



KANSAS
ASSOCIATION OF
COUNTIES

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Senate Assessment and Taxation Committee
March 15, 2023
SB 274

Kansas Association of Counties
Neutral Testimony – Written Only

Chairwoman Tyson and members of the Committee:

Thank you for allowing the Kansas Association of Counties to offer testimony on SB 274, which would require that appraisers utilize the cost approach to determine the fair market value of special purpose property.

The Kansas Constitution requires that real estate be valued at its fair market value. State statute has defined “fair market value” as “...the amount in terms of money that a well informed buyer is justified in paying and a well informed seller is justified in accepting for property in an open and competitive market, assuming that the parties are acting without undue compulsion.” *See* K.S.A. 79-503a.

Many counties already use the cost approach for commercial property. Some counties, however, do not. Mandating such a change could impact valuations within those counties in ways that may be difficult to predict for both the county and the taxpayer. This is a concern for county officials, as the goal is to determine a fair market value for each property. Any changes to appraisal methods should therefore be very carefully considered.

Thank you for the opportunity to present this perspective on this legislation.

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