

HOUSE BILL No. 2255

By Representative F. Miller

2-10

AN ACT concerning taxation; relating to rules for valuing property; amending K.S.A. 79-503a and repealing the existing section.

Be it enacted by the Legislature of the State of Kansas:

Section 1. K.S.A. 79-503a is hereby amended to read as follows: 79-503a. (a) "Fair market value" means the amount in terms of money that a well informed buyer is justified in paying and a well informed seller is justified in accepting for property in an open and competitive market, assuming that the parties are acting without undue compulsion. For the purposes of this definition it will be assumed that consummation of a sale occurs as of January 1.

(b) Sales in and of themselves shall not be the sole criteria of fair market value but shall be used in connection with cost, income and other factors including but not by way of exclusion:

- ~~(a)~~ (1) The proper classification of lands and improvements;
- ~~(b)~~ (2) the size thereof;
- ~~(c)~~ (3) the effect of location on value;
- ~~(d)~~ (4) depreciation, including physical deterioration or functional, economic or social obsolescence;
- ~~(e)~~ (5) cost of reproduction of improvements;
- ~~(f)~~ (6) productivity;
- ~~(g)~~ (7) earning capacity as indicated by lease price, by capitalization of net income or by absorption or sell-out period;
- ~~(h)~~ (8) rental or reasonable rental values;
- ~~(i)~~ (9) sale value on open market with due allowance to abnormal inflationary factors influencing such values;
- ~~(j)~~ (10) restrictions imposed upon the use of real estate by local governing bodies, including zoning and planning boards or commissions; and
- ~~(k)~~ (11) comparison with values of other property of known or recognized value. The assessment-sales ratio study shall not be used as an appraisal for appraisal purposes.

(c) *The fair market value of property shall not be increased based on any regular maintenance made to the property. As used in this paragraph, "regular maintenance" includes, but is not limited to, changes made to the property such as landscaping, planting of trees, flower beds, shrubbery*

1 *and lawns, removal of trash and overgrowth, painting, reroofing or the*
2 *addition of new siding or veneer to an existing building on such property,*
3 *or any other similar change to the property.*

4 (d) The appraisal process utilized in the valuation of all real and tan-
5 gible personal property for ad valorem tax purposes shall conform to gen-
6 erally accepted appraisal procedures which are adaptable to mass ap-
7 praisal and consistent with the definition of fair market value unless
8 otherwise specified by law.

9 Sec. 2. K.S.A. 79-503a is hereby repealed.

10 Sec. 3. This act shall take effect and be in force from and after its
11 publication in the statute book.

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