

CHAPTER 109

Substitute for HOUSE BILL No. 2018

AN ACT creating the state court of tax appeals and abolishing the state board of tax appeals; amending K.S.A. 9-1402, 12-110a, 12-631, 12-1664, 12-16,109, 12-1737, 12-1742, 12-1744a, 12-1744b, 12-1744c, 12-1744d, 12-1755, 12-1934, 12-3206, 12-3805, 14-1060, 17-1374, 19-236, 19-431, 19-15,103, 19-15,106, 19-15,116, 19-15,123, 19-2106f, 19-2653, 19-2752a, 19-3554, 19-4420, 19-4442, 20-356, 20-363, 20-626, 24-133, 24-665, 24-1219, 31-144, 38-549, 68-151n, 72-4142, 72-6443, 72-8203b, 74-2426, 74-2433a, 74-2433b, 74-2433c, 74-2433d, 74-2433e, 74-2433f, 74-2433g, 74-2434, 74-2435, 74-2436, 74-2437, 74-2437a, 74-2437b, 74-2438, 74-2439, 74-2442, 75-430, 75-5104, 75-5107, 75-5121, 79-213a, 79-425a, 79-6a14, 79-1404a, 79-1409, 79-1410, 79-1413a, 79-1422, 79-1426, 79-1478, 79-1478a, 79-1479, 79-1481, 79-1489, 79-1703, 79-1704, 79-1964a, 79-1964b, 79-2416d, 79-2925a, 79-2938, 79-2939, 79-2940, 79-2941, 79-2951, 79-3107c, 79-3221, 79-32,193 and K.S.A. 2007 Supp. 2-131e, 72-6441, 72-6451, 74-2433, 74-2438a, 74-4911f, 75-37,121, 75-4201, 77-529, 79-210, 79-213, 79-332a, 79-5a27, 79-1427a, 79-1437f, 79-1448, 79-1476, 79-1609, 79-1611, 79-1701, 79-1702, 79-2005, 79-2977, 79-3226, 79-3233g, 79-3694, 79-5205, 80-119, 80-808, 80-1920 and 82a-1030 and repealing the existing sections.

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

Section 1. K.S.A. 74-2426 is hereby amended to read as follows: 74-2426. (a) Orders of the ~~board~~ *state court* of tax appeals on any appeal, in any proceeding under the tax protest, tax grievance or tax exemption statutes or in any other original proceeding before the ~~board~~ *court* shall be rendered and served in accordance with the provisions of the Kansas administrative procedure act. Notwithstanding the provisions of subsection (g) of K.S.A. 77-526, and amendments thereto, a final order of the ~~board~~ *court* shall be rendered in writing and served within 120 days after the matter was fully submitted to the ~~board~~ *court* unless this period is waived or extended with the written consent of all parties or for good cause shown.

(b) No final order of the ~~board~~ *court* shall be subject to review pursuant to subsection (c) unless the aggrieved party first files a petition for reconsideration of that order with the ~~board~~ *court* in accordance with the provisions of K.S.A. 77-529, and amendments thereto.

(c) Any action of the ~~board~~ *court* pursuant to this section is subject to review in accordance with the act for judicial review and civil enforcement of agency actions, except that:

(1) The parties to the action for judicial review shall be the same parties as appeared before the ~~board~~ *court* in the administrative proceedings before the ~~board~~ *court*. The ~~board~~ *court* shall not be a party to any action for judicial review of an action of the ~~board~~ *court*.

(2) There is no right to review of any order issued by the ~~board~~ *court* in a no-fund warrant proceeding pursuant to K.S.A. 12-110a, 12-1662 et seq., 19-2752a, 79-2938, 79-2939 and 79-2951, and amendments thereto, and statutes of a similar character. *The court of appeals has jurisdiction for review of all final orders issued after June 30, 2008, in all other cases.*

~~(3) The court of appeals has jurisdiction of any action for review pertaining to property appraised and assessed by the director of property valuation, excise, income or inheritance taxes assessed by the director of taxation and the exemption of any property from property taxation. The district court of the proper county has jurisdiction in all other cases.~~

~~(4) Review of orders issued by the board of tax appeals relating to the valuation or assessment of property for ad valorem tax purposes or relating to the tax protest shall be conducted by the district court of the county in which the property is located or, if located in more than one county, the district court of any county in which any portion of the property is located.~~

~~(5)~~ (3) In addition to the cost of the preparation of the transcript, the appellant shall pay to the ~~board~~ *state court of tax appeals* the other costs of certifying the record to the reviewing court. Such payment shall be made prior to the transmission of the agency record to the reviewing court.

