

**Senate Assessment and Taxation Committee**

*Testimony of Roger Hamm: Senate Bill 263*

*Division of Property Valuation*

January 22, 2020

The Division of Property Valuation of the Kansas Department of Revenue takes a neutral position on Senate Bill 263 but would like to offer for the committee's consideration two suggestions to make the notification of value more taxpayer friendly.

K.S.A. 79-1460 directs the county appraiser to notify each taxpayer annually on or before March 1 for real property and May 1 for personal property of the classification and appraised value. It also provides that "[s]uch notice shall specify separately both the previous and current appraised and assessed values for each property class identified on the parcel."

These current provisions and the new requirements provided in SB 263 may be practical for real property notices but are difficult to implement correctly and are often confusing for owners of personal property. Generally, owners of personal property buy, sell and trade more frequently than real property and often render the previous year's appraised and assessed value meaningless and rather puzzling for owners. It is feared this new requirement for previous years mill levy and tax would have a similar result.

The division would suggest amending line 8, page 2 to read, *In the case of real property, such notice shall specify separately both the previous and current appraised and assessed values for each property class identified on the parcel.*

For the new language do the same by amending line 18, page 2. *In the case of real property, such notice shall also contain: (1) The mill levy and total property tax for the next preceding taxable year; (2) an estimate of the current year property tax based on the current year assessed value and the mill levy for the next preceding taxable year; and (3) an explanatory statement that the current year property tax estimate is calculated based on the mill levy for the next preceding taxable year, as the final mill levy rate for the current year has not yet been computed, and that the actual tax on the property may vary from the estimate.*

The personal property notice of value to owners has been troublesome for many years. Being aware of some of the subtle differences between the real and personal property classes can make for even better tax policy. This seems to be the perfect opportunity to provide clear guidance for what should be included on both the real and personal property notification of value keeping the end user in mind.

Fiscal Note Remarks – SB 263 would require an enhancement to the statewide appraisal system to accommodate these changes to the notices of value. Programming costs are estimated to be between \$60,000 to \$80,000 current not in the division of property valuation's budget.