

[As Amended by House Committee of the Whole]

As Amended by House Committee

As Amended by Senate Committee

Session of 2008

## SENATE BILL No. 444

By Committee on Assessment and Taxation

1-17

14 AN ACT concerning ~~property~~ taxation; relating to **[property tax]** ex-  
15 emptions; tangible personal property not specifically classified; **cer-**  
16 **tain housing; [homestead property tax refunds, certain social**  
17 **security payments;]** *amending K.S.A. 2007 Supp. 79-201b and[,]*  
18 **79-213 [and 79-4502] and repealing the existing section sections.**  
19

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

21 **New** Section 1. The following described property, to the extent spec-  
22 ified by this section, shall be and is hereby exempt from all property or  
23 ad valorem taxes levied under the laws of the state of Kansas:

24 *First.* Any property classified for property tax purposes pursuant to  
25 section 1 of article 11 of the constitution of the state of Kansas in subclass  
26 (6) of class 2 which, except for the operation of the provisions of this  
27 section, would be required to be listed for the purpose of taxation pur-  
28 suant to K.S.A. 79-306, and amendments thereto, whose purchase price  
29 is ~~\$1,500~~ **\$750** or less.

30 The provisions of this section shall apply to all taxable years commenc-  
31 ing after December 31, 2008.

32 **Sec. 2. K.S.A. 2007 Supp. 79-201b is hereby amended to read**  
33 **as follows: 79-201b. The following described property, to the ex-**  
34 **tent herein specified, shall be and is hereby exempt from all prop-**  
35 **erty or ad valorem taxes levied under the laws of the state of**  
36 **Kansas:**

37 *First.* **All real property, and tangible personal property, actually**  
38 **and regularly used exclusively for hospital purposes by a hospital**  
39 **as the same is defined by K.S.A. 65-425, and amendments thereto,**  
40 **or a psychiatric hospital as the same was defined by K.S.A. 59-2902,**  
41 **and amendments thereto, as in effect on January 1, 1976, which**  
42 **hospital or psychiatric hospital is operated by a corporation or-**  
43 **ganized not for profit under the laws of the state of Kansas or by**

1 a corporation organized not for profit under the laws of another  
2 state and duly admitted to engage in business in this state as a  
3 foreign, not-for-profit corporation, or a public hospital authority;  
4 and all intangible property including moneys, notes and other ev-  
5 idences of debt, and the income therefrom, belonging exclusively  
6 to such a corporation and used exclusively for hospital, psychiatric  
7 hospital or public hospital authority purposes. This exemption  
8 shall not be deemed inapplicable to property which would other-  
9 wise be exempt pursuant to this paragraph because any such hos-  
10 pital, psychiatric hospital or public hospital authority: (a) Uses such  
11 property for a nonexempt purpose which is minimal in scope and  
12 insubstantial in nature if such use is incidental to the exempt pur-  
13 pose enumerated in this paragraph; or (b) is reimbursed for the  
14 actual expense of using such property for the exempt purposes  
15 enumerated in this paragraph or paragraph second of K.S.A. 79-  
16 201, and amendments thereto; or (c) permits the use of such prop-  
17 erty for the exempt purposes enumerated in this paragraph or par-  
18 agraph second of K.S.A. 79-201, and amendments thereto, by more  
19 than one agency or organization for one or more of such purposes.  
20 *Second.* All real property, and tangible personal property, actu-  
21 ally and regularly used exclusively for adult care home purposes  
22 by an adult care home as the same is defined by K.S.A. 39-923, and  
23 amendments thereto, which is operated by a corporation organ-  
24 ized not for profit under the laws of the state of Kansas or by a  
25 corporation organized not for profit under the laws of another  
26 state and duly admitted to engage in business in this state as a  
27 foreign, not-for-profit corporation, charges to residents for serv-  
28 ices of which produce an amount which in the aggregate is less  
29 than the actual cost of operation of the home or the services of  
30 which are provided to residents at the lowest feasible cost, taking  
31 into consideration such items as reasonable depreciation, interest  
32 on indebtedness, acquisition costs, interest and other expenses of  
33 financing acquisition costs, lease expenses and costs of services  
34 provided by a parent corporation at its costs and contributions to  
35 which are deductible under the Kansas income tax act; and all in-  
36 tangible property including moneys, notes and other evidences of  
37 debt, and the income therefrom, belonging exclusively to such cor-  
38 poration and used exclusively for adult care home purposes. For  
39 purposes of this paragraph and for all taxable years commencing  
40 after December 31, 1976, an adult care home which uses its prop-  
41 erty in a manner which is consistent with the federal internal rev-  
42 enue service ruling 72-124 issued pursuant to section 501(c)(3) of  
43 the federal internal revenue code, shall be deemed to be operating

