

Approved: February 9, 1994  
Date

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

The meeting was called to order by Chairperson Audrey Langworthy at 11:08 a.m. on February 8, 1994 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: Chris Courtwright, Legislative Research Department  
Bill Edds, Revisor of Statutes  
Don Hayward, Revisor of Statutes  
Elizabeth Carlson, Committee Secretary

Conferees appearing before the committee: Senator Don Sallee  
Vern Osborne, St. George  
Larry Clark, Kansas Appraisers' Association  
Karen France, Kansas Association of Realtors  
Ellen Ross, Kansans For Fair Taxation

Others attending: See attached list

### APPROVAL OF MINUTES

**Senator Tiahrt moved to approve the minutes of February 7, 1994. The motion was seconded by Senator Bond. The motion carried.**

### **SB 620--REFUNDS OF PROTESTED PROPERTY TAX; INTEREST; ATTORNEY FEES AND COURT COSTS**

#### Proponents

Senator Don Sallee explained his reasons for introducing **SB 620**. (Attachment 1) He said the legislature needs to make government accountable for their actions. This bill is a recourse for the taxpayer whose bills have continued to rise as the protest hearing continues.

Senator Sallee introduced Vern Osborne, St. George, Kansas, who spoke of his problems with appraisals and protests and the time and money he had spent on the protests. (Attachment 2 and 3) He stated he thought this bill, **SB 620**, would make the tax process a little bit more equitable although it will not help him. He spoke of his costs and said he is still protesting his 1989 property taxes. He thinks if **SB 620** were passed it would eliminate some of the delay in settling the protest appeals. He said this is a tremendous burden on the tax payer. Passage of this bill would strengthen the relations between the government and the citizens. Each county should be required to set up an interest bearing collection account that would provide funds to reimburse the protesting tax payer. This would hold all involved officials accountable for unnecessary appeals and time delays.

Senator Langworthy called the attention of the committee to a handout from Gordon T. Garrett, Commercial Property Association of Kansas, who urged support of **SB 620**. (Attachment 4)

Ellen Ross, Kansans for Fair Taxation, spoke of her support for **SB 620**. (Attachment 5) She said it is a positive step and would help the Board of Tax Appeals eliminate its backlog of cases. Her group, Kansans for Fair Taxation, applauds **SB 620**.

## CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON ASSESSMENT AND TAXATION, Room 519-S  
Statehouse, at 11:08 a.m. on February 8, 1994.

### Opponents

Larry Clark, Kansas Appraisers' Association, opposes SB 620. He stated any attempt to compensate taxpayers who have had their funds wrongfully tied up by the government is certainly to be encouraged. However, there are some practical results which he wanted to bring to the attention of the committee. (Attachment 6) He spoke of the state of Texas which has a similar law and the costs that have been incurred. His primary concern is the incentive there will be for the county commissioners to settle rather than impose that extra tax burden on their constituents regardless of the merits of the case. The standard of fair market value will be abandoned in favor of economic expediency.

Questions were asked by the committee saying it is not right for the appraisers and the county who have the upper hand and have no incentive to settle the disputes. Mr. Clark said there should not be a delay and the counties do act quickly but the cases are held up by the Board of Tax Appeals.

Bev Bradley, Kansas Association of Counties, testified in opposition to SB 620. (Attachment 7) She said some version of this bill appears every year and KAC is very concerned about this one because it is even more costly than previous versions. She asked how the counties would estimate or budget for cases like this.

The committee asked how, in this small number of cases, do you answer the taxpayer whose case has been delayed and they have spent a lot of money? Ms. Bradley said the concern may be with the system and she did not think every taxpayer in the county should be penalized.

Willie Martin, Sedgwick County, shared their concerns about SB 620. (Attachment 8) She said it would have a very adverse budget impact. Sedgwick county at this time has 2,000 cases pending before BOTA. She stated in hypothetical numbers how it could cost Sedgwick County \$500,000. She said the bill does not take in to consideration that taxpayers often appeal their cases and lose and appeal more than once. This bill also does not provide relief for counties where taxpayers lose their case.

