

Approved

March 12, 1992

Minutes of the House Committee on Taxation. The meeting was called to order by Joan Wagnon, Chairperson, at 9:20 a.m. on Thursday, FEBRUARY 20, 1992 in room 519-S of the Capitol.

All members were present except:

Rep. Joan Adam, excused.

Committee staff present:

Tom Severn & Chris Courtwright, Legislative Research; Bill Edds and Don Hayward, Revisors; Linda Frey, Committee Secretary; Douglas E. Johnston, Committee Assistant.

Conferees appearing before the committee:

Rep. Keith Roe discussed the subcommittee report on HB 2811, HB 2768 and HB 2812 (Attachment 1).

Rep. Roe made a motion to amend HB 2811 as indicated in Attachment 1. Rep. Gwen Welshimer seconded the motion. The motion carried.

Rep. Roe moved and Rep. Shore seconded reporting HB 2811 favorably for passage. The motion carried.

Rep. Roe made a motion to amend HB 2812 as indicated in Attachment 1. Rep. Marvin Smith seconded the motion.

The Chair stated that the Director of Property Valuation currently has the authority to file complaints with state board of tax appeals against counties out of compliance with LAVTRF. The State Board of Tax Appeals can withhold funds under current law.

David Cunningham, Director of Property Valuation, said HB 2812 would give PVD the ability to channel reimbursement funds for the purpose of correcting county inefficiencies and inequities in the appraisal process.

The motion to amend HB 2812 by removing the LAVTR and revenue sharing fund on lines 17, 18 and all of line 19 before "upon" on page 1 carried.

Rep. Vancrum moved and Rep. Shore seconded amending HB 2812 by adding a sentence directing the Board of Tax Appeals to hold a summary hearing under the Kansas Administrative Procedures Act. The motion carried.

Rep. Roe made a motion to recommend HB 2812 favorably for passage. Rep. Harder seconded the motion which carried. Rep. Welshimer voted no.

CONTINUATION SHEET

MINUTES OF THE House COMMITTEE ON Taxation, room 519-S, State-house, at 9:10 a.m. on Thursday, February 20, 1992.

Rep. Roe made a motion, which Rep. Harder seconded, to recommend HB 2813 and HB 2820 adversely.

The Chair stated that the Director of Property Valuation already had the authority mandated by HB 2813.

Rep. Roe amended his motion to only report HB 2820 adversely. The motion carried.

Rep. Bruce Larkin reviewed the subcommittee report on the following bills:

HB 2804, HB 2733, HB 2821, HB 2789, HB 2890, HB 2819, HB 2815, SB 8 (Attachment 2).

Rep. Larkin made a motion to recommend HB 2804 favorably for passage. Rep. Pottorff seconded the motion which carried.

Rep. Larkin moved recommending HB 2733 favorably for passage. Rep. Grotewiel seconded the motion which carried.

Rep. Larkin made a motion to recommend HB 2821 favorably for passage. Rep. J. C. Long seconded the motion.

Rep. Vancrum said HB 2821 might unfairly burden taxpayers that have little trouble with the current system.

Rep. Larkin said that county representatives had spoken to the subcommittee in opposition to taxpayers having the ability to choose between payment plans.

Janice Marcum, Division of Property Valuation, said in response to a question that HB 2821 would not change the ability of counties to collect delinquent personal property taxes wherein such taxes are due before a citizen is able to purchase their vehicle tags. Citizens would be prevented from obtaining their vehicle tags if they missed the second personal property tax payment on March 20 and needed to purchase their vehicle tags before the date of the third payment on June 20.

Rep. Charlton said county treasurers heard by the subcommittee estimated the three part payment plan in HB 2821 would cut down on delinquencies sufficiently to make up for the cost of a third payment administration/mailing.

Rep. Long stated his support for a quarterly payment plan because it would be easier for taxpayers to afford. He also stated his concern that the March 20 payment date was too

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MINUTES OF THE House COMMITTEE ON Taxation, room 519-S, State-house, at 9:10 a.m. on Thursday, February 20, 1992.

close to the payment date for state and federal taxes.

Rep. Vancrum said the three payment plan would add to the interest burden on taxpayers. He said the three payment plan would unfairly burden those who have no problem paying under the current system.

Cunningham cited an Attorney General's opinion that stated counties currently have the option to accept partial payments from taxpayers instead of all at once.

Tom Severn said there was at least one county that did accept partial payments.

Copies of the Attorney General's opinion cited by Cunningham were requested from Legislative Research.

Rep. Snowbarger said taxpayers were able to either make monthly payments or save up ahead of time for the payment of personal property taxes.

Rep. Bill Roy, Jr. said HB 2821 utilized cosmetic changes in the law that really did not benefit many people. Rep. Rex Crowell concurred in the remarks of Rep. Roy.