1 at the lowest feasible cost. The fact that real property or real or  
2 tangible personal property may be leased from a not-for-profit cor-  
3 poration, which is exempt from federal income taxation pursuant  
4 to section 501(c)(3) of the internal revenue code of 1986, and  
5 amendments thereto, and which is the parent corporation to the  
6 not-for-profit operator of an adult care home, shall not be grounds  
7 to deny exemption or deny that such property is actually and reg-  
8 ularly used exclusively for adult care home purposes by an adult  
9 care home, nor shall the terms of any such lease be grounds for  
10 any such denial. For all taxable years commencing after December  
11 31, 1995, such property shall be deemed to be used exclusively for  
12 adult care home purposes when used as a not-for-profit day care  
13 center for children which is licensed pursuant to K.S.A. 65-501 et  
14 seq., and amendments thereto.

15 *Third.* All real property, and tangible personal property, actually  
16 and regularly used exclusively for private children's home pur-  
17 poses by a private children's home as the same is defined by K.S.A.  
18 75-3329, and amendments thereto, which is operated by a corpo-  
19 ration organized not for profit under the laws of the state of Kansas  
20 or by a corporation organized not for profit under the laws of an-  
21 other state and duly admitted to engage in business in this state as  
22 a foreign, not-for-profit corporation, charges to residents for serv-  
23 ices of which produce an amount which in the aggregate is less  
24 than the actual cost of operation of the home or the services of  
25 which are provided to residents at the lowest feasible cost, taking  
26 into consideration such items as reasonable depreciation and in-  
27 terest on indebtedness, and contributions to which are deductible  
28 under the Kansas income tax act; and all intangible property in-  
29 cluding moneys, notes and other evidences of debt, and the income  
30 therefrom, belonging exclusively to such a corporation and used  
31 exclusively for children's home purposes.

32 *Fourth.* All real property and tangible personal property, actually  
33 and regularly used exclusively for: (a) Housing for elderly and  
34 handicapped persons having a limited or lower income, or used  
35 exclusively for cooperative housing for persons having a limited or  
36 low income, assistance for the financing of which was received un-  
37 der 12 U.S.C.A. 1701 et seq., or under 42 U.S.C.A. 1437 et seq.,  
38 which is operated by a corporation organized not for profit under  
39 the laws of the state of Kansas or by a corporation organized not  
40 for profit under the laws of another state and duly admitted to  
41 engage in business in this state as a foreign, not-for-profit corpo-  
42 ration; and (b) for all taxable years commencing after December 31, 2006,  
43 temporary housing of 24 months or less for limited or low income, single-

1 *parent families in need of financial assistance who are enrolled in a pro-*  
2 *gram to receive life training skills, which is operated by a charitable or*  
3 *religious organization; and all intangible property including moneys,*  
4 **notes and other evidences of debt, and the income therefrom, be-**  
5 **longing exclusively to such a corporation and used exclusively for**  
6 **the purposes of such housing. For the purposes of this subsection,**  
7 **cooperative housing means those not-for-profit cooperative hous-**  
8 **ing projects operating or established pursuant to sections 236 or**  
9 **221(d)(3), or both, of the national housing act and which have been**  
10 **approved as a cooperative housing project pursuant to applicable**  
11 **federal housing administration and U.S. Department of Housing**  
12 **and Urban Development statutes, and rules and regulations, dur-**  
13 **ing such time as the use of such properties are:(1) Restricted pur-**  
14 **suant to such act, or rules and regulations thereof; or (2) subject**  
15 **to affordability financing standards established pursuant to the na-**  
16 **tional housing act during such time that such not-for-profit cor-**  
17 **poration has adopted articles of incorporation or by-laws, or both,**  
18 **requiring such corporation to continue to operate in compliance**  
19 **with the United States department of housing and urban devel-**  
20 **opment affordability income guidelines established pursuant to**  
21 **sections 236 or 221(d)(3) of the national housing act or rules and**  
22 **regulations thereof.**

