

Approved On: \_\_\_\_\_

Minutes of the House Committee on Assessment and Taxation. The meeting was called to order by E. C. Rolfs, Chairman, at 9:00 a.m. on March 19, 1985 in room 519 South at the Capitol of the State of Kansas.

The following members were absent (excused):

Representatives Erne and Lowther

Committee staff present:

Tom Severn, Legislative Research  
Melinda Hanson, Legislative Research  
Don Hayward, Reviser of Statutes  
Millie Foose, Committee Secretary

Bev Bradley, Kansas Association of Counties, testified in support of SB-94, an act relating to property taxation; concerning the valuation of property. (Attachment 1)

Mr. John Magnuson, McPherson County Commissioner, also spoke as a proponent for SB-94.

Mr. Bill Curtis, Assistant Executive Director Kansas Association of School Boards. appeared on behalf of the 300 member boards and said that SB-94 was introduced at their request. (Attachment 2)

Mr. Vic Miller said that he has no objection to the bill, but that it will not prevent the problem that was in the McPherson case. He also stated that it was his intent to meet with affected groups before promulgating new guides.

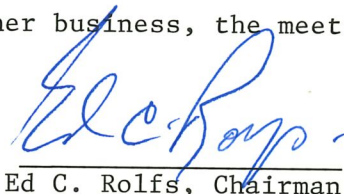
Mr. Bill Edds testified in support of SB-95, an act amending the Kansas withholding and estimated tax act, and SB-96, an act relating to income taxation, which he said had been requested by the Department of Revenue. (Attachments 3 and 4) After considerable discussion, the public hearing on these two bills was concluded.

Representative Spaniol moved, second by Representative Jarchow, that the House Concurrent Resolution relating to the taxation of property be introduced, as requested by the chairman. The motion carried. (Attachment 5)

Dr. Severn explained SB-164, an act relating to the taxation of tangible property; mandating a program of statewide reappraisal of real property. (Attachment 6) Mr. Vic Miller explained classification and use value and current use value of agricultural land based on speculation.

The minutes of March 18 were reviewed. There being no change, they were approved as presented.

There being no further business, the meeting was adjourned.

  
Ed C. Rolfs, Chairman

# Kansas Association of Counties

*Serving Kansas Counties*

Suite D, 112 West Seventh Street, Topeka, Kansas 66603

Phone 913 233-2271

Chairman Rolfs

Members of the House Assessment and Taxation Committee:

I am Bev Bradley from the Kansas Association of Counties and I appear today in support of Senate Bill 94.

The Platform of the Kansas Association of Counties, as adopted on the floor of the annual meeting, Nov. 13, 1985, addresses this issue as follows:

2. PROPERTY TAXATION - We request that K.S.A. 79-1412a be amended by the addition of the following:

(b) The director of property valuation shall give notice to county and district appraisers and county boards of equalization of any proposed changes in the guides, schedules or methodology for use in valuing property prescribed to the county and district appraisers for use in setting values for property within the county or district. Changes and modifications in guides, schedules or methodology for use in valuing property which are prescribed by the director of property valuation and certified to county and district appraisers on or after August 26 in any year shall not be utilized in establishing the value, for the current tax year, of any property, the value of which has previously been established for such year unless the county board of equalization shall determine and certify to the county or district appraiser findings that such changes or modifications are in the best interests of the county and taxing subdivisions located therein and will not disrupt the orderly and timely execution of budgetary and taxing procedures prescribed by law for such year.

Thank you very much for the opportunity to appear today.

KANSAS  
ASSOCIATION



OF  
SCHOOL  
BOARDS

5401 S. W. 7th Avenue Topeka, Kansas 66606  
913-273-3600

TESTIMONY ON S.B. 94

by

Bill Curtis, Assistant Executive Director  
Kansas Association of School Boards

March 19, 1985

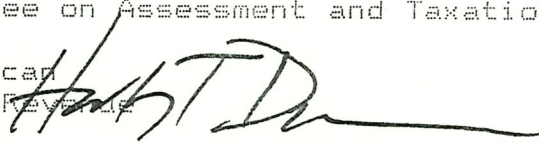
Mr. Chairman and members of the committee, we appreciate the opportunity to appear today on behalf of the 300 member boards of the Kansas Association of School Boards. S.B. 94 was introduced by the Senate Assessment and Taxation Committee at our request. Quite simply, S.B. 94 would prohibit any change in the valuation of a school district after July 1st, in any year.

This bill was introduced at the request of our members because of a situation which happened two years ago in USD #418, McPherson. Late in 1983, the valuation of an oil refinery in the McPherson school district was drastically lowered. The change in that valuation would have resulted in the loss of several hundred thousand dollars to the school district in property tax revenue. The only recourse for the school district to meet budgeted expenditures was to issue no fund warrants. However, thanks to the efforts of the county commissioners, that situation did not develop. But, the Kansas Association of School Boards urges your favorable action on S.B. 94 to insure that such a situation does not develop again.

Thank you for allowing us the time to present our concerns.

MEMORANDUM

TO: The Honorable Ed C. Rolfs, Chairman  
House Committee on Assessment and Taxation

FROM: Harley T. Duncan   
Secretary of Revenue

RE: Senate Bill 95

DATE: March 18, 1985

Thank you for the opportunity to appear before you on Senate Bill 95. This legislation was requested by the Department of Revenue, and we support its enactment.

Under current law (K.S.A. 79-3298), each employer is required to file an annual withholding return (KW-30) by January 31 each year. This return reconciles the withholding tax remittances submitted throughout the year with the actual withholding liability computed by the employer. The purpose of the report is to identify where underpayment of withholding tax may have occurred.

Current law (K.S.A. 79- ) also requires employers to submit by the last day of February each year an annual information report (KW-3). This report is actually a summary document providing information on the W-2's issued by the employer and the state withholding reported on those W-2's. The information in this report is the same as in the annual withholding return required under K.S.A. 79-3298.

Senate Bill 95 would change the submission date for the annual withholding return required under K.S.A. 79-3298 from January 31 to the last day of February each year. This would enable the Department to consolidate these forms and reduce paperwork for employers, and to some extent, for the Department.

I would be glad to answer any questions.

4

MEMORANDUM

TO: The Honorable Ed C. Rolfs, Chairman  
House Committee on Assessment and Taxation

FROM: Harley T. Duncan  
Secretary of Revenue *HTD*

RE: Senate Bill 96

DATE: March 18, 1985

Thank you for the opportunity to appear before you on Senate Bill 96. This legislation was requested by the Department of Revenue, and we support its enactment.

Senate Bill 96 amends current law with respect to the date from which interest due a taxpayer claiming a net operating loss (NOL) carryback and refund is computed. Under current practice, interest on an NOL is computed from the first day following the loss year, regardless of when the return claiming the loss and refund is submitted. Under Senate Bill 96, interest on such refunds would not begin to accrue until the return claiming the loss carryback and refund is filed.

For example, consider a taxpayer with a loss in the tax year ending on December 31, 1984 who carries that loss back to eliminate the liability paid in 1983. The 1984 return could be filed by April 15, 1985, or by October 15, 1985 with an automatic extension, or later with another extension. Under current law, the Department would pay interest at the rate of 12 percent annually from January 1, 1985. Under Senate Bill 96, the Department would pay interest only from the date the return is filed.

The Department feels this is an equitable position in that under current law, a taxpayer could decide not to file the loss carryback return for a period of time, preferring instead to allow the interest owed to accumulate. With the requested change, interest would not begin to accumulate until the Department had a return to work, and the date on which the return would be worked and closed would be under its control.

Passage of Senate Bill 96 will have a positive impact on FY 1986 State General Fund revenues; however, the actual fiscal impact will depend on the volume of loss carryback returns filed. In FY 1984, the Department paid about \$2.0 million in interest on net operating loss carryback refunds. Based on a sample of these carrybacks, approximately 60 percent of this interest, or \$1.2 million, would not have been paid under the provisions of this bill.

## HOUSE CONCURRENT RESOLUTION NO. \_\_\_\_\_

By Committee on Assessment and Taxation

A PROPOSITION to amend section 1 of article 11 of the constitution of the state of Kansas, relating to the taxation of property.

Be it resolved by the Legislature of the State of Kansas, two-thirds of the members elected (or appointed) and qualified to the House of Representatives and two-thirds of the members elected (or appointed) and qualified to the Senate concurring therein:

Section 1. The following proposition to amend the constitution of the state of Kansas shall be submitted to the qualified electors of the state for their approval or rejection: Section 1 of article 11 of the constitution of the state of Kansas is amended to read as follows:

"§ 1. (a) System of taxation; classification; exemption. The provisions of this subsection (a) shall govern the assessment and taxation of property until the provisions of subsection (b) of this section are implemented and become effective, whereupon subsection (a) shall expire. The legislature shall provide for a uniform and equal rate of assessment and taxation, except that the legislature may provide for the classification and the taxation uniformly as to class of motor vehicles, mineral products, money, mortgages, notes and other evidence of debt or may exempt any of such classes of property from property taxation and impose taxes upon another basis in lieu thereof. All property used exclusively for state, county, municipal, literary, educational, scientific, religious, benevolent and charitable purposes, and all household goods and personal effects not used for the production of income, shall be exempted from property taxation.

