

MINUTES OF THE SENATE COMMITTEE ON ASSESSMENT AND TAXATIONThe meeting was called to order by Senator Paul "Bud" Burke at
Chairperson11:00 a.m./~~p.m.~~ on February 2, 1983 in room 526-S of the Capitol.All members were present ~~except~~:Committee staff present: Tom Severn, Research Dept.
Wayne Morris, Research Dept.
Don Hayward, Revisor's OfficeConferees appearing before the committee: Steve Wiechman, Kansas Association of Counties
Phil Martin, Director of Property Valuation

The chairman called on Senator Angell, chairman of a subcommittee of Senators Angell, Johnston and Kerr, to report to the committee. Senator Angell said they had met and worked with county appraisers, county commissioners and the Kansas Association of Counties, to develop a proposal to bring to the committee. He said they had developed amendments to HB 2155, not HB 2611, and were using this as the basis for the balloon. Also included is an insert which is not in balloon form and to which they will refer to in places in the bill.

Steve Wiechman, KAC, described the concerns and conclusions of the joint committee (Attachment #1). He said the goal is for reappraisal first, keeping on schedule, then maintenance for keeping appraisals up to date instead of again getting into the situation that exists today.

The chairman noted that the counties may be fearful that Property Valuation will build an empire and tell the counties how and when they will do appraisals, and comply with all these things, virtually eliminating county government, whereby the state becomes essentially a giant appraisal mechanism and counties have only clerical functions.

The chairman also expressed concern with the creation of another board called the State Board of Equalization when the State Board of Tax Appeals already exists and uses that title. It was suggested that the State Board of Tax Appeals has not been responsive to local concerns in the past and by putting a new layer of government in here they will do something the Board of Tax Appeals has not demonstrated a willingness to do in the past.

Senator Angell said he felt the equalization board is an alternative to bring before the whole committee, as outside the charge of the subcommittee. The chairman replied that he was not convinced this is the proper mechanism. Senator Angell said that data from the Board of Tax Appeals on industrial revenue bonds is not available because they are not complying with the spirit of the 1981 law requiring IRB information to be filed with the SBOTA. It was suggested by one of the members of the committee that the State Board of Tax Appeals be abolished and the new State Board of Equalization be substituted in its place. The chairman said he believes the Board is in a difficult position and should be insulated from political pressures.

Don Hayward explained the balloon amendments to HB 2155 to the committee (See Attachments #2 and #3).

Phil Martin described the procedures they follow to value property:

- 1) Definition of property;
- 2) Inventory of property;
- 3) Data collection, includes county appraisers;
- 4) Analysis of data that would be submitted under this process;
- 5) Evaluation process.

The meeting was adjourned by the chairman at 12:05 p.m. The committee will meet at 11 a.m. February 3.

ASSESSMENT AND TAXATION

OBSERVERS
(PLEASE PRINT)

DATE	NAME	ADDRESS	REPRESENTING
Feb. 2	Timothy N. Hagemann	LAKIN Ks 67860	Ks. City Appr. Assoc.
	Brad Welch	LAKIN, Ks 67860	" "
	Ann Eslick	Ulysses, Ks 67880	" " "
	Leroy Jones	Overland Park	B.L.E.
	GARY Smith	Shawnee Co	KCAA
	JANET STUBBS	TOPEKA	HBAK
	Tom Whitaker	TOPEKA	Ks Motor Carriers Assn
	Tim Underwood	"	KAR
	Mary Ella Simon	TOPEKA	Ks. LG. of Women Voters
	Ron Gaskes	TOPEKA	KHC1
	Phil Martin	"	PVD
	Steven Wischman	"	K.A.C.
	Rob McNeely	" "	KIN
	Van W. Wyatt	M'Pherson	Ks Farmers Union
	Mark R. Ayson	Overland Park	Johnson Co. BOCC
	Paul E. Fleener	Manhattan	Ks. Farm Bureau
	M. Hawver	Topeka	Can-Jouney
	Heane Juber	Lawrence	Unw. Daily Kan.
	Mike Beann	Topeka	KCA
	Charles W. Johns	Topeka	KNEA
	B. Johnston	"	CKFO
	Dale L. Laska	Topeka	KLA

How Wickman

WORKING COMMITTEE
Kansas County Appraisers and
Kansas County Commissioners

A. The Concerns of the Joint Committee:

1. Assure County Involvement in Reappraisal
2. Address a Maintenance Program with Mandatory Compliance Requirements.
3. Proviso for alternate reappraisal authority in event of non-compliance by County.
4. Provide for data gathering and maintenance through computer programs.
5. Provide system of compliance and non-compliance.

B. Conclusions:

1. That the reappraisal be done at the County level by the County under the guides and requirements of the Director of Property Valuation.

2. That the State maintain a computer for their use with load up and load down capabilities which will allow Counties to purchase or lease their own computer services. Requirement would be that County computer hardware be compatible with State programs to allow collection of data and statistical analysis.

3. That a State Board of Equalization composed of seven (7) persons be created to certify compliance or non-compliance with reappraisal. An appeals process would be placed in effect encompassing the existing State Board of Tax Appeals.

4. That in the event of non-compliance at any level, the State after proper notice to the Counties, could proceed with reappraisal and assess the cost of such action against the Counties, withholding distribution of funds from the Counties portion of funds to offset the cost.

5. In the event of a protest petition disallowing the set aside of a special fund to accomplish reappraisal by the appraiser, the State may proceed with reappraisal and withhold the funds from the counties' portion.

Atch. 1

6. Reappraisal levies would have to be outside the tax lid.

7. Recommended methodology: (2)

a. Upon passage, Counties must submit a plan for reappraisal with supporting budget allowances by January 15, 1984, to the Director of Property Valuation Division.

b. If the plan is acceptable, annual report of progress would be required each year thereafter until reappraisal is completed and ready to be placed in operation.

c. If the plan is not acceptable, the Director shall petition the State Board of Tax Appeals for review. The Board shall either find that the plan is in Compliance or in Non-Compliance. Whereafter, the Director's finding, if sustained, would allow the State to proceed with reappraisal; or the County, prior to the finding, could amend their plan. An appeal can be made to the State Board of Tax Appeals at any time that non-compliance, prior to the initiation of the reappraisal, is evident. In such case, the Board shall give priority to a hearing on the issue of compliance.

d. In the event that the State is required to conduct the reappraisal due to a County's failure, the State shall be permitted to withhold funds from the County's share to cover the costs.