Rep. Reardon said the county clerk/treasurer in his county said there was a need for such a plan as proposed in HB 2821 and that he favored sending the bill to the floor of the House for further debate.

Rep. Larkin said the subcommittee had heard from counties concerned about the fluctuation of funds in county treasuries due to the three payment plan in HB 2821.

Rep. Vancrum moved that HB 2821 be amended so that taxpayers have the option of a three payment plan or the current payment system. Rep. Wiard seconded the motion.

Ann Smith, representing the County Treasurers Association, requested the committee hear from a county treasurer regarding whether or not counties had the capability for an option between different payment plans.

Marcum said her understanding of current law was that the county does not have the option to take partial payment on December 20. In reply to a question, she said interest would be charged on the whole amount of personal property taxes due.

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MINUTES OF THE House COMMITTEE ON Taxation, room 519-S, State-house, at 9:10 a.m. on Thursday, February 20, 1992.

The motion to amend failed.

Rep. Larkin closed on his motion to recommend HB 2821 favorably for passage. The motion failed with 8 for and 11 against.

Information was requested from Ann Smith regarding the use of an option for taxpayers to choose between the current payment plan system and a three partial payments plan. She said she would ask Douglas County Treasurer Nancy Hempen to address the committee on the issue. Rep. Smith also requested Ann Smith supply the committee with copies of personal property tax payment forms.

Rep. Larkin said the subcommittee had no recommendations regarding HB 2789 and HB 2890.

The Chair said no action would be taken on HB 2789, HB 2890 and HB 2819.

Rep. Larkin reviewed subcommittee recommendations on HB 2815 and SB 8 (Attachments 3, 4 and 5).

The meeting was adjourned at 10:30 a.m. The next meeting will be February 24.

TO: Rep. Keith Roe
FROM: Chris Courtwright, KLRD
RE: Subcommittee Report on "Property Tax Administration"

This memo is in response to your request for a brief description of the recommendations made this morning by the subcommittee.

HB 2811 -- as Amended by Subcommittee

HB 2811 would, for one year, prohibit counties from increasing the valuation of real property for which the value has been reduced through the appeals process unless the county appraiser is able to provide a "preponderance" of evidence that the value should be increased. The bill applies to all tax years beginning with tax year 1992.

The original bill would have prevented counties from EVER increasing the valuation of real property whose value had been "finally" determined thru the appeals process unless "documented substantial and compelling reasons" had been provided by the county appraiser. The subcommittee amended the bill to: 1) Make it clear that the shift in the burden of proof to the county prior to any increase in value is for one year at a time only; 2) Require that the property had to have its value reduced by the appeals process; and 3) Change the burden of proof language from "documented substantial and compelling reasons" to a "preponderance of evidence".

With respect to any precedent under current law regarding the burden of proof's being shifted away from the taxpayer, KSA 1990 Supp 79-1448 provides that at the informal meeting between the taxpayer and the appraiser or appraiser's designee, "it shall be the duty of the county appraiser or the county appraiser's designee to initiate production of evidence to substantiate the valuation" of the property.

HB 2812 -- as Amended by Subcommittee

HB 2812 authorizes the Director of Property Valuation to withhold reappraisal maintenance monies appropriated pursuant to KSA 79-1478 from a county in noncompliance with property tax statutes.

Counties aggrieved by any such an attempt to withhold funds would be allowed to appeal to the SBOTA.

Under current law, the Director may petition the SBOTA under KSA 1990 Supp 79-1479, and LAVTRF and CCRSF (but not maintenance funds) monies ultimately may be withheld.

The original bill would have authorized the Director to withhold LAVTRF and CCRSF (as well as reappraisal maintenance funds) PRIOR to going to the SBOTA. The subcommittee struck the proposed new authority of the Director to withhold the LAVTRF and CCRSF funds.

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HB 2768

The subcommittee recommended that HB 2768 "be kept alive" pending the House Tax Committee's policy decision with respect to another bill proposing a biennial reappraisal cycle. The subcommittee also noted that, should HB 2768 ever be worked, it would need to be amended to make it clear that it would not take effect until tax year 1993.

HB 2813 and HB 2820

The subcommittee voted to table these bills.

SUBCOMMITTEE 1

SYNOPSIS OF BILLS ASSIGNED

H.B. 2804 would allow taxpayers 60 days rather than 30 days after notification of balance due or refund denial to submit a written request for a hearing before the Director of Taxation. The bill was requested by the Kansas Bar Association.

H.B. 2815 would change several deadlines in the valuation appeal process. It will be reviewed in detail later.

S.B. 8, held over from the 1991 Session, also would change the deadlines for appeals of valuations. It was considered in combination with H.B. 2815.

H.B. 2789 authorizes the State Board of Tax Appeals to award costs upon a successful appeal filed in 1992 and thereafter by a taxpayer. The costs would be borne by the county.