"(b) System of taxation; classification; exemption.

(1) The provisions of this subsection (b) shall govern the assessment and taxation of property on and after January 1, 1989, and each year thereafter. Except as otherwise hereinafter specifically provided, the legislature shall provide for a uniform and equal basis of valuation and rate of taxation of all property subject to taxation. The provisions of this subsection (b) shall not be applicable to the taxation of motor vehicles, except as otherwise hereinafter specifically provided, mineral products, money, mortgages, notes and other evidence of debt and grain. Property shall be classified into the following classes for the purpose of assessment and assessed at the percentage of value prescribed therefor:

"Class 1 shall consist of real property. Real property shall be further classified into three subclasses. Such property shall be defined by law for the purpose of subclassification and assessed uniformly as to subclass at the following percentages of value:

- (A) Real property used for residential purposes including multi-family residential real property.....12%
- (B) Land devoted to agricultural use which shall be valued upon the basis of its agricultural income or agricultural productivity pursuant to section 12 of article 11 of the constitution.....30%
- (C) All other urban and rural real property not otherwise specifically subclassified.....30%

"Class 2 shall consist of tangible personal property. Such tangible personal property shall be further classified into four subclasses, shall be defined by law for the purpose of subclassification and assessed uniformly as to subclass at the following

percentages of value:

- (A) Mobile homes used for residential purposes.....12%
- (B) Mineral leasehold interests.....30%
- (C) Public utility tangible personal property.....30%
- (D) All categories of motor vehicles not defined and specifically valued and taxed pursuant to law enacted prior to January 1, 1985.....30%

"(2) All tangible personal property except motor vehicles and personal property included in Class 2 shall be exempted from property taxation.

"(3) All property used exclusively for state, county, municipal, literary, educational, scientific, religious, benevolent and charitable purposes, shall be exempted from property taxation.

Sec. 2. The following statement shall be printed on the ballot with the amendment as a whole:

"Explanatory statement. On and after January 1, 1989, real and personal property will automatically be divided into classes and subclasses and assessed at different percentages of value fixed in the constitution. Also, the amendment provides for the exemption of all tangible personal property not classified or otherwise taxed pursuant to law.

"A vote for the proposition would provide that all residential property and vacant lots would be assessed at 12% of its fair market value while all other taxable property would be assessed at 30% of its fair market value, except that land devoted to agricultural use would be assessed at 30% of its use value. Also, certain categories of personal property would be exempted from property taxation.



"A vote against the proposition would continue the present requirement that, except for motor vehicles, mineral products and intangible property, all property must be taxed and assessed at a uniform and equal rate."

Sec. 3. This resolution, if approved by two-thirds of the members elected (or appointed) and qualified to the house of representatives and two-thirds of the members elected (or appointed) and qualified to the senate, shall be entered on the journals, together with the yeas and nays. The secretary of state shall cause this resolution to be published as provided by law and shall cause the proposed amendment to be submitted to the electors of the state at the general election in the year 1986 unless a special election is called at a sooner date by concurrent resolution of the legislature, in which case it shall be submitted to the electors of the state at the special election.

[As Amended by Senate Committee of the Whole]

As Amended by Senate Committee

SESSION OF 1985

Session of 1985

**SENATE BILL No. 164**

By Committee on Assessment and Taxation

2-6

0021 AN ACT relating to the taxation of tangible property; mandating  
0022 a program of statewide reappraisal of real property; providing  
0023 for the administration of such program and duties of certain  
0024 state and county officers; prescribing limitations upon the  
0025 levy of taxes upon tangible property by taxing districts after  
0026 implementation of valuations determined under such reap-  
0027 praisal program and providing for exemptions therefrom;  
0028 amending K.S.A. 79-1412a, 79-1460 and 79-1602 and repealing  
0029 the existing sections; also repealing K.S.A. 79-1437b, 79-1440  
0030 and 79-1452 to 79-1454, inclusive.

0031 *Be it enacted by the Legislature of the State of Kansas:*

0032 New Section 1. The director of property valuation is hereby  
0033 directed and empowered to administer and supervise a state-  
0034 wide program of reappraisal of all real property located within  
0035 the state. Except as otherwise authorized by K.S.A. 19-428, and  
0036 amendments thereto, each county shall comprise a separate  
0037 appraisal district under such program, and the county appraiser  
0038 shall have the duty of reappraising all of the real property in the  
0039 county pursuant to guidelines and timetables prescribed by the  
0040 director of property valuation and of updating the same on an  
0041 annual basis. In the case of multi-county appraisal districts, the  
0042 district appraiser shall have the duty of reappraising all of the  
0043 real property in each of the counties comprising the district  
0044 pursuant to such guidelines and timetables and of updating the  
0045 same on an annual basis. Following completion of the statewide  
0046 program of reappraisal, every parcel of real property shall be  
0047 actually viewed and inspected by the county or district appraiser  
0048 once every four years. The director shall require the initiation of

**SUPPLEMENTAL NOTE ON SENATE BILL NO. 164**

As Amended by Senate Committee  
of the Whole

Brief of Bill\*

S.B. 164, as amended, would require that a statewide gathering of reappraised values of property for tax purposes be conducted over a 3 1/2 year period and that the reappraisal be completed not later than January 1, 1989. The bill would also impose a uniform tax lid from which taxing subdivisions could exempt themselves after the first year of its imposition. A section-by-section analysis of the bill follows.

Section 1 would require that the Director of Property Valuation initiate, administer and supervise a statewide program of gathering of reappraised values of all real property in the state, which is to be completed by January 1, 1989. The duty of reappraising real property would rest with the county or district appraisers within their respective jurisdictions and that duty would be accomplished in accordance with guidelines and timetables prescribed by the Director. The reappraised values would be updated annually, and the appraiser would be required to actually view and inspect each parcel of real property once every four years following reappraisal. The valuation for each parcel of real estate would be established at its fair market value in money in accordance with K.S.A. 79-503a.

Values for land devoted to agricultural use also would be established on the basis of agricultural productivity (use-value). The capitalization rate would be a five-year moving average of the federal land bank rate, plus from .75 to 2.75 percent. Finally, the section would prohibit the reappraised values from being applied as the basis for the levy of taxes until the reappraisal has been completed (January 1, 1989) and until authorized by legislative enactment.

Atch. 6  
3/19/85

0049 such program of statewide reappraisal immediately after the  
0050 effective date of this act.

0051     Compilation of data for the initial preparation or updating of  
0052 inventories for each parcel of real property and entry thereof into  
0053 the state computer system as provided for in section 2 of this act  
0054 shall be completed not later than January 1, 1989. Whenever the  
0055 director determines that reappraisal of all real property within a  
0056 county is complete, notification thereof shall be given to the  
0057 governor and to the state board of tax appeals.

0058     Valuations shall be established for each parcel of real property  
0059 at its fair market value in money in accordance with the provi-  
0060 sions of K.S.A. 79-503a, and amendments thereto.

0061     In addition thereto valuations shall be established for each  
0062 parcel of land devoted to agricultural use upon the basis of the  
0063 agricultural income or productivity attributable to the inherent  
0064 capabilities of such land in its current usage under a degree of  
0065 management reflecting median production levels in the manner  
0066 hereinafter provided. A classification system for all land devoted  
0067 to agricultural use shall be adopted by the director of property  
0068 valuation using criteria established by the United States depart-  
0069 ment of agriculture soil conservation service. Productivity of  
0070 land devoted to agricultural use shall be determined for all land  
0071 classes within each county or homogeneous region based on an  
0072 average of the eight calendar years immediately preceding the  
0073 calendar year which immediately precedes the year of valuation,  
0074 at a degree of management reflecting median production levels.  
0075 The director of property valuation shall determine median pro-  
0076 duction levels based on information available from state and  
0077 federal crop and livestock reporting services, the soil conserva-  
0078 tion service, and any other sources of data that the director  
0079 considers appropriate.