(d) If review of an order of the ~~board~~ *state court of tax appeals* relating to excise, income or inheritance taxes, is sought by a person other than the director of taxation, such person shall give bond for costs at the time the petition is filed. The bond shall be in the amount of 125% of the amount of taxes assessed or a lesser amount approved by the court of appeals and shall be conditioned on the petitioner's prosecution of the review without delay and payment of all costs assessed against the peti-

tioner.

(e) If review of an order is sought by a party other than the director of property valuation or a taxing subdivision and the order determines, approves, modifies or equalizes the amount of valuation which is assessable and for which the tax has not been paid, a bond shall be given in the amount of 125% of the amount of the taxes assessed or a lesser amount approved by the reviewing court. The bond shall be conditioned on the petitioner's prosecution of the review without delay and payment of all costs assessed against the petitioner.

Sec. 2. K.S.A. 2007 Supp. 74-2433 is hereby amended to read as follows: 74-2433. (a) There is hereby created a state ~~board~~ court of tax appeals, referred to in this act as the ~~board~~ court. The ~~board~~ court shall be composed of three ~~members~~ tax law judges who shall be appointed by the governor, subject to confirmation by the senate as provided in K.S.A. 75-4315b, and amendments thereto. After the effective date of this act, one of such ~~members~~ judges shall have been regularly admitted to practice law in the state of Kansas and for a period of at least five years, have engaged in the active practice of law as a lawyer, judge of a court of record or any other court in this state; and one of such ~~members~~ judges shall have engaged in active practice as a certified public accountant for a period of at least five years. *In addition, the governor shall also appoint a chief hearing officer, subject to confirmation by the senate as provided in K.S.A. 75-4315b, and amendments thereto, who, in addition to other duties prescribed by this act, shall serve as a judge pro tempore of the court.* No successor shall be appointed for the ~~two members of the board~~ whose terms of office expired on January 15, 2003, and if any such appointment is made prior to the effective date of this act, any such member's term of office shall expire on the effective date of this act *any member of the board of tax appeals appointed before July 1, 2008. Such persons shall continue to serve as judges on the court of tax appeals until their terms expire.* Except as provided by K.S.A. 46-2601, and amendments thereto, no person appointed to the ~~board~~ court, including the chief hearing officer, shall exercise any power, duty or function as a ~~member~~ judge of the ~~board~~ court until confirmed by the senate. Not more than two ~~members~~ judges of the ~~board~~ court shall be of the same political party. ~~Members~~ Judges of the ~~board~~ court, including the chief hearing officer, shall be residents of the state. Subject to the provisions of K.S.A. 75-4315c, and amendments thereto, no more than one shall be appointed from any one of the congressional districts of Kansas *unless, after having exercised due diligence, the governor is unable to find a qualified replacement within 90 days after any vacancy on the court occurs.* The ~~members~~ judges of the ~~board~~ court, including the chief hearing officer, shall be selected with special reference to training and experience for duties imposed by this act and shall be individuals with legal, tax, accounting or appraisal training and experience. ~~Members~~ State court of tax appeals judges shall be subject to the supreme court rules of judicial conduct applicable to all judges of the district court. The ~~board~~ court shall be bound by the doctrine of stare decisis limited to published decisions of an appellate court other than a district court. ~~Members~~ Judges of the court, including the chief hearing officer, shall hold office for terms of four years and until their successors are appointed and confirmed. Except as otherwise provided, such terms of office shall expire on January 15 of the last year of such term. If a vacancy occurs on the ~~board~~ court, or in the position for chief hearing officer, the governor shall appoint a successor to fill the vacancy for the unexpired term. *Nothing in this section shall be construed to prohibit the governor from reappointing any judge of the court, including the chief hearing officer, for additional four-year terms.* The governor shall select one of its ~~members~~ judges to serve as ~~chairperson~~ chief judge. The votes of two ~~members~~ judges shall be required for any ~~action~~ final order to be ~~taken~~ issued by the ~~board~~ court. Meetings may be called by the ~~chairperson~~ chief judge and shall be called on request of a majority of the ~~members~~ judges of the ~~board~~ court and when otherwise prescribed by statute.

