

Approved: 2/8/94  
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 7, 1994 in Room 519-S of the Capitol.

All members were present except: Representative Crowell, excused  
Representative Rock, excused  
Representative Wagle, excused  
Representative Wagnon, excused  
Representative Wiard, excused

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

Conferees appearing before the committee:  
Representative Marvin Smith  
Pat McDonald, Shawnee County Clerk, and County Clerks Association  
Bev Bradley, Kansas Association of Counties

Others attending: See attached list

Chairperson Roe opened the hearing on HB 2789.

HB 2789 - property tax statement mailing date.

Representative Marvin Smith testified in support of HB 2789. He reviewed the problems faced by Shawnee County regarding the property tax state mailing date. Representative Smith said it is important to amend the present statutes to be more workable than Shawnee County's experience last fall (Attachment 1).

Pat McDonald, Shawnee County Clerk representing the County Clerks Association indicated that she appreciated the effort to resolve the problem as addressed by HB 2789. Ms. McDonald requested that K.S.A. 79-1803 be left as is (Attachment 2). She offered an amendment under K.S.A. 79-2930 which The County Clerks feel would solve the problem (Attachment 3).

Bev Bradley, Kansas Association of Counties, testified that they support the position of the County Clerk's Association on HB 2789.

The Chair concluded the hearing on HB 2789.

Chairperson Roe directed the Committee to turn to HB 2471.

HB 2471 - division and merger of trusts; marital deduction gifts.

A motion was made by Representative Empson, seconded by Representative McKinney, to amend HB 2471 by removing the word "is" after "dollar amount," on page 2, line 38, and to change the effective date to publication in the Kansas register. The motion carried.

A motion was made by Representative Empson, seconded by Representative Mays, to pass HB 2471 favorably as amended. The motion carried.

CONTINUATION SHEET

MINUTES OF THE HOUSE COMMITTEE ON TAXATION, Room 519-S Statehouse, at 9:00 a.m. on February 7, 1994. CONTINUATION SHEET

MINUTES OF THE HOUSE COMMITTEE ON TAXATION, Room 519-S Statehouse, at 9:00 a.m. on , 1994.

Chairperson Roe directed the Committee to turn to SB 462.

SB 462 - school district finance; ad valorem tax levy for 1994-95 and 1995-96 school years.

A motion was made by Representative Lowther, seconded by Representative Empson, to report SB 462 favorably for passage. The motion carried.

The meeting adjourned at 9:30 a.m.

The next meeting is scheduled for February 8, 1994.

DATE 2/7/94

DATE \_\_\_\_\_

2/7/94

ADDRESS

REPRESENTING

[illegible]



MARVIN E. SMITH  
REPRESENTATIVE, FIFTIETH DISTRICT  
JACKSON AND SHAWNEE COUNTIES  
123 N.E. 82ND STREET  
TOPEKA, KANSAS 66617-2209  
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TOPEKA

HOUSE OF  
REPRESENTATIVES

COMMITTEE ASSIGNMENTS  
CHAIRMAN: GOVERNMENTAL ORGANIZATION  
& ELECTIONS  
MEMBER: EDUCATION  
TRANSPORTATION  
JOINT COMMITTEE ON ADMINISTRATIVE  
RULES & REGULATIONS

HOUSE TAXATION COMMITTEE  
HB 2789

February 7, 1994

The intent of this bill is to move the date from November 1 to October 1 for the cutoff date changing valuations for mill levy computations for the taxing districts, so the County Clerk can complete these computations to deliver to the County Treasurer by October 1. This bill also is to move the present December 15 to November 15 for County Treasurers to mail property tax statements. Much confusion reigned in Shawnee County concerning appraisal of property in 1993.

Early last year the appraiser here in Shawnee County, Tim Kennedy, lowered some valuations of real property. Especially some of the commercial property valuation that appraiser Kennedy lowered were substantial totals.

Also, the newly elected (2) County Commissioners removed Mr. Kennedy about midyear. After the new appraiser was on staff, he increased a large number of the parcels valuations again. Many of those owners filed appeals approximately the third week of October 1993. The Shawnee County Clerk was put on hold to finish computing the mill levies for the taxing districts.

Finally, the County Clerk was given the okay to finalize the mill levy computations, approximately six weeks after this is usually accomplished! Therefore, the tax statements arrived less than ten days prior to December 20, 1993. For those property owners out of state this created a REAL problem. For those finance companies that have large numbers of tax statements that also created a log jam.

