

**HOUSE Substitute for SENATE BILL No. 147**

By Committee on Taxation

3-15

10 AN ACT concerning taxation; relating to personal property; delinquent  
11 taxes in certain counties; **[property tax exemptions, business air-**  
12 **craft;]** amending **[K.S.A. 79-201k and]** K.S.A. 2003 Supp. 79-2017  
13 and repealing the existing ~~section~~ **[sections]**.  
14

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

16 Section 1. K.S.A. 2003 Supp. 79-2017 is hereby amended to read as  
17 follows: 79-2017. In *Douglas*, Sedgwick, Johnson, ~~Wyandotte~~ and Shaw-  
18 nee counties, all taxes on personal property that remain due and unpaid  
19 on February 16 or June 1 shall be collected in the following manner:

20 The county treasurer on or before March 25 shall send a notice by mail  
21 to the person, firm, unincorporated association, company or corporation  
22 to whom such taxes were assessed, and which remain unpaid on February  
23 16 of any year, to its post office address as shown by the current tax roll.

24 The county treasurer on or before June 27 shall send a notice by mail  
25 to the person, firm, unincorporated association, company or corporation  
26 to whom such taxes were assessed, and which remain unpaid on June 1  
27 of any year, to its post office address as shown by the current tax roll.

28 Failure to receive any such tax notice shall not relieve such person,  
29 firm, unincorporated association, company or corporation defaulting in  
30 payment of personal taxes from any interest and costs attached thereto.  
31 Such notice shall state the amount of personal tax charged against the  
32 party, and notify the party that the tax may be paid by paying the amount  
33 of the tax as assessed and interest the amount of which shall be computed  
34 in accordance with the provisions of K.S.A. 79-2004a, and amendments  
35 thereto, on the delinquent tax.

36 The county treasurer is hereby authorized to accept payment of delin-  
37 quent taxes in full without payment of the interest due upon such delin-  
38 quent taxes if the amount of the interest due is less than ~~\$1~~ \$5 and is  
39 further authorized to accept as payment in full, any interest payment in  
40 an amount not less than ~~\$1~~ \$5 less than the full amount of the interest  
41 due.

42 Should such taxes, due and unpaid on February 16 remain unpaid for  
43 a period of 25 days after the mailing of such notice, or taxes due and

1 unpaid on June 1 remain unpaid for a period of 14 days after the mailing  
2 of such notice, the county treasurer shall issue a warrant signed by the  
3 treasurer directed to the sheriff of the county, commanding the sheriff  
4 to levy the amount of such unpaid taxes and the amount of the interest  
5 thereon, together with the sheriff's fees for collecting the taxes, upon any  
6 personal property, tangible or intangible, of the person, firm, unincor-  
7 porated association, company or corporation to whom such taxes were  
8 assessed.

9 To allow the time necessary for preparation of such warrants, the  
10 county treasurer shall not receive any payment of delinquent personal  
11 property taxes or interest thereon, due and unpaid on February 16, during  
12 a period beginning the 26th day after mailing of notices and extending  
13 through the last regular business day of April in any year or taxes or  
14 interest due and unpaid on June 1, during a period beginning the 15th  
15 day after mailing of such notices and extending through the regular busi-  
16 ness day of July 15 in any year. Such warrant shall be delivered to the  
17 sheriff by the county treasurer before the first regular business day in  
18 May and the 15th regular business day in July in each year. Upon receipt  
19 of such tax warrant, the sheriff shall proceed to collect such taxes the  
20 same as upon execution, except that where such taxes were levied and  
21 assessed pursuant to K.S.A. 79-329 through 79-334, and amendments  
22 thereto, they shall be collected as follows:

23 The sheriff shall cause notice to be given by registered mail to the  
24 purchaser of the oil and gas from such lease of the amount of such delin-  
25 quent taxes and the name of the person against whom they were assessed  
26 and from and after the receipt of such notice such purchaser shall not  
27 pay to the person owing the taxes any of the proceeds of the sale of any  
28 oil or gas from such lease, but shall pay them to the sheriff until the full  
29 amount of such taxes and costs are paid after which the purchaser may  
30 resume the payments for such oil or gas to such person, but this exception  
31 shall not prevent the levy of an execution and sale of the leasehold interest  
32 or the physical personal property on any such lease for the payment of  
33 delinquent taxes owed by the owner thereof.