8. State Board of Equalization would meet on or before January 15, of each year. The Board would be composed of the following:

Appointee of Governor
Appointee of President of Senate
Appointee of Speaker of House
President of State Board of Education
Appointee by Governor from list of three County Commissioners of Counties over 20,000 recommended by the Kansas County Commissioners Association
Appointee by Governor from list of three County Commissioners of Counties under 20,000 recommended by the Kansas County Commissioners Association.
Appointee by Governor from list of three County Appraisers submitted by the Kansas County Appraisers Association.

Two Ex Officio Members without Vote shall be the

Chairman of the Board of Tax Appeals and the Director of Property Valuation.

9. It is also the desire that the State Board of Equalization shall be involved in the Rules and Regulations Process prior to their becoming effective.

10. After reappraisal is implemented, the State Board of Equalization shall annually certify compliance or non-compliance within the allowable standards.

a. If the County is in compliance, no further action is necessary.

b. In the event of non-compliance, the Director of Property Valuation shall notify the County Commissioners of the County in Non-Compliance within 10 days. The County Commissioners shall have 60 days from such notification to submit their plan for coming into compliance.

c. If the plan is approved by the Director of PVD, no further action, other than continued monitoring to assure the plan is enacted, is necessary.

d. If the Director disapproves the plan, the Director shall petition the State Board of Tax Appeals for hearing on the plan. If the Board sustains the Director's finding, the Director is authorized to proceed with making the corrections to come into compliance. Should the Director not be sustained, the County's plan shall be followed.

e. If a County fails to submit any plan for compliance, the Director shall petition the State Board of Tax Appeals for authority to proceed with bringing the County into compliance.

f. In all cases where the State, because of the failure of the County to be in compliance, is required to incur costs to bring the County in compliance, the State Treasurer would withhold the County portion of funds.

HOUSE BILL No. 2155

By Committee on Assessment and Taxation

1-28

0016 AN ACT relating to the taxation of tangible property; mandating a
 0017 program of statewide reappraisal of real property; providing
 0018 for the administration of such program and duties of certain
 0019 state and county officers; prescribing limitations upon the levy
 0020 of taxes upon tangible property by taxing districts after imple-
 0021 mentation of valuations determined under such reappraisal
 0022 program and providing for exemptions therefrom; amending
 0023 K.S.A. 79-1412a and 79-1602 and K.S.A. 1982 Supp. 79-1460
 0024 and repealing the existing sections; also repealing K.S.A. 79-
 0025 1437b and 79-1440 and K.S.A. 1982 Supp. 79-1452 to 79-1454,
 0026 inclusive.

0027 *Be it enacted by the Legislature of the State of Kansas:*

0028 New Section 1. The director of property valuation is hereby
 0029 directed and empowered to administer and supervise a statewide
 0030 program of reappraisal of all real property located within the
 0031 state. Except as otherwise authorized by K.S.A. 19-428, each
 0032 county shall comprise a separate appraisal district under such
 0033 program, and the county appraiser shall have the duty of reap-
 0034 praising all of the real property in the county pursuant to guide-
 0035 lines and timetables prescribed by the director of property valu-
 0036 ation and of updating the same on an annual basis. In the case of
 0037 multi-county appraisal districts, the district appraiser shall have
 0038 the duty of reappraising all of the real property in each of the
 0039 counties comprising the district pursuant to such guidelines and
 0040 timetables and of updating the same on an annual basis. Follow-
 0041 ing completion of the statewide program of reappraisal, every
 0042 parcel of real property shall be actually viewed and inspected by
 0043 the county or district appraiser once every four years. The direc-
 0044 tor shall require the initiation of such program of statewide
 0045 reappraisal immediately after the effective date of this act. Com-

(a)

the plan approved under subsection (b) in accordance with

(b)(1) The director shall submit to the legislature on the first day of its regular session in 1984, the program of statewide reappraisal for its approval. If not disapproved by a concurrent resolution so providing within 45 days after its submission, the program shall be deemed approved. If such program is not approved, the director shall submit an amended program to the legislature within 10 days after the date of adoption of the resolution so disapproving. (2) Each county or district appraiser shall submit a plan for the reappraisal of property within the county or district pursuant to this act to the director of property valuation, not later than July 15, 1984. Such plan shall include the schedule for the employment of personnel, acquisition of data processing equipment and programs and the level of financing made available to pay the cost of such program. If the plan is approved by the director, the county or district appraiser shall proceed to implement the plan as submitted. If such plan is not approved by the director, the county may petition the state board of tax appeals for a review of the plan or may submit an amended plan to the director. If the state board of tax appeals approves the plan or the director approves the amended plan, the county or district appraiser shall proceed to implement the plan as submitted. If the director does not approve the amended plan, the county shall petition the board of tax appeals for a review of the plan and if the board approves such amended plan the county or district appraiser shall implement the plan as amended. If the state board does not approve the plan the board shall fix a time within which the county or district may submit an amended plan for approval. If no amended plan is submitted and approved within the time prescribed by the board, the board shall order the division of property valuation to conduct the reappraisal of property within the county or district. If the reappraisal is conducted by the division of property valuation, the director shall certify the amount of the cost incurred by the division in the conduct of the reappraisal to the state treasurer who shall withhold such amount from distributions of the county's share of moneys from the county and city revenue sharing fund and the local ad valorem tax reduction fund and credit the same to the general fund of the state. (c)

Attachment #2

Atch. 2

0046 pilation of data for the initial preparation or updating of inven-
 0047 tories for each parcel of real property and entry thereof into the
 0048 state computer system as provided for in section 2 of this act shall
 0049 be completed not later than January 1, 1987. Whenever the
 0050 director determines that reappraisal of all real property within a
 0051 county is complete, notification thereof shall be given to the
 0052 governor and to the state board of tax appeals.