H.B. 2890 requires fee appraisal by a state certified real estate appraiser of any property the value of which has been appealed. The cost of the fee appraisal would be borne by the taxpayer if the resulting value varied from the value established by the county appraiser by less than 10 percent. Otherwise, the cost would be borne by the taxpayer. The taxpayer could elect to accept either the value established by the county appraiser or the fee appraisal, and either value could be appealed to the State Board of Tax Appeals.

H.B. 2819 would accelerate the budgeting process in order to permit the county clerk to compute preliminary mill levies prior to public hearings on the budgets. Notice to taxpayers would be required at least 10 days prior to the hearings. Final budgets would be certified by September 15 rather than August 25 as under current law.

H.B. 2733 amends K.S.A. 79-1481 to resolve conflicts resulting from enactment in 1984 of the Kansas Administrative Procedures Act.

H.B. 2821 amends K.S.A. 1991 Supp. 79-2004 (for real property) and 79-2004a (for personal property) to permit property tax bills of more than \$10 to be paid in thirds rather than halves as in current law. The due dates would be December 20, March 20 and June 20.

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STATE OF KANSAS

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Department of Revenue
Division of Property Valuation

H.B. 2815 and S.B. 8
HOUSE SUBCOMMITTEE

REAL PROPERTY

| <u>Action</u> | <u>Deadline</u> | | | |
|--|--------------------------------|---|-----------------|--|
| | <u>Current</u> | <u>H.B. 2815</u> | <u>S.B. 8</u> | <u>Subcommittee</u> |
| Mail Valuation Notice | April 1 | March 1 | February 1 | March 1 |
| Taxpayer Appeal | 21 days of mailing | 18 days of mailing | March 1 | April 15 |
| Informal Hearing | May 1 | April 15 | March 31 | May 15 |
| Appraiser's Final Value | May 5 | April 20 | April 5 | May 20 |
| Date for Appraiser to Certify Real Property Appraisal Roll | March 31 | May 31 | ----- | June 15 |
| Final Adjournment of County Board of Equalization | June 15 | (County or District Hearing Panels June 30) | ----- | (County or District Hearing Panels July 1) |
| Date for County Clerk to Certify Abstract | July 1 | July 15 | ----- | July 15 |
| Protest Valuation | Time of Payment or December 20 | Eliminated | Time of Payment | No Change From Current Law |
| Protest Mill Levy | Time of Payment or December 20 | December 20 | Time of Payment | No Change From Current Law |

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PERSONAL PROPERTY

Deadline

| | <u>Current</u> | <u>H.B. 2815</u> | <u>S.B. 8</u> | <u>Subcommittee</u> |
|--|-----------------------------------|--|---------------------|---|
| File Rendition (Corporations) | March 1 April 1 | ----- ----- | March 1 March 15 | March 15 March 15 |
| Mail Valuation Notice | May 1 | April 1 | April 1 | May 1 |
| Taxpayer Appeal | 21 days of Mailing | 21 days of Mailing | April 15 | May 15 |
| Informal Hearing | Unspecified | May 15 | May 1 | Unspecified |
| Appraiser's Final Value | Unspecified | May 20 | May 5 | Unspecified |
| Final Adjournment of County Board of Equalization | June 15 | (County or District Hearing Panels: June 30 | ----- | (County or District Hearing Panels: July 1 |
| Date for Appraiser to Certify Personal Property Appraisal Roll | April 30 | May 31 | ----- | June 15 |
| Date for County Clerk to Certify Abstract | July 1 | July 15 | ----- | July 15 |
| Protest Valuation | Time of Payment or December 20 | Eliminated | Time of Payment | No Change From Current Law |
| Protest Mill Levy | Time of Payment or December 20 | December 20 | Time of Payment | No Change From Current Law |

TAX SUBCOMMITTEE RECOMMENDATIONS ON H.B. 2815 AND S.B. 8

I. Amend H.B. 2815 into S.B. 8 with the following changes:

(1) K.S.A. 1991 Supp. 79-2005 (the tax protest statute) should not be amended. Sec. 5 of S.B. 8 should be removed.

(2) The deadline for mailing real property valuation notices should be March 1 (as specified in H.B. 2815). Every taxpayer should be mailed a valuation notice on real and personal property annually (as specified in H.B. 2815). Sec. 2 of S.B. 8 should be amended to reflect these changes.

(3) A date certain for taxpayer appeals should be established (April 15 for real property and May 15 for personal property). Sec. 1 of S.B. 8 should be amended to reflect these changes.

(4) The county appraiser's final valuation on real property should be mailed to the taxpayer no later than May 20. Sec. 1 of S.B. 8 should be amended to reflect this change.

(5) The date for certifying the real and personal property appraisal rolls should be changed to June 15 (currently the real property appraisal roll is certified March 31 and the personal property appraisal roll is certified April 30).

