

MINUTES OF THE HOUSE TAXATION COMMITTEE

The meeting was called to order by Chairman Kenny Wilk at 9:00 A.M. on January 18, 2005 in Room 519-S of the Capitol.

Committee members absent: Rep. Kasha Kelley - excused

Committee staff present: Chris Courtwright, Legislative Research Department
Martha Dorsey, Legislative Research Department
Gordon Self, Revisor of Statutes
Rose Marie Glatt, Committee Secretary

Conferees appearing before the committee:

Representative Brunk, Legislator
Mark Beck, Director, Property Valuation Division
Roger Hamm, Supervisor of Abstract and Personal Property
Tony Folsom, Deputy Director of Property Valuation

Others attending:

See attached list

The Chairman opened the floor for bill introductions.

Representative Owens requested and made a motion that a committee bill be introduced regarding a sales tax exemption for Lyme Association of Greater Kansas City Inc. Representative O'Malley seconded the motion. The motion carried.

The Chairman explained the process to be used by representatives when they leave for "page pictures". He advised that the committee would not take action on any bills from 9:30 a.m. to 9:45 a.m. to facilitate that procedure. He requested that he be advised when those occasions arise.

The Chairman welcomed Director Beck who gave an outline of the two-day briefing on property tax. He introduced staff members Roger Hamm and Tony Folsom who would provide additional information as well as serve as resource personnel for questions from committee members.

Key Issues of his presentation included:

- Kansas Constitutional Article # 11

He distributed a copy of the *Kansas Constitutional Article # 11 (Attachment 1)*. The Constitution is the rules that set the parameter of the tax laws. The Constitution may be changed in two ways (a) a Resolution is passed by the Legislature, (exact language) by 2/3 vote in both the House and Senate, and goes directly to a vote of the people (does not require the Governor's signature), (b) a Statute requires a majority vote in both Houses, and proceeds to the Governor's office for signature.

Director Beck explained that the second sentence in Article 11, *Except as otherwise hereinafter specifically provided, the legislature shall provide for a uniform and equal basis of valuation and rate of taxation of all property subject to taxation*, is the limiter that determines the tax structure. He explained that Class 1 consisted of *real property* classified into seven subclasses; Class 2 consisted of *tangible personal property*, further classified into six subclasses. Each subclass is assessed a percentage of value. In response to a question on the history of taxation he and staff described various bills that had significantly changed the tax laws in 1985 and 1992.

- Appraised Value - Major Classes of Property

A three page handout (Attachment 2) was distributed, that outlined tax data from 1989-2003 in four major classes; Residential, Commercial and Industrial, Utilities and Ag Land. Differences of; appraised value, assessed value and tax dollars were explained..

CONTINUATION SHEET

MINUTES OF THE House Taxation Committee at 9:00 A.M. on January 18, 2005 in Room 519-S of the Capitol.

- 2003 Real and Personal Property Value and Tax Summary Statewide

Director Beck explained the 2003 Real and Personal Property Value and Tax Summary data report (Attachment 3). The report was comprised of the Property Type/Class tax generated and the tax districts that receive the tax revenue statewide. That same information was provided at the county level. He suggested they use their website: www.ksrevenue.org/pvd for additional information.

- 2003 Value and Tax per Capita (sorted by county)(Attachment 4)
- 2003 Value and Tax per Capita (sorted by mill levy)(Attachment 5)

In response to a committee request the Director agreed to provide the 2003 Ad Valorem Tax listing for each county at the continuation of the PVD briefing tomorrow.

The meeting was adjourned at 10:25 a.m. The next meeting is scheduled for January 19, 2005.