1988

see insert page 1

0053 Valuations shall be established for each parcel of real property
 0054 at its fair market value in money in accordance with the provi-
 0055 sions of K.S.A. 1982 Supp. 79-503a.

not

0056 The valuations established for tangible property under the
 0057 program of statewide reappraisal shall be applied by every county
 0058 as a basis for the levy of taxes on January 1, 1987, but in no case
 0059 shall such valuations be utilized by any county for taxation
 0060 purposes prior to such date. The provisions of this act shall not be
 0061 construed to conflict with any other provisions of law relating to
 0062 the appraisal of tangible property for taxation purposes including
 0063 the equalization processes of the county and state board of tax
 0064 appeals.

any

until expressly authorized to do so by legislative enactment

(a)

0065 New Sec. 2. The secretary of revenue shall provide for the
 0066 development of a comprehensive computer program providing
 0067 for the processing of such data on tangible property located in
 0068 this state as deemed necessary for the effective and efficient
 0069 administration of the appraisal, assessment and equalization laws
 0070 of the state of Kansas, methods for updating said data on an
 0071 annual basis, and such other functions as determined necessary
 0072 for the efficient administration of the property tax laws of this
 0073 state, including but not limited to the preparation and publishing
 0074 of annual statistical reports and ratio studies. In the development
 0075 of such program, the secretary shall confer with county and
 0076 district appraisers and with other county officials involved in the
 0077 administration of the property tax laws of the state.

0078 New Sec. 3. The state shall assume a portion of the costs
 0079 incurred by any county in complying with the provisions of this
 0080 act. The portion of the cost to be paid to each such county by the
 0081 state shall be determined in accordance with a statewide payment
 0082 schedule adopted by the secretary of revenue. Such schedule

(b) There is hereby established an advisory committee to confer with and assist the secretary of revenue in the performance of the duties prescribed in subsection (a). Such committee shall be composed of 18 members to be appointed as follows: Three members shall be appointed by the Kansas association of counties, three members shall be appointed by the Kansas association of county commissioners, three members shall be appointed by the Kansas appraisers association and nine members shall be appointed by the secretary of revenue. The director of property valuation shall call the initial meeting of the committee at which time it shall elect from its membership a chairperson who shall call all other meetings necessary to accomplish the duties of the committee.

with

In addition thereto valuations shall be established for each parcel of land devoted to agricultural use upon the basis of the agricultural income or productivity attributable to the inherent capabilities of said land in its current usage under a degree of management reflecting median production levels in the manner hereinafter provided. A classification system for all land devoted to agricultural use shall be adopted by the director of property valuation using criteria established by the United States department of agriculture soil conservation service. Productivity of land devoted to agricultural use shall be determined for all land classes within each county or homogeneous region based on an average of the eight (8) calendar years immediately preceding the calendar year which immediately precedes the year of valuation, at a degree of management reflecting median production levels. The director of property valuation shall determine median production levels based on information available from state and federal crop and livestock reporting services, the soil conservation service, and any other sources of data that the director considers appropriate.

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

and rangeland rental rates and expenses shall be based on an average of the eight (8) calendar years immediately preceding the calendar year which immediately precedes the year of valuation. Net income for every land class within each county or homogeneous region shall be capitalized at a rate or rates prescribed by the legislature.

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

For the purpose of the foregoing provisions of this section the phrase "land devoted to agricultural use" shall mean and include land, regardless of whether it is located in the unincorporated area of the county or within the corporate limits of a city, which is devoted to the production of plants, animals or horticultural products, including but not limited to: forages; grains and feed crops; dairy animals and dairy products; poultry and poultry products; beef cattle, sheep, swine and horses; bees and apiary products; trees and forest products; fruits, nuts and berries; vegetables; nursery, floral, ornamental and greenhouse products. Land devoted to agricultural use shall not include those lands which are used for recreational purposes, suburban residential acreages, rural home sites or farm home sites and yard plots whose primary function is for residential or recreational purposes even though said properties may produce or maintain some of those plants or animals listed in the foregoing definition.

The term "expenses" shall mean those expenses typically incurred in producing the plants, animals and horticultural products described above including management fees, production costs, maintenance and depreciation of fences, irrigation wells, irrigation laterals and real estate taxes, but the term shall not include those expenses incurred in providing temporary or permanent buildings used in the production of said plants, animals and horticultural products.

0083 shall contain a specified amount according to class or subclass of
0084 property as specified in K.S.A. 1982 Supp. 79-1459 to be paid by
0085 the state to each county on a per parcel basis. Payments shall be
0086 made to counties as authorized under the provisions of this
0087 section in accordance with appropriation acts of the legislature.
0088 No county for which the state board of tax appeals has issued an
0089 order pursuant to section 4 shall be entitled to receive any
0090 payment from the state under the provisions of this section for the
0091 period of time such an order is in effect.

0092 The state division of property valuation may make assistance
0093 available to any county in the reappraisal of commercial and
0094 industrial property located in such county upon such county's
0095 request. Any county requesting such assistance shall make reim-
0096 bursement for the costs incurred by the state in providing the
0097 same. Counties are hereby authorized to contract with private
0098 appraisal firms to conduct the reappraisal of special characterized
0099 property within the county, subject to the approval of the director
0100 of property valuation.