0080     The share of net income from land in the various land classes  
0081 within each county or homogeneous region which is normally  
0082 received by the landlord shall be used as the basis for determin-  
0083 ing agricultural income for all land devoted to agricultural use  
0084 except pasture or rangeland. The net income normally received  
0085 by the landlord from such land shall be determined by deducting

0086 expenses normally incurred by the landlord from the share of the  
0087 gross income normally received by the landlord. The net rental  
0088 income normally received by the landlord from pasture or  
0089 rangeland within each county or homogeneous region shall be  
0090 used as the basis for determining agricultural income from such  
0091 land. The net rental income from pasture and rangeland which is  
0092 normally received by the landlord shall be determined by de-  
0093 ducting expenses normally incurred from the gross income nor-  
0094 mally received by the landlord. Commodity prices, *crop yields*  
0095 and pasture and rangeland rental rates and expenses shall be  
0096 based on an average of the eight calendar years immediately  
0097 preceding the calendar year which immediately precedes the  
0098 year of valuation. Net income for every land class within each  
0099 county or homogeneous region shall be capitalized at a rate of  
0100 rates prescribed by the legislature [*determined to be the sum of*  
0101 *the contract rate of interest on new federal land bank loans in*  
0102 *Kansas on July 1 of each year averaged over a five-year period*  
0103 *which includes the five years immediately preceding the calen-*  
0104 *dar year which immediately precedes the year of valuation, plus*  
0105 *a percentage not less than .75% nor more than 2.75%, as deter-*  
0106 *mined by the director of property valuation*].

0107 Based on the foregoing procedures the director of property  
0108 valuation shall make an annual determination of the value of  
0109 land within each of the various classes of land devoted to agri-  
0110 cultural use within each county or homogeneous region and  
0111 furnish the same to the several county appraisers who shall  
0112 classify such land according to its current usage and apply the  
0113 value applicable to such class of land according to the valuation  
0114 schedules prepared and adopted by the director of property  
0115 valuation under the provisions of this section.

0116 For the purpose of the foregoing provisions of this section the  
0117 phrase "land devoted to agricultural use" shall mean and include  
0118 land, regardless of whether it is located in the unincorporated  
0119 area of the county or within the corporate limits of a city, which is  
0120 devoted to the production of plants, animals or horticultural  
0121 products, including but not limited to: Forages; grains and feed  
0122 crops; dairy animals and dairy products; poultry and poultry

0123 products; beef cattle, sheep, swine and horses; bees and apiary  
0124 products; trees and forest products; fruits, nuts and berries;  
0125 vegetables; nursery, floral, ornamental and greenhouse products.  
0126 Land devoted to agricultural use shall not include those lands  
0127 which are used for recreational purposes, suburban residential  
0128 acreages, rural home sites or farm home sites and yard plots  
0129 whose primary function is for residential or recreational pur-  
0130 poses even though such properties may produce or maintain  
0131 some of those plants or animals listed in the foregoing definition.  
0132 The term “expenses” shall mean those expenses typically  
0133 incurred in producing the plants, animals and horticultural  
0134 products described above including management fees, produc-  
0135 tion costs, maintenance and depreciation of fences, irrigation  
0136 wells, irrigation laterals and real estate taxes, but the term shall  
0137 not include those expenses incurred in providing temporary or  
0138 permanent buildings used in the production of such plants,  
0139 animals and horticultural products.

0140 The valuations established for tangible property under the  
0141 program of statewide reappraisal shall not be applied by any  
0142 county as a basis for the levy of taxes until expressly authorized  
0143 to do so by legislative enactment. The provisions of this act shall  
0144 not be construed to conflict with any other provisions of law  
0145 relating to the appraisal of tangible property for taxation pur-  
0146 poses including the equalization processes of the county and  
0147 state board of tax appeals.

0148 New Sec. 2. (a) The secretary of revenue, *with the assistance*  
0149 *of the advisory committee established pursuant to subsection (b)*,  
0150 shall provide for the development of a ~~comprehensive computer~~  
0151 ~~program~~ *computer system* providing for the processing of such  
0152 data on tangible property located in this state as deemed neces-  
0153 sary for the effective and efficient administration of the appraisal,  
0154 assessment and equalization laws of the state of Kansas, methods  
0155 for updating such data on an annual basis, and such other  
0156 functions as determined necessary for the efficient administra-  
0157 tion of the property tax laws of this state, including but not  
0158 limited to the preparation and publishing of annual statistical  
0159 reports and ratio studies.

Section 2 would require the Secretary of Revenue to provide for a computer system for necessary data processing, including the publishing of statistical reports. The Secretary would establish an advisory committee which would be selected from nominees of the Kansas Association of Counties, the Kansas Association of County Commissioners, and the Kansas Appraisers Association.

0160 (b) There is hereby established an advisory committee to  
0161 confer with and assist the secretary of revenue in the perform-  
0162 ance of the duties prescribed in subsection (a). Such committee  
0163 shall be composed of 18 members to be appointed as follows:  
0164 Three members shall be appointed by the Kansas association of  
0165 counties, such members to have expertise in data processing,  
0166 three members shall be appointed by the Kansas association of  
0167 county commissioners, three members shall be appointed by the  
0168 Kansas appraisers association and nine members shall be ap-  
0169 pointed by the secretary of revenue. The director of property  
0170 valuation shall call the initial meeting of the committee at which  
0171 time it shall elect from its membership a chairperson who shall  
0172 call all other meetings necessary to accomplish the duties of the  
0173 committee.

0174 (b) *The secretary of revenue shall establish an advisory*  
0175 *committee, the chairperson of which shall be the director of*  
0176 *property valuation, to assist the secretary in the performance of*  
0177 *the duties prescribed in subsection (a). Members shall be selected*  
0178 *from nominees of the Kansas association of counties, the Kansas*  
0179 *association of county commissioners and the Kansas appraisers*  
0180 *association.*

0181 New Sec. 3. The state shall assume a portion of the costs  
0182 incurred by any county in complying with the provisions of this  
0183 act. The portion of the cost to be paid to each such county by the  
0184 state shall be determined in accordance with a statewide pay-  
0185 ment schedule adopted by the secretary of revenue. Such  
0186 schedule shall contain a specified amount according to class or  
0187 subclass of property as specified in K.S.A. 79-1459, and amend-  
0188 ments thereto, to be paid by the state to each county on a per  
0189 parcel basis. Payments shall be made to counties as authorized  
0190 under the provisions of this section in accordance with appro-  
0191 priation acts of the legislature. No county for which the state  
0192 board of tax appeals has issued an order pursuant to section 4  
0193 shall be entitled to receive any payment from the state under the  
0194 provisions of this section for the period of time such an order is in  
0195 effect.

0196 The state division of property valuation shall make assistance

Section 3 would require the state to assume a portion of the costs incurred by any county in the reappraisal in accordance with a statewide payment schedule adopted by the Secretary. Such schedule would provide for payment on a per parcel basis of a specified amount in accordance with the classes and subclasses of property prescribed in K.S.A. 79-1459 and in accordance with appropriation acts of the Legislature. Upon the request of any county, the Division of Property Valuation would be required to assist the county appraiser in reappraising property. The county would reimburse the state for the actual costs incurred in providing such assistance. The county would be authorized to contract with a private reappraisal firm to conduct reappraisals of property within the county. The firm would have to be selected from a list of approved firms supplied by the Director of Property Valuation, and the contract for reappraisal would have to meet specifications of the Director.

0197 available to any county in the reappraisal of ~~commercial and~~  
 0498 ~~industrial~~ property located in such county upon such county's  
 0199 request. Any county requesting such assistance shall make re-  
 0200 imbursement for the costs incurred by the state in providing the  
 0201 same. Counties are hereby authorized to contract with private  
 0202 appraisal firms to conduct the reappraisal of ~~special character-~~  
 0203 ~~ized~~ property within the county, ~~subject to the approval of the~~  
 0204 ~~director of property valuation.~~ *Selection of a private firm whose*  
 0205 *products or services are necessary to conduct a reappraisal must*  
 0206 *be made from a list of approved firms supplied by the director of*  
 0207 *property valuation. Contracts executed between counties and*  
 0208 *such firms must meet the specifications of the director of prop-*  
 0209 *erty valuation.*

0210 New Sec. 4. (a) On or before January 15, 1986, and quarterly  
 0211 thereafter, the county or district appraiser shall submit to the  
 0212 director of property valuation a progress report indicating actions  
 0213 taken during the preceding quarter calendar year to implement  
 0214 reappraisal of real property in the county or district. Whenever  
 0215 the director of property valuation shall determine that any  
 0216 county has failed, neglected or refused to properly provide for  
 0217 the reappraisal of property or the updating of the appraisals on an  
 0218 annual basis in substantial compliance with the provisions of this  
 0219 act and the guidelines and timetables prescribed by the director  
 0220 pursuant to section 1, the director shall file with the state board  
 0221 of tax appeals a complaint stating the facts upon which the  
 0222 director has made the determination of noncompliance. ~~Upon~~  
 0223 *Within 15 days after* receipt of any such complaint, the state  
 0224 board of tax appeals shall hold a summary proceeding on such  
 0225 complaint. Notice of the time and place fixed for such proceed-  
 0226 ing shall be mailed to the county appraiser and the board of  
 0227 county commissioners of the county involved and to the director  
 0228 of property valuation. If, as a result of such proceeding, the state  
 0229 board of tax appeals finds that the county is not in substantial  
 0230 compliance with the provisions of this act and the guidelines and  
 0231 timetables of the director of property valuation providing for the  
 0232 progress and conclusion of reappraisal of all real property in the  
 0233 county or the updating of the appraisals on an annual basis, it

Section 4 would require county appraisers to submit progress reports to the Director of Property Valuation on January 15, 1986, and quarterly thereafter. Personnel of the Division of Property Valuation would assume the duties of reappraising real property in any county whenever the State Board of Tax Appeals, upon complaint by the Director of Property Valuation, determined that the county had failed, neglected or refused to provide for the reappraisal of property or the updating of the appraisals on an annual basis in accordance with the Director's guidelines and timetables. Personnel of the Division would perform the duties until the Director determined that progress was sufficient to restore the duties to the county. In addition, the Board would order the State Treasurer to withhold all or a portion of the county's entitlements from either or both of the Local Ad Valorem Tax Reduction Fund and the County and City Revenue Sharing Fund. The county would also be required to reimburse the state for the actual costs incurred by the Division in the assumption and carrying out of the county's duties.