Gerry Ray, Johnson County Board of Commissioners, expressed the Board's opposition to SB 620. (Attachment 9) She said they are concerned about what the projected cost would be and how to budget for it. It will cause the mill levy to go up and the tax payer will have to pay. She said the bill should consider those that lose their case and how they should reimburse the county for legal fees.

Richard Rodewald, taxpayer, expressed his problems with dealing with the courts and the Board of Tax Appeals in a case he said has been ongoing for five years. He has spent thousands of dollars trying to get a correction.

The hearing was closed on SB 620.

Senator Langworthy appointed a subcommittee of Senators Langworthy, Tiahrt and Martin to work on SB 541 and SB 542.

The meeting adjourned at 11:55 a.m.

The next meeting is scheduled for February 9, 1994.

DATE: February 8, 1994

[illegible]

DON SALLEE  
 SENATOR, FIRST DISTRICT  
 ATCHISON, BROWN, DONIPHAN, JACKSON  
 AND POTTAWATOMIE COUNTIES  
 RR 2  
 TROY, KANSAS 66087



TOPEKA

SENATE CHAMBER

COMMITTEE ASSIGNMENT  
 CHAIRMAN ENERGY AND NATURAL RESOURCES  
 CHAIRMAN JOINT COMMITTEE ON RULES  
 AND REGULATIONS  
 MEMBER AGRICULTURE  
 ELECTIONS  
 TAX  
 STATE RULES AND REGULATIONS

February 8, 1994

The Honorable Audrey Langworthy, Chairperson  
 Honorable Senators Tihart, Bond, Corbin, Hardenburger, Reynolds, Sallee,  
 Martin, Feleciano, Lee and Wisdom.

Senate Committee on Assessment and Taxation  
 State Capitol  
 Topeka, KS 66612

Dear Senators:

I wish to thank you for the opportunity to comment on Senate Bill 620.

Senate Bill 620 concerns refunds of protested property tax; interest, attorney fees and court costs.

Serving as Chairman of the Senate Energy and Natural Resources Committee I have become more and more aware of what government is doing to people through taxation and regulations. Government can make a mistake and say they are sorry. However, they provide no recourse for the taxpayer or involved individual whose dilemma continues.

The Legislature needs to look toward making government accountable for their actions and I sincerely hope we will see improvement in the future.

Don Sallee

*Senate Assessment + Taxation  
 February 8, 1994  
 attach 1-1*

Madam Chairperson and fellow Committee members. I wish to thank you for this opportunity to testify in support of Senate Bill No. 620.

SUBJECT: SENATE BILL NO. 620

SUBJECT PROPERTY: Old Town Mall, Manhattan

I wish to provide this morning a personal testimony of how the tax system worked in my case. This is not a self-serving testimony because I will not benefit by this bill; however, I feel that if it will help make the tax process a little bit more equitable I won't have wasted my time.


I purchased the Old Town Mall back in 1983. The taxes at that time were \$4,200.00; by 1988 they had risen to \$7,400.00. In 1989 Classification impacted this commercial property and our tax bill increased to nearly \$19,000.00. I began protesting immediately and my investigation turned up some interesting facts which I have attached. The process set up by the State for protesting was both time consuming and expensive resulting in legal fees of over \$2,000.00 with not positive results. The facts were so obviously inequitable that I continued protesting and finally retained a Topeka attorney who proved beyond any doubt that my local appraiser was not following standard practices set by the State for property appraisal. I have attached a copy of a news article that will illustrate this point. This second attorney cost me over \$7,000.00 in legal fees and I received an adjustment that resulted in a refund of \$7,300.00 for years '90 and '92. The 1989 is still pending because my county appraiser is unwilling to make it agree with the '90 and '92 values which will probably result in additional legal fees. I wouldn't wish this situation on anybody and I hope Senate Bill No. 620 would help prevent this situation from occurring in the future.