0101 New Sec. 4. (a) Whenever the director of property valuation
0102 shall determine that any county appraiser has failed, neglected or
0103 refused to properly provide for the reappraisal of property or the
0104 updating of the appraisals on an annual basis in substantial
0105 compliance with the provisions of this act and the guidelines and
0106 timetables prescribed by the director pursuant to section 1, the
0107 director shall file with the state board of tax appeals a complaint
0108 stating the facts upon which the director has made the determi-
0109 nation of noncompliance. Upon receipt of any such complaint,
0110 the state board of tax appeals shall hold a summary proceeding on
0111 such complaint. Notice of the time and place fixed for such
0112 proceeding shall be mailed to the county appraiser and the board
0113 of county commissioners of the county involved and to the
0114 director of property valuation. If, as a result of such proceeding,
0115 the state board of tax appeals finds that the county appraiser is not
0116 in substantial compliance with the provisions of this act and the
0117 guidelines and timetables of the director of property valuation
0118 providing for the progress and conclusion of reappraisal of all
0119 real property in the county or the updating of the appraisals on an

See insert page 2

0120 annual basis, it shall order the suspension or termination of such
0121 appraiser in accordance with the procedure provided in K.S.A.
0122 19-431, insofar as the same is applicable, and the immediate
0123 assumption of the duties of such county appraiser's office by the
0124 personnel of the division of property valuation until such time as
0125 the director of property valuation determines that progress in the
0126 county under the program of reappraisal is sufficient to restore
0127 such duties to any certified Kansas appraiser appointed by the
0128 board of county commissioners. In addition, the board shall order
0129 the state treasurer to withhold all or a portion of the county's
0130 entitlement to moneys from either or both of the local ad valorem
0131 tax reduction fund and the city and county revenue sharing fund
0132 for the year following the year in which the order is issued. Upon
0133 service of any such order on the board of county commissioners,
0134 the offending appraiser shall be divested of all power as appraiser
0135 and shall immediately deliver to the director of property valua-
0136 tion, or the director's designee, all books, records and papers
0137 pertaining to the appraiser's office.

0138 (b) Any county for which the state division of property valu-
0139 ation is ordered by the state board of tax appeals to assume the
0140 responsibility and duties of the office of county appraiser shall
0141 reimburse the state for the actual costs incurred by the division of
0142 property valuation in the assumption and carrying out of such
0143 responsibility and duties.

0144 New Sec. 5. From and after January 1 of the year in which
0145 valuations for real property determined under the program of
0146 statewide reappraisal are implemented, each county shall main-
0147 tain in the office of the county clerk multiple copies of a listing of
0148 the assessed valuations of each parcel of real property located
0149 within the county. Such listing shall contain separate valuations
0150 for the land and for the buildings located thereon. Such listing
0151 shall be arranged alphabetically by city and street name and
0152 prepared in a manner that each parcel of real property is listed in
0153 progressive order by numerical street address for property located
0154 within the corporate limits of cities and so far as possible for
0155 property located outside of the corporate limits of cities within
0156 the county. Property for which no street addresses exist shall be

0157 listed separately from property with street addresses and arranged
0158 in alphabetical order by township and owner's name with infor-
0159 mation sufficient to disclose the location thereof. Such listings
0160 shall be open to public inspection during all normal working
0161 hours of the office of the county clerk.

0162 New Sec. 6. No county board of equalization shall issue an
0163 order applicable uniformly to all property in any class in any area
0164 or areas of the county, which order changes the assessment of
0165 such class of property in such area or areas, without the approval
0166 of the state board of tax appeals. Whenever any county board of
0167 equalization proposes to issue any such order, it shall make
0168 written application to the state board of tax appeals for a hearing
0169 on such matter. The state board of tax appeals shall set a time and
0170 place for a hearing thereon within five days of receipt of such
0171 application. The time set for hearing such matter shall in no event
0172 be more than 30 days following the date of receipt of such
0173 application. The state board of tax appeals shall notify the county
0174 board, the county or district appraiser and the director of property
0175 valuation, of the time and place set for hearing. The director of
0176 property valuation shall be made a party to such hearing. The
0177 state board of tax appeals shall make its determination upon such
0178 matter within 10 days of the conclusion of the hearing thereon
0179 and notify the county board and director of property valuation by
0180 mail of its determination within five days after the date such
0181 determination is made.

0182 Sec. 7. K.S.A. 79-1412a is hereby amended to read as follows:
0183 79-1412a. County appraisers and district appraisers shall perform
0184 the following duties:

0185 *First: (a)* Install and maintain such records and data relating
0186 to all property in the county, taxable and exempt, as may be
0187 required by the director of property valuation.

0188 *Second: (b)* Annually, as of January 1, supervise the listing
0189 and assessment of all real estate and personal property in the
0190 county subject to taxation except state-assessed property.

0191 *Third:* Notify each taxpayer on or before April first by mail
0192 directed to his or her last known address as to the assessed value
0193 placed on each parcel of his or her real property whenever the

Sec 64

Sec. 7. The board of county commissioners of each county is hereby authorized to levy a tax upon all taxable tangible property in the county in an amount necessary to pay all costs incurred in conducting programs of countywide reappraisal and complying with the provisions of this act. Such tax levies shall not be included in computing the aggregate tax levies of the county and are exempt from the limitations imposed under the provisions of K.S.A. 79-5001 to 79-5016, inclusive, and amendments thereto. The proceeds of such tax levies shall be credited to a special countywide reappraisal fund and shall be used only for the purposes of implementing the provisions of this act. Such countywide reappraisal fund shall not be subject to the provisions of K.S.A. 79-2925 to 79-2937, and amendments thereto, except that in making the budgets of such counties the amounts credited to, and the amount on hand in such special fund, the amount expended therefrom shall be shown thereon for the information of the taxpayers of the county.

0104 assessed value of any parcel has been changed from the assess-
0105 ment shown for the preceding year. Failure to receive such notice
0106 shall in nowise invalidate the assessment.

0107 *Fourth (c)* Attend meetings of the county board of equaliza-
0108 tion for the purpose of aiding such board in the proper discharge
0199 of its duties, making all records available to the county board of
0200 equalization.

0201 *Fifth (d)* Prepare the assessment roll and certify such rolls to
0202 the county clerk.

0203 *Sixth (e)* Supervise the township trustees, assistants, ap-
0204 praisers and other employees appointed by him or her the ap-
0205 praiser in the performance of their duties.

0206 *Seventh (f)* The county appraiser or district appraiser in set-
0207 ting values for various types of personal property, shall conform
0208 to the values for such property as shown in the personal property
0209 assessment guides devised and/or prescribed by the director of
0210 property valuation.

0211 *Eighth (g)* Carry on continuously throughout the year the
0212 process of appraising real property.