0234 shall order the immediate assumption of the duties of reapprais-  
0235 ing of real property by the personnel of the division of property  
0236 valuation until such time as the director of property valuation  
0237 determines that progress in the county under the program of  
0238 reappraisal is sufficient to restore such duties to the county. In  
0239 addition, the board shall order the state treasurer to withhold all  
0240 or a portion of the county's entitlement to moneys from either or  
0241 both of the local ad valorem tax reduction fund and the city and  
0242 county revenue sharing fund for the year following the year in  
0243 which the order is issued. Upon service of any such order on the  
0244 board of county commissioners, the appraiser shall immediately  
0245 deliver to the director of property valuation, or the director's  
0246 designee, all books, records and papers pertaining to the ap-  
0247 praiser's office.

0248 Any county for which the state division of property valuation is  
0249 ordered by the state board of tax appeals to assume the respon-  
0250 sibility and duties of reappraising of real property shall reim-  
0251 burse the state for the actual costs incurred by the division of  
0252 property valuation in the assumption and carrying out of such  
0253 responsibility and duties.

0254 (b) ~~On or before January 15 of each year following the utili-~~  
0255 ~~zation of valuations established under the program of statewide~~  
0256 ~~reappraisal as a basis for the levy of taxes, the state board of tax~~  
0257 ~~appeals shall review the program of appraisal of property in each~~  
0258 ~~county or district to determine if property within the county or~~  
0259 ~~district is being appraised or valued in accordance with the~~  
0260 ~~requirements of this act. If the board determines that the prop-~~  
0261 ~~erty in any county or district is not being appraised in accordance~~  
0262 ~~with the requirements of this act, such board shall, within 10~~  
0263 ~~days, direct the director of property valuation to notify the county~~  
0264 ~~or district appraiser and the board of county commissioners of~~  
0265 ~~any county or counties affected that the county has 60 days~~  
0266 ~~within which to submit to the director a plan for bringing the~~  
0267 ~~appraisal of property within the county into compliance or the~~  
0268 ~~director will petition the board of tax appeals for authority for the~~  
0269 ~~division of property valuation to assume control of such appraisal~~  
0270 ~~program and bring it into compliance. If a plan is submitted and~~



0274 approved by the director the county or district shall proceed to  
0275 implement the plan as submitted. The director shall continue to  
0276 monitor the program to insure that the plan is implemented as  
0277 submitted. If no plan is submitted or if the director does not  
0278 approve the plan, the director shall petition the state board of tax  
0279 appeals for a review of the plan or if no plan is submitted for  
0280 authority for the division of property valuation to assume control  
0281 of the appraisal program of the county and to proceed to bring the  
0282 same into compliance with the requirements of this act. If the  
0283 board of tax appeals approves the plan, the county or district  
0284 shall proceed to implement the plan as submitted. If no plan has  
0285 been submitted or the plan submitted is not approved, the board  
0286 shall fix a time within which the county may submit a plan or an  
0287 amended plan for approval. If no plan is submitted and approved  
0288 within the time prescribed by the board, the board shall order  
0289 the division of property valuation to assume control of the ap-  
0290 praisal program of the county and to bring the same into compli-  
0291 ance with the provisions of this act. If the division assumes  
0292 control of the appraisal program of any county, the director of  
0293 property valuation shall certify the amount of the cost incurred  
0294 by the division in bringing the program into compliance to the  
0295 state treasurer who shall withhold such amount from distribu-  
0296 tions of the county's share of moneys from the county and city  
0297 revenue sharing fund and the local ad valorem tax reduction fund  
0298 and credit the same to the general fund of the state.

0296 (b) *On or before August 15 of each year following the utili-*  
0297 *zation of valuations established under the program of statewide*  
0298 *reappraisal as a basis for the levy of taxes, the director of*  
0299 *property valuation shall review the appraisal of property in*  
0300 *each county or district to determine if property within the*  
0301 *county or district is being appraised or valued in accordance*  
0302 *with the requirements of this act. If the director determines the*  
0303 *property in any county or district is not being appraised in*  
0304 *accordance with the requirements of this act, the director of*  
0305 *property valuation shall notify the county or district appraiser*  
0306 *and the board of county commissioners of any county or counties*  
0307 *affected that the county has 30 days within which to submit to*

The Director would also review annually the program of appraisal in each county and if the Director determined that property was not being appraised in accordance with law, the county would have 30 days from the Director's notice within which to submit a plan for bringing appraisal within the county into compliance. If the Director approved the plan, the county would implement it. However, if the Director did not approve the plan, or if no plan was submitted, the Director would petition the State Board of Tax Appeals for a review of the plan, or, if no plan were submitted, for authority to assume control of the appraisal program of the county so as to bring it into compliance with law. If the Board approved the plan, the county would implement it. Otherwise, the Board would set a time for submission of a plan or amended plan for approval. If a plan were not timely submitted or were not approved, the Board would then order the Division of Property Valuation to assume control of the appraisal program of the county. Costs incurred by the Division would be recovered from the county. Also, the county's share of the Local Ad Valorem Tax Reduction Fund and the County and City Revenue Sharing Fund distributions for the year following the year of the Board's order would be forfeited to the State General Fund.

0308 *the director a plan for bringing the appraisal of property within*  
0309 *the county into compliance or the director will petition the state*  
0310 *board of tax appeals for authority for the division of property*  
0311 *valuation to assume control of such appraisal program and bring*  
0312 *it into compliance.*

0313 *If a plan is submitted and approved by the director the county*  
0314 *or district shall proceed to implement the plan as submitted. The*  
0315 *director shall continue to monitor the program to insure that the*  
0316 *plan is implemented as submitted. If no plan is submitted or if*  
0317 *the director does not approve the plan, the director shall peti-*  
0318 *tion the state board of tax appeals for a review of the plan or, if*  
0319 *no plan is submitted, for authority for the division of property*  
0320 *valuation to assume control of the appraisal program of the*  
0321 *county and to proceed to bring the same into compliance with*  
0322 *the requirements of this act.*

0323 *If the state board of tax appeals approves the plan, the county*  
0324 *or district appraiser shall proceed to implement the plan as*  
0325 *submitted. If no plan has been submitted or the plan submitted*  
0326 *is not approved, the board shall fix a time within which the*  
0327 *county may submit a plan or an amended plan for approval. If*  
0328 *no plan is submitted and approved within the time prescribed by*  
0329 *the board, the board shall order the division of property valua-*  
0330 *tion to assume control of the appraisal program of the county*  
0331 *and to bring the same into compliance with the provisions of this*  
0332 *act. If the division assumes control of the appraisal program of*  
0333 *any county, the state board of tax appeals shall certify its order*  
0334 *to the state treasurer who shall withhold distributions of the*  
0335 *county's share of moneys from the county and city revenue*  
0336 *sharing fund and the local ad valorem tax reduction fund and*  
0337 *credit the same to the general fund of the state for the year*  
0338 *following the year in which the board's order is made. The*  
0339 *director of property valuation shall certify the amount of the*  
0340 *cost incurred by the division in bringing the program in com-*  
0341 *pliance to the state board of tax appeals. The board shall order*  
0342 *the county commissioners to reimburse the state for such costs.*

0343 *(c) From and after the year following the utilization of*  
0344 *valuations established under the program of statewide reap-*

0345 *praisal, the state board of tax appeals shall within 60 days after*  
 0346 *the publication of the Kansas assessment/sales ratio study review*  
 0347 *said publication to determine county compliance with K.S.A.*  
 0348 *79-1439, and amendments thereto. If in the determination of the*  
 0349 *board one or more counties are not in substantial compliance*  
 0350 *and the director of property valuation has not acted under*  
 0351 *subsection (b) above, the board shall order the director of prop-*  
 0352 *erty valuation to take such action or to show cause for non-*  
 0353 *compliance.*

0354 New Sec. 5. From and after January 1 of the year in which  
 0355 valuations for real property determined under the program of  
 0356 statewide reappraisal are implemented, each county shall main-  
 0357 tain in the office of the county clerk multiple copies of a listing of  
 0358 the assessed valuations of each parcel of real property located  
 0359 within the county. Such listing shall contain separate valuations  
 0360 for the land and for the buildings located thereon. Such listing  
 0361 shall be arranged alphabetically by city and street name and  
 0362 prepared in a manner that each parcel of real property is listed in  
 0363 progressive order by numerical street address for property lo-  
 0364 cated within the corporate limits of cities and so far as possible  
 0365 for property located outside of the corporate limits of cities  
 0366 within the county. Property for which no street addresses exist  
 0367 shall be listed separately from property with street addresses and  
 0368 arranged in alphabetical order by township *or city* and owner's  
 0369 name with information sufficient to disclose the location thereof.  
 0370 Such listings shall be open to public inspection during all normal  
 0371 working hours of the office of the county clerk.