(6) The provision of H.B. 2815 requiring boards of county commissioners to appoint hearing panels to hear taxpayer appeals should be retained with the following changes:

County or district hearing panel appointments should not be required in counties with fewer than _____ parcels of real property. In such counties appeals from the informal meeting with the county appraiser should be made directly to the state board of tax appeals as provided in K.S.A. 79-1609. Counties should be authorized to levy a tax to pay the salary of such hearing panels which should not be included in computing the aggregate tax levies of the county and which should be exempt from the limitation imposed under K.S.A. 79-2915 to 79-2937. Boards of county commissioners, and individual members thereof, should be authorized to appoint themselves to county or district hearing panels, provided they meet the experience and training requirements.

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(7) All personal property tax renditions (including those on oil and gas properties) should be due March 15. Sec. 4 of S.B. 8 should be amended to reflect this change. K.S.A. 79-332a should be amended so that oil and gas renditions are due on the same date as all other personal property renditions.

The penalty provision in K.S.A. 79-332a should be amended so that penalties for late filing of oil and gas renditions is the same as for other personal property renditions (as prescribed in K.S.A. 1991 Supp. 79-1427a).

(8) The provision of H.B. 2815 authorizing a pilot program establishing binding arbitration boards should be retained with the following changes: The counties wherein such binding arbitration boards should be specified: Lyon, Ellis, Saline and Shawnee; the director of property valuation should be authorized to establish additional binding arbitration boards in any of the other 101 counties with the consent of the boards of county commissioners thereof; the director of property valuation shall establish a list of qualified arbitrators from which the administrative judge of the judicial district wherein the county is located shall select one arbitrator, the board of county commissioners shall select one arbitrator and the two arbitrators selected shall select a third arbitrator. The arbitration boards should be established on or before March 15, 1993. The salary to be paid each binding arbitration board member should be determined by the county on or before August 25, 1992 and the legislature should assume a portion of such cost.

(9) In addition to the statutes already amended by S.B. 8 the following statutes must be amended into S.B. 8: K.S.A. 79-332a (oil and gas rendition date and penalty provision); K.S.A. 1991 Supp. 79-1606 (appeal procedure); K.S.A. 79-1604 (county clerk's abstract statute); K.S.A. 79-1605 (penalty provision for failure to forward abstract); K.S.A. 79-1610 (statute currently requiring hearing officers, panels and county boards of equalization to notify the director of property valuation upon proposing to change value); K.S.A. 79-1608 (statute authorizing special assessment equalization fund); K.S.A. 79-1609 (statute authorizing equalization appeals to the state board of tax appeals).

**S.B. 8. AS AMENDED BY HOUSE ASSESSMENT AND
TAXATION SUBCOMMITTEE**

AN ACT relating to property taxation; concerning the hearing and appeals process; amending K.S.A. 79-306, 79-332a, 79-1604, 79-1605, 79-1608, 79-1609 and 79-1610 and K.S.A. 1991 Supp. 79-1448, 79-1460, 79-1606 and repealing the existing sections; also repealing K.S.A. 79-1466, 79-1467, 79-1601 and 79-1603 and K.S.A. 1991 Supp. 79-1602 and 79-1607.

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

Section 1. K.S.A. 79-306 is amended to read as follows: K.S.A. 79-306. On or before March 4 [15] of each year, or the next following business day if such date falls on a day other than a regular business day, every person, [association, company or corporation] ~~except a corporation, domestic or foreign, in which case the filing date shall be on or before April 1, or the next following business day if such date falls on a day other than a regular business day,~~ required by this act to list property shall make and sign a statement listing all tangible personal property which by this act such person is required to list, either as the owner thereof, or as parent, guardian, trustee, executor, administrator, receiver, accounting officer, partner or agent, as the case may be, and deliver the same to the county appraiser of the county where such property has its situs for the purposes of taxation.

Sec. 2. K.S.A. 79-332a is hereby amended to read as follows: K.S.A. 79-332a. (a) Any person, corporation or association owning oil and gas leases or engaged in operating for oil or gas who fails to make and file a statement of assessment on or before [March 15] ~~April 1~~ shall be subject to a penalty as follows:

(1) If the statement of assessment is filed within 15 days following [March 15] ~~April 1~~, the appraiser shall, after having ascertained the assessed value of the property of such taxpayer, add 10% thereto as a penalty for late filing.

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(2) If the statement of assessment is filed within 15 days but not more than 30 days following [March 15] ~~April 1~~, the appraiser shall, after having ascertained the assessed value of the property of such taxpayer, add 20% thereto as a penalty for late filing.

(3) If the statement of assessment is filed more than 30 days but not more than 45 days following [March 15] ~~April 1~~, the appraiser shall, after having ascertained the assessed value of the property of such taxpayer, add 30% thereto as a penalty for late filing.