0213 *Ninth (h)* If the county appraiser or district appraiser deems it
0214 advisable, he or she such appraiser may appoint one or more
0215 advisory committees of not less than five (5) persons representa-
0216 tive of the various economic interests and geographic areas of the
0217 county to assist him or her in establishing unit land values, unit
0218 values for structures, productivity, classifications for agricultural
0219 lands, adjustments for location factors, and generally to advise on
0220 assessment procedures and methods.

0221 *Tenth (i)* Perform such other duties as may be required by
0222 law.

0223 Sec. 8. K.S.A. 1982 Supp. 79-1460 is hereby amended to read
0224 as follows: 79-1460. The county appraiser shall notify each tax-
0225 payer in the county annually on or before April 1 for real property
0226 and May 1 for personal property, by mail directed to the tax-
0227 payer's last known address, of any change in the classification or
0228 appraised valuation of the taxpayer's property. *For the purposes*
0229 *of this section, the term "taxpayer" shall be deemed to be the*
0230 *person in ownership of the property as indicated on the records of*

0231 the office of register of deeds. Such notice shall specify separately
0232 both the previous and current appraised and assessed values for
0233 the land and each of the buildings situated on such lands. In the
0234 year following the year in which valuations for tangible property
0235 established under the program of statewide reappraisal are ap-
0236 plied as a basis for the levy of taxes, and in each year thereafter,
0237 such notice shall include the most recent county sales ratio for the
0238 particular subclass of property to which the notice relates, except
0239 that no such ratio shall be disclosed on any such notices sent in
0240 any year when the total assessed valuation of the county is
0241 increased or decreased due to reappraisal of all of the property
0242 within the county. Such notice shall also contain a statement of
0243 the taxpayer's right to appeal. Failure to receive such notice shall
0244 in no way invalidate the classification or appraised valuation as
0245 changed.

0246 Sec. 9. K.S.A. 79-1602 is hereby amended to read as follows:
0247 79-1602. The county board thus constituted, or a majority of the
0248 members thereof, may on and after January 15 of each year, meet
0249 at any time that such board may deem necessary. All meetings of
0250 such board shall be held in a suitable place in the county
0251 courthouse. Such board shall on the first business day in April of
0252 each year meet for the purpose of inquiring into the valuation of
0253 real property and shall, on the fifteenth day in May 15 or the next
0254 following business day if such date shall fall on a day other than a
0255 regular business day, meet for the purpose of inquiring into the
0256 valuation of tangible personal property in the county, and shall
0257 review the assessment rolls of the county as to accuracy, comple-
0258 teness and uniformity of assessment, and shall make such
0259 changes in the assessment of property as shall be necessary in
0260 order to secure uniform and equal assessment of all property.

0261 In all cases where it shall become necessary to increase the
0262 assessment of specific tracts or individual items of real or per-
0263 sonal property, except where the assessment of a class or classes
0264 of property in any area or areas of the county is raised by a general
0265 order applicable to all property in such class or classes for the
0266 purpose of equalization, the county clerk shall, at least ten (10) 10
0267 days prior to hearing, mail or cause to be mailed a notice to the

0268 person to be affected thereby at ~~his or her~~ *such person's* post-of-
0269 fice address as shown by the assessment rolls, stating in sub-
0270 stance that it is proposed to increase the assessment of such
0271 specific tracts or individual items of ~~his or her~~ *such person's* real
0272 or personal property, and fixing the time and place when a
0273 hearing thereon will be had.

0274 The board shall hear and determine any appeal made by any
0275 taxpayer as to the assessment and valuation of any property in the
0276 county which may be made to the board by the owner of such
0277 property or ~~his or her~~ *such owner's* agent or attorney, and shall
0278 perform the duties ~~hereinbefore set out~~ *prescribed* in this section.
0279 The session of the board held for the purpose of considering the
0280 valuation of real property shall commence not later than the first
0281 business day in April and shall remain in session until the last
0282 business day in April, during which time the board may adjourn
0283 from time to time as may be necessary, and at the expiration of the
0284 last business day in April, the board shall adjourn until May ~~fifth~~
0285 *5*, when it shall again reconvene for the purpose of hearing
0286 appeals from persons who have been notified by the county clerk
0287 of pending changes in the valuation of their real property as
0288 provided above, but such adjourned session shall not continue for
0289 more than ~~ten (10)~~ *10* days, after which the board shall adjourn
0290 sine die, which adjournment must be taken on or before ~~the 15th~~
0291 ~~day of~~ *May 15*, or if such day shall fall on Sunday, then such final
0292 adjournment shall be taken on ~~the 16th day of~~ *May 16* and the
0293 board shall have no authority to be in session thereafter; and after
0294 such final adjournment the board shall not change the assessed
0295 valuation of the real property of any person or reduce the ag-
0296 gregate amount of the assessed valuation of the taxable real
0297 property of the county.

0298 The session of the board held for the purpose of considering
0299 the valuation of personal property shall commence not later than
0300 ~~the fifteenth day in~~ *May 15* or the next following business day if
0301 such date shall fall on a day other than a regular business day and
0302 shall remain in session until the last business day in May, during
0303 which time the board may adjourn from time to time as may be
0304 necessary, and at the expiration of the last business day in May,

0305 the board shall adjourn until June ~~fifth~~ 5, when it shall again
0306 reconvene for the purpose of hearing appeals from persons who
0307 have been notified by the county clerk of pending changes in the
0308 valuation of their personal property as provided above, but such
0309 adjourned session shall not continue for more than ~~ten~~ (10) 10
0310 days, after which the board shall adjourn sine die, which ad-
0311 journment must be taken on or before the ~~15th day~~ of June 15, or
0312 if such day shall fall on Sunday, then such final adjournment
0313 shall be taken on the ~~16th day~~ of June 16 and the board shall have
0314 no authority to be in session thereafter; and after such final
0315 adjournment the board shall not change the assessed valuation of
0316 the personal property of any person or reduce the aggregate
0317 amount of the assessed valuation of the taxable personal property
0318 of the county.