In closing, I would suggest that we make the playing field fairer between the tax payer and the taxing process. The taxpayer finds himself in a position that he is responsible for proving his position and in doing so finds himself paying 18% interest on the back taxes that he can't afford to pay, plus legal fees that can sometimes be as much as or more than the

*Senate Assessment & Taxation*  
*February 8, 1997*  
*attch 2-1*

potential refund. This is a tremendous economic burden on the taxpayer. The county appraiser however, has no incentive to make the situation equitable because there are no penalties involved if errors are found. In other words, there's no positive reason for a taxpayer to follow through to the bitter end because he is in a lose-lose situation and the government entity is in a win-win situation. This is another consumer issue that if corrected would strengthen the relationship between the government and the citizens of Kansas.

Interest penalties, as I understand, on back taxes are not included as projected county income figures. If this is correct, then we should require each county set up a interest bearing collection account that would provide funds to reimburse the protesting tax payer. This would require a more responsive attitude from the local county along with holding all involved officials accountable for unnecessary appeals and time delays.

  
Verlyn Osborne  
Manhattan, Kansas

MARKET COMPARISON

	Seth Child Center	Blue Hills	Old Town Mall	Candlewood Center	Town Center Mall
Date Built	1972	1962	1925	1984	1986
Age	18 years	28 Years	65 Years	6 Years	4 Years
Property Size	76,230	193,304	74,052	324,525	1,227,477
Land Value	45,740	205,390	203,640	240,150	2,458,400
Sq. Ft. Value	\$0.60/Ft.	\$1.06/Ft.	\$2.75/Ft.	\$0.74/Ft.	\$2.00/Ft.
Actual Land/ Building Ratio	20%	51%	105%	14%	-----
National Standard	20-35%	20-35%	20-35%	20-35%	20-35%
Standard Land Value	20% \$45,790	25% \$100,875	35% \$67,725	20% \$342,700	20% -----
Total County Value	\$274,700	\$608,900	\$397,100	\$1,953,720	-----
Recent Sales	\$220,000 '89				
81-82 Traffic Counts	12,156	9,030	13,360	1,940	5,012
Most Recent Counts	18,745	9,780	6,896	3,400	12,671

NOTE: ALL OF THE ABOVE LOCATIONS ARE TOTALLY BUSINESS-RETAIL USEAGE WITH THE EXCEPTION OF THE OLD TOWN MALL WHICH IS A COMBINATION OF BUSINESS-RETAIL, RESIDENTIAL, AND STORAGE UNITS. LAND FOR STORAGE UNITS WITHIN THE VICINITY OF OLD TOWN IS PRICED AT \$.50/FT. AT ONE LOCATION AND \$1.00/FT. AT ANOTHER.





# The Manhattan Free Press

*Senate Assoc. - Info  
Feb 6, 1994  
Attachment #3  
3-1*

"Absolute freedom of the press to discuss public questions is a foundation stone of American liberty." Herbert Hoover

Vol. 3 No. 7

Thursday March 4, 1993

## Appraiser's Records Will Cost \$12,000

By Jon A. Brake

When Riley County Appraiser Sam Schmidt looks at the Old Town Mall, 1700 Yuma, he sees more than the average man sees. In 1988, Schmidt valued the Old Town Mall land at \$203,640 which works out to \$2.75 per square foot. Land value at the Manhattan Town Center was placed at \$1,227,477 or \$2.00 per square foot. Owners of both malls approached Riley County when the Town Center won their appeal and the Old Town Mall lost.