23 *Fifth.* All real property and tangible personal property, actually  
24 and regularly used exclusively for housing for elderly persons,  
25 which is operated by a corporation organized not for profit under  
26 the laws of the state of Kansas or by a corporation organized not  
27 for profit under the laws of another state and duly admitted to  
28 engage in business in this state as a foreign, not-for-profit corpo-  
29 ration, in which charges to residents produce an amount which in  
30 the aggregate is less than the actual cost of operation of the hous-  
31 ing facility or the services of which are provided to residents at the  
32 lowest feasible cost, taking into consideration such items as rea-  
33 sonable depreciation and interest on indebtedness and contribu-  
34 tions to which are deductible under the Kansas income tax act; and  
35 all intangible property including moneys, notes and other evi-  
36 dences of debt, and the income therefrom, belonging exclusively  
37 to such corporation and used exclusively for the purpose of such  
38 housing. For purposes of this paragraph and for all taxable years  
39 commencing after December 31, 1976, an adult care home which  
40 uses its property in a manner which is consistent with the federal  
41 internal revenue service ruling 72-124 issued pursuant to section  
42 501(c)(3) of the federal internal revenue code, shall be deemed to  
43 be operating at the lowest feasible cost. For all taxable years com-

1 mencing after December 31, 1995, such property shall be deemed  
2 to be used exclusively for housing for elderly persons purposes  
3 when used as a not-for-profit day care center for children which  
4 is licensed pursuant to K.S.A. 65-501 et seq., and amendments  
5 thereto.

6 *Sixth.* All real property and tangible personal property actually  
7 and regularly used exclusively for the purpose of group housing of  
8 mentally ill or retarded and other handicapped persons which is  
9 operated by a corporation organized not for profit under the laws  
10 of the state of Kansas or by a corporation organized not for profit  
11 under the laws of another state and duly admitted to engage in  
12 business in this state as a foreign, not-for-profit corporation, in  
13 which charges to residents produce an amount which in the ag-  
14 gregate is less than the actual cost of operation of the housing  
15 facility or the services of which are provided to residents at the  
16 lowest feasible cost, taking into consideration such items as rea-  
17 sonable depreciation and interest on indebtedness and contribu-  
18 tions to which are deductible under the Kansas income tax act, and  
19 which is licensed as a facility for the housing of mentally ill or  
20 retarded and other handicapped persons under the provisions of  
21 K.S.A. 75-3307b, and amendments thereto, or as a rooming or  
22 boarding house used as a facility for the housing of mentally re-  
23 tardated and other handicapped persons which is licensed as a lodg-  
24 ing establishment under the provisions of K.S.A. 36-501 et seq.,  
25 and amendments thereto.

26 The provisions of this section, except as otherwise specifically  
27 provided, shall apply to all taxable years commencing after De-  
28 cember 31, 1998.

29 *Sec. 2 3. K.S.A. 2007 Supp. 79-213 is hereby amended to read*  
30 *as follows: 79-213. (a) Any property owner requesting an exemption*  
31 *from the payment of ad valorem property taxes assessed, or to be*  
32 *assessed, against their property shall be required to file an initial*  
33 *request for exemption, on forms approved by the board of tax ap-*  
34 *peals and provided by the county appraiser.*

35 *(b) The initial exemption request shall identify the property for*  
36 *which the exemption is requested and state, in detail, the legal and*  
37 *factual basis for the exemption claimed.*

38 *(c) The request for exemption shall be filed with the county ap-*  
39 *praiser of the county where such property is principally located.*

40 *(d) After a review of the exemption request, and after a prelim-*  
41 *inary examination of the facts as alleged, the county appraiser shall*  
42 *recommend that the exemption request either be granted or denied,*  
43 *and, if necessary, that a hearing be held. If a denial is recommended,*

1 *a statement of the controlling facts and law relied upon shall be*  
2 *included on the form.*