0319 *The board shall provide for sufficient evening and Saturday*
0320 *meetings during the sessions hereinbefore prescribed for the per-*
0321 *formance of its duties as shall be necessary to hear all parties*
0322 *making requests for such evening or Saturday meetings.*

0323 New Sec. 10. As used in sections 10 to 24, inclusive, "taxing
0324 subdivision" means every taxing district in the state of Kansas
0325 other than the state.

0326 New Sec. 11. In the year in which the valuations established
0327 under the program of statewide reappraisal are used as a basis for
0328 the levy of taxes and in each year thereafter, all existing statutory
0329 fund and aggregate levy limitations on taxing subdivisions are
0330 hereby suspended. Except as otherwise hereinafter provided, in
0331 such year and in each year thereafter, any taxing subdivision is
0332 authorized to levy taxes upon tangible property which in the
0333 aggregate produces an amount not in excess of the amount which
0334 was authorized to be levied by such taxing subdivision in the next
0335 preceding year, but no taxing subdivision shall certify to the
0336 county clerk of the county any tax levies upon tangible property,
0337 excluding taxes levied as special assessments and excluding
0338 levies specified in section 17, which in the aggregate will produce
0339 an amount in excess of the amount which was levied by such
0340 taxing subdivision in the next preceding year.

0341 New Sec. 12. Whenever any taxing subdivision shall certify

0342 aggregate tangible property tax levies in excess of that permitted
0343 under the provisions of sections 10 to 24, inclusive, the county
0344 clerk shall forthwith adjust the aggregate amount of such levies to
0345 the maximum levy authorized under the provisions of this act and
0346 notify the taxing subdivision certifying the same. It is the intent
0347 of this act to prescribe a limitation, with specified exceptions,
0348 upon the aggregate amount which may be levied upon tangible
0349 property by each of the several taxing subdivisions of the state
0350 and not to prescribe a limitation upon the amount produced by
0351 each of the several levies imposed by such taxing subdivisions for
0352 their various tax supported funds. It shall be the duty of the
0353 governing body of each taxing subdivision to adjust legally au-
0354 thorized levies for separate funds or functions of the taxing
0355 subdivision within the aggregate limitation imposed under the
0356 provisions of sections 10 to 24, inclusive, of this act.

0357 Whenever a county clerk shall disagree with the governing
0358 body of a taxing subdivision concerning the maximum amount of
0359 the aggregate tangible property tax levies permitted under sec-
0360 tions 10 to 24, inclusive, of this act for such taxing subdivision,
0361 the disagreement may be submitted to the state board of tax
0362 appeals by any such county clerk or by the governing body of
0363 such taxing subdivision, and the disagreement shall thereupon be
0364 promptly and conclusively determined by the state board of tax
0365 appeals.

0366 New Sec. 13. Whenever the taxable assessed tangible valua-
0367 tion of any taxing subdivision is increased by new improvements
0368 on real estate and by added personal property in the year in which
0369 valuations established under the program of statewide reap-
0370 praisal are used as a basis for the levy of taxes or in any year
0371 thereafter, the amount which would be produced by the aggregate
0372 tax levy limitation of such taxing subdivision computed in ac-
0373 cordance with section 11 shall be divided by the taxable assessed
0374 tangible valuation of such taxing subdivision in the current year,
0375 omitting the assessed valuation of such new improvements and
0376 added personal property, to derive a levy rate. The levy rate so
0377 computed shall then be applied to the assessed valuation of such
0378 new improvements and added personal property, and such taxing

0379 subdivision may then levy the amount permitted under section 11
0380 and in addition thereto the amount produced by the levy on such
0381 new improvements and added personal property as provided in
0382 this section.

0383 New Sec. 14. In the event that any territory is added to an
0384 existing taxing subdivision, the amount which would be pro-
0385 duced by the aggregate tax levy otherwise authorized under
0386 sections 11 and 13 shall be adjusted to increase the amount
0387 authorized in the proportion that the assessed valuation of the
0388 tangible taxable property in the territory added bears to the total
0389 taxable assessed tangible valuation of the taxing subdivision,
0390 excluding the property in such added territory.

0391 New Sec. 15. In the event that any taxable tangible property
0392 is excluded from the boundaries of any taxing subdivision, the
0393 amount which would be produced by the aggregate tax levy
0394 authorized under the provisions of sections 11 and 13 shall be
0395 adjusted to decrease the amount authorized in the proportion that
0396 the assessed valuation of the tangible property excluded bears to
0397 the total taxable assessed valuation of the taxing subdivision,
0398 including such excluded property.

0399 New Sec. 16. (a) Whenever the authority and responsibility
0400 for the performance of any function or for providing any service,
0401 for which a tax levy is specifically authorized and provided by
0402 law, is transferred to any taxing subdivision, the aggregate limi-
0403 tation imposed under the provisions of sections 10 to 24, inclu-
0404 sive, upon the tax levies of the taxing subdivisions to which such
0405 authority or responsibility is transferred shall be increased by an
0406 amount equal to that levied for such purpose, by the political or
0407 taxing subdivision from which such authority or responsibility
0408 was transferred, in the year next preceding the year in which such
0409 transfer shall become effective and the aggregate limitation upon
0410 the tax levies of any taxing subdivision from which such author-
0411 ity or responsibility is transferred shall be reduced by such
0412 amount.

0413 (b) Whenever the authority and responsibility for the per-
0414 formance of any function or the providing of any service, for
0415 which a tax levy, subject to the aggregate limitation prescribed by

0416 sections 10 to 24, inclusive, is specifically authorized and pro-
0417 vided by law, is transferred from any taxing subdivision to the
0418 state of Kansas, the aggregate limitation imposed under the pro-
0419 visions of this act upon the tax levies of the taxing subdivision
0420 from which such authority and responsibility is transferred shall
0421 be reduced by an amount equal to that levied for such purpose by
0422 the taxing subdivision in the year next preceding the year in
0423 which such transfer shall become effective.

0424 New Sec. 17. The provisions of sections 10 to 24, inclusive,
0425 shall not apply to or limit the levy of taxes for the payment of:

0426 (a) Principal and interest upon bonds and temporary notes;

0427 (b) no-fund warrants authorized by the state board of tax
0428 appeals subject to the conditions and requirements of K.S.A.