(b) Any ~~member of judge~~ appointed to the state ~~board~~ court of tax appeals and the chief hearing officer may be removed by the governor for cause, after public hearing conducted in accordance with the provisions of the Kansas administrative procedure act.

(c) The state ~~board~~ court of tax appeals shall appoint, subject to approval by the governor, an executive director of the ~~board~~ court, to serve

at the pleasure of the ~~board~~ court. The executive director shall: (1) Be in the unclassified service under the Kansas civil service act; (2) devote full time to the executive director's assigned duties; (3) receive such compensation as determined by the ~~board~~ court, subject to the limitations of appropriations thereof; and (4) have familiarity with the tax appeals process sufficient to fulfill the duties of the office of executive director. The executive director shall perform such duties as directed by the ~~board~~ court.

(d) Appeals decided by the state ~~board~~ court of tax appeals which are deemed of sufficient importance to be published shall be published by the ~~board~~ court.

(e) After appointment, ~~members~~ judges of the state ~~board~~ court of tax appeals shall complete the following course requirements: (1) A tested appraisal course of not less than 30 clock hours of instruction consisting of the fundamentals of real property appraisal with an emphasis on the cost and sales approaches to value; (2) a tested appraisal course of not less than 30 clock hours of instruction consisting of the fundamentals of real property appraisal with an emphasis on the income approach to value; (3) a tested appraisal course of not less than 30 clock hours of instruction with an emphasis on mass appraisal; (4) an appraisal course with an emphasis on Kansas property tax laws and; (5) an appraisal course on the techniques and procedures for the valuation of state assessed properties with an emphasis on unit valuation; and (6) a tested appraisal course on the techniques and procedures for the valuation of land devoted to agricultural use pursuant to K.S.A. 79-1476, and amendments thereto. The executive director shall adopt rules and regulations prescribing a timetable for the completion of the course requirements and prescribing continued education requirements for ~~members~~ judges of the ~~board~~ court.

(f) The state ~~board~~ court of tax appeals shall have no capacity or power to sue or be sued.

Sec. 3. K.S.A. 74-2433a is hereby amended to read as follows: 74-2433a. The state ~~board~~ court of tax appeals created by K.S.A. 74-2433, *and amendments thereto*, is hereby transferred out of the department of revenue and established as an independent agency *and administrative law court* within the executive branch of state government.

Sec. 4. K.S.A. 74-2433b is hereby amended to read as follows: 74-2433b. All budgeting, purchasing and related management functions of the state ~~board~~ court of tax appeals shall be administered under the direction and supervision of the state ~~board~~ court of tax appeals.

Sec. 5. K.S.A. 74-2433c is hereby amended to read as follows: 74-2433c. All vouchers for expenditures from appropriations to or for the state ~~board~~ court of tax appeals shall be approved by the ~~chairman~~ chief judge of the state ~~board~~ court of tax appeals or a person or persons designated by the ~~chairman~~ chief judge for such purpose.

Sec. 6. K.S.A. 74-2433d is hereby amended to read as follows: 74-2433d. All records of and appropriations for the state ~~board~~ court of tax appeals shall be transferred to the state ~~board~~ court of tax appeals on the effective date of this order.

Sec. 7. K.S.A. 74-2433e is hereby amended to read as follows: 74-2433e. The state ~~board~~ court of tax appeals created by K.S.A. 74-2433, *and amendments thereto*, is hereby specifically continued in existence, and it shall have the same powers, functions and duties as were vested by law in it immediately prior to the effective date of this order, except as is herein otherwise specifically provided.

Sec. 8. K.S.A. 74-2433f is hereby amended to read as follows: 74-2433f. ~~On and after January 1, 1999,~~ (a) There shall be a division of the state ~~board~~ court of tax appeals known as the small claims *and expedited hearings* division. Hearing officers appointed by the ~~executive director~~ chief hearing officer shall have authority to hear and decide cases heard in the small claims *and expedited hearings* division.

(b) The small claims *and expedited hearings* division shall have jurisdiction over hearing and deciding applications for the refund of protested taxes under the provisions of K.S.A. 79-2005, and amendments thereto, and hearing and deciding appeals from decisions rendered pursuant to the provisions of K.S.A. 79-1448, and amendments thereto, and of article 16 of chapter 79 of the Kansas Statutes Annotated, and acts amendatory thereof or supplemental thereto, with regard to single-family residential property. The filing of an appeal with the small claims *and expedited*

hearings division shall be a prerequisite for filing an appeal with the state ~~board~~ court of tax appeals for appeals involving single-family residential property.