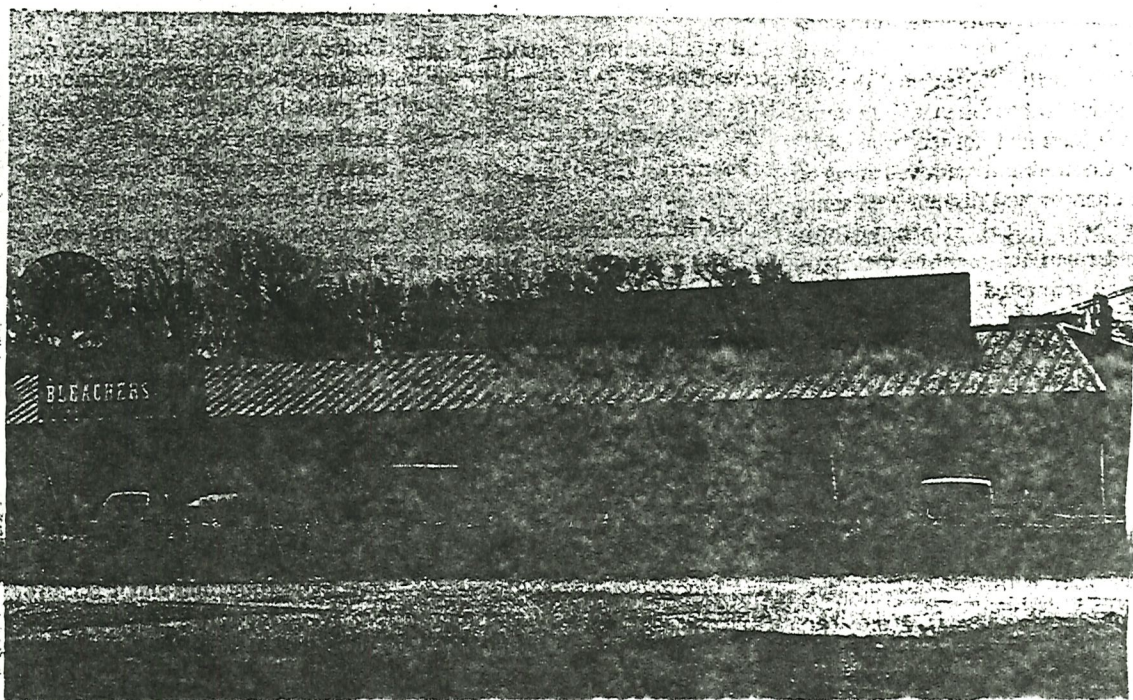
Vern Osborne, owner of the Old Town Mall now has only one alternative. He has retained Topeka Attorney David C. Carpenter to represent him in any further legal matters. Schmidt is now being represented by Riley County Counsel Dan Myers and law firm Myers Pottroff and Ball.

On February 16, 1993, Carpenter sent a letter to Schmidt under the

your request as well as the fact that you are requesting that Riley County produce to you abstracts, copies of records, computer generated reports as well as other data which is difficult to access it will be necessary for Riley County to receive an advanced payment of the prescribed fee, pursuant to K.S.A. 45-219, before we can comply with your Open Record Request."

Hesse then stated: "As soon as we have determined the amount of the advanced fee needed to comply with your Open Record Request I will let you know what it is, you can pay your fee and then you, or your agent, can come to Manhattan to inspect our records."

In a letter of February 19, 1993, Carpenter stated: "Your letter troubles me in a number of respects. First of all, notwithstanding the language in my correspondence address-





Riley County Counsel Dan Myers and law firm Myers Pottroff and Ball.

On February 16, 1993, Carpenter sent a letter to Schmidt under the Kansas Open Records Act. The request for information was 17 pages.

On February 19, 1993, Wm. Scott Hesse, an attorney in Myers' firm, responded to the Open Records request: "Due to the lengthy nature of

in a letter of February 19, 1993, Carpenter stated: "Your letter troubles me in a number of respects. First of all, notwithstanding the language in my correspondence addressing the Kansas Open Records Act, K.S.A. 79-1458 is unambiguously clear that the documentation that I am requesting is to be immediately available in the County Appraiser's Office during normal working hours.

Old Town Mall, 17th and Yuma, has land valued by the Appraiser's Office at \$2.75 per Square foot. Blue Hills Shopping Center was appraised at \$1.06 sq. ft. Candlewood Shopping Center was appraised at 74 cents per sq. ft. Seth Child Shopping Center (Raoul's) was appraised at 60 cents per sq. ft.