0429 79-2938, 79-2941 and 79-2951 and K.S.A. 1982 Supp. 79-2939 and
0430 where such board in addition specifically has found that an

0431 extreme emergency exists;

0432 (c) judgments rendered against taxing subdivisions;

0433 (d) expenses for legal counsel and defense of legal actions
0434 against officers or employees of taxing subdivisions or premiums

0435 on insurance providing such protection as authorized by article
0436 61 of chapter 75 of the Kansas Statutes Annotated and amend-
0437 ments thereto;

0438 (e) employer contributions for social security, workmen's
0439 compensation, unemployment insurance and employee retire-
0440 ment and pension programs; or

0441 (f) added expenditures which are specifically mandated or
0442 required by state or federal law and which are initially incurred
0443 by the taxing subdivision after the effective date of this act, less
0444 any expenditures which were specifically mandated or required
0445 by state or federal law prior to the effective date of this act and are
0446 no longer mandated or required.

0447 Amounts produced from any levy specified in this section shall
0448 not be used in computing any aggregate limitation under the
0449 provisions of this act.

0450 New Sec. 18. The limitation imposed by this act upon the
0451 amount produced by the aggregate levy of taxes upon tangible
0452 property by any taxing subdivision may be suspended for any one

0453 year or for a specified number of years, and levies may be made
0454 for such year or years which will produce an amount in excess of
0455 that prescribed by sections 10 to 24, inclusive, whenever a ma-
0456 jority of the electors of such taxing subdivision voting on a
0457 proposition to suspend such limitation at an election provided for
0458 herein shall vote in favor thereof. Any individual levy or levies
0459 for a particular purpose or purposes may be exempted from the
0460 limitation imposed by sections 10 to 24, inclusive, for any one
0461 year or a specified number of years whenever a majority of the
0462 electors of such taxing subdivision voting on a proposition to
0463 exempt such levy or levies from such limitation at an election
0464 provided for herein shall vote in favor thereof. On motion of the
0465 governing body of such taxing subdivision, any such proposition
0466 may be submitted at either a special election to be held on the
0467 first Tuesday in June, at any general election held in April or
0468 November or at any primary election, and any such proposition
0469 shall be submitted at any such election whenever a petition
0470 requesting the same, signed by electors of such subdivision equal
0471 in number to not less than 5% of the qualified electors of such
0472 taxing subdivision, shall be filed in the office of the county
0473 election officer at least 60 days prior to the date of such election.

0474 New Sec. 19. When it is apparent to the governing body of
0475 any taxing subdivision that the maximum aggregate tax levy
0476 permitted under the provisions of sections 10 to 24, inclusive, is
0477 insufficient to finance the necessary operations of such subdivi-
0478 sion, such governing body may make application to the state
0479 board of tax appeals for authority to levy taxes in excess of the
0480 aggregate amount permitted under the provisions of sections 10
0481 to 24. The application shall contain a detailed statement showing
0482 why the expenditures of such taxing subdivisions cannot be
0483 financed within the limitations prescribed by sections 10 to 24,
0484 inclusive, shall state the exact increase requested, and the period
0485 of time for which such increase is requested.

0486 If the state board of tax appeals shall find and determine that
0487 the evidence submitted in support of the application shows an
0488 extreme emergency need for the increase requested and that the
0489 cost of an election to approve the increase would be dispropor-

0490 tionate to the amount of the increase sought, such board is hereby
0491 empowered to authorize such taxing subdivision to levy taxes in
0492 excess of the aggregate amount permitted under the provisions of
0493 sections 10 to 24, inclusive. The term "extreme emergency need"
0494 shall include, but not be limited to, amounts required to comply
0495 with state or federal requirements in such areas as sewage treat-
0496 ment and solid waste disposal and to provide police protection,
0497 fire protection, ambulance service, or similar services essential to
0498 the public health and safety. The order of the board of tax appeals
0499 shall state the exact amount of the increase authorized and that
0500 the authorization is for a period of time, the length of which shall
0501 be specified. Any increase in tax levy authority granted by the
0502 board of tax appeals shall be added to the aggregate limitations
0503 computed under sections 10 to 24, inclusive, for the period of
0504 time specified by the board.

0505 The county election officer shall cause a notice of any order of
0506 the board of tax appeals issued after the effective date of this act
0507 to be published once each week for three consecutive weeks in
0508 the official newspaper of the taxing subdivision, or if none, in a
0509 newspaper of general circulation in such subdivision. If within
0510 30 days next following the date of the last publication of such
0511 notice a petition signed by not less than 10% of the qualified
0512 electors of the taxing subdivision requesting an election upon the
0513 proposition to levy such increased taxes is filed in the office of
0514 the county election officer, no such increased levy shall be made
0515 without first receiving the approval of a majority of the electors of
0516 such taxing subdivision voting at an election called and held
0517 thereon.

0518 New Sec. 20. The state board of tax appeals shall not autho-
0519 rize the issuance of no-fund warrants by any taxing subdivision
0520 of the state under the provisions of K.S.A. 79-2938, 79-2941 or
0521 79-2951 and K.S.A. 1982 Supp. 79-2939, except upon the basis of
0522 a finding of extreme emergency need.

0523 New Sec. 21. Whenever any taxing subdivision of this state
0524 shall be required by law to levy taxes for the financing of the
0525 budget of any political or governmental subdivision of this state
0526 which is not authorized by law to levy taxes on its own behalf,

0527 and the governing body of such taxing subdivision is not autho-
0528 rized or empowered to modify or reduce the amount of taxes
0529 levied therefor, the tax levies of such political or governmental
0530 subdivision shall not be included in or considered in computing
0531 the aggregate limitations upon the property tax levies of the
0532 taxing subdivisions levying taxes for such political or govern-
0533 mental subdivision.

