

Substitute for HOUSE BILL No. 2543

By Committee on Taxation

3-24

9 AN ACT concerning property taxation; relating to exemptions; newly
10 constructed building or other structure on residential property; pro-
11 cedures; duties of county or district appraiser.
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13 *Be it enacted by the Legislature of the State of Kansas:*

14 Section 1. (a) Notwithstanding any provision of law to the contrary,
15 for all taxable years commencing after December 31, 2008, any newly
16 constructed building or other structure on real property intended for
17 residential uses which is a single family or multi-family unit of four units
18 or less and to be sold by the builder thereof shall be deemed the inventory
19 of such builder and shall be exempt from all property or ad valorem taxes
20 levied under the laws of this state until conveyed, leased or otherwise
21 occupied for residential or office purposes. Any such real property shall
22 be assessed and taxed on such assessed valuation as of the first day of the
23 month following the date of occupancy for the proportionate part of the
24 remaining year at the tax rates established for that year, in all taxing
25 jurisdictions located in the county in which such property is located.
26 Newly constructed residential property which has never been occupied
27 shall not be assessed as improved real property until such occupancy or
28 the first day of January of the second year following the year in which
29 construction of the improvements was completed.

30 (b) The county or district appraiser may consider a property occupied
31 for residential purposes upon personal verification or when any two of
32 the following conditions have been met:

33 (1) An occupancy permit has been issued for the property;

34 (2) a deed transferring ownership from one party to another who is
35 the person or persons occupying the newly constructed property has been
36 filed with the register of deeds' office subsequent to the date of the first
37 permanent utility service;

38 (3) a utility company providing service in the county has verified a
39 transfer of service for property from one party to another who is the
40 person or persons occupying the newly constructed property; or

41 (4) the person or persons occupying the newly constructed property
42 has registered a change of address with any local, state or federal govern-
43 mental office or agency.

1 (c) In implementing the provisions of this section, the county or dis-
2 trict appraiser may use occupancy permits, building permits, deeds, utility
3 connection documents, including telephone connections or other official
4 documents as may be necessary to discover the existence of newly con-
5 structed properties. No utility company shall refuse to provide verification
6 monthly to the county or district appraiser of a utility connection to a
7 newly occupied single family building or structure.

8 (d) For purposes of figuring the tax due on such newly constructed
9 residential property, the county or district appraiser shall place the full
10 amount of the assessed valuation on the tax book upon the first day of
11 the month following occupancy. Such assessed valuation shall be taxed
12 for each month of the year following such date at its new assessed valu-
13 ation, and for each month of the year preceding such date at its previous
14 valuation. The percentage derived from dividing the number of months
15 at which the property is taxed at its new valuation by 12 shall be applied
16 to the total assessed valuation of the new construction and improvements,
17 and such product shall be included in the next year's base for the purposes
18 of figuring the next year's tax levy rollback. The first full year that the
19 property is 100% occupied will be considered new construction and im-
20 provements for the full year.

21 Sec. 2. This act shall take effect and be in force from and after Jan-
22 uary 1, 2009, and its publication in the statute book.