3 *(e) The county appraiser, after making such written recommen-*  
4 *dation, shall file the request for exemption and the recommenda-*  
5 *tions of the county appraiser with the board of tax appeals.*

6 *(f) Upon receipt of the request for exemption, the board shall*  
7 *docket the same and notify the applicant and the county appraiser*  
8 *of such fact.*

9 *(g) After examination of the request for exemption, and the*  
10 *county appraiser's recommendation related thereto, the board may*  
11 *fix a time and place for hearing, and shall notify the applicant and*  
12 *the county appraiser of the time and place so fixed. A request for*  
13 *exemption pursuant to: (1) Section 13 of article 11 of the Kansas*  
14 *constitution; or (2) K.S.A. 79-201a Second, and amendments thereto,*  
15 *for property constructed or purchased, in whole or in part, with the*  
16 *proceeds of revenue bonds under the authority of K.S.A. 12-1740 to*  
17 *12-1749, inclusive, and amendments thereto, prepared in accord-*  
18 *ance with instructions and assistance which shall be provided by*  
19 *the department of commerce, shall be deemed approved unless*  
20 *scheduled for hearing within 30 days after the date of receipt of all*  
21 *required information and data relating to the request for exemption,*  
22 *and such hearing shall be conducted within 90 days after such date.*  
23 *Such time periods shall be determined without regard to any exten-*  
24 *sion or continuance allowed to either party to such request. In any*  
25 *case where a party to such request for exemption requests a hearing*  
26 *thereon, the same shall be granted. Hearings shall be conducted in*  
27 *accordance with the provisions of the Kansas administrative pro-*  
28 *cedure act. In all instances where the board sets a request for ex-*  
29 *emption for hearing, the county shall be represented by its county*  
30 *attorney or county counselor.*

31 *(h) Except as otherwise provided by subsection (g), in the event*  
32 *of a hearing, the same shall be originally set not later than 90 days*  
33 *after the filing of the request for exemption with the board.*

34 *(i) During the pendency of a request for exemption, no person,*  
35 *firm, unincorporated association, company or corporation charged*  
36 *with real estate or personal property taxes pursuant to K.S.A. 79-*  
37 *2004 and 79-2004a, and amendments thereto, on the tax books in*  
38 *the hands of the county treasurer shall be required to pay the tax*  
39 *from the date the request is filed with the county appraiser until*  
40 *the expiration of 30 days after the board issued its order thereon*  
41 *and the same becomes a final order. In the event that taxes have*  
42 *been assessed against the subject property, no interest shall accrue*  
43 *on any unpaid tax for the year or years in question nor shall the*

1 *unpaid tax be considered delinquent from the date the request is*  
2 *filed with the county appraiser until the expiration of 30 days after*  
3 *the board issued its order thereon. In the event the board deter-*  
4 *mines an application for exemption is without merit and filed in bad*  
5 *faith to delay the due date of the tax, the tax shall be considered*  
6 *delinquent as of the date the tax would have been due pursuant to*  
7 *K.S.A. 79-2004 and 79-2004a, and amendments thereto, and interest*  
8 *shall accrue as prescribed therein.*

9 *(j) In the event the board grants the initial request for exemp-*  
10 *tion, the same shall be effective beginning with the date of first*  
11 *exempt use except that, with respect to property the construction of*  
12 *which commenced not to exceed 24 months prior to the date of first*  
13 *exempt use, the same shall be effective beginning with the date of*  
14 *commencement of construction.*

15 *(k) In conjunction with its authority to grant exemptions, the*  
16 *board shall have the authority to abate all unpaid taxes that have*  
17 *accrued from and since the effective date of the exemption. In the*  
18 *event that taxes have been paid during the period where the subject*  
19 *property has been determined to be exempt, the board shall have*  
20 *the authority to order a refund of taxes for the year immediately*  
21 *preceding the year in which the exemption application is filed in*  
22 *accordance with subsection (a).*