Secondly, the Property Valuation Division in its course: guides are clear concerning the necessity of having certain supporting documentation available at both the informal and Board of Equalization hearings on properties. For your edification, I am enclosing relevant copies of course 3-100-4, entitled "Year End Processing and Appeals Hearings", from the Kansas Department of Revenues Division of Property Valuation Manual. This document was issued in January of 1991, and contains at pages 44 thru 46 thereof, a list of the following documents which are to be assembled and available for review at the hearings."

A letter from Hesse to Carpenter written on February 22, 1993 said: "Due to the lengthy nature of the request it will be necessary for you to pay for the reasonable cost of the copies as well as for administrative time of persons needed to reproduce these documents pursuant to K.S.A. 45-219. Riley County has estimated that the cost of producing these documents as well as the administrative time to retrieve these documents will be \$12,149.28."

Hesse also stated: "County employees must be employed to produce the documents you request. The computer runs must be done on weekends to prevent county government from being disrupted. County officials anticipate 144 hours will be

spent in the preparation and execution of the computer runs. Pursuant to the Fair Labor Standards Act, overtime salary (time and one-half) must be paid to the computer operator. The computer operator receives \$11.33 per hour for his regular salary. Therefore, the computer operators salary will be \$2,445.12. In order for you to review the hard copies of documents in the appraisers office during office hours there will be 96 hours of work. The appraiser has determined there will be 96 hours of work bone to produce these documents. This employees salary plus benefits is \$16.71 per hour for 96 hours for \$1,604.16."

Hesse also said: "The estimated cost of paper, ink and depreciation on the computers, copy machines

and other machines is \$600."

Carpenter responded: "I am in receipt of yours (letter) of February 22, 1993, which has rendered me speechless. I am sending with this letter a copy of Attorney General Opinion #91-145, which speaks for itself. I am also sending you the letter I mailed yesterday, in case you have not received it. Please let me know by the end of the day whether Mr. Schmidt does or does not have the records which I have requested. Your indication that substantial time and exercises are involved equating to \$12,000.00 worth of expense seems to indicate to me that the records do not exist."

Carpenter did not receive a response.

## Primary Election

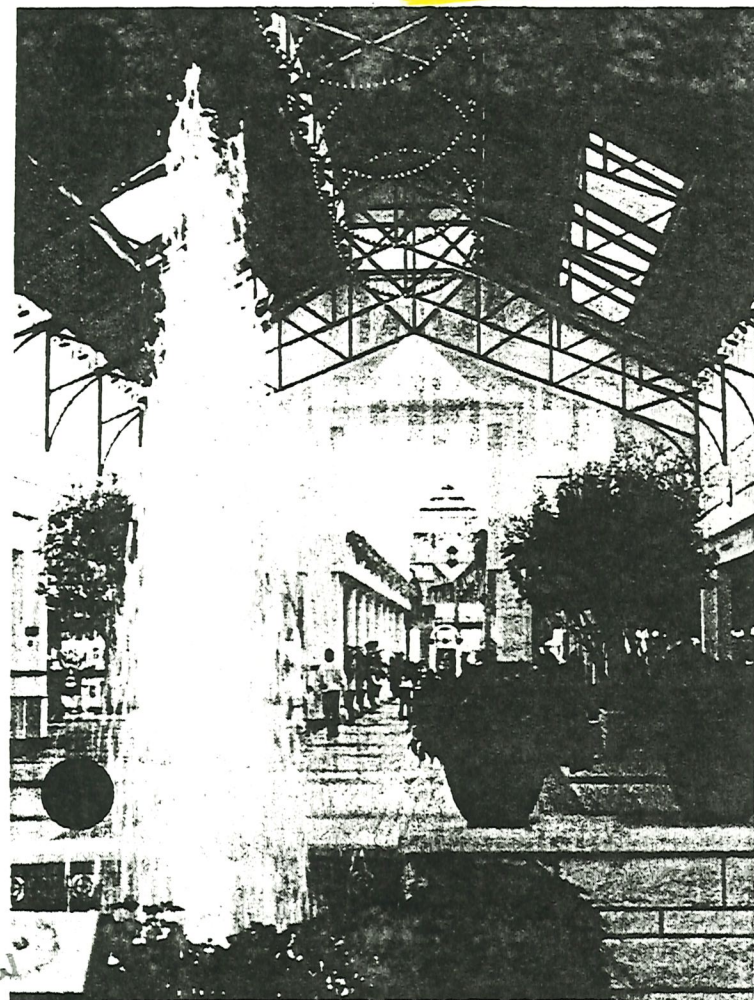
Total Number Voting 3414  
Manhattan City Commission:

***Edith L. Stunkel	2,024
***Sydney Carlin	1,647
***Eugene A. Klingler	1,441
***Thomas Whalen	1,186
***Steve Hall	1,017
***William "Bob" Rogers Sr.	424
Stanley A. Crowder	202
Paul "Zeke" Palenske	189

USD 383 School Board  
Unexpired Term

***Debbie L. Nuss	1,211
***James Wittwer	1,057
Dan Killinger	554
Peter B. Dulniawka	106

\*\*\*Nominated



The Manhattan Town Center Mall land was appraised in 1988 at \$2 per sq. ft. On appeal the land costs were reduced to \$1 per sq. ft. The Riley County Appraiser today has the Mall land listed at \$2.47 per sq. ft.



# CPAK

Commercial Property  
Association of Kansas

**Gordon T. Garrett**  
Vice President -  
Legal Counsel

**Samuel V. Alpert**  
Associate Director

## LEGISLATIVE TESTIMONY

by

**Gordon T. Garrett**  
Vice-President CPAK

February 8, 1994

before the Senate Assessment & Taxation Committee

We wish to support SB #620 as it would accomplish several positive things in our view.

1. The fact that there is no interest on property tax refunds earned through the appeals process lets the county use the money for an indeterminate amount of time-interest free, which in certain instances can create a hardship on taxpayers.

2. With this situation, it appears that the county appraisers would not, and do not hesitate to error on the high side-or at least have a tendency to error on the high side as they would have nothing to lose. The taxpayer because of fatigue may choose not to exercise all of their administrative remedies, or the county could win on appeal. In the worse case, a refund by the county, it has been able to use the taxpayers money interest free.

3. It would seem fair to pay interest on refunds as there is a significant penalty and interest on taxpayers who underreport their personal property.

4. This lack of interest on refunds specifically hurts the taxpayer who may make a legitimate legal claim and may be tied up in litigation for years. There have been instances where the taxpayer got a refund after five or six years of litigation. This is clearly unfair.

5. We think the whole appraisal system would be on a more level playing field and would work better if counties were responsible for paying interest on tax refunds.

6. In the matter of attorneys fees, we feel that if there was a showing of egregious circumstances, or if the county could be shown to have acted in bad faith, or if there is more than a certain % of reduction of value gained through the appeals process, the taxpayer should be granted attorneys fees or property tax representation fees.

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Dentist  
Independence

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Banker-Businessman  
Kansas City, KS

**Larry Winn, III**  
Attorney  
Prairie Village

**Kansans For Fair Taxation**  
**1132 S.W. Wanamaker Road**  
**Topeka, Kansas 66604**

February 8, 1994

Kansans For Fair Taxation applauds Senate Bill 620.

We feel this bill is a positive step toward acheiving fair and equitable property valuations by :

- providing financial incentatives for Counties to comply with statutés as the legislature intended, such as K.S.A. 79-1460
- eliminating some of the unnecessary legal actions caused by non compliance, such as those pending regarding the 45 day rule and again 79-1460
- curbing some of the hap-hazzard property value increases at the County level, such as the 'and then there were none' 36 commercial properties and the 750 residential class action pending in the Court
- eliminating some of the backlog of appeals, protests and hearings that are subject of complaint by BOTa, the County Appraiser's office and PVD

Most importantly will create a more level playing field.