(4) If the statement of assessment is filed more than 45 days but not more than 60 days following [March 15] ~~April 1~~, the appraiser shall, after having ascertained the assessed value of property of such taxpayer, add 40% thereto as a penalty for late filing.

(5) If the statement of assessment is filed more than 60 days following [March 15] ~~April 1~~, the appraiser shall, after having ascertained the assessed value of the property of such taxpayer, add 50% thereto as a penalty for late filing.

[(6) If the statement of assessment is filed more than one year from March 15, the appraiser shall, after having ascertained the assessed value of the property of such taxpayer, add 100% thereto as a penalty for late filing.]

(b) For good cause shown the county appraiser may extend the time in which to make and file such statement. Such request for extension of time shall be in writing and shall be received by the county appraiser prior to the due date of the statement of assessment.

(c) Whenever any person, corporation or association owning oil and gas leases or engaged in operating for oil or gas shall fail to make and deliver to the county appraiser of every county wherein the property to be assessed is located, a full and complete statement of assessment relative to such property as required by blank forms prepared or approved for the purpose by the director of property valuation to elicit the information necessary to fix the valuation of the property, the appraiser shall ascertain the assessed value of the property of such taxpayer, and shall add 50% thereto as a penalty for failing to file such statement.

(d) The board of tax appeals shall have the authority to abate any penalty imposed under the provisions of this section and order the refund of the abated penalty, whenever excusable neglect on the part of the person, corporation or association required to make and file the statement of assessment is shown, or whenever the property for which a statement of assessment was not filed as required by law is repossessed, judicially or otherwise, by a secured creditor and such secured creditor pays the taxes and interest due.

Sec. 3. K.S.A. 1991 Supp. 79-1460 is hereby amended to read as follows: K.S.A. 79-1460. The county appraiser shall notify each taxpayer in the county annually on or before ~~April~~ [March] 1 for real property and May 1 for personal property, by mail directed to the taxpayer's last known address, of ~~any change in~~ the classification and appraised valuation of the taxpayer's property, except that, ~~for tax year 1992, and each year thereafter,~~ the valuation for all real property shall not be increased unless: (a) A specific review thereof is conducted, including an individual physical inspection of such property by the county or district appraiser or such appraiser's designee provided that not such inspection shall be required to change the valuation of land devoted to agricultural use, and (b) a record of such inspection is maintained, including the documentation for such increase, and such record is available to the affected taxpayer. For the purposes of this section and in the case of real property the term "taxpayer" shall be deemed to be the person in ownership of the property as indicated on the records of the office of register of deeds or county clerk. Such notice shall specify separately both the previous and current appraised and assessed values for the land and buildings situated on such lands. ~~In the year following the year in which valuation for tangible property established under the program of statewide reappraisal are applied as a basis for the levy of taxes, and in each year thereafter,~~ s[S]uch notice shall [also] include the most recent county sales ratio for the particular subclass of property to which the notice relates, except that no such ratio shall be disclosed on any

such notices sent in any year when the total assessed valuation of the county is increased or decreased due to reappraisal of all of the property within the county. [Such notice shall also contain the uniform parcel identification number prescribed by the director of property valuation.] Such notice shall also contain a statement of the taxpayer's right to appeal and the procedure to be followed in making such appeal. Failure to [timely mail or] receive such notice shall in no way invalidate the classification or appraised valuation. The secretary of revenue shall adopt rules and regulations necessary to implement the provisions of this section.

Sec. 4. K.S.A. 1991 Supp. 79-1448 is hereby amended to read as follows: K.S.A. 79-1448. Any taxpayer may appeal to the county appraiser from the classification or appraised valuation of the taxpayer's property by giving notice to the county appraiser [on or before April 15 for real property and on or before May 15 for personal property] ~~within 21 days of the mailing of the classification and valuation notice.~~ The county appraiser or the appraiser's designee shall arrange to hold an informal meeting with the aggrieved taxpayer with reference to the property in question. At such meeting it shall be the duty of the county appraiser or the county appraiser's designee to initiate production of evidence to substantiate the valuation of such property. The county appraiser may extend the time in which the taxpayer may informally appeal from the classification or appraisal of the taxpayer's property for just and adequate reasons. Except as provided in K.S.A. 79-1404, and amendments thereto, no informal meeting regarding real property shall be scheduled to take place after May 4 [15], nor shall a final determination be given by the appraiser after May 5 [20] ~~in all years thereafter.~~ Any taxpayer who is aggrieved by the final determination of the county appraiser may appeal to the [county or district] ~~hearing officer or panel appointed pursuant to K.S.A. 79-1606, and amendments thereto, or, only in cases where no hearing officer or panel has been appointed, to the count board of equalization in the same manner as~~