23 *(l) The provisions of this section shall not apply to: (1) Farm*  
24 *machinery and equipment exempted from ad valorem taxation by*  
25 *K.S.A. 79-201j, and amendments thereto; (2) personal property ex-*  
26 *empted from ad valorem taxation by K.S.A. 79-215, and amend-*  
27 *ments thereto; (3) wearing apparel, household goods and personal*  
28 *effects exempted from ad valorem taxation by K.S.A. 79-201c, and*  
29 *amendments thereto; (4) livestock; (5) all property exempted from*  
30 *ad valorem taxation by K.S.A. 79-201d, and amendments thereto;*  
31 *(6) merchants' and manufacturers' inventories exempted from ad*  
32 *valorem taxation by K.S.A. 79-201m and amendments thereto; (7)*  
33 *grain exempted from ad valorem taxation by K.S.A. 79-201n, and*  
34 *amendments thereto; (8) property exempted from ad valorem taxa-*  
35 *tion by K.S.A. 79-201a Seventeenth and amendments thereto, includ-*  
36 *ing all property previously acquired by the secretary of transpor-*  
37 *tation or a predecessor in interest, which is used in the*  
38 *administration, construction, maintenance or operation of the state*  
39 *system of highways. The secretary of transportation shall at the time*  
40 *of acquisition of property notify the county appraiser in the county*  
41 *in which the property is located that the acquisition occurred and*  
42 *provide a legal description of the property acquired; (9) property*  
43 *exempted from ad valorem taxation by K.S.A. 79-201a Ninth, and*

1 *amendments thereto, including all property previously acquired by*  
2 *the Kansas turnpike authority which is used in the administration,*  
3 *construction, maintenance or operation of the Kansas turnpike. The*  
4 *Kansas turnpike authority shall at the time of acquisition of prop-*  
5 *erty notify the county appraiser in the county in which the property*  
6 *is located that the acquisition occurred and provide a legal descrip-*  
7 *tion of the property acquired; (10) aquaculture machinery and*  
8 *equipment exempted from ad valorem taxation by K.S.A. 79-201j,*  
9 *and amendments thereto. As used in this section, “aquaculture” has*  
10 *the same meaning ascribed thereto by K.S.A. 47-1901, and amend-*  
11 *ments thereto; (11) Christmas tree machinery and equipment ex-*  
12 *empted from ad valorem taxation by K.S.A. 79-201j, and amend-*  
13 *ments thereto; (12) property used exclusively by the state or any*  
14 *municipality or political subdivision of the state for right-of-way*  
15 *purposes. The state agency or the governing body of the municip-*  
16 *ality or political subdivision shall at the time of acquisition of*  
17 *property for right-of-way purposes notify the county appraiser in*  
18 *the county in which the property is located that the acquisition*  
19 *occurred and provide a legal description of the property acquired;*  
20 *(13) machinery, equipment, materials and supplies exempted from*  
21 *ad valorem taxation by K.S.A. 79-201w, and amendments thereto;*  
22 *(14) vehicles owned by the state or by any political or taxing sub-*  
23 *division thereof and used exclusively for governmental purposes;*  
24 *(15) property used for residential purposes which is exempted pur-*  
25 *suant to K.S.A. 79-201x from the property tax levied pursuant to*  
26 *K.S.A. 72-6431, and amendments thereto; (16) from and after July*  
27 *1, 1998, vehicles which are owned by an organization having as one*  
28 *of its purposes the assistance by the provision of transit services to*  
29 *the elderly and to disabled persons and which are exempted pur-*  
30 *suant to K.S.A. 79-201 Ninth; (17) from and after July 1, 1998, motor*  
31 *vehicles exempted from taxation by subsection (e) of K.S.A. 79-5107,*  
32 *and amendments thereto; (18) commercial and industrial machin-*  
33 *ery and equipment exempted from property or ad valorem taxation*  
34 *by K.S.A. 2007 Supp. 79-223, and amendments thereto; ~~and~~ (19)*  
35 *telecommunications machinery and equipment and railroad ma-*  
36 *chinery and equipment exempted from property or ad valorem tax-*  
37 *ation by K.S.A. 2007 Supp. 79-224, and amendments thereto; and*  
38 *(20) property exempted from property or ad valorem taxation by section*  
39 *1, and amendments thereto.*

40 *(m) The provisions of this section shall apply to property exempt*  
41 *pursuant to the provisions of section 13 of article 11 of the Kansas*  
42 *constitution.*