Many people have worked hard all their life to pay off their homes and are now being run out by their taxes. Most people can not afford to spend \$1,000.00 or more in legal fees to save \$200.00 in taxes caused by error or non compliance. So they pay, even if it is wrong. These are the people that have been compromised and forgotten.

My Dad, a very wise man, told me a long time ago that "if you have time to do things wrong, you'll have to make time to do it over". If interest and fees are granted upon success, this forms a sort of penalty when things are done wrong, and as incentive, maybe we won't have to do them over.

We thank you for this effort, and hope that you will support SB 620.

KANSANS FOR FAIR TAXATION  
BOARD OF DIRECTORS

Larry Fischer  
Ellen Ross  
Jack Bengé

*Senate Assessment & Tax*  
*Feb 8, 1994*  
*attach 5-1*

SENATE BILL 620

SENATE COMMITTEE ON ASSESSMENT AND TAXATION

February 8, 1994

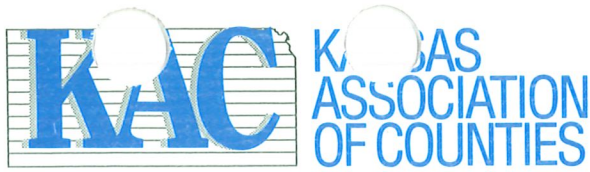
Madame Chairman and members of the Senate Committee on Assessment and Taxation, my name is Larry Clark and I am here representing the Kansas County Appraisers' Association in opposition to passage of Senate Bill 620.

Any attempt to compensate taxpayers who have had their funds wrongfully tied up by any government is certainly to be encouraged. However, we feel that their may be an unintended, practical result of this legislation being passed, which should be brought to the attention of the committee.

Because the payment under protest process must finally be resolved at the state board of tax appeals level; and because of the formal nature of appeals to that board, such protests are more likely to require the services of legal counsel. It is not difficult to imagine attorneys' fees mounting to very high levels. In other states where this has been tried, the attorneys fees alone have amounted to several hundred thousand dollars, which may represent only one or two cases. The concern of appraisers is that county commissioners will not want to impose that extra tax burden on their constituents and will place a great deal of pressure on the local appraiser to settle every case, regardless of its merits. In other words, the standard of fair market value will be abandoned in favor of economic expediency; and I don't believe that was an intended result of this legislation.

*Senate Assess & Taxation  
Feb 8, 1994  
attach 6-1*





"Service to County Government"

215 S.E. 8th  
Topeka, Kansas 66603-3906  
(913) 233-2271  
FAX (913) 233-4830

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**Executive Director**

John T. Torbert, CAE

To: Senator Audrey Langworthy, Chairperson  
Members, Senate Assessment and Taxation  
Committee

From: Bev Bradley, Deputy Executive Director  
Kansas Association of Counties

Re: SB 620 Refunds of protested property tax,  
interest, attorney fees and court costs.

Thank you Senator Langworthy and members of the  
committee. I appreciate the opportunity to testify  
today in opposition to SB 620.

Some form of this bill seems to appear each year. The  
Kansas Association of Counties has routinely appeared  
to express our concerns. KAC is very much concerned  
about this bill, SB- 620, because it is even more  
costly than previous versions. This bill states that  
in the event the board, BOTa, or the court orders a  
refund be made, the county treasurer refund such  
protested taxes plus interest at the rate of 8  
percent. In addition BOTa or the court **shall** order  
reimbursement for reasonable costs incurred for legal  
services and court costs from the county general fund.  
This is going to be a very difficult item for which to  
budget. There is no way to even guess at the amount  
of money that would be needed. The counties will need  
additional authority to levy in their budgets for this  
unknown expense. This may be a very costly method to  
raise the mill levy and penalize all taxpayers in a  
particular county.

There are conferees who have checked into the amount  
of money similar legislation has cost counties in  
other states. It can be a very large amount.

Thank you for your consideration. We urge you to vote  
**no** on SB 620.