0534 New Sec. 22. The state board of tax appeals may upon com-
0535 plaint filed within 30 days after the public hearing held pursuant
0536 to K.S.A. 1982 Supp. 79-2929 by any taxpayer inquire into the
0537 levy of taxes by any taxing subdivision for the purpose of deter-
0538 mining if such taxing subdivision is operating in compliance
0539 with the limitations and provisions of sections 10 to 24, inclusive.
0540 If upon preliminary inquiry it shall appear that such subdivision
0541 is failing to comply with the requirements of sections 10 to 24,
0542 inclusive, the board of tax appeals shall fix a time and place for a
0543 hearing upon such matter and shall notify the governing body of
0544 the taxing subdivision thereof. If upon the basis of such hearing
0545 the state board of tax appeals shall determine that such taxing
0546 subdivision is operating in violation of the limitations and pro-
0547 visions of sections 10 to 24, inclusive, such board may order the
0548 adjustment of any tax levies to be adjusted in such manner as to
0549 comply with the requirements of this act.

0550 New Sec. 23. Any election held under the provisions of sec-
0551 tions 10 to 24, inclusive, shall be called and held in accordance
0552 with the provisions of K.S.A. 10-120.

0553 New Sec. 24. The provisions of sections 10 to 23, inclusive,
0554 shall not be applicable to the general fund levies of unified
0555 school districts.

0556 New Sec. 25. (a) The governing body of any city, in the year
0557 next following the year in which the valuations established under
0558 the program of statewide reappraisal are used as a basis for the
0559 levy of taxes or in any year thereafter, may elect, in the manner
0560 prescribed by and subject to the limitations of section 5 of article
0561 12 of the Kansas Constitution, to exempt such city from the
0562 provisions of sections 10 to 22, inclusive.

0563 (b) The governing body of any county, in the year next fol-

0564 lowing the year in which the valuations established under the
0565 program of statewide reappraisal are used as a basis for the levy of
0566 taxes or in any year thereafter, may elect, in the manner pre-
0567 scribed by and subject to the limitations of K.S.A. 19-101b, and
0568 amendments thereto, to exempt such county from the provisions
0569 of sections 10 to 22, inclusive.

0570 (c) The governing body of any other taxing subdivision sub-
0571 ject to the provisions of sections 10 to 22, inclusive, in the year
0572 next following the year in which the valuations established under
0573 the program of statewide reappraisal are used as a basis for the
0574 levy of taxes or in any year thereafter, may elect, in the manner
0575 prescribed by and subject to the limitations of K.S.A. 19-101b,
0576 and amendments thereto, insofar as such section may be made
0577 applicable, to exempt such subdivision from the provisions of
0578 sections 10 to 22, inclusive.

0579 New Sec. 26. Upon implementation for purposes of levying
0580 taxes of valuations for real property derived under the program of
0581 statewide reappraisal, all existing statutory debt limitations com-
0582 puted on the basis of a percentage of assessed valuation are
0583 hereby suspended. In such year of implementation and in all
0584 years thereafter any indebtedness of a taxing district governed by
0585 such statutory limitations shall be limited to a percentage of
0586 assessed valuation which percentage is determined by dividing
0587 the amount of indebtedness authorized for such taxing district in
0588 the year before implementation of such valuations by the as-
0589 sessed valuation in the year of implementation.

0590 New Sec. 27. The secretary of revenue shall adopt rules and
0591 regulations providing for the administration of this act. The
0592 director of property valuation shall prescribe and furnish forms to
0593 the county appraisers necessary to their duties hereunder.

0594 New Sec. 28. If any sentence, clause, subsection, or section
0595 of this act is held unconstitutional or invalid by any court of
0596 competent jurisdiction it shall be conclusively presumed that the
0597 legislature would have enacted the remainder of the act not so
0598 held unconstitutional or invalid.

0599 Sec. 29. K.S.A. 79-1412a, 79-1437b, 79-1440 and 79-1602 and
0600 K.S.A. 1982 Supp. 79-1452 to 79-1454, inclusive, and 79-1460 are

subject to review and approval of the reappraisal review board

0601 hereby repealed.

0602 Sec. 30. This act shall take effect and be in force from and

0603 after its publication in the statute book.

New Sec. 4. (a) On or before January 5 of each year the county or district appraiser shall submit to the director of property valuation a progress report indicating actions taken during the preceding year for the purpose of implementing the plan submitted pursuant to section 1 of this act. If any county or district appraiser fails to submit such report or the director determines that the appraisal is not progressing according to the plan approved, the director shall petition the state board of tax appeals for a determination thereof and the state board may take action to insure implementation of the plan in the same manner as that authorized for requiring the adoption of the plan or reappraisal under the provisions of section 1.

(b) On or before January 15 of each year following the utilization of valuations established under the program of statewide reappraisal as a basis for the levy of taxes, the state board of tax appeals shall review the program of appraisal of property in each county or district to determine if property within the county or district is being appraised or valued in accordance with the requirements of this act. If the board determines that the property in any county or district is not being appraised in accordance with the requirements of this act, such board shall, within 10 days, direct the director of property valuation to notify the county or district appraiser and the board of county commissioners of any county or counties affected that the county has 60 days within which to submit to the director a plan for bringing the appraisal of property within the county into compliance or the director will petition the board of tax appeals for authority for the division of property valuation to assume control of such appraisal program and bring it into compliance. If a plan is submitted and approved by the director the county or district shall proceed to implement the plan as submitted. The director shall continue to monitor the program to insure that the plan is implemented as submitted. If no plan is submitted or if the director does not approve the plan, the director shall petition the state board of tax appeals for a review of the plan or if no plan is submitted for authority for the division of property valuation to assume control of the appraisal program of the county and to proceed to bring the same into compliance with the requirements of this act. If the board of tax appeals approves the plan, the county or district shall proceed to implement the plan as submitted. If no plan has been submitted or the plan submitted is not approved, the board shall fix a time within which the county may submit a plan or an amended plan for approval. If no plan is submitted and approved within the time prescribed by the board, the board shall order the division of property valuation to assume control of the appraisal program of the county and to bring the same into compliance with the provisions of this act. If the division assumes control of the appraisal program of any county, the director of property valuation shall certify the amount of the cost incurred by the division in bringing the program into compliance to the state treasurer who shall withhold such amount from distributions of the county's share of moneys from the county and city revenue sharing fund and the local ad valorem tax reduction fund and credit the same to the general fund of the state.

Atch. 3