We would ask you favorably pass this legislation which moves the statutory up 30 days from November 1 to October 1, and December 15 to November 15. It is important to amend the present statutes to be more workable than our last year's experience. The taxpayers of Shawnee County and all Kansas taxpayers deserve having their property tax statements in November.

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House Taxation Cmte  
Attachment 1

February 7, 1994

Representative Roe and members of the Committee

I am Pat McDonald, Shawnee County Clerk and I am here today representing the County Clerks Association.

I want to thank you for this opportunity to meet with you and for your concern and effort to resolve a technical problem for County Clerks in House Bill 2789.

As many of you are aware, I had the 1993 tax roll nearly completed and the tax statements partially run late in October of 1993. On October 27, several million dollars in added valuation was certified to me by the Property Valuation Director. Since this was before November 1, I knew I had to re-compute the tax levies to give the taxpayers the benefit of the lower levies. (In U.S.D. 437, this made a difference of 2.92 mills.) To make a long story short, the owners of the property which were involved in the additional value appealed to the District Court and a restraining order was issued preventing any further work on tax statements. Finally, on November 30, I received the go ahead to prepare the statements based upon the valuation we originally used in October. We backed the values out of the computer and re-computed the levies again (this made 3 times) and then certified the tax roll to the Treasurer on December 7th. (Since the school districts affected extend into Jefferson and Osage County, I had to disrupt their tax rolls.)

In keeping with the initial intent of Representative Smith and the other Shawnee County Representatives, we would offer an amendment under K.S.A. 79-2930 which we feel would solve the problem.

The County Clerks would, however, respectfully suggest that K.S.A. 79-1803 be left as it is and that the tax roll be certified to the Treasurer November 1 and not October 1 for the following reasons:

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Attachment 2



1. Moving the date of certification from November 1 to October 1 would not preclude additional valuation from being certified on September 29 or 30, thus requiring levies to be re-computed again.
2. Several statutes refer to the November 1 deadline and would have to be changed.
3. A month is not enough time to complete our work. As you know, budgets are not certified to us until August 25. We then go through several time-consuming steps to actually prepare the tax roll

1. Each budget must be thoroughly checked.
2. We must arrive at a final equalized assessed valuation for all taxing districts, usually in September.
3. Levies must be set per K.S.A. 79-1965, making sure levies do not exceed statutory authority. If we discover something amiss on the budget, we notify the taxing district at least 7 days prior to any change. (County Clerks have no authority to change a budget or amounts to be levied, but if we discover an error, the district can republish and hold a hearing to correct this prior to the tax roll.)
4. Valuation and/or levies are certified to other counties involved in Joint Districts. Example, Shawnee County is the home county for eleven (11) other counties for the Northeast County Library System. These Clerks certify the value to me and I set the levy and send it back to them.
4. Our Data Processing Department needs two weeks lead time to physically build the file and run the statements.
5. In 101 counties, many Clerks are working on election also.

**For many years, County Clerks have felt that we needed a cutoff for final valuation so all Clerks can complete the tax roll and the certification of valuation and levies in a timely manner so taxes can be certified on or before November 1. Recent events in Shawnee County demonstrate the need for this change.**

**The proposed amendment to K.S.A. 79-2930 (see attached) is new language and I do not believe other statutes are affected. We believe the amendment solves the problem! If any valuation is certified to us after we have certified the value for the tax roll, it merely becomes an added tax to the tax roll. (This currently happens now, after November 1, see K.S.A. 79-1475.)**

**Thank you for your favorable consideration of this amendment. If you have questions, please contact me or any other County Clerk.**



**79-2930.** Submission of adopted budgets and additional information pertaining thereto to county clerk; duties of county clerk; limitation on taxes levied, exception. (a) Two copies of the budget certificate giving the amount of ad valorem tax to be levied and the total amount of the adopted budget of expenditures by fund, along with itemized budget forms for each and every fund and proof of publication of the notice of budget hearing containing the budget summary shall be presented to the county clerk within the time prescribed by K.S.A. 79-1801 as amended. Where action has been taken under any statute to increase the amount of tax to be levied authorized by law, a statement showing the increased amount or tax levy rate voted, or a copy of the charter resolution or ordinance making the change, shall be attached to the budget each year the change is in effect.

