



**House Committee on Taxation
Verbal Testimony in Opposition to HB 2367
Presented by Eric Stafford, Vice President of Government Affairs**

Monday, February 12, 2018

Mister Chairman and members of the committee, my name is Eric Stafford, Vice President of Government Affairs for the Kansas Chamber. The Kansas Chamber appreciates the opportunity to testify in opposition to House Bill 2367 which repeals two important provisions from Senate Bill 280 passed by the legislature in 2016. The SB 280 conference committee report passed the House by a vote of 122-0, following a veto by Governor Brownback on subject matter not related to these provisions, the House again approved the bill by a vote of 120-0 on the veto override. The Senate passed the bill 40-0 and 39-1 on the CCR and veto override votes respectively.

First, HB 2367 proposes to repeal statute prohibiting county appraisers from requesting information related to an appraisal for obtaining mortgage financing, any fee appraisal with an effective date more than 12 months prior to January 1 of the valuation year under appeal, or documents detailing individual lease agreements. Essentially, this provision protects property owners under appeal from turning over information that is dramatically different than appraisals conducted on a property for the purpose of determining property tax valuations. The mortgage financing appraisal establishes a valuation of the property at its fully developed and highest operating capability while the ad valorem appraisal establishes a valuation of the property at its current status.

Prohibiting the collection of fees for appraisals conducted on a property more than 12 months prior to the valuation year was included in SB 280 because that information may not accurately reflect current real estate market conditions. Therefore, older appraisals should not be allowed to be used as evidence in a property tax dispute.

Prohibiting taxpayers from having to turn over lease agreements was implemented to prevent disclosure of confidential information through open court records. Our experts when finalizing language of SB 280 felt disclosure of a certified rent roll was sufficient to provide necessary information to the county without disclosure of the specifics of lease agreements.

Second, HB 2367 proposes to eliminate protections for a taxpayer when they are successful in their appeal to BOTA of the property valuation by requiring the county appraiser to utilize an independent, third party appraiser. This provision was included to ensure that an impartial, unbiased party determines the valuation of the property using an individual appraiser, and not the computer assisted mas appraisal system used to produce the previous value of the property.

In closing, HB 2367 proposes to eliminate key provisions from SB 280 which ultimately passed the legislature almost unanimously. Those provisions were implemented to protect taxpayers during and following the appeal process. These provisions have been an important addition to Kansas law and we would urge this committee to oppose House Bill 2367. I would be happy to answer questions at the appropriate time.