

MINUTES OF THE HOUSE TAXATION COMMITTEE

The meeting was called to order by Chairman John Edmonds at 9:00 a.m. on March 17, 2004 in Room 519-S of the Capitol.

All members were present.

Committee staff present:

Chris Courtwright, Legislative Research Department
Martha Dorsey, Legislative Research Department
Gordon Self, Revisors of Statutes
Carol Doel, Committee Secretary

Conferees appearing before the committee:

Representative Kenny Wilk
Representative Lee Tafanelli
Representative Gatewood
Elsie Meyer - Perry, KS
Melvin Gray - Perry, KS
Jan Sides - State Employee Association of KS
Maria Russo - Jayhawk Agency on Aging
Jim Snyder - Silver Haired Legislative Council
Craig Kaberline - Kansas Area Agencies on Aging Association
Karl Peterjohn - Kansas Taxpayers Network
Randall Allen - Kansas Association of Counties
Larry Baer - Kansas League of Municipalities
Mark Desetti - Kansas NEA
Ted Wary - Cherokee County
Frieda Culver - Cherokee County
Erik Sartorius

Others attending:

See Attached List

Chairman Edmonds opened the meeting asking for any bill introductions. There were none and he recognized Mark Beck of the Property Valuation Department who brought information before the committee regarding State Programs and Practices for Reducing Residential Property Taxes (Attachment 1) and the Consumer Price Index for All Urban Consumers for the Kansas City Area which was acquired from the U.S. Department of Labor, Bureau of Labor Statistics. (Attachment 2)

The Chairman opened the meeting for public hearing on **HCR 5032** with Representative Tafanelli giving testimony in support of the Resolution. His testimony revealed that **HCR 5032** would cap property tax valuation increases on single-family residential property with a valuation of less than \$250,000 which is owned and occupied by a Kansas resident that is 65 years of age or older as of January 1. It would also allow for the Legislature to provide, by law, for any subsequent adjustments in the value and/or age requirements and also enact other legislation that may be necessary to implement such a program. This would relieve the burden felt by seniors across the state. (Attachment 3)

Representative Kenny Wilk was next to stand in support of **HCR 5032**. He stated he agreed with Representative Tafanelli's testimony, but added that many seniors no longer have their health and they are not able to go out and supplement their income. The passing of this Resolution would help keep seniors in their homes. (See Signature on Attachment 3)

Presenting testimony in support of **HCR 5032** was Elsie Flynn - Meyer a widowed taxpayer from Perry, Kansas. Her intent in her testimony is to represent Senior Citizens who are living on a low income and are paying high property taxes that continue to increase. (Attachment 4)

Also from Perry, Kansas was Melville Gray who supports **HCR 5032**. He provided a list of contributing economic drains that are occurring on retirees and a chart showing comparison of property tax paid by retirees

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with and without valuation cap as provided in **HCR 5032**. ([Attachment 5](#))

The State Employee Association of Kansas was represented by Jan Sides in favor of **HCR 5032** stating that each year the seniors see any increase in the valuation of their property and/or an increase in property tax and the proposal in this Resolution would be a tool to help these people. ([Attachment 6](#))

Mario Russo, Executive Director Jayhawk Area Agency on Aging also favors the passage of **HCR 5032**. In her testimony she stated that support of this resolution is offered because it will assist seniors in maintaining their independence in the community a bit longer by extending their financial resources. ([Attachment 7](#))

Representing the Council of the Silver Haired Legislature was Jim Snyder. They also support **HCR 5032**. Their opinion, as stated in M.r. Snyder's testimony, is the increasing costs of health care and prescription drugs hit senior citizens out of all proportion to their numbers. Older Kansans should not also have to worry about losing their homes as a result of "backdoor" taxation in the form increased valuation and assessment of their homes. ([Attachment 8](#))

Supporting **HCR 5032** was Kansas Area Agencies on Aging Association, represented by Craig Kaberline, Executive Director. This would benefit many seniors on fixed incomes who continue to experience significant increases in their property values. This legislation would not keep seniors from paying property taxes; instead it would cap the property valuation at its current level. ([Attachment 9](#))

Karl Peterjohn, Kansas Taxpayers Network, address the committee in support of **HCR 5032** saying that this proposal would address a portion of the tax appraisal problem in Kansas, but it does not provide a broad based solution for all taxable property. ([Attachment 10](#))

With no other proponents regarding **HCR 5032**, the Chairman recognized Randall Allen, Kansas Association of Counties as an opponent of the Resolution. The Association has two main concerns.