(b) The county clerk shall make any reductions to the ad valorem tax to be levied, compute the tax levy rates based on the final equalized assessed valuation, and enter such on the budget certificate before attesting the budget. A copy of all budgets for taxing subdivisions of the county, properly attested, shall be filed with the director of accounts and reports, along with a copy of the tax levy rate summary required of the county treasurer by K.S.A. 79-2002, and amendments thereto.

(c) Each fund of the adopted budget certified to the county clerk in no event shall exceed the amount of ad valorem tax to be levied and the proposed expenditures of such fund in the proposed budget as originally published. The governing body of each taxing subdivision shall not certify an amount of ad valorem taxes to be levied that is in excess of any tax levy rate or amount limitations or any aggregate tax levy limitations. The governing bodies, in fixing the amount may take into consideration and make allowance for the taxes which may not be paid, such allowance, how-

22 ever, shall not exceed by more than 5% the percentage of delinquency for the preceding tax year.

**History:** L. 1933, ch. 316, § 6; L. 1941, ch. 377, § 5; L. 1970, ch. 387, § 3; L. 1974, ch. 364, § 28; L. 1981, ch. 379, § 5; July 1.

→ as certified by the County Clerk on October 1.

**79-1475.** Duties of county appraiser and clerk regarding property discovered to have been omitted from tax rolls. Whenever the county appraiser discovers that any property subject to taxation has been omitted from the tax rolls, such property shall immediately be listed and valued by the appraiser, and returned to the county clerk. The county clerk, upon receipt of the valuation for such property, shall compute the amount of tax due based upon the mill levy for the year in which such tax should have been levied, and shall certify such amount to the county treasurer as an added or escaped appraisal. The county treasurer shall proceed to collect and distribute such tax in the same manner as prescribed by law for the collection and distribution of other taxes levied on property.

**History:** L. 1985, ch. 315, § 3; July 1.

**Attorney General's Opinions:**

Escaped taxes on personal property. 86-75.

Taxation of royalty interest on oil and gas lease; sale of interest after assessment and before payment of tax. 87-20.

**CASE ANNOTATIONS**

1. Cited; statutory duty of county to collect taxes on property which escaped taxation (79-1427a) and to correct, examined. In re application of U.S.D. No. 437 for Tax Relief, 243 K. 555, 559, 757 P.2d 314 (1988).

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Sub-2789

## Proposed Amendment to HB 2789

## SUBSTITUTE for HOUSE BILL NO. 2789

By Committee on Taxation

AN ACT relating to property taxation; concerning the final valuation upon which tax levy rates are based; amending K.S.A. 79-2930 and repealing the existing section.

Be it enacted by the Legislature of the State of Kansas:

Section 1. K.S.A. 79-2930 is hereby amended to read as follows: 79-2930. (a) Two copies of the budget certificate giving the amount of ad valorem tax to be levied and the total amount of the adopted budget of expenditures by fund, along with itemized budget forms for each and every fund and proof of publication of the notice of budget hearing containing the budget summary shall be presented to the county clerk within the time prescribed by K.S.A. 79-1801 as amended. Where action has been taken under any statute to increase the amount of tax to be levied authorized by law, a statement showing the increased amount or tax levy rate voted, or a copy of the charter resolution or ordinance making the change, shall be attached to the budget each year the change is in effect.

(b) The county clerk shall make any reductions to the ad valorem tax to be levied, compute the tax levy rates based on the final equalized assessed valuation as certified by the clerk on October 1, and enter such on the budget certificate before attesting the budget. A copy of all budgets for taxing subdivisions of the county, properly attested, shall be filed with the director of accounts and reports, along with a copy of the tax levy rate summary required of the county treasurer by K.S.A. 79-2002, and amendments thereto.

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Attachment 3

(c) Each fund of the adopted budget certified to the county clerk in no event shall exceed the amount of ad valorem tax to be levied and the proposed expenditures of such fund in the proposed budget as originally published. The governing body of each taxing subdivision shall not certify an amount of ad valorem taxes to be levied that is in excess of any tax levy rate or amount limitations or any aggregate tax levy limitations. The governing bodies, in fixing the amount may take into consideration and make allowance for the taxes which may not be paid, such allowance, however, shall not exceed by more than 5% the percentage of delinquency for the preceding tax year.

Sec. 2. K.S.A. 79-2930 is hereby repealed.

Sec. 3. This act shall take effect and be in force from and after its publication in the statute book.