



Testimony of the Kansas Association of Counties to the  
House Committee on Taxation  
Proponent for HB 2367 • February 12, 2018

Mr. Chairman and Members of the Committee:

Thank you for the opportunity to testify on House Bill 2367, an update to K.S.A. 79, Article 14 on property valuation. This bill responds to three county concerns by: (1) allowing information requests during property appeals; (2) allowing efficient and cost-effective compliance with Article 11, § 1 of the Kansas Constitution; and (3) eliminating a needless and expensive step in the appeals process. In 2014, the Kansas Legislature overhauled the process for resolving valuation disputes regarding real property with more updates in 2016. Since then, our counties have implemented these changes, which revealed concerns about whether the policies are working. KAC maintains that the proposals in HB 2367 improve the current policies, and we ask this committee to support the bill.

The first change in HB 2367 was a minor point of concern during the last round of BOTA updates, which took place during 2016's Veto Session.<sup>1</sup> The Legislature enacted a number of procedural changes that KAC addressed during hearings and subsequent negotiations. The bill had many larger concerns, so we did little to object on this point. We now want to highlight the odd nature of the current law and request its repeal. K.S.A. 79-1412a(c) bars county appraisers from requesting certain documentation related to the property at question. The process for determining fair-market value is best when it includes a breadth and depth of information. Some of the information may be of value; some may not. But barring the appraiser from requesting the information does nothing to further the pursuit of accurate value, and—in some instances—it may undermine the pursuit of valuation.

Article 11, § 1 of the Kansas Constitution requires the Legislature to value property in a uniform and equal manner when that property is subject to taxation.<sup>2</sup> If a property increases in value by more than 5% over a two-year stretch after a previous determination in a property appeal, then the county must either adjust the property to the previous value or pay for a fee-simple appraisal of the property.<sup>3</sup> Because of the cost associated with a fee-simple appraisal, we know few counties are paying for the review. K.S.A. 79-1460 does not place an outright cap on

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<sup>1</sup> House Substitute for SB 280 (2016).

<sup>2</sup> *Board of County Com'rs of Johnson County v. Jordan*, 303 Kan. 844 (2016).

<sup>3</sup> K.S.A. 79-1460.

adjusting valuation according to comparable properties, but the effect is a scenario where appraisers are likely to deflate property to avoid the appraisal. This runs counter to the principles in Article 11, § 1 of the Kansas Constitution, and it is inequitable as it relates to similarly situated property owners who expect each owner to pair their fair share.

Finally, HB 2367 repeals K.S.A. 79-1496 and the related statutes that provide an alternative valuation and appeal process. The proponents of the policy based the legislation on the proper stance that a current fee-simple appraisal is the best foundation for determining accurate valuation. But the 2016 changes in K.S.A. 79-1496 add a different path for completing determination. It is unnecessary because the taxpayer can introduce the appraisal at any point, and—barring additional considerations that the county must already defend—the appraisal would stand as the proper valuation. The cost savings and time savings of this change make it a worthwhile addition to the bill.

Kansas has made an intentional choice over the past four years to give taxpayers every benefit to simplify the valuation process. Given the high stakes for taxpayers—from the biggest to the smallest—this pursuit is proper and commendable. But it is also important to strike a sensible balance as we refine those policies. We have received significant feedback on these three points and ask this committee to support the changes in HB 2367. The changes would maintain our status as a taxpayer-friendly state while providing a process that is efficient and sensible for the local officials who must implement the law.

Respectfully,



Nathan Eberline

Kansas Association of Counties