43 *(n) The provisions of subsection (k) as amended by this act shall*



1 *be applicable to all exemption applications filed in accordance with*  
2 *subsection (a) after December 31, 2001.*

3 [Sec. 4. K.S.A. 2007 Supp. 79-4502 is hereby amended to read  
4 as follows: 79-4502. As used in this act, unless the context clearly  
5 indicates otherwise:

6 [(a) “Income” means the sum of adjusted gross income under  
7 the Kansas income tax act, maintenance, support money, cash pub-  
8 lic assistance and relief, not including any refund granted under  
9 this act, the gross amount of any pension or annuity, including all  
10 monetary retirement benefits from whatever source derived, in-  
11 cluding but not limited to, all payments received under the rail-  
12 road retirement act, except disability payments, payments re-  
13 ceived under the federal social security act, except that for  
14 determination of what constitutes income such amount shall not  
15 exceed 50% of any such social security payments and shall not in-  
16 clude any social security payments to a claimant who prior to attaining  
17 full retirement age had been receiving disability payments under the fed-  
18 eral social security act in an amount not to exceed the amount of such  
19 disability payments or 50% of any such social security payments, which-  
20 ever is greater, all dividends and interest from whatever source de-  
21 rived not included in adjusted gross income, workers compensa-  
22 tion and the gross amount of “loss of time” insurance. Income does  
23 not include gifts from nongovernmental sources or surplus food or  
24 other relief in kind supplied by a governmental agency, nor shall  
25 net operating losses and net capital losses be considered in the  
26 determination of income. Income does not include veterans disa-  
27 bility pensions. Income does not include disability payments re-  
28 ceived under the federal social security act.

29 [(b) “Household” means a claimant, a claimant and spouse who  
30 occupy the homestead or a claimant and one or more individuals  
31 not related as husband and wife who together occupy a homestead.

32 [(c) “Household income” means all income received by all per-  
33 sons of a household in a calendar year while members of such  
34 household.

35 [(d) “Homestead” means the dwelling, or any part thereof,  
36 whether owned or rented, which is occupied as a residence by the  
37 household and so much of the land surrounding it, as defined as a  
38 home site for ad valorem tax purposes, and may consist of a part  
39 of a multi-dwelling or multi-purpose building and a part of the land  
40 upon which it is built or a manufactured home or mobile home  
41 and the land upon which it is situated. “Owned” includes a vendee  
42 in possession under a land contract, a life tenant, a beneficiary  
43 under a trust and one or more joint tenants or tenants in common.

1 [(e) “Claimant” means a person who has filed a claim under  
2 the provisions of this act and was, during the entire calendar year  
3 preceding the year in which such claim was filed for refund under  
4 this act, except as provided in K.S.A. 79-4503, and amendments  
5 thereto, both domiciled in this state and was: (1) A person having  
6 a disability; (2) a person who is 55 years of age or older or (3) a  
7 person other than a person included under (1) or (2) having one  
8 or more dependent children under 18 years of age residing at the  
9 person’s homestead during the calendar year immediately preced-  
10 ing the year in which a claim is filed under this act.

11 [When a homestead is occupied by two or more individuals and  
12 more than one of the individuals is able to qualify as a claimant,  
13 the individuals may determine between them as to whom the  
14 claimant will be. If they are unable to agree, the matter shall be  
15 referred to the secretary of revenue whose decision shall be final.