0372 New Sec. 6. No county board of equalization shall issue an  
 0373 order applicable uniformly to all property in any class in any area  
 0374 or areas of the county, which order changes the assessment of  
 0375 such class of property in such area or areas, without the approval  
 0376 of the state board of tax appeals. Whenever any county board of  
 0377 equalization proposes to issue any such order, it shall make  
 0378 written application to the state board of tax appeals for a hearing  
 0379 on such matter. The state board of tax appeals shall set a time and  
 0380 place for a hearing thereon within five days of receipt of such  
 0381 application. The time set for hearing such matter shall in no

The Board would also review annually the Kansas Assess-  
 ment/Sales Ratio Study to determine county compliance with  
 K.S.A. 79-1439. If the Board determined that one or more  
 counties were not in compliance and the Director had not  
 acted as described above, the Board could order the Director  
 to take such action or to show cause for noncompliance.

Section 5 would require that each county, in its clerk's  
 office, maintain multiple copies of the assessed valuations of  
 each parcel of real property for public inspection during  
 normal business hours. The listings would contain separate  
 valuations for land and buildings and be arranged  
 alphabetically and in progressive order by city and street name  
 and number. Property for which no street addresses existed  
 would be listed separately and arranged in alphabetical order  
 by township or city and owner's name.

Section 6 would prohibit any county board of equal-  
 ization from issuing any blanket order which changed the  
 assessment of any class of property without first seeking and  
 receiving approval of the State Board of Tax Appeals.

0382 event be more than 30 days following the date of receipt of such  
 0383 application. The state board of tax appeals shall notify the county  
 0384 board, the county or district appraiser and the director of prop-  
 0385 erty valuation, of the time and place set for hearing. The director  
 0386 of property valuation shall be made a party to such hearing. The  
 0387 state board of tax appeals shall make its determination upon such  
 0388 matter within 10 days of the conclusion of the hearing thereon  
 0389 and notify the county board and director of property valuation by  
 0390 mail of its determination within five days after the date such  
 0391 determination is made.

0392 *The director of property valuation shall require written jus-*  
 0393 *tification from the county board of equalization when that*  
 0394 *board issues an order modifying the valuation of individual*  
 0395 *tracts of real property. The justification shall be conveyed on*  
 0396 *forms prescribed by the director, notifying the director of such*  
 0397 *actions of the county board and conveyed by certified mail,*  
 0398 *return receipt requested, or personally delivered to the director*  
 0399 *of property valuation or his designee. The director shall within*  
 0400 *90 days after receipt of such justification review such justifica-*  
 0401 *tion to determine compliance with K.S.A. 79-503a, and amend-*  
 0402 *ments thereto. If the director finds the county board's actions*  
 0403 *are not in compliance with K.S.A. 79-503a, and amendments*  
 0404 *thereto, the director shall appeal the decision of the county*  
 0405 *board of equalization to the state board of tax appeals which*  
 0406 *shall administer the appeal.*

0407 New Sec. 7. The board of county commissioners of each  
 0408 county is hereby authorized to levy a tax upon all taxable tangi-  
 0409 ble property in the county in an amount necessary to pay all costs  
 0410 incurred in conducting programs of countywide reappraisal and  
 0411 complying with the provisions of this act. Such tax levies shall  
 0412 not be included in computing the aggregate tax levies of the  
 0413 county and are exempt from the limitations imposed under the  
 0414 provisions of K.S.A. 79-5001 to 79-5016, inclusive, and amend-  
 0415 ments thereto. The proceeds of such tax levies shall be credited  
 0416 to a special countywide reappraisal fund and shall be used only  
 0417 for the purposes of implementing the provisions of this act. Such  
 0418 countywide reappraisal fund shall not be subject to the provi-

Changes in the valuation of individual tracts of real estate by the County Board of Equalization would be reported to the Director of Property Valuation for the Director's approval. If the Director did not approve, the change would be appealed to the State Board of Tax Appeals.

Section 7 would permit counties to make a levy for the costs of reappraisal. The levy would be outside the tax lid.

0419 sions of K.S.A. 79-2925 to 79-2937, and amendments thereto,  
 0420 except that in making the budgets of such counties the amounts  
 0421 credited to, the amount on hand in such special fund, and the  
 0422 amount expended therefrom shall be shown thereon for the  
 0423 information of the taxpayers of the county.

0424 Sec. 8. K.S.A. 79-1412a is hereby amended to read as fol-  
 0425 lows: 79-1412a. County appraisers and district appraisers shall  
 0426 perform the following duties:

0427 ~~First:~~ (a) Install and maintain such records and data relating  
 0428 to all property in the county, taxable and exempt, as may be  
 0429 required by the director of property valuation.

0430 ~~Second:~~ (b) Annually, as of January 1, supervise the listing  
 0431 and assessment *appraisal* of all real estate and personal property  
 0432 in the county subject to taxation except ~~state-assessed state-ap-~~  
 0433 *praised* property.

0434 ~~Third:~~ Notify each taxpayer on or before April first by mail  
 0435 directed to his or her last known address as to the assessed value  
 0436 placed on each parcel of his or her real property whenever the  
 0437 assessed value of any parcel has been changed from the assess-  
 0438 ment shown for the preceding year. Failure to receive such  
 0439 notice shall in nowise invalidate the assessment.

0440 ~~Fourth:~~ (c) Attend meetings of the county board of equaliza-  
 0441 tion for the purpose of aiding such board in the proper discharge  
 0442 of its duties, making all records available to the county board of  
 0443 equalization.

0444 ~~Fifth:~~ (d) Prepare the assessment *appraisal* roll and certify  
 0445 such rolls to the county clerk.

0446 ~~Sixth:~~ (e) Supervise the township trustees, assistants, ap-  
 0447 praisers and other employees appointed by him or her the  
 0448 *appraiser* in the performance of their duties.

0449 ~~Seventh:~~ (f) The county appraiser or district appraiser in  
 0450 setting values for various types of personal property, shall con-  
 0451 form to the values for such property as shown in the personal  
 0452 property ~~assessment~~ *appraisal* guides devised and/or prescribed  
 0453 by the director of property valuation.

0454 ~~Eighth:~~ (g) Carry on continuously throughout the year the  
 0455 process of appraising real property.

**Section 8 would amend K.S.A. 79-1412a by deleting the requirement of notifying the taxpayer of valuation changes, as a more comprehensive requirement is contained in section 9.**

0456 ~~Ninth.~~ (h) If the county ~~appraiser~~ or district appraiser deems  
 0457 it advisable, ~~he or she~~ *such appraiser* may appoint one or more  
 0458 advisory committees of not less than five ~~(5)~~ persons representa-  
 0459 tive of the various economic interests and geographic areas of the  
 0460 county to assist ~~him or her~~ in establishing unit land values, unit  
 0461 values for structures, productivity, classifications for agricultural  
 0462 lands, adjustments for location factors, and generally to advise on  
 0463 assessment procedures and methods.

0464 ~~Tenth.~~ (i) Perform such other duties as may be required by  
 0465 law.

0466 Sec. 9. K.S.A. 79-1460 is hereby amended to read as follows:  
 0467 79-1460. The county appraiser shall notify each taxpayer in the  
 0468 county annually on or before April 1 for real property and May 1  
 0469 for personal property, by mail directed to the taxpayer's last  
 0470 known address, of any change in the classification or appraised  
 0471 valuation of the taxpayer's property. *For the purposes of this*  
 0472 *section, the term "taxpayer" shall be deemed to be the person in*  
 0473 *ownership of the property as indicated on the records of the*  
 0474 *office of register of deeds. Such notice shall specify separately*  
 0475 *both the previous and current appraised and assessed values for*  
 0476 *the land and each of the buildings situated on such lands. In the*  
 0477 *year following the year in which valuations for tangible prop-*  
 0478 *erty established under the program of statewide reappraisal are*  
 0479 *applied as a basis for the levy of taxes, and in each year*  
 0480 *thereafter, such notice shall include the most recent county*  
 0481 *sales ratio for the particular subclass of property to which the*  
 0482 *notice relates, except that no such ratio shall be disclosed on any*  
 0483 *such notices sent in any year when the total assessed valuation*  
 0484 *of the county is increased or decreased due to reappraisal of all*  
 0485 *of the property within the county. Such notice shall also contain*  
 0486 a statement of the taxpayer's right to appeal. Failure to receive  
 0487 such notice shall in no way invalidate the classification or ap-  
 0488 praised valuation as changed.