~~appeals are made to such board under K.S.A. 79-1606, and amendments thereto, and such [county or district] hearing officer, panel or board, for just cause shown and recorded, is authorized to change the classification or valuation of specific tracts or individual items of real or personal property in the same manner provided for in K.S.A. 79-1602 et seq., and amendments thereto. Any taxpayer who is aggrieved by the final determination of a [county or district] hearing officer or panel may appeal to the [state board of tax appeals as provided in K.S.A. 79-1609] county board of equalization in the same manner as appeals are made to such board under K.S.A. 79-1606, and amendments thereto. [An informal meeting with the county appraiser or the appraiser's designee is a condition precedent to an appeal to the county or district hearing panel.] Each step in the county's established informal and formal appeal process must be completed before the taxpayer may appeal to the next level except as provided in K.S.A. 79-1609, and amendments thereto.~~

New Sec. 5. [On or before June 15 the county appraiser shall deliver all appraisal rolls to the county clerk accompanied by a certification that such rolls constitute the complete appraisal rolls of the county.]

New Sec. 6. [The board of county commissioners of each county shall appoint at least one county hearing panel of not fewer than three individuals to hear and determine appeals from the final determination of classification and appraised valuation of real or personal property by the county appraiser. Provided, however, the board of county commissioners, with the approval of the director of property valuation, may unite with the board of county commissioners of one or more counties to form a district for the purpose of appointing at least one district hearing panel of not fewer than three individuals. Provided

further, any county having fewer than XXXXXXXX parcels of real property shall not be required to appoint county or district hearing panels. In any county wherein county or district hearing panels are not appointed pursuant to this section any appeal from the final determination of the county appraiser shall be filed directly with the state board of tax appeals as provided in K.S.A. 79-1609, and amendments thereto.

The board of county commissioners shall fix the salary to be paid each member of the county hearing panel. In the case of district hearing panels, the salary to be paid each member of the district hearing panel shall be fixed by joint resolution by the boards of county commissioners published in the official county newspaper of each county. 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 complying with this section. Such tax levies shall not be included in computing the aggregate tax levies of the county and are exempt from the limitation imposed under the provisions of K.S.A. 79-2925 to 79-2937, and amendments thereto.

No person may serve on the county or district hearing panel who is not qualified by virtue of experience and training in the field of property appraisal and property tax administration, such qualifications to be determined by the director of property valuation who shall prescribe guidelines governing the duties of the county and district hearing panels. Each member of the county or district hearing panel shall attend and complete a training program conducted by the director of property valuation or the director's designee. Any person who has performed an appraisal of any property the appraised valuation of which is appealed to the county or district hearing panel shall not hear such appeal and may not participate in any deliberations on such appeal. The board of county commissioners, or individual members

thereof, may serve as members of the county or district hearing panel provided they meet the foregoing requirements.

The director of property valuation shall prescribe guidelines governing the duties of the county and district hearing panels.]

Sec. 7. K.S.A. 1991 Supp. 79-1606 is hereby amended to read as follows. K.S.A. 79-1606. The [county appraiser, hearing panel and arbitration board] ~~hearing officers or panels or the county board of equalization in each count~~ shall adopt, use and maintain the following records, the form and method of use of which shall be prescribed by the director of property valuation;

- (a) Appeal form,
- (b) hearing docket, and
- (c) record of cases, including the disposition thereof.

The county clerk shall furnish appeal forms to any [taxpayer] ~~owner of property which has been appraised~~ who desires to [appeal the final determination of the county appraiser as provided in K.S.A. 79-1448, and amendments thereto] ~~further appeal to the hearing officers or panels or the county board of equalization as to the classification, appraised valuation, assessment or assessment equalization of property by the county appraiser.~~ Any such appeal in writing involving the classification, appraised valuation, assessment or assessment equalization of property must be filed with the county clerk within 18 days of the date that [the] a notice of change in value or final determination of the appraiser [was mailed to the taxpayer] ~~hearing officer or panel or board of equalization was mailed to the taxpayer, except as provided in K.S.A. 79-1609, and amendments thereto.~~

[The county or district hearing panel shall hear and determine any appeal made by any taxpayer or such taxpayer's agent or attorney. All such hearings shall be held in a suitable place in the county or district. The county or district hearing panel shall provide for sufficient evening and Saturday meetings for the performance of its

duties as shall be necessary to hear all parties making requests for such evening or Saturday meetings.]

