

MINUTES OF THE SENATE ASSESSMENT AND TAXATION COMMITTEE

The meeting was called to order by Chairman David Corbin at 10:30 a.m. on March 8, 2004 in Room 519-S of the Capitol.

All members were present except:

Senator Edward Pugh  
Senator Phillip Journey- excused

Committee staff present:

Martha Dorsey, Legislative Research Department  
Shirley Higgins, Committee Secretary

Conferees appearing before the committee:

Tony Folsom, General Counsel, Board of Tax Appeals

Others attending:

See Attached List.

Senator Corbin called the Committee's attention to the minutes of the March 3 and 4 meetings.

Senator Goodwin moved to approve the minutes of the March 3 and 4, 2004. meetings, seconded by Senator Donovan. The motion carried.

**SB 535–Board of Tax Appeals filing fee, repealing certain exemptions**

Tony Folsom, general counsel for the Board of Tax Appeals (BOTA), explained that **SB 535** was introduced by the Senate Ways and Means Committee upon the recommendation of a Ways and Means budget subcommittee. He called attention to a handout concerning the BOTA filing fees schedule which became effective September 1, 2003. (Attachment 1) He noted that, currently, BOTA is limited to a \$10 charge for not-for-profit organizations seeking property tax exemptions with property valued less than \$100,000. The bill would authorize the collection of filing fees on these organizations at the same level others are charged. In addition, the bill would authorize the collection of filing fees on appeals involving single-family residential property, which are currently exempt from fees. He went on to explain that agricultural land protests, grievances concerning a clerical error, and governmental entities and school districts appeals would remain exempt from filing fees.

Mr. Folsom called attention to a handout showing that BOTA received a total of \$60,940 in fees in the six month period from September 1, 2003, through February 26, 2004. (Attachment 2) He then called attention to copies of a memorandum to the Ways and Means Subcommittee regarding the subcommittee's request for an estimate of increased filing fees necessary to generate a minimum of \$300,000 in Fiscal Year 2005. (Attachment 3) He discussed the suggested fee increases shown for non-for-profit tax exemption applications (NFP TXs), equalization appeals and payment under protests (EQs & PRs), and single-family small claims. He explained that the proposed \$300,000 in filing fees is approximately 17% to 20% of BOTA's budget (\$1.6 million). The remainder of the budget would come from the State General Fund.

Mr. Folsom observed that many people opted not to file an appeal after the current filing fees were put in place. Although there is no way to estimate the number of persons choosing not to appeal, he noted that many persons who filed an appeal without paying a filing fee dismissed their appeal after receiving a letter from BOTA requesting that the filing fee be paid. Senator Corbin commented that, in effect, the bill concerns a policy issue rather than a tax issue. With this, the hearing on **SB 535** was closed.

The meeting was adjourned at 11:05 a.m.

The next meeting is scheduled for March 9, 2004.

CONTINUATION SHEET

MINUTES OF THE SENATE ASSESSMENT AND TAXATION COMMITTEE at 10:30 a.m. on March 8, 2004 in Room 519-S of the Capitol.