*Senate Assessment & Tax  
Feb 8, 1994  
attach 7-1*





SEDGWICK COUNTY, KANSAS

**INTERGOVERNMENTAL RELATIONS**

WILLIE MARTIN

COUNTY COURTHOUSE • 525 N. MAIN • SUITE 315 • WICHITA, KANSAS 67203 • TELEPHONE (316) 383-7552

TO: SENATOR LANGWORTHY, CHAIR  
SENATE ASSESSMENT AND TAXATION

FROM: WILLIE MARTIN

DATE: FEBRUARY 8, 1994

RE: SENATE BILL 620

Madam Chair and members of the Committee, I am Willie Martin representing the Sedgwick County Board of Commissioners. Thank you for the opportunity to share Sedgwick County's concerns about Senate Bill 620.

Senate Bill 620 would have a very serious and adverse budget impact on Sedgwick County. At present, Sedgwick County has approximately 2,000 cases pending before BOTA. If a refund were ordered in any significant number of those cases, the accumulated interest would be a very taxing figure.

Assuming, based on historical data, it is an average of 20 months between the time a protest is filed and a refund is actually made, this would compute to an actual interest rate of 13% - 16% on any actual refund.

Secondly, if the taxpayer were to prevail in even one-half of those cases, the taxpayer's legal expenses would be a burdensome number. Even at \$500.00 per case, for instance, the amount of legal expenses would be \$500,000.00. Those are merely hypothetical numbers. If taxpayers prevail in more cases and/or if the average number for legal expenses increases (as it almost certainly would), the budget impact to the County could be doubled or tripled. We feel that's a conservative estimate.

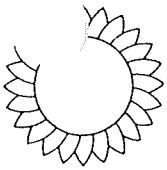
Furthermore, the bill does not take into account the fact that taxpayers often appeal their cases and lose and often appeal more than once. This bill provides no relief to counties in cases where taxpayers lose their cases.

*Senate Assess & Tax  
February 8, 1994  
attach 8-1*

It is also worth noting that the court system only requires the losing party to pay legal fees if a claim is legally without merit. Here, though, the County might well have a meritorious case but lose anyway. It is unfair to penalize counties for pursuing good claims.

In the committee's deliberation of this bill we would suggest an amendment to include a requirement that BOTA or the court make a finding that the County's position was without merit -- and then order the county to pay the taxpayer's legal expenses.

We respectfully request serious consideration of the potential fiscal impact this bill would have on counties.



Johnson County  
Kansas

February 8, 1994

SENATE ASSESSMENT AND TAXATION COMMITTEE

HEARING ON SENATE BILL 620

TESTIMONY OF GERRY RAY, INTERGOVERNMENTAL COORDINATOR  
JOHNSON COUNTY BOARD OF COMMISSIONERS

Madam Chairman, members of the committee, my name is Gerry Ray, representing the Johnson County Board of Commissioners. I am appearing today to express the Board's opposition to Senate Bill 620.

SB 620 requires counties to provide for payment of interest and reimbursement of legal fees when protested taxes are refunded to taxpayers who prevail in cases before the Board of Tax appeals. Current law requires that taxes paid under protest be held by the county and returned to taxpayers when they are successful in a protest before the Board of Tax appeals.

The problem the County is concern about is the fiscal affect of SB 620. There is no way to project the amount of the additional cost, but we believe it could be significant. The result would be an impact on the property tax mill levy thus requiring all taxpayers to pay the legal expenses for those who protest.

If it is determined that SB 620 is the appropriate approach, then the Legislature should also consider requiring the taxpayers who protest, and lose their cases, to pay all the legal costs incurred by the County. As strange as that approach may sound, it is the other half of the equation.

At a time when local governments are being required to take on added responsibilities every year, it seems an inappropriate time to consider action that will mandate an expense that the local officials have way to control. It is the right of any taxpayer to challenge their tax bill, however it is their decision to do so and others should not be expected to pay the bill for that decision.

The Johnson County Commissioners believe SB 260 would impose an unnecessary expense on the County government and the citizens that support it with their taxes. The Committee is urged to not recommend the bill for passage.

*Senate Assess & Tax*  
*Feb 8, 1994*  
*attach 9-1*