



KANSAS BANKERS
ASSOCIATION

Date: March 16, 2021

**To: Senate Committee on Assessment and Taxation
Senator Caryn Tyson, Chairwoman**

**From: Kathy Taylor, EVP- General Counsel
Kansas Bankers Association**

Re: Opposition for SB 234—Concerning property taxation of mobile and manufactured homes

Dear Chairwoman Tyson and Members of the Committee:

I am Kathy Taylor appearing on behalf of the Kansas Bankers Association (KBA), organized in 1887 and whose membership includes 98% of the 221 banks and savings & loans headquartered in Kansas. Our membership also includes 19 out-of-state commercial banks operating in Kansas. The Kansas banking industry employs more than 22,000 Kansans that provide financial services in every county across the state. Our organizational mission statement is:

"Together, we support our member banks and bankers with leadership, advocacy, and education to benefit the communities and customers they serve."

Senate Bill 234 would require that all mobile homes or manufactured homes used as a dwelling or residence considered to be real property to be appraised using the same valuation methodology used for a home considered to be personal property.

We are concerned with the legislature adopting the practice of automatically treating all mobile or manufactured homes as personal property for appraisal purposes. Our concern is that the state of Kansas has adopted a body of law which allows an owner of a manufactured home to relinquish the home's title and permanently affix the home to real estate and by doing so, it will be treated as real estate for all purposes. Treating manufactured homes as personal property regardless of the efforts of the owner could interfere with a bank's security interest in those homes.

We believe this bill could potentially cause a court to question the inconsistency of the treatment of the property as real estate versus personal property leading to a finding that since the county treated it as personal property, the bank's treatment and perfection as real estate would leave the bank's security interest unperfected.

Thank you for your time and attention to this matter. We respectfully request that when the Committee takes action on SB 234 it will choose to not act favorably on the bill as drafted.