0489 Sec. 10. K.S.A. 79-1602 is hereby amended to read as fol-  
 0490 lows: 79-1602. The county board thus constituted, or a majority  
 0491 of the members thereof, may on and after January 15 of each year,  
 0492 meet at any time that such board may deem necessary. All

Section 9 would amend K.S.A. 79-1460 to more compre-  
 hensively notify taxpayers of changes in the classification and  
 valuation of their property. The county appraiser would mail  
 any such notification of change to the owner of the real  
 property on or before April 1 of each year of change. "Owner"  
 is defined as being the owner of the property as reflected by  
 the records of the county register of deeds. Also, the notice  
 would contain both the previous and current appraised and  
 assessed values for land and buildings and, after reappraised  
 values are applied, would contain the most recent county sales  
 ratio for the subclass of property to which the notice related.  
 Failure to receive the notice would not invalidate the assess-  
 ment on the property.

Section 10 would amend K.S.A. 79-1602 to require that  
 meetings of county boards of equalization considering valua-  
 tions of property be held in the evening or on Saturdays as  
 necessary to hear parties making requests for hearings at such  
 times.

0493 meetings of such board shall be held in a suitable place in the  
0494 county courthouse. Such board shall on the first business day in  
0495 April of each year meet for the purpose of inquiring into the  
0496 valuation of real property and shall, on ~~the fifteenth day in~~ May  
0497 15 or the next following business day if such date shall fall on a  
0498 day other than a regular business day, meet for the purpose of  
0499 inquiring into the valuation of tangible personal property in the  
0500 county, and shall review the ~~assessment~~ *appraisal* rolls of the  
0501 county as to accuracy, completeness and uniformity of ~~assess-~~  
0502 ~~ment appraisal~~, and shall make such changes in the ~~assessment~~  
0503 *appraisal* of property as shall be necessary in order to secure  
0504 uniform and equal ~~assessment~~ *of application* to all property.

0505 In all cases where it shall become necessary to increase the  
0506 ~~assessment~~ *appraised value* of specific tracts or individual items  
0507 of real or personal property, except where the ~~assessment~~ *ap-*  
0508 *praised value* of a class or classes of property in any area or areas  
0509 of the county is raised by a general order *of the state board of tax*  
0510 *appeals* applicable to all property in such class or classes for the  
0511 purpose of equalization, the county clerk shall, at least ~~ten (10)~~  
0512 10 days prior to hearing, mail or cause to be mailed a notice to the  
0513 person to be affected thereby at ~~his or her~~ *such person's* post-of-  
0514 fice address as shown by the assessment rolls, stating in sub-  
0515 stance that it is proposed to increase the assessment of such  
0516 specific tracts or individual items of ~~his or her~~ *such person's* real  
0517 or personal property, and fixing the time and place when a  
0518 hearing thereon will be had.

0519 The board shall hear and determine any appeal made by any  
0520 taxpayer as to the ~~assessment and~~ valuation of any property in the  
0521 county which may be made to the board by the owner of such  
0522 property or ~~his or her~~ *such owner's* agent or attorney, and shall  
0523 perform the duties ~~hereinbefore set out~~ *prescribed* in this sec-  
0524 tion. The session of the board held for the purpose of considering  
0525 the valuation of real property shall commence not later than the  
0526 first business day in April and shall remain in session until the  
0527 last business day in April, during which time the board may  
0528 adjourn from time to time as may be necessary, and at the  
0529 expiration of the last business day in April, the board shall

0530 adjourn until May  ~~fifth~~ 5, when it shall again reconvene for the  
0531 purpose of hearing appeals from persons who have been notified  
0532 by the county clerk of pending changes in the valuation of their  
0533 real property as provided above, but such adjourned session  
0534 shall not continue for more than  ~~ten (10)~~ 10 days, after which the  
0535 board shall adjourn sine die, which adjournment must be taken  
0536 on or before  ~~the 15th day of~~ May 15, or if such day shall fall on  
0537 Sunday, then such final adjournment shall be taken on  ~~the 16th~~  
0538  ~~day of~~ May 16 and the board shall have no authority to be in  
0539 session thereafter;  ~~and~~. After such final adjournment the board  
0540 shall not change the *appraised or* assessed valuation of the real  
0541 property of any person, *except for the correction of clerical*  
0542 *errors as authorized by law*, or reduce the aggregate amount of  
0543 the *appraised or* assessed valuation of the taxable real property  
0544 of the county.

0545 The session of the board held for the purpose of considering  
0546 the valuation of personal property shall commence not later than  
0547  ~~the fifteenth day in~~ May 15 or the next following business day if  
0548 such date shall fall on a day other than a regular business day and  
0549 shall remain in session until the last business day in May, during  
0550 which time the board may adjourn from time to time as may be  
0551 necessary, and at the expiration of the last business day in May,  
0552 the board shall adjourn until June  ~~fifth~~ 5, when it shall again  
0553 reconvene for the purpose of hearing appeals from persons who  
0554 have been notified by the county clerk of pending changes in the  
0555 valuation of their personal property as provided above, but such  
0556 adjourned session shall not continue for more than  ~~ten (10)~~ 10  
0557 days, after which the board shall adjourn sine die, which ad-  
0558 journment must be taken on or before  ~~the 15th day of~~ June 15, or  
0559 if such day shall fall on Sunday, then such final adjournment  
0560 shall be taken on  ~~the 16th day of~~ June 16 and the board shall have  
0561 no authority to be in session thereafter;  ~~and~~. After such final  
0562 adjournment the board shall not change the *appraised or* as-  
0563 sessed valuation of the personal property of any person, *except*  
0564 *for the correction of clerical errors as authorized by law* or  
0565 reduce the aggregate amount of the *appraised or* assessed valu-  
0566 ation of the taxable personal property of the county.



0567 *The board shall provide for sufficient evening and Saturday*  
 0568 *meetings during the sessions hereinbefore prescribed for the*  
 0569 *performance of its duties as shall be necessary to hear all parties*  
 0570 *making requests for such evening or Saturday meetings.*

0571 New Sec. 11. As used in sections 11 to 25, inclusive, "taxing  
 0572 subdivision" means every taxing district in the state of Kansas  
 0573 other than the state.

0574 New Sec. 12. In the year in which the valuations established  
 0575 under the program of statewide reappraisal are used as a basis for  
 0576 the levy of taxes and in each year thereafter, all existing statutory  
 0577 fund and aggregate levy limitations on taxing subdivisions are  
 0578 hereby suspended. Except as otherwise hereinafter provided, in  
 0579 such year and in each year thereafter, any taxing subdivision is  
 0580 authorized to levy taxes upon tangible property which in the  
 0581 aggregate produces an amount not in excess of the amount which  
 0582 was authorized to be levied by such taxing subdivision in the  
 0583 next preceding year, but no taxing subdivision shall certify to the  
 0584 county clerk of the county any tax levies upon tangible property,  
 0585 excluding taxes levied as special assessments and excluding  
 0586 levies specified in section 18, which in the aggregate will pro-  
 0587 duce an amount in excess of the amount which was levied by  
 0588 such taxing subdivision in the next preceding year.

0589 New Sec. 13. Whenever any taxing subdivision shall certify  
 0590 aggregate tangible property tax levies in excess of that permitted  
 0591 under the provisions of sections 11 to 25, inclusive, the county  
 0592 clerk shall forthwith adjust the aggregate amount of such levies  
 0593 to the maximum levy authorized under the provisions of this act  
 0594 and notify the taxing subdivision certifying the same. It is the  
 0595 intent of this act to prescribe a limitation, with specified excep-  
 0596 tions, upon the aggregate amount which may be levied upon  
 0597 tangible property by each of the several taxing subdivisions of  
 0598 the state and not to prescribe a limitation upon the amount  
 0599 produced by each of the several levies imposed by such taxing  
 0600 subdivisions for their various tax supported funds. It shall be the  
 0601 duty of the governing body of each taxing subdivision to adjust  
 0602 legally authorized levies for separate funds or functions of the  
 0603 taxing subdivision within the aggregate limitation imposed

Sections 11 through 25 would enact a new uniform tax lid.

Section 11 would define "taxing subdivision" to mean every taxing district in Kansas, other than the state.

Section 12 would subject taxing subdivisions to a new, uniform property tax lid which would suspend all existing statutory fund and aggregate levy limitations and would authorize subdivisions to levy taxes not to exceed the prior year's amount. No levies other than those listed in sections 18 and 25 would be exempt from the lid.

Section 13 would impose a limitation, subject to specified exemptions, on the aggregate amount (in dollars) which could be levied by taxing subdivisions.

