

HOUSE BILL No. 2394

By Committee on Taxation

2-14

AN ACT concerning property tax; relating to triennial valuation requirements in certain counties; amending K.S.A. 79-1412a and K.S.A. 2002 Supp. 79-1476 and repealing the existing sections; also repealing K.S.A. 2002 Supp. 79-1476b.

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

Section 1. K.S.A. 79-1412a is hereby amended to read as follows: 79-1412a. (a) County appraisers and district appraisers shall perform the following duties:

First. Install and maintain such records and data relating to all property in the county, taxable and exempt, as may be required by the director of property valuation.

Second. Annually, as of January 1, supervise the listing and appraisal of all real estate and personal property in ~~the any~~ county with a population of more than 30,000 people, or triennially, as of January 1, supervise the listing and appraisal of all real estate and personal property in any county with a population of 30,000 or fewer people, subject to taxation except state-appraised property. *Such triennial valuation requirement shall not apply to property classified for property tax purposes within subclass (2) and (5) of class 1 of section 1 of article 11 of the Kansas constitution and property classified for property tax purposes within subclass (3) and(5) of class 2 of section 1 of article 11 of the Kansas constitution in any such county.*

Third. Attend meetings of the county board of equalization for the purpose of aiding such board in the proper discharge of its duties, making all records available to the county board of equalization.

Fourth. Prepare the appraisal roll and certify such rolls to the county clerk.

Fifth. Supervise the township trustees, assistants, appraisers and other employees appointed by the appraiser in the performance of their duties.

Sixth. The county appraiser or district appraiser in setting values for various types of personal property, shall conform to the values for such property as shown in the personal property appraisal guides devised or prescribed by the director of property valuation.

Seventh. Carry on continuously throughout the year the process of

1 appraising real property.

2 *Eighth.* If the county appraiser or district appraiser deems it advisable,
3 such appraiser may appoint one or more advisory committees of not less
4 than five persons representative of the various economic interests and
5 geographic areas of the county to assist the appraiser in establishing unit
6 land values, unit values for structures, productivity, classifications for ag-
7 ricultural lands, adjustments for location factors, and generally to advise
8 on assessment procedures and methods.

9 *Ninth.* Perform such other duties as may be required by law.

10 (b) The director of property valuation shall give notice to county and
11 district appraisers and county boards of equalization of any proposed
12 changes in the guides, schedules or methodology for use in valuing prop-
13 erty prescribed to the county and district appraisers for use in setting
14 values for property within the county or district. Such notice shall also be
15 published in the Kansas register and shall provide that such changes are
16 available for public inspection. Changes and modifications in guides,
17 schedules or methodology for use in valuing property which are pre-
18 scribed by the director of property valuation for use by county and district
19 appraisers on or after July 1 in any year shall not be utilized in establishing
20 the value, for the current tax year, of any property, the value of which
21 has previously been established for such year.

22 Sec. 2. K.S.A. 2002 Supp. 79-1476 is hereby amended to read as
23 follows: 79-1476. The director of property valuation is hereby directed
24 and empowered to administer and supervise a statewide program of re-
25 appraisal of all real property located within the state. Except as otherwise
26 authorized by K.S.A. 19-428, and amendments thereto, each county shall
27 comprise a separate appraisal district under such program, and the county
28 appraiser shall have the duty of reappraising all of the real property in
29 the county pursuant to guidelines and timetables prescribed by the di-
30 rector of property valuation and of updating the same on an annual basis,
31 *except in any county with a population of 30,000 or fewer people, up-*
32 *dating the same on a triennial basis.* In the case of multi-county appraisal
33 districts, the district appraiser shall have the duty of reappraising all of
34 the real property in each of the counties comprising the district pursuant
35 to such guidelines and timetables and of updating the same on an annual
36 basis, *except in each county in any such district with a population of*
37 *30,000 or fewer people, updating the same on a triennial basis. Such*
38 *triennial valuation requirement shall not apply to property classified for*
39 *property tax purposes within subclass (2) and (5) of class 1 of section 1*
40 *of article 11 of the Kansas constitution located in any such county.* Com-
41 mencing in 2000, every parcel of real property shall be actually viewed
42 and inspected by the county or district appraiser once every six years. Any
43 county or district appraiser shall be deemed to be in compliance with the

1 foregoing requirement in any year if 17% or more of the parcels in such
2 county or district are actually viewed and inspected.

3 Compilation of data for the initial preparation or updating of invento-
4 ries for each parcel of real property and entry thereof into the state com-
5 puter system as provided for in K.S.A. 79-1477, and amendments thereto,
6 shall be completed not later than January 1, 1989. Whenever the director
7 determines that reappraisal of all real property within a county is com-
8 plete, notification thereof shall be given to the governor and to the state
9 board of tax appeals.

10 Valuations shall be established for each parcel of real property at its
11 fair market value in money in accordance with the provisions of K.S.A.
12 79-503a, and amendments thereto.

