation shall review the appraisal of property in each county or district to determine if property within the county or district is being appraised or valued in accordance with the requirements of law. If the director determines the property in any county or district is not being appraised in accordance with requirements of law, the director of property valuation shall notify the county or district appraiser and the board of county commissioners of any county or counties affected that the county has 30 days within which to submit to the director a plan for bringing the appraisal of property within the county into compliance.

If a plan is submitted and approved by the director the county or district shall proceed to implement the plan as submitted. The director shall continue to monitor the program to insure that the plan is implemented as submitted. If no plan is submitted or if the director does not approve the plan, the director shall petition the state board of tax appeals for a review of the plan, if no plan is submitted, for authority for the division of property valuation to assume control of the appraisal program of the county and to proceed to bring the same into compliance with the requirements of law.

(c) The state board of tax appeals shall within 60 days after the publication of the Kansas assessment/sales ratio study review said publication to determine county compliance with K.S.A. 79-1439, and amendments thereto. If in the determination of the board one or more counties are not in substantial compliance and the director of property valuation has not acted under subsection (b) above, the board shall order the director of property valuation to take such corrective action as is necessary or to show cause for noncompliance.

New Sec. 5. K.S.A. 1992 Supp. 79-2005 is hereby amended to read as follows: K.S.A. 79-2005. (a) Any taxpayer before protesting the payment of such taxpayer's taxes, shall be required, either at the time of paying such taxes, or, if the whole or part of the taxes are paid prior to December 20, no later than December 20, or, with respect to taxes paid in whole on or before December 20 by an escrow or tax service agent, no later than January 31 of the next year, to file a written statement with the county treasurer, on forms approved by the state board of tax appeals and provided by the county treasurer, clearly stating the grounds on which the whole or any part of such taxes are protested and citing any law, statute or facts on which such taxpayer relies in protesting the whole or any part of such taxes. *Provided however, a taxpayer may not protest the valuation of such taxpayer's property if such taxpayer has commenced an appeal under the provisions of K.S.A. 79-1448, and amendments thereto, appealing the valuation of such taxpayer's property for the year for which such taxpayer's taxes are being protested.* The county treasurer shall forward a copy of the written statement of protest to the county appraiser who shall within 15 days of the receipt thereof, schedule a formal meeting with the taxpayer or such taxpayer's agent or attorney with reference to the property in question. The county appraiser shall review the appraisal of the taxpayer's property with the taxpayer or such taxpayer's agent or attorney and may change the valuation of the taxpayer's property is required to assure that the taxpayer's property is valued according to law, and shall, within 15 business days thereof, notify the taxpayer and the state board of tax appeals, in the event the valuation of the taxpayer's property is changed, in writing of the results of the formal meeting. The state board of tax appeals may within 45 days after receipt of notification of such change review such change and schedule a hearing thereon upon a finding that the taxpayer's property may not be valued according to law. If the state board of tax appeals takes no action within such 45 day period, the results of the formal meeting shall be final.

(b) If the grounds of such protest shall be that the valuation or assessment of the property upon which the taxes so protested are levied is illegal or void, such statement shall further state the exact amount of

valuation or assessment which the taxpayer admits to be valid and the exact portion of such taxes which is being protested.

(c) If the grounds of such protest shall be that any tax levy, or any part thereof, is illegal, such statement shall further state the exact portion of such tax which is being protested.

(d) Upon the filing of a written statement of protest, the grounds of which shall be that any tax levied, or any part thereof, is illegal, the county treasurer shall mail a copy of such protest to the governing body of the taxing district making the levy being protested.

(e) Within 30 days after notification of the results of the formal meeting, the protesting taxpayer may, if aggrieved by the results of the formal meeting with the county appraiser, appeal such results to the board of county commissioners, or the hearing officer or panel appointed pursuant to K.S.A. ~~79-1602~~ 79-1611, of the county wherein the property is located by filing a notice of such appeal with the county clerk, or at the taxpayer's option, the taxpayer may appeal the results of the formal meeting directly to the state board of tax appeals, on forms approved by the state board of tax appeals and provided by the county treasurer, together with a copy of the written statement of protest. A copy of the written notification of the results of the formal meeting with the county appraiser shall be provided by the county appraiser.

(f) Upon receipt of the copy of the written statement of protest and a copy of the written notification of the results of the formal meeting with the county appraiser, the board of county commissioners or hearing officer or panel shall within 30 days of such receipt hear the taxpayer's appeal and shall within 15 days thereafter notify the taxpayer and the state board of tax appeals, in the event the valuation of the taxpayer's property is changed. The state board of tax appeals may within 45 days after receipt of notification of such change review such change and schedule a hearing thereon upon a finding that such change and schedule a hearing thereon upon a finding that the taxpayer's property may not be valued according to law. If the state board of tax appeals takes no action within such 45 day period, the decision of the board of county commissioners or the hearing officer or panel shall be final. If the taxpayer remains aggrieved by the results of such hearing, such taxpayer may appeal such results to the state board of tax appeals within 30 days of the date of such notice. Thereupon, the board shall docket the same and notify the taxpayer and the county; treasurer of such fact. In addition thereto if the grounds of such protest is that the valuation or assessment of the property is illegal or void the board shall notify the county appraiser thereof.

(g) After examination of the copy of the written statement of protest and a copy of the written notification of the results of the formal meeting with the county appraiser, the board shall conduct a hearing in accordance

with the provisions of the Kansas administrative procedure act, unless waived by the interested parties in writing.