Every appeal so filed shall be set for hearing by the [county or district] hearing officers or panels or the county board of equalization which hearing [shall] must be held on or before [July 1, and the county or district hearing panel shall have no authority to be in session thereafter, except as provided in K.S.A. 79-1404, and amendments thereto.] May 25, 1990, and May 15 of all years thereafter, if heard by a hearing officer or panel, and June 8, 1990, and May 30 of all years thereafter, if heard by a county board of equalization. The county clerk shall notify each appellant and the county appraiser of the date for hearing of the taxpayer's appeal at least 10 days in advance of such hearing. Every such appeal shall be determined by order of the [county or district] hearing officer or panel or the county board of equalization and such order shall be recorded in the minutes of such [county or district hearing] officer, panel or board on or before [July 5] May 25, 1990, and May 15 of all years thereafter, if heard by a hearing officer or panel, and June 8, 1990, and May 30 of all years thereafter, if heard by a county board of equalization. Such recorded orders and minutes shall be open to public inspection. Notice as to disposition of the appeal shall be mailed by the county clerk to the taxpayer and the county appraiser within five days after the determination.

Sec. 8. K.S.A. 1604 is hereby amended to read as follows: K.S.A. 79-1604. The county clerk, immediately after the [county or district hearing panel] board of equalization shall have completed its labors, shall prepare an abstract of the assessment rolls of [the] his or her county and forward it to the director of property valuation on or before the 1st day of July [15]. Said abstract shall be made [in the form] upon forms prescribed and furnished by the director of property valuation and shall give the information asked by the director of property valuation under the various subjects fully and completely as required. [The director shall

have authority to prescribe a statewide database format.] The abstract on motor vehicles will include only those motor vehicles assessed as of the date the abstract is prepared previous to mailing to the director of the property valuation ~~department~~. Any motor vehicles acquired, purchased, traded or sold during the time the abstract is being prepared and until September 1, will be assessed and added or subtracted from the original assessment allowing an additional valuation to the abstracted figure on motor vehicles. Any motor vehicles acquired, purchased, traded or sold after the time the abstract is being prepared will be assessed and added or subtracted from the original assessment allowing an additional valuation to the abstracted figure on motor vehicles. After the levy is set according to law, valuations of motor vehicles shall be credited as supplementary assessments are now credited.

Sec. 9. K.S.A. 79-1605 is amended to read as follows: K.S.A. 79-1605. If any county clerk shall refuse or neglect to [**properly**] prepare an abstract of the assessment roll of the county and forward the same to the director of property valuation, as required by law, he or she shall forfeit to the state the sum of [**five**] ~~one~~ hundred dollars, to be recovered in the name of the county commissioners by civil action before any court of competent jurisdiction, and the [**verified**] certificate of the director of property valuation, ~~authenticated by the official seal of the director of property valuation,~~ setting forth the failure of the clerk to comply with the provisions of said section, shall be prima facie evidence of such refusal or neglect, on the trial of such action.

Sec. 10. K.S.A. 79-1610 is hereby amended to read as follows: K.S.A. 79-1610. Notice of the decision of the [**county or district**] hearing ~~officer or panel or the board of equalization~~ on any appeal shall be mailed to the taxpayer and the county appraiser within five days after the date of making of such decision or the date of approval of the director of property valuation, whichever occurs later. Noticed of all changes of classification or valuation of property, including the justification for such

changes, shall, within five days, be mailed to the director of property valuation pursuant to K.S.A. ~~1987-Supp.~~ 79-1481, and amendments thereto, if such change constitutes the final decision of the county. Any appeal duly perfected not heard by the **[county or district hearing panel]** ~~board~~ on or before the date of final adjournment of the county or district hearing panel, shall be deemed to have been denied as of the date of final adjournment and the **[county or district hearing panel]** ~~board~~ shall mail a notice of such denial to the taxpayer within five days after the date of final adjournment.

Sec. 11. K.S.A. 79-1608 is hereby amended to read as follows: K.S.A. 79-1608. The board of county commissioners of any county by resolution is hereby authorized and empowered to transfer at the close of any budget year all or any part of the balance of the money in the county general fund, and subject to legal expenditure in such year, to a special **[appraisal]** ~~assessment-equalization~~ fund. Upon the adoption of such resolution, a copy thereof shall be delivered to the county treasurer and the treasurer shall credit the amount provided in such resolution to such special fund and shall debit the general fund.

Such transfers may be made notwithstanding the provisions of K.S.A. 79-2925 to 79-2937, and amendments thereto. All moneys credited to such special fund shall be used by the county for the purpose of **[assuring that all property in the county is classified and appraised according to law and for the purpose of the]** employment of or contracting for ~~assistants,~~ **[appraisal assistance or]** hearing officers ~~or panels to aid the county board of equalization in the performance of its duties or to make appraisals of all or any part of the properties in such county for the purpose of aiding the board in assessment equalization.~~ Such special **[appraisal]** ~~assessment-equalization~~ 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, and the amount

expended therefrom shall be shown thereon for the information of the taxpayers of the county.

If the board of county commissioners shall determine at any time that all or any part of the money which has been transferred to such special fund is not needed for the purposes for which so transferred, the board of county commissioners is hereby authorized and empowered by resolution to retransfer such amount not needed to the general fund of the county, and such retransfer and expenditure thereof shall be subject to the provisions of K.S.A. 79-2925 to 79-2937, and amendments thereto.

