

MINUTES OF THE SENATE ASSESSMENT AND TAXATION COMMITTEE.

The meeting was called to order by Chairperson David Corbin at 11:10 a.m. on April 10, 2002, in Room 519-S of the Capitol.

All members were present except:

Committee staff present: Chris Courtwright, Legislative Research Department  
April Holman, Legislative Research Department  
Don Hayward, Revisor of Statutes Office  
Shirley Higgins, Committee Secretary

Conferees appearing before the committee: Mary Buhl, Johnson County Legal Department

Others attending: See attached list.

**HB 2795–Sale or transfer of property for delinquent property taxes; relating to procedure**

Mary Buhl, Assistant County Counselor for Johnson County, testified in support of **HB 2795**. She noted that current Kansas law sets forth the requirements which counties must follow to foreclose on real estate for delinquent real estate taxes. Counties must publish a list of the properties three times prior to an auction conducted by the sheriff's office. Occasionally, properties which do not have great value do not sell. In that case, the only option the county has is to spend more taxpayer money for publication and staff costs than the property and debt merit. In addition, the county must continually carry forward the unsold property in its accounting records because the statutes do not provide a method to close the collection process unless the property sells. She explained that **HB 2795** provides two additional options for counties with regard to properties which do not sell. The options would be available only if the county has offered the property at public auction at least once. One option permits to county to sell delinquent properties in groups, and the other allows a district court to grant permission to a county to negotiate a private sale of the property or otherwise dispose of the property. (Attachment 1)

Following Committee questions regarding county real estate foreclosure procedures and instances wherein a relative of the property owner pays the delinquent property taxes, the hearing on **HB 2795** was closed.

Senator Corbin suggested that the original version of **SB 92**, which the Committee heard and passed during the 2001 Legislative Session, be amended into **HB 2795**. He reminded the Committee that **SB 92** dealt with fair market value for property taxation purposes, that it was amended on the Senate floor and passed as amended, and that it remains in the House Taxation Committee.

Senator Donovan moved to amend the original version of **SB 92** into **HB 2795**, seconded by Senator Jenkins. The motion carried.

Senator Allen moved that **HB 2795** be grammatically amended on page 1, line 19, by changing “and” to “if” and on page 2, line 1, by striking “of” after “transfer,” seconded by Senator Haley. The motion carried.

Senator Jenkins moved to recommend **HB 2795** favorably for passage as amended, seconded by Senator Donovan. The motion carried.

Senator Corbin offered comments regarding possible budget proposals which the Committee might consider. He noted that he had found no interest in a total reduction of the food sales tax and that he had found more interest in a food sales rebate expansion, which would in turn reduce the proposed increase in the sales tax. He noted that taxation on cigarettes and tobacco products could easily go up from ten to twenty percent. As a starting point for a discussion of an increase in the liquor tax, he suggested that the Committee consider the proposal offered at the beginning of the session which would raise approximately \$18 million. In addition, he suggested that the Class C inheritance tax and an increase in income taxation in all three brackets could be considered. He reminded the Committee that another issue to be considered with regard to highway

## CONTINUATION SHEET

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funding is acceleration of the gasoline tax. He pointed out that, yesterday, the Special House Transportation Committee passed a package which includes a fuel tax increase for both gasoline and diesel and which increases registration fees. He noted that, with the recent news that the federal government would not be transferring expected funds in the amount of \$87 million, the budget target has once again been changed. The current target has been increased to approximately \$300 million. In conclusion, he informed the Committee that a new proposal was in the process of being drafted and would be presented for consideration at the next committee meeting.

The meeting was adjourned at 11:45 a.m.

The next meeting is scheduled for April 11, 2002.