If the grounds of such protest is that the valuation or assessment of the property is illegal or void the board shall notify the county appraiser thereof.

(h) In the event of a hearing, the same shall be originally set not later than 90 days after the filing of the copy of the written statement of protest and a copy of the written notification of the results of the formal meeting with the county appraiser with the board. In all instances where the board sets a request for hearing and requires the representation of the county by its attorney or counselor at such hearing, the county shall be represented by its county attorney or counselor.

(i) When a determination is made as to the merits of the tax protest, the board shall render and serve its order thereon. The county treasurer shall notify all affected taxing districts of the amount by which tax revenues will be reduced as a result of a refund.

(j) If a protesting taxpayer fails to file a copy of the written statement of protest and a copy of the written notification of the results of the formal meeting with the county appraiser with the board within the time limit prescribed, such protest shall become null and void and of no effect whatsoever.

(k) In the event the board orders that a refund be made and no appeal is taken from such order, the county treasurer shall, as soon thereafter as reasonably practicable refund to the taxpayer such protested taxes from tax moneys collected but not distributed. Upon making such refund, the county treasurer shall charge the fund or funds having received such protested taxes.

(l) Whenever, by reason of the refund of taxes from any fund, it will be impossible to pay for the imperative functions of such fund for the current budget year, the governing body of the taxing district affected shall issue no-fund warrants in an amount necessary to pay such refund. Such warrants shall conform to the requirements prescribed by K.S.A. 79-2940, and amendments thereto, except they shall not bear the notation required by such section and may be issued without the approval of the state board of tax appeals. The governing body of such taxing district shall make a tax levy at the time fixed for the certification of tax levies to the county clerk next following the issuance of such warrants sufficient to pay such warrants and the interest thereon. All such tax levies shall be in addition to all other levies authorized or limited by law and the tax levy limitations imposed by article 19 of chapter 79 of the Kansas Statutes Annotated, and amendments thereto, and K.S.A. 79-5001 to 79-5016, inclusive, and amendments thereto, shall not apply to such levies.

(m) The county treasurer shall disburse to the proper funds all portions of taxes paid under protest and shall maintain a record of all

portions of such taxes which are so protested and shall notify the governing body of the taxing district levying such taxes thereof and the director of accounts and report if any tax protested was levied by the state.

(n) This statute shall not apply to the valuation and assessment of property assessed by the director of property valuation and it shall not be necessary for any owner of state assessed property, who have an appeal pending before the board of tax appeals, to protest the payment of taxes under this statute solely for the purpose of protecting the right to a refund of taxes paid under protest should that owner be successful in that appeal.

Sec. 36. K.S.A. 1992 Supp. 79-1448, 79-1460, 79-1476, 79-1479 and 79-2005 are hereby repealed.

Sec. 47. This act shall take effect and be in force from and after its publication in the statute book.



March 17, 1993

**TO:** Senate Assessment and Taxation Committee  
**FROM:** Paul A. Welcome, Johnson County Appraiser

Madam Chairman and members of the committee, I thank you for the opportunity to testify in support of Senate Bill 223. My name is Paul Welcome and I am the Johnson County Appraiser.

### **BIENNIAL REAPPRAISAL**

With real estate, the property characteristics do not change dramatically from year to year. A biennial reappraisal would be an economical alternative to the annual reappraisal. For those properties which have a change, usually a permit is issued by the governing bodies by which a process is in place to inspect and adjust for the changes. In addition, this process would allow the County Appraiser's staff time to focus on appraising property versus shuffling schedules daily to accomplish all the tasks.

### **STATISTICAL ANALYSIS**

Also, the statistical analysis to update values can and should be used to update the appraisals of properties. Johnson County has contracted with Mr. Robert Gloudemann, to write a software program to analyze properties which may be over assessed or under assessed based on age, grade, size and value. In addition, the program isolates the particular residential areas which need to be reviewed and reappraised. This is where we plan to focus the county's attention in 1993 for 1994 reappraisal.

### **MULTIPLICATION OF APPEALS**

I'm in favor of the elimination of the duplication of appeals on assessments in the same year. With the valuation and payment under protest appeals there is a redundancy and it is unnecessary to have a taxpayer appeal in both processes. The elimination of payment under protest appeals, for those who already appealed during the valuation appeals in the springtime, is a good amendment to the bill.

*Senate Assessment + Taxation*  
*March 17, 1993*  
*Attachment 3-1*

**PAGE TWO**

There are three subsections which I feel need to be amended and they are as follows:

**MAILING DATE**

1) Changing the date when notices need to be mailed from March 1 to February 1 for subsequent years does not provide any advantages to the appraisal calendar for the appeal deadline of April 15th. For Johnson County to process and have the notices out by February 1st, the office would be doing quality control reports in mid-December through mid-January and start to print January 15th. I would recommend to keep March 1st as the notice deadline and this already allows for forty-five (45) days to appeal the property value.

**ESTIMATE OF TAXES**

2) With Payment Under Protest still a viable appeal process for the taxpayer, the estimate of taxes on the notice of appraised value is not needed. This would cause additional work and no added benefit would be derived. Also, the taxpayer will be confused about the process.

**ADDITIONAL NOTIFICATION**

3) An additional notice if the property increases by more than 15% seems to be redundant since we have to notify the property owner of an increase in March. The additional cost, as well as, additional telephone inquiries, informal discussion of values would have to be done before the official notice is mailed. This may start an oral or written communications to the property owner which essentially is another appeal.

I thank you for your time to address this issue.