

STATE OF KANSAS

## Office of the Attorney General

1st Floor, State Capitol Bldg. (913) 296-2215 Topeka, Kansas 66612

Curt T. Schneider  
Attorney General

March 4, 1978

ATTORNEY GENERAL OPINION NO. 78-103.

The Honorable Robin D. Leach  
State Representative  
District 46  
State Capitol Building  
Topeka, Kansas 66612

Re: Taxation - Appraisal - State Board of Tax Appeals

Synopsis: Authority for resolving questions concerning the validity of appraisal schedules for farm machinery prescribed by the Director of Property Valuation rests solely with the State Board of Tax Appeals.

\* \* \*

Dear Representative Leach:

You inquire concerning the legal responsibility and authority for review and, if necessary, revisions of tables for the appraisal of personal property, and particularly farm machinery, for purposes of assessment and taxation. The question has been raised in light of widespread complaints recently that schedules adopted by the Director of Property Valuation prescribe values for many items of farm machinery in excess of their fair market value. These complaints have led to political accusations seeking to lay the blame for any errors and responsibility for correcting them at the door of one or another political adversary. The Speaker of the House, for example, has recently accused the Governor of failure to order revision of the appraisal tables of the Division of Property Valuation. As a result of these

Representative Leach  
Page Two  
March 4, 1978

exchanges, you inquire specifically concerning the legal authority for correction of any errors in the appraisal of personal property for assessment and taxation.

The state director of property valuation is given broad powers over the administration of the assessment and taxation laws of the state. That officer is vested with "general supervision of the system of taxation." K.S.A. 79-1402. More particularly, in K.S.A. 79-1404, First, he is vested with the power and authority

*"To have and exercise general supervision over the administration of the assessment and tax laws of the state, over the township and city assessors, boards of county commissioners, county boards of equalization, and all other boards of levy and assessment, to the end that all assessments of property, real, personal, and mixed, be made relatively just and uniform and at its true and full cash market value; to require all . . . assessors, county commissioners and county boards of equalization . . . to assess all property of every kind and character at its actual and full cash market value."* [Emphasis supplied.]

However, the power to order any necessary corrections in the appraisal and assessment of farm machinery rests only with the State Board of Tax Appeals. Under K.S.A. 79-1413a, a complaint may be made to that Board

*"by the county assessor, or by any deputy assessor, or by the director of property valuation, or by the board of county commissioners, or by any property taxpayer."*

When, upon any such complaint, it shall be made to appear that

*"the assessment of taxable real estate and tangible personal property in any county is not in substantial compliance with the law, and that the interest of the public will be promoted by a reappraisal of such property,"*

the State Board of Tax Appeals may enter an appropriate order.

Representative Leach  
Page Three  
March 4, 1978

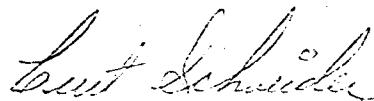
Indeed, in *Northern Natural Gas Co. v. Dwyer*, 208 Kan. 337, 492 P.2d 147 (1971), the court stated thus:

"The State Board of Tax Appeals is the highest administrative tribunal established by law to determine controversies relating to assessments of property for ad valorem tax purposes." 208 Kan. at 342.

K.S.A. 75-5105a requires the Director of Property Valuation to "[d]evelop and/or prescribe guides showing fair market value in money of personal property." This mandate applies, of course, not only to farm machinery, but to all classes of personal property. Many complaints have suggested that the Director has erred in assigning excessive values to farm machinery, values which in some instances equal or exceed dealer retail prices for such equipment. This controversy can be appropriately and effectively resolved only by resort to the State Board of Tax Appeals.

The Director of Property Valuation is authorized by law to take complaints regarding the appraisal and assessment of property to the Board. It would be entirely appropriate for him to do so in this instance. Farm machinery, like all other personal property, must be appraised at its fair market value in money, and at thirty percent thereof. K.S.A. 79-1439. Obviously, a unilateral "rollback" of the farm machinery manual alone, on a fixed percentage basis, at the direction of either the governor or the legislature, may seriously compromise the statutory equalization responsibilities of the State Board of Tax Appeals. Obviously, the existing manual has placed a questionably heavy burden upon owners of farm machinery, and public lack of confidence in the appraisal and assessment of property is only exacerbated by political exploitation of discontent with existing values as assigned by the Director. In my judgment, the question should properly be placed before the State Board of Tax Appeals for its consideration and resolution.

Yours truly,

  
CURT T. SCHNEIDER  
Attorney General

CTS:JRM:CJM:ksn