0604 under the provisions of sections 11 to 25, inclusive, of this act.  
0605 Whenever a county clerk shall disagree with the governing  
0606 body of a taxing subdivision concerning the maximum amount of  
0607 the aggregate tangible property tax levies permitted under sec-  
0608 tions 11 to 25, inclusive, of this act for such taxing subdivision,  
0609 the disagreement may be submitted to the state board of tax  
0610 appeals by any such county clerk or by the governing body of  
0611 such taxing subdivision, and the disagreement shall thereupon  
0612 be promptly and conclusively determined by the state board of  
0613 tax appeals.

0614 New Sec. 14. Whenever the taxable assessed tangible valu-  
0615 ation of any taxing subdivision is increased by new improve-  
0616 ments on real estate and by added personal property in the year  
0617 in which valuations established under the program of statewide  
0618 reappraisal are used as a basis for the levy of taxes or in any year  
0619 thereafter, the amount which would be produced by the aggre-  
0620 gate tax levy limitation of such taxing subdivision computed in  
0621 accordance with section 12 shall be divided by the taxable  
0622 assessed tangible valuation of such taxing subdivision in the  
0623 current year, omitting the assessed valuation of such new im-  
0624 provements and added personal property, to derive a levy rate.  
0625 The levy rate so computed shall then be applied to the assessed  
0626 valuation of such new improvements and added personal prop-  
0627 erty, and such taxing subdivision may then levy the amount  
0628 permitted under section 12 and in addition thereto the amount  
0629 produced by the levy on such new improvements and added  
0630 personal property as provided in this section.

0631 New Sec. 15. In the event that any territory is added to an  
0632 existing taxing subdivision, the amount which would be pro-  
0633 duced by the aggregate tax levy otherwise authorized under  
0634 sections 12 and 14 shall be adjusted to increase the amount  
0635 authorized in the proportion that the assessed valuation of the  
0636 tangible taxable property in the territory added bears to the total  
0637 taxable assessed tangible valuation of the taxing subdivision,  
0638 excluding the property in such added territory.

0639 New Sec. 16. In the event that any taxable tangible property  
0640 is excluded from the boundaries of any taxing subdivision, the

Section 14 would allow an increase in the amount of taxes produced by the aggregate tax levy limitation prescribed by Section 12 due to increases in valuations from new improvements on real property and added personal property.

Section 15 would provide an adjustment for territory added to a taxing subdivision.

Section 16 would provide an adjustment for territory excluded from a taxing subdivision.

0641 amount which would be produced by the aggregate tax levy  
0642 authorized under the provisions of sections 12 and 14 shall be  
0643 adjusted to decrease the amount authorized in the proportion  
0644 that the assessed valuation of the tangible property excluded  
0645 bears to the total taxable assessed valuation of the taxing sub-  
0646 division, including such excluded property.

0647 New Sec. 17. (a) Whenever the authority and responsibility  
0648 for the performance of any function or for providing any service,  
0649 for which a tax levy is specifically authorized and provided by  
0650 law, is transferred to any taxing subdivision, the aggregate limi-  
0651 tation imposed under the provisions of sections 11 to 25, inclu-  
0652 sive, upon the tax levies of the taxing subdivisions to which such  
0653 authority or responsibility is transferred shall be increased by an  
0654 amount equal to that levied for such purpose, by the political or  
0655 taxing subdivision from which such authority or responsibility  
0656 was transferred, in the year next preceding the year in which  
0657 such transfer shall become effective and the aggregate limitation  
0658 upon the tax levies of any taxing subdivision from which such  
0659 authority or responsibility is transferred shall be reduced by  
0660 such amount.

0661 (b) Whenever the authority and responsibility for the per-  
0662 formance of any function or the providing of any service, for  
0663 which a tax levy, subject to the aggregate limitation prescribed  
0664 by sections 11 to 25, inclusive, is specifically authorized and  
0665 provided by law, is transferred from any taxing subdivision to the  
0666 state of Kansas, the aggregate limitation imposed under the  
0667 provisions of this act upon the tax levies of the taxing subdivision  
0668 from which such authority and responsibility is transferred shall  
0669 be reduced by an amount equal to that levied for such purpose  
0670 by the taxing subdivision in the year next preceding the year in  
0671 which such transfer shall become effective.

0672 New Sec. 18. The provisions of sections 11 to 25, inclusive,  
0673 shall not apply to or limit the levy of taxes for the payment of:

0674 (a) Principal and interest upon bonds and temporary notes;

0675 (b) no-fund warrants authorized by the state board of tax  
0676 appeals subject to the conditions and requirements of K.S.A.  
0677 79-2938, 79-2939, 79-2941 and 79-2951 and where such board in

**Section 17 would provide an adjustment if a function or  
service were transferred to or from a taxing subdivision.**

**Section 18 would exempt from the tax lid levies for the  
following purposes: principal and interest on bonds and notes;  
no-fund warrants; judgments; legal expenses and insurance  
premiums for tort claims; social security, worker's compen-  
sation, unemployment insurance, and retirement and pension  
programs; and added expenditures mandated by state or  
federal law.**

0678 addition specifically has found that an extreme emergency  
0679 exists;

0680 (c) judgments rendered against taxing subdivisions;

0681 (d) expenses for legal counsel and defense of legal actions  
0682 against officers or employees of taxing subdivisions or premiums  
0683 on insurance providing such protection as authorized by article  
0684 61 of chapter 75 of the Kansas Statutes Annotated and amend-  
0685 ments thereto;

0686 (e) employer contributions for social security, workmen's  
0687 compensation, unemployment insurance and employee retire-  
0688 ment and pension programs; or

0689 (f) added expenditures which are specifically mandated or  
0690 required by state or federal law and which are initially incurred  
0691 by the taxing subdivision after the effective date of this act, less  
0692 any expenditures which were specifically mandated or required  
0693 by state or federal law prior to the effective date of this act and  
0694 are no longer mandated or required.

0695 Amounts produced from any levy specified in this section shall  
0696 not be used in computing any aggregate limitation under the  
0697 provisions of this act.

0698 New Sec. 19. The limitation imposed by this act upon the  
0699 amount produced by the aggregate levy of taxes upon tangible  
0700 property by any taxing subdivision may be suspended for any  
0701 one year or for a specified number of years, and levies may be  
0702 made for such year or years which will produce an amount in  
0703 excess of that prescribed by sections 11 to 25, inclusive, when-  
0704 ever a majority of the electors of such taxing subdivision voting  
0705 on a proposition to suspend such limitation at an election pro-  
0706 vided for herein shall vote in favor thereof. Any individual levy  
0707 or levies for a particular purpose or purposes may be exempted  
0708 from the limitation imposed by sections 11 to 25, inclusive, for  
0709 any one year or a specified number of years whenever a majority  
0710 of the electors of such taxing subdivision voting on a proposition  
0711 to exempt such levy or levies from such limitation at an election  
0712 provided for herein shall vote in favor thereof. On motion of the  
0713 governing body of such taxing subdivision, any such proposition  
0714 may be submitted at either a special election to be held on the

**Section 19** would permit any taxing subdivision to exceed the lid temporarily, for its aggregate levy or for particular purposes, with voter approval. The question could be placed on the ballot by the governing body on its own motion, or would be placed on the ballot upon petition by 5 percent of the qualified electors.

0715 first Tuesday in June, at any general election held in April or  
0716 November or at any primary election, and any such proposition  
0717 shall be submitted at any such election whenever a petition  
0718 requesting the same, signed by electors of such subdivision  
0719 equal in number to not less than 5% of the qualified electors of  
0720 such taxing subdivision, shall be filed in the office of the county  
0721 election officer at least 60 days prior to the date of such election.

0722 New Sec. 20. When it is apparent to the governing body of  
0723 any taxing subdivision that the maximum aggregate tax levy  
0724 permitted under the provisions of sections 11 to 25, inclusive, is  
0725 insufficient to finance the necessary operations of such subdivi-  
0726 sion, such governing body may make application to the state  
0727 board of tax appeals for authority to levy taxes in excess of the  
0728 aggregate amount permitted under the provisions of sections 11  
0729 to 25, inclusive. The application shall contain a detailed state-  
0730 ment showing why the expenditures of such taxing subdivisions  
0731 cannot be financed within the limitations prescribed by sections  
0732 11 to 25, inclusive, shall state the exact increase requested, and  
0733 the period of time for which such increase is requested.