Sec. 12. K.S.A. 79-1609 is amended to read as follows: K.S.A. 79-1609. Any person aggrieved by any order of the county [or district panel] ~~board of equalization~~ may appeal to the state board of tax appeals by filing a written notice of appeal, on forms approved by the state board of tax appeals and provided by the county clerk for such purpose, stating the grounds thereof and a description of any comparable property or properties and the [appraisal] ~~assessment~~ thereof upon which they rely as evidence of inequality of [the appraisal] ~~assessment~~ of their property, if that be a ground of the appeal, with the board of tax appeals and by filing a copy thereof with the [county] clerk ~~of the county board of equalization~~ within [30] 45 days after the date of the order from which the appeal is taken. A county [or district] appraiser may appeal to the state board of tax appeals from any order of the county [or district hearing panel] ~~board of equalization~~.

[A final order of the state board of tax appeals shall be mailed to the property owner, the county treasurer and the county appraiser within 90 days of the date an appeal was fully submitted to such board for final decision. Each final order of the state board of tax appeals shall state the date the appeal was fully submitted to such board. If taxes have been paid and the final order of the state board of tax appeals is not mailed to the property owner, the county treasurer and the county appraiser within 90 days of the date such appeal was fully submitted

to such board and such order results in a refund of taxes interest at the rate prescribed in K.S.A. 79-2968, and amendments thereto, shall accrue and be paid on the refund from and after 90 days of the date such appeal was fully submitted to such board.

Any refund of property taxes resulting from a final order of the state board of tax appeals on any appeal filed as hereinbefore provided shall be processed by the county clerk or county treasurer as provided in K.S.A. 79-2005, and amendments thereto.]

New Sec. 13. [Binding arbitration boards consisting of persons qualified by virtue of experience and training in the field of property appraisal and tax administration shall be established on or before March 15, 1993, in Lyon, Ellis, Saline and Shawnee counties. Provided however, the director of property valuation may determine that binding arbitration boards should not be established in such county or counties or may designate any other county or counties for the purpose of establishing additional binding arbitration boards with the consent of the board of county commissioners thereto. In the event binding arbitration boards are established in another county or counties the procedures prescribed herein shall be followed in establishing and conducting such boards.

The director of property valuation shall establish a list of qualified arbitrators from which all binding arbitration board members shall be selected. On or before March 15, 1993, and each ensuing March 15, the administrative judge of the judicial district in which the county is located shall select one arbitrator and the board of county commissioners of such county shall select a second arbitrator. The two selected arbitrators shall select a third arbitrator.

The board of county commissioners of each county in which binding arbitration boards are to be established shall, on or before August 25,

1992, and on or before August 25 of each ensuing year, by resolution fix the salary to be paid each binding arbitration board member who shall serve in such county and notify the director of property valuation of the amount thereof. The state shall assume a portion of the cost of such binding arbitration boards in accordance with appropriation acts of the legislature.

The county clerk or the county clerk's designee shall serve as clerk of the binding arbitration board.

The county clerk shall furnish arbitration forms to any property owner who desires to submit the final determination of classification or appraised valuation by the county appraiser to binding arbitration. The arbitration forms must be filed with the county clerk within 18 days of the date that a final determination of classification or appraised valuation was mailed to the property owner as provided in K.S.A. 79-1448, and amendments thereto. A request for binding arbitration shall be in lieu of an appeal to the county or district hearing panel as provided in K.S.A. 79-1606, and amendments thereto.

Every request for binding arbitration shall be promptly set for hearing by the county clerk. All such hearings shall be completed on or before the last business day in June. The county clerk shall notify the property owner and the county appraiser of the date for hearing at least 10 days in advance of such hearing. Every request for arbitration shall be determined by order of the binding arbitration board and such order shall be recorded in the minutes of such board on or before July 5 and the binding arbitration board shall have no authority to be in session thereafter. Such recorded orders shall be open to public inspection. Notice of the decision of the binding arbitration board shall be mailed by the county clerk to the property owner and the county appraiser within 15 days of the hearing.

The decision of the binding arbitration board shall be final and not subject to appeal.

The director of property valuation shall prescribe guidelines governing the duties of the binding arbitration boards.

The provisions of this section shall apply to all taxable years commencing after December 31, 1992, through December 31, 1995.]

Sec. 14. K.S.A. 79-306, 79-332a, 79-1466, 79-1467, 79-1601, 79-1603, 79-1604, 79-1605, 79-1608, 79-1609 and 79-1610 and K.S.A. 1991 Supp. 79-1448, 79-1460, 79-1602, 79-1606, 79-1607 are hereby repealed.

Sec. 15. This act shall take effect and be in force from and after its publication in the statute book.