



Luke Bell
Vice President of Governmental Affairs
3644 SW Burlingame Rd.
Topeka, KS 66611
(785)267-3610 Ext. 2133 (Office)
(785)633-6649 (Cell)
Email: lbell@kansasrealtor.com

To: Senate Local Government Committee

Date: January 30, 2012

Subject: **SB 347:** Opposition to Proposal to Waive the Filing Fee for Appeals to the Kansas Court of Tax Appeals by Municipalities and Further Exacerbate the Funding Problems Currently Being Experienced by the Kansas Court of Tax Appeals

Chairman Reitz and members of the Senate Local Government Committee, thank you for the opportunity to testify today on behalf of the Kansas Association of REALTORS® and property taxpayers across Kansas in opposition to **SB 347**, which would exempt municipalities from the requirement to pay filing fees to the Kansas Court of Tax Appeals and further exacerbate the funding problems currently being experienced by the Kansas Court of Tax Appeals. Through the comments expressed herein, it is our hope to provide additional legal and public policy context to the discussion on this issue.

KAR is the state's largest professional association, representing nearly 8,000 members involved in both residential and commercial real estate and advocating on behalf of the state's 700,000 home and commercial property owners for over 90 years. REALTORS® serve an important role in the state's economy and are dedicated to working with our elected officials to create better communities by supporting economic development, a high quality of life, sustainable communities and providing affordable housing opportunities, while protecting the rights of private property owners.

Under **K.S.A. 74-2438a(a)**, any party (with the exception of claims to the small claims and expedited hearings division) making an appeal to the Kansas Court of Tax Appeals in any proceeding must pay a filing fee, established by rules and regulations, in order to compensate the court for the cost of such actions incurred by the Kansas Court of Tax Appeals. The legislative intent behind the filing fees is to provide for a stable base of funding for the continued operation of the Kansas Court of Tax Appeals.

Unfortunately, the amount of the filing fees charged by the Kansas Court of Tax Appeals has increased significantly in recent years as the court has been forced to collect significantly higher filing fees to fund the operations of the court due to significant reductions in funding for the court from the state general fund. As a result, all parties seeking to bring matters before the court have been forced to pay significantly higher filing fees to fund the shortfall in funding for the court.

However, local governments would be exempt from paying the filing fee under **SB 347**, which would only further exacerbate the funding problems currently facing the Kansas Court of Tax Appeals and completely shift the burden of funding the court's operations onto private taxpayers seeking to come before the court and your constituents. In our opinion, this legislation is a prime example of extremely poor public policy in completely shifting the burden of funding the court onto private taxpayers.

If passed, **SB 347** would essentially provide local governments with a "free pass" in deciding whether or not to make appeals to the Kansas Court of Tax Appeals. At the same time, filing fees on taxpayers would most likely need to be significantly increased in order to compensate for the loss in funding from filing fees for the Kansas Court of Tax Appeals resulting from the exemption for local governments.