- 1) Limiting the growth in appraised valuation of real estate to a cap established by legislative enactment would in no way guarantee lower taxes.
- 2) The second concern about this proposal is the inequity that it would create between and among parcels. After experiencing years neglect in our property tax administration system, county commissioners and state officials expended the fiscal and political capital to make our system better. They urge the committee to refrain from presenting this proposed constitutional amended to the votes. ([Attachment 11](#))

League of Kansas Municipalities Assistant General Counsel, Larry Baer also gave testimony in opposition to **HCR 5032** asking the committee to remember that property tax is one of the three legs that support local government finances. They adamantly oppose any amendment to the Kansas Constitution that alters the current fair market value approach to valuing residential property or that would place any cap or limitation on increase of valuation for residential property. ([Attachment 12](#))

Kansas National Education Association represented by Mark Desetti addressed the committee in opposition to **HCR 5032**. Their testimony stated that the proposals in this Resolution will cut revenue but the need for law enforcement, fire protection, schools and support for our most vulnerable citizens will not go away just because there is no money. Now is not the time to be slashing taxes. ([Attachment 13](#))

With there being no other opponents, the Chairman closed the hearing on **HCR 5032** and opened the public hearing on **HCR 5031**.

Representative Doug Gatewood stood before the committee in favor of **HCR 5031**. This Resolution would allow the legislature to do a serious study and debate of the property valuation system and empower the legislature to change the system to reflect economic growth or use a methodology that controls increases in valuation but does not limit local taxing jurisdictions. ([Attachment 14](#)) Representative Gate wood also submitted for the committees' review copies of letters from his constituents. ([Attachment 15](#))

Ted & Connie Wary of Columbus, Kansas, Cherokee County presented charts showing like property evaluations as well as a listing of their reasons for appeal. ([Attachment 16](#))

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Next to stand before the committee as a proponent to **HCR 5031** was Erik Sartorius representing the City of Overland Park, Kansas. This legislation could require the legislature to limit increases in the assessed value of residential property. It would alter the current State policy of tying the evaluation of a homeowner's property to its fair market value. Limiting the growth in the assessed valuations of residential property could increase the tax burden for a number of homeowners. They urge the committee to report this Resolution favorable for passage. (Attachment 17)

Having heard all of the proponents, Chairman Edmonds recognized Randall Allen as the first opponent on **HCR 5031**. Mr. Allen stood on his previous testimony which he gave on **HCR 5032**.

Larry Baer, Kansas League of Municipalities as well as Mark Desetti, Kansas NEA also stood on their previous testimony.

Mark Beck of the Property Evaluation Department submitted testimony in opposition to **HCR 5031** stating that they were in opposition because it abolishes Kansas' longstanding practice of applying a uniform standard for valuing all real property. (Attachment 18)

Submitting written testimony on **HCR 5031** were Marlee Carpenter, KCCI (Kansas Chamber of Commerce and Industry (Attachment 19) and by Wes Ashton of the Overland Park Chamber of Commerce, both in opposition to **HCR 5031** (Attachment 20)

There were no other conferees on **HCR 5031**. The Chairman closed the hearing and opened the hearing on **HCR 5038**.

Karl Peterjohn was recognized as an opponent on **HCR 5038** and wished to stand on his previous testimony given on the previous Resolutions.

Chairman Edmonds then turned to the opponents of **HCR 5038**. Randall Allen, Association of Counties; Larry Baer, Kansas League of Municipalities; and Mark Desetti, Kansas NEA who also wished to stand on their previous testimony of the day.

The Chairman noted written testimony on **HB 2924** from Chris Wilson, Executive Director of the Kansas Building Industry Association. This bill was heard on Tuesday, March 16, 2004. (Attachment 21)

With no further business before the committee the meeting was adjourned at 10:30 p.m.