16 [(f) “Property taxes accrued” means property taxes, exclusive  
17 of special assessments, delinquent interest and charges for service,  
18 levied on a claimant’s homestead in 1979 or any calendar year  
19 thereafter by the state of Kansas and the political and taxing sub-  
20 divisions of the state. When a homestead is owned by two or more  
21 persons or entities as joint tenants or tenants in common and one  
22 or more of the persons or entities is not a member of claimant’s  
23 household, “property taxes accrued” is that part of property taxes  
24 levied on the homestead that reflects the ownership percentage of  
25 the claimant’s household. For purposes of this act, property taxes  
26 are “levied” when the tax roll is delivered to the local treasurer  
27 with the treasurer’s warrant for collection. When a claimant and  
28 household own their homestead part of a calendar year, “property  
29 taxes accrued” means only taxes levied on the homestead when  
30 both owned and occupied as a homestead by the claimant’s house-  
31 hold at the time of the levy, multiplied by the percentage of 12  
32 months that the property was owned and occupied by the house-  
33 hold as its homestead in the year. When a household owns and  
34 occupies two or more different homesteads in the same calendar  
35 year, property taxes accrued shall be the sum of the taxes allocable  
36 to those several properties while occupied by the household as its  
37 homestead during the year. Whenever a homestead is an integral  
38 part of a larger unit such as a multi-purpose or multi-dwelling  
39 building, property taxes accrued shall be that percentage of the  
40 total property taxes accrued as the value of the homestead is of the  
41 total value. For the purpose of this act, the word “unit” refers to  
42 that parcel of property covered by a single tax statement of which  
43 the homestead is a part.

1 [(g) “Disability” means:

2 [(1) Inability to engage in any substantial gainful activity by  
3 reason of any medically determinable physical or mental impair-  
4 ment which can be expected to result in death or has lasted or can  
5 be expected to last for a continuous period of not less than 12  
6 months, and an individual shall be determined to be under a dis-  
7 ability only if the physical or mental impairment or impairments  
8 are of such severity that the individual is not only unable to do the  
9 individual’s previous work but cannot, considering age, education  
10 and work experience, engage in any other kind of substantial gain-  
11 ful work which exists in the national economy, regardless of  
12 whether such work exists in the immediate area in which the in-  
13 dividual lives or whether a specific job vacancy exists for the in-  
14 dividual, or whether the individual would be hired if application  
15 was made for work. For purposes of the preceding sentence (with  
16 respect to any individual), “work which exists in the national econ-  
17 omy” means work which exists in significant numbers either in the  
18 region where the individual lives or in several regions of the coun-  
19 try; for purposes of this subsection, a “physical or mental impair-  
20 ment” is an impairment that results from anatomical, physiological  
21 or psychological abnormalities which are demonstrable by medi-  
22 cally acceptable clinical and laboratory diagnostic techniques; or  
23 [(2) blindness and inability by reason of blindness to engage in  
24 substantial gainful activity requiring skills or abilities comparable  
25 to those of any gainful activity in which the individual has previ-  
26 ously engaged with some regularity and over a substantial period  
27 of time.

28 [(h) “Blindness” means central visual acuity of  $20/200$  or less in  
29 the better eye with the use of a correcting lens. An eye which is  
30 accompanied by a limitation in the fields of vision such that the  
31 widest diameter of the visual field subtends an angle no greater  
32 than 20 degrees shall be considered for the purpose of this para-  
33 graph as having a central visual acuity of  $20/200$  or less.

34 [(i) “Rent constituting property taxes accrued” means 15% of  
35 the gross rent actually paid in cash or its equivalent in 2007 or any  
36 taxable year thereafter by a claimant and claimant’s household  
37 solely for the right of occupancy of a Kansas homestead on which  
38 ad valorem property taxes were levied in full for that year. When  
39 a household occupies two or more different homesteads in the  
40 same calendar year, rent constituting property taxes accrued shall  
41 be computed by adding the rent constituting property taxes ac-  
42 crued for each property rented by the household while occupied  
43 by the household as its homestead during the year.

1       (j) “Gross rent” means the rental paid at arm’s length solely  
2 for the right of occupancy of a homestead or space rental paid to  
3 a landlord for the parking of a mobile home, exclusive of charges  
4 for any utilities, services, furniture and furnishings or personal  
5 property appliances furnished by the landlord as a part of the  
6 rental agreement, whether or not expressly set out in the rental  
7 agreement. Whenever the director of taxation finds that the land-  
8 lord and tenant have not dealt with each other at arms length and  
9 that the gross rent charge was excessive, the director may adjust  
10 the gross rent to a reasonable amount for the purposes of the  
11 claim.]

12       Sec. ~~34~~ [5]. *K.S.A. 2007 Supp. 79-201b and* [5] 79-213 [and 79-  
13 4502] ~~is are~~ *hereby repealed.*

14       Sec. ~~45~~ [6]. This act shall take effect and be in force from and  
15 after its publication in the statute book.