13 In addition thereto valuations shall be established for each parcel of
14 land devoted to agricultural use upon the basis of the agricultural income
15 or productivity attributable to the inherent capabilities of such land in its
16 current usage under a degree of management reflecting median produc-
17 tion levels in the manner hereinafter provided. A classification system for
18 all land devoted to agricultural use shall be adopted by the director of
19 property valuation using criteria established by the United States depart-
20 ment of agriculture soil conservation service. For all taxable years com-
21 mencing after December 31, 1989, all land devoted to agricultural use
22 which is subject to the federal conservation reserve program shall be
23 classified as cultivated dry land for the purpose of valuation for property
24 tax purposes pursuant to this section. For all taxable years commencing
25 after December 31, 1999, all land devoted to agricultural use which is
26 subject to the federal wetlands reserve program shall be classified as na-
27 tive grassland for the purpose of valuation for property tax purposes pur-
28 suant to this section. Productivity of land devoted to agricultural use shall
29 be determined for all land classes within each county or homogeneous
30 region based on an average of the eight calendar years immediately pre-
31 ceding the calendar year which immediately precedes the year of valua-
32 tion, at a degree of management reflecting median production levels. The
33 director of property valuation shall determine median production levels
34 based on information available from state and federal crop and livestock
35 reporting services, the soil conservation service, and any other sources of
36 data that the director considers appropriate.

37 The share of net income from land in the various land classes within
38 each county or homogeneous region which is normally received by the
39 landlord shall be used as the basis for determining agricultural income
40 for all land devoted to agricultural use except pasture or rangeland. The
41 net income normally received by the landlord from such land shall be
42 determined by deducting expenses normally incurred by the landlord
43 from the share of the gross income normally received by the landlord.

1 The net rental income normally received by the landlord from pasture or
2 rangeland within each county or homogeneous region shall be used as
3 the basis for determining agricultural income from such land. The net
4 rental income from pasture and rangeland which is normally received by
5 the landlord shall be determined by deducting expenses normally in-
6 curred from the gross income normally received by the landlord. Com-
7 modity prices, crop yields and pasture and rangeland rental rates and
8 expenses shall be based on an average of the eight calendar years im-
9 mediately preceding the calendar year which immediately precedes the
10 year of valuation. Net income for every land class within each county or
11 homogeneous region shall be capitalized at a rate determined to be the
12 sum of the contract rate of interest on new federal land bank loans in
13 Kansas on July 1 of each year averaged over a five-year period which
14 includes the five years immediately preceding the calendar year which
15 immediately precedes the year of valuation, plus a percentage not less
16 than .75% nor more than 2.75%, as determined by the director of prop-
17 erty valuation, except that the capitalization rate calculated for property
18 tax year 2003, and all such years thereafter, shall not be less than 11%
19 nor more than 12%.

20 Based on the foregoing procedures the director of property valuation
21 shall make an annual determination of the value of land within each of
22 the various classes of land devoted to agricultural use within each county
23 or homogeneous region and furnish the same to the several county ap-
24 praisers who shall classify such land according to its current usage and
25 apply the value applicable to such class of land according to the valuation
26 schedules prepared and adopted by the director of property valuation
27 under the provisions of this section.

28 It is the intent of the legislature that appraisal judgment and appraisal
29 standards be followed and incorporated throughout the process of data
30 collection and analysis and establishment of values pursuant to this
31 section.

32 For the purpose of the foregoing provisions of this section the phrase
33 "land devoted to agricultural use" shall mean and include land, regardless
34 of whether it is located in the unincorporated area of the county or within
35 the corporate limits of a city, which is devoted to the production of plants,
36 animals or horticultural products, including but not limited to: Forages;
37 grains and feed crops; dairy animals and dairy products; poultry and poul-
38 try products; beef cattle, sheep, swine and horses; bees and apiary prod-
39 ucts; trees and forest products; fruits, nuts and berries; vegetables; nurs-
40 ery, floral, ornamental and greenhouse products. Land devoted to
41 agricultural use shall not include those lands which are used for recrea-
42 tional purposes, other than that land established as a controlled shooting
43 area pursuant to K.S.A. 32-943, and amendments thereto, which shall be

1 deemed to be land devoted to agricultural use, suburban residential acre-
2 ages, rural home sites or farm home sites and yard plots whose primary
3 function is for residential or recreational purposes even though such prop-
4 erties may produce or maintain some of those plants or animals listed in
5 the foregoing definition.

6 The term “expenses” shall mean those expenses typically incurred in
7 producing the plants, animals and horticultural products described above
8 including management fees, production costs, maintenance and depre-
9 ciation of fences, irrigation wells, irrigation laterals and real estate taxes,
10 but the term shall not include those expenses incurred in providing tem-
11 porary or permanent buildings used in the production of such plants,
12 animals and horticultural products.

13 The provisions of this act shall not be construed to conflict with any
14 other provisions of law relating to the appraisal of tangible property for
15 taxation purposes including the equalization processes of the county and
16 state board of tax appeals.

17 Sec. 3. K.S.A. 79-1412a and K.S.A. 2002 Supp. 79-1476 and 79-
18 1476b are hereby repealed.

19 Sec. 4. This act shall take effect and be in force from and after its
20 publication in the statute book.

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