0734 If the state board of tax appeals shall find and determine that  
0735 the evidence submitted in support of the application shows an  
0736 extreme emergency need for the increase requested and that the  
0737 cost of an election to approve the increase would be dispropor-  
0738 tionate to the amount of the increase sought, such board is  
0739 hereby empowered to authorize such taxing subdivision to levy  
0740 taxes in excess of the aggregate amount permitted under the  
0741 provisions of sections 11 to 25, inclusive. The term "extreme  
0742 emergency need" shall include, but not be limited to, amounts  
0743 required to comply with state or federal requirements in such  
0744 areas as sewage treatment and solid waste disposal and to pro-  
0745 vide police protection, fire protection, ambulance service, or  
0746 similar services essential to the public health and safety. The  
0747 order of the board of tax appeals shall state the exact amount of  
0748 the increase authorized and that the authorization is for a period  
0749 of time, the length of which shall be specified. Any increase in  
0750 tax levy authority granted by the board of tax appeals shall be  
0751 added to the aggregate limitations computed under sections 11 to

Section 20 would authorize levies outside the lid if the Board of Tax Appeals found that an extreme emergency need existed and that the cost of an election to approve such increase would be disproportionate to the increase sought. Publication of any such order of the Board would be required and the levy would be subject to election upon a 10 percent protest petition.

0752 25, inclusive, for the period of time specified by the board.

0753 The county election officer shall cause a notice of any order of  
0754 the board of tax appeals issued pursuant to this section to be  
0755 published once each week for three consecutive weeks in the  
0756 official newspaper of the taxing subdivision or, if none, in a  
0757 newspaper of general circulation in such subdivision. If within  
0758 30 days next following the date of the last publication of such  
0759 notice a petition signed by not less than 10% of the qualified  
0760 electors of the taxing subdivision requesting an election upon  
0761 the proposition to levy such increased taxes is filed in the office  
0762 of the county election officer, no such increased levy shall be  
0763 made without first receiving the approval of a majority of the  
0764 electors of such taxing subdivision voting at an election called  
0765 and held thereon.

0766 New Sec. 21. The state board of tax appeals shall not autho-  
0767 rize the issuance of no-fund warrants by any taxing subdivision  
0768 of the state under the provisions of K.S.A. 79-2938, 79-2939,  
0769 79-2941 or 79-2951, and amendments to such sections, except  
0770 upon the basis of a finding of extreme emergency need.

0771 New Sec. 22. Whenever any taxing subdivision of this state  
0772 shall be required by law to levy taxes for the financing of the  
0773 budget of any political or governmental subdivision of this state  
0774 which is not authorized by law to levy taxes on its own behalf,  
0775 and the governing body of such taxing subdivision is not autho-  
0776 rized or empowered to modify or reduce the amount of taxes  
0777 levied therefor, the tax levies of such political or governmental  
0778 subdivision shall not be included in or considered in computing  
0779 the aggregate limitations upon the property tax levies of the  
0780 taxing subdivisions levying taxes for such political or govern-  
0781 mental subdivision.

0782 New Sec. 23. The state board of tax appeals may upon com-  
0783 plaint filed within 30 days after the public hearing held pursuant  
0784 to K.S.A. 79-2929, and amendments thereto, by any taxpayer  
0785 inquire into the levy of taxes by any taxing subdivision for the  
0786 purpose of determining if such taxing subdivision is operating in  
0787 compliance with the limitations and provisions of sections 11 to  
0788 25, inclusive. If upon preliminary inquiry it shall appear that

Section 21 would allow the Board of Tax Appeals to authorize the issuance of a no-fund warrant only upon a finding of an extreme emergency.

Section 22 would exclude levies for a subdivision not authorized to levy on its own behalf when computing the aggregate limitation.

Section 23 would allow taxpayers to appeal to the Board of Tax Appeals to determine if a subdivision were in compliance with the lid.

0789 such subdivision is failing to comply with the requirements of  
0790 sections 11 to 25, inclusive, the board of tax appeals shall fix a  
0791 time and place for a hearing upon such matter and shall notify  
0792 the governing body of the taxing subdivision thereof. If upon the  
0793 basis of such hearing the state board of tax appeals shall deter-  
0794 mine that such taxing subdivision is operating in violation of the  
0795 limitations and provisions of sections 11 to 25, inclusive, such  
0796 board may order the adjustment of any tax levies to be adjusted  
0797 in such manner as to comply with the requirements of this act.

0798 New Sec. 24. Any election held under the provisions of  
0799 sections 11 to 25, inclusive, shall be called and held in accord-  
0800 ance with the provisions of K.S.A. 10-120, and amendments  
0801 thereto.

0802 New Sec. 25. The provisions of sections 11 to 24, inclusive,  
0803 shall not be applicable to the general fund levies of unified  
0804 school districts.

0805 New Sec. 26. (a) The governing body of any city, in the year  
0806 next following the year in which the valuations established  
0807 under the program of statewide reappraisal are used as a basis for  
0808 the levy of taxes or in any year thereafter, may elect, in the  
0809 manner prescribed by and subject to the limitations of section 5  
0810 of article 12 of the Kansas Constitution, to exempt such city from  
0811 the provisions of sections 11 to 23, inclusive.

0812 (b) The governing body of any county, in the year next  
0813 following the year in which the valuations established under the  
0814 program of statewide reappraisal are used as a basis for the levy  
0815 of taxes or in any year thereafter, may elect, in the manner  
0816 prescribed by and subject to the limitations of K.S.A. 19-101b,  
0817 and amendments thereto, to exempt such county from the provi-  
0818 sions of sections 11 to 23, inclusive.

0819 (c) The governing body of any other taxing subdivision sub-  
0820 ject to the provisions of sections 11 to 23, inclusive, in the year  
0821 next following the year in which the valuations established  
0822 under the program of statewide reappraisal are used as a basis for  
0823 the levy of taxes or in any year thereafter, may elect, in the  
0824 manner prescribed by and subject to the limitations of K.S.A.  
0825 19-101b, and amendments thereto, insofar as such section may

Section 24 would require that elections under the tax lid law be conducted as under the general bond law (K.S.A. 1984 Supp. 10-120).

Section 25 would exempt from the lid the general fund levies of unified school districts.

Section 26 would permit any taxing subdivision to exempt itself permanently from the provisions of the tax lid after the first year of application. The ordinance or resolution exempting the taxing subdivision would be subject to a protest petition for a referendum. For cities, the petition would require signatures equal to at least 10 percent of the number who voted at the preceding November general election, and for counties and other subdivisions, at least 2 percent.

0826 be made applicable, to exempt such subdivision from the provi-  
0827 sions of sections 11 to 23, inclusive.

0828 New Sec. 27. Upon implementation for purposes of levying  
0829 taxes of valuations for real property derived under the program of  
0830 statewide reappraisal, all existing statutory debt limitations  
0831 computed on the basis of a percentage of assessed valuation are  
0832 hereby suspended. In such year of implementation and in all  
0833 years thereafter any indebtedness of a taxing district governed by  
0834 such statutory limitations shall be limited to a percentage of  
0835 assessed valuation, which percentage is determined by dividing  
0836 the amount of indebtedness authorized for such taxing district in  
0837 the year before implementation of such valuations by the as-  
0838 sessed valuation in the year of implementation.

0839 New Sec. 28. The secretary of revenue shall adopt rules and  
0840 regulations providing for the administration of this act. The  
0841 director of property valuation shall prescribe and furnish forms  
0842 to the county appraisers necessary to their duties hereunder.

0843 New Sec. 29. If any sentence, clause, subsection or section  
0844 of this act is held unconstitutional or invalid by any court of  
0845 competent jurisdiction, it shall be conclusively presumed that  
0846 the legislature would have enacted the remainder of the act not  
0847 so held unconstitutional or invalid.

0848 Sec. 30. K.S.A. 79-1412a, 79-1437b, 79-1440, 79-1452 to 79-  
0849 1454, inclusive, 79-1460 and 79-1602 are hereby repealed.

0850 Sec. 31. This act shall take effect and be in force from and  
0851 after its publication in the statute book.

Section 27 would suspend, in the year when values were first used for the levying of taxes, all existing statutory debt limitations computed on the basis of a percentage of assessed valuation. The section also would impose a percentage limitation on such indebtedness to be computed so as to prevent any increase therein resulting from the use of reappraised valuations.

Section 28 would require the Secretary of Revenue to adopt rules and regulations necessary to administer the Act and would direct the Director of Property Valuation to prescribe forms to the county appraisers necessary to perform their duties under the Act.

Section 29 is a severability clause.

Section 30 would repeal the statutes amended in the Act and also repeals five additional statutes, K.S.A. 79-1437b, K.S.A. 79-1440, and K.S.A. 79-1452 to 79-1454. K.S.A. 79-1437b prohibits the use of real estate assessment ratio studies published by the Director of Property Valuation as evidence in actions concerning the assessment of property, sales of which are not required to be reported to the Director. K.S.A. 79-1440 suspends fund and aggregate tax levy limits and debt limitations in the event of a countywide reappraisal and also establishes an aggregate levy limitation in such event. K.S.A. 79-1452 to 79-1454 are statutes that have been sunsetted and are no longer in effect.

Section 31 prescribes the effective date of the Act.

### Background

Statewide reappraisal has been the recommendation of interim committees of the Legislature to the 1979, 1980, and 1982 Sessions.