34 The sheriff, as soon as the sheriff collects the tax warrant, shall make  
35 a return thereof and shall make a return of all tax warrants delivered to  
36 the sheriff on or before October 1 of the year following the year in which  
37 the tax was levied. If the warrant so returned shows that the tax has been  
38 collected, the sheriff shall pay the tax to the county treasurer. If such  
39 return shows that such tax has not been collected, then the county trea-  
40 surer shall file with the clerk of the district court of the treasurer's county  
41 an abstract of the total amount of unpaid taxes and interest due plus  
42 penalties and costs. The clerk shall enter the total amount of the unpaid  
43 taxes in the appearance docket and note the entry in the general index.

1 No fee shall be charged for either such entry. The total amount shall  
2 become a judgment in the same manner and to the same extent as any  
3 other judgment under the code of civil procedure and shall become a lien  
4 on real estate from and after the time of the filing thereof. A transcript  
5 of the judgment may be filed with the clerk of the district court in any  
6 other county and when the judgment is entered in the manner provided  
7 above, the judgment shall become a lien upon real estate located in such  
8 county in the same manner as is provided in case of other judgments. No  
9 fee shall be made for making the entry. Execution, garnishment or other  
10 proceedings in aid of execution may issue within the county or to any  
11 other county on the judgment in the same manner as on judgments under  
12 the code of civil procedure except that any real estate taken upon exe-  
13 cution for the collection of such taxes shall be sold without appraisalment.  
14 None of the exemptions provided for in the code of civil procedure shall  
15 apply to any such judgment but no such judgment secured for taxes on  
16 personal property shall be levied against a homestead.

17 At the time of filing the abstract of the taxes, interest, penalties and  
18 costs with the clerk of the district court, the county treasurer shall serve  
19 notice, in writing, on the county counselor of such filing. It shall be the  
20 duty of the county counselor to commence such proceedings as are nec-  
21 essary for the collection of such judgment. If execution is not issued within  
22 five years from the date of the entry of any such judgment, or if five years  
23 shall have intervened between the date of the last execution issued on  
24 such judgment and the time of issuing another writ of execution thereon,  
25 such judgment shall become dormant, and shall cease to operate as a lien  
26 on the real estate of the delinquent taxpayer. Such dormant judgment  
27 may be revived in like manner as dormant judgments under the code of  
28 civil procedure. Any such judgment remaining uncollected after ~~20~~ *seven*  
29 years may be allowed to become dormant if the county commissioners  
30 determine, after consideration of all relevant facts, that it is not reasonable  
31 to expect that such judgment will be collected. The board of county com-  
32 missioners may allow such judgments to become dormant at any time if  
33 the original amount of the judgment was less than \$50.

34 **[Sec. 2. K.S.A. 79-201k is hereby amended to read as follows: 79-**  
35 **201k. (a) It is the purpose of this section to promote, stimulate and**  
36 **develop the general welfare, economic development and prosper-**  
37 **ity of the state of Kansas by fostering the growth of commerce**  
38 **within the state; to encourage the location of new business and**  
39 **industry in this state and the expansion, relocation or retention of**  
40 **existing business and industry when so doing will help maintain or**  
41 **increase the level of commerce within the state; and to promote**  
42 **the economic stability of the state by maintaining and providing**  
43 **employment opportunities, thus promoting the general welfare of**

1 **the citizens of this state, by exempting aircraft used in business**  
2 **and industry, from imposition of the property tax or other ad va-**  
3 **lorem tax imposed by this state or its taxing subdivisions. Kansas**  
4 **has long been a leader in the manufacture and use of aircraft and**  
5 **the use of aircraft in business and industry is vital to the continued**  
6 **economic growth of the state.**

7 **[(b) The following described property, to the extent herein spec-**  
8 **ified, is hereby exempt from all property or ad valorem taxes levied**  
9 **under the laws of the state of Kansas:**

10 *[First. For all taxable years commencing after December 31,*  
11 **1982, all aircraft actually and regularly used exclusively to earn**  
12 **income for the owner in the conduct of the owner's business or**  
13 **industry. If the owner's business or industry is the leasing of aircraft, the**  
14 *lessee's use of the aircraft shall not be considered in determining this*  
15 *exemption, except that, if such owner knows or should have reasonably*  
16 *known that any such leased aircraft has or will be used in a manner that*  
17 *is inconsistent with this provision, this exemption shall not apply.]*

18 Sec. ~~3~~ [3]. **[K.S.A. 79-201k and]** K.S.A. 2003 Supp. 79-2017 ~~is~~ **[are]**  
19 hereby repealed.

20 Sec. ~~3~~ [4]. This act shall take effect and be in force from and after  
21 its publication in the statute book.