

MINUTES OF THE SENATE ASSESSMENT AND TAXATION COMMITTEE.

The meeting was called to order by Chairperson Senator Audrey Langworthy at 11:10 a.m. on February 29, 2000, in Room 519-S of the Capitol.

All members were present except: Senators Goodwin, Praeger, and Stephens – Excused

Committee staff present: Chris Courtwright, Legislative Research Department
April Holman, Legislative Research Department
Don Hayward, Revisor of Statutes Office
Shirley Higgins, Committee Secretary

Conferees appearing before the committee: Randy Allen, Kansas Association of Counties
Larry Tucker, Reno County Treasurer
Rhonda Humble, Kansas Press Association
Jan Kennedy, Sedgwick County Treasurer
Chuck Henry, Wyandotte County

Others attending: See attached list.

SB 641–Publication notice of delinquent property tax

Randy Allen, Kansas Association of Counties, testified in support of **SB 641**. He explained that **SB 641** would change the publication requirements for providing notice of delinquent personal property taxes, current year property tax mill levy rates, and delinquent real estate taxes. The bill would allow a one-time publication of delinquent taxes rather than the three times currently prescribed by law. He pointed out that, with the bill, counties would save publication expenses. (Attachment 1)

Mr. Allen also called attention to written testimony in support of **SB 641** submitted by Marci Hess, representing Sedgwick County government. Ms. Hess states that Sedgwick County would save approximately \$12,000 with passage of the bill. She also notes that Sedgwick County will have the delinquent tax list available on the Internet as of April, and she believes this will increase efficiencies in tax collections. (Attachment 2)

Senator Steffes commented that, from his experience, persons in small towns read the list of persons with unpaid taxes with great interest. Persons on the list have a strong fear of their name appearing on the unpaid tax list the second time. Therefore, he believes that publication of the delinquent tax list three times is very effective in small towns. He also noted that the delinquent tax list is used by people as a source of information for such things as opportunities to buy property.

Larry Tucker, Reno County Treasurer, testified in support of **SB 641**. He called attention to the results of a survey conducted by the Kansas County Treasurers' Association regarding the total cost for all counties to meet the current requirement for three publications. He contended that under the proposed legislation the total savings to the taxpayers statewide for all publications would be nearly \$400,000 (two-thirds of the current costs). He believes that the savings generated by the reduced number of publications could be used by counties to print and mail reminder notices, which historically have generated a higher percentage of tax collections than publication notices. He emphasized that delinquent tax publications under the proposed change would not constitute final notice to the taxpayer but would simply serve as notification of the beginning of the redemption period. In addition, he noted that **SB 641** would reduce the number of publications of the current year tax levy from three to at least once. He believes that, this publication, along with the tax information sheet from the county treasurer, would serve as ample notice to taxpayers. In his opinion, **SB 641** will not have a substantial impact on the revenues of local newspapers.

CONTINUATION SHEET

MINUTES OF THE SENATE ASSESSMENT AND TAXATION COMMITTEE

Room 519-S, Statehouse, at 11:10 a.m. on February 29, 2000.

(Attachment 3)

Committee discussion followed regarding the actual amount of savings realized by reducing the publication of delinquent taxes from three times to one time. It was noted that many times the initial charge to print the list is reduced considerably the second time and even more the third time. Jan Kennedy, Sedgwick County Treasurer, stood to inform the committee that the cost to publish the delinquent tax list in Sedgwick County is \$10,000 each time (\$30,000 annually). There is no savings for publications subsequent to the first printing of the list in Sedgwick County because the list is altered each time by removing the names of taxpayers who paid their taxes after publication of the list.

Rhonda Humble, a newspaper publisher speaking on behalf of the Kansas Press Association, testified in opposition to **SB 641**. At the outset, Ms. Humble noted that her two small newspapers have not been designated for publication of delinquent tax notices, thus, her testimony was not motivated by revenue from publishing the notices. She pointed out that the publication of delinquent tax list is part of the due process of notification. In addition, publication of the list serves as a motivating factor for persons to pay past-due taxes, and it serves as a public notice to others in the community. In conclusion, she pointed out that many times publication of the notice is a critical difference between staying in business or closing the doors for a community newspaper. (Attachment 4)

Senator Bond asked for a definition of "general circulation." In response, Mr. Tucker explained that, if a publication within the county reaches a certain percentage of the number of people in the county, it meets the definition. The publication cannot be a trade periodical but must be a newspaper providing general news information. Senator Bond said, in reality, many of the small publications which print delinquent tax notices are "niche papers" which do not really inform readers but run one news story to justify printing the delinquent tax list.

Senator Donovan observed that many times legislation has unintended consequences. He feels that counties with only one small newspaper could be adversely affected financially if the publication of the delinquent tax list is reduced to one time only. In addition, he commented that it is very possible that persons who are embarrassed when their name is published will be more likely pay their taxes if it will be published more than one time.

Chuck Henry, Treasurer of the Unified Government of Wyandotte County, stood in response to Senator Donovan's comments. He informed the Committee that in 1999 Wyandotte County published a list of approximately 13,000 parcels of property with taxes due in every newspaper in the county. The 1999 publication yielded about 800 taxpayers redeeming prior to the sale date. In contrast, the 1998 publication in fewer newspapers yielded about 250 taxpayers.

Mr. Tucker argued that local newspapers will not go out of business due to passage of **SB 641**. In support of his statement, he informed the Committee that a study was conducted in Reno County for one particular calendar year regarding the amount paid to the official newspaper for various county publications. In that particular year, Reno County spent over \$100,000. The County Treasurer's office was billed \$15,000 of that \$100,000 for publication of the delinquent tax list three times. Since that time, the list has been published at a cost of \$6,000 in a rural newspaper with a general circulation. The official newspaper continues to collect approximately \$85,000 for other county publications. Mr. Tucker reiterated that the purpose of the bill is to allow a better and more effective means of collecting taxes.

The hearing on **SB 641** was closed, and the meeting was adjourned at 11:55 a.m.

The next meeting is scheduled for March 1, 2000.

CONTINUATION SHEET

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