(c) At the election of the taxpayer, the small claims *and expedited hearings* division shall have jurisdiction over: (1) Any appeal of a decision, finding, order or ruling of the director of taxation, except an appeal, finding, order or ruling relating to an assessment issued pursuant to K.S.A. 79-5201 et seq., and amendments thereto, in which the amount of tax in controversy does not exceed \$15,000; (2) hearing and deciding applications for the refund of protested taxes under the provisions of K.S.A. 79-2005, and amendments thereto, where the value of the property, other than property devoted to agricultural use, is less than \$2,000,000 as reflected on the valuation notice; ~~or~~ (3) hearing and deciding appeals from decisions rendered pursuant to the provisions of K.S.A. 79-1448, and amendments thereto, and of article 16 of chapter 79 of the Kansas Statutes Annotated, and acts amendatory thereof or supplemental thereto, other than those relating to land devoted to agricultural use, wherein the value of the property is less than \$2,000,000 as reflected on the valuation notice.

(d) In accordance with the provisions of K.S.A. 74-2438, and amendments thereto, any party may elect to appeal any application or decision referenced in subsection (b) to the state ~~board~~ court of tax appeals. Except as provided in subsection (b) regarding single-family residential property, the filing of an appeal with the small claims *and expedited hearings* division shall not be a prerequisite for filing an appeal with the state ~~board~~ court of tax appeals under this section. Final decisions of the small claims *and expedited hearings* division may be appealed to the state ~~board~~ court of tax appeals. An appeal of a decision of the small claims *and expedited hearings* division to the state ~~board~~ court of tax appeals shall be de novo.

(e) A taxpayer shall commence a proceeding in the small claims *and expedited hearings* division by filing a notice of appeal in the form prescribed by the rules of the state ~~board~~ court of tax appeals which shall state the nature of the taxpayer's claim. Notice of appeal shall be provided to the appropriate unit of government named in the notice of appeal by the taxpayer. In any valuation appeal or tax protest commenced pursuant to articles 14 and 20 of chapter 79 of the Kansas Statutes Annotated, and amendments thereto, the hearing shall be conducted in the county where the property is located or a county adjacent thereto. In any appeal from a final determination by the secretary of revenue, the hearing shall be conducted in the county in which the taxpayer resides or a county adjacent thereto.

(f) The hearing in the small claims *and expedited hearings* division shall be informal. The hearing officer may hear any testimony and receive any evidence the hearing officer deems necessary or desirable for a just determination of the case. A hearing officer shall have the authority to administer oaths in all matters before the hearing officer. All testimony shall be given under oath. A party may appear personally or may be represented by an attorney, a certified public accountant, a certified general appraiser, a tax representative or agent, a member of the taxpayer's immediate family or an authorized employee of the taxpayer. A county or unified government may be represented by the county appraiser, designee of the county appraiser, county attorney or counselor or other representatives so designated. No transcript of the proceedings shall be kept.

(g) The hearing in the small claims *and expedited hearings* division shall be conducted within 60 days after the appeal is filed in the small claims *and expedited hearings* division unless such time period is waived by the taxpayer. A decision shall be rendered by the hearing officer within 30 days after the hearing is concluded and, in cases arising from appeals described by subsections (b) and (c)(2) and (3), shall be accompanied by a written explanation of the reasoning upon which such decision is based. Documents provided by a taxpayer or county or district appraiser shall be returned to the taxpayer or the county or district appraiser by the hearing officer and shall not become a part of the ~~board's~~ court's permanent records. Documents provided to the hearing officer shall be confidential and may not be disclosed, except as otherwise specifically provided.

(h) With regard to any matter properly submitted to the division relating to the determination of valuation of property for taxation purposes, it shall be the duty of the county appraiser to initiate the production of

evidence to demonstrate, by a preponderance of the evidence, the validity and correctness of such determination. No presumption shall exist in favor of the county appraiser with respect to the validity and correctness of such determination.

Sec. 9. K.S.A. 74-2433g is hereby amended to read as follows: 74-2433g. ~~On and after January 1, 1999,~~ (a) The hearing officers of the small claims *and expedited hearings* division shall be appointed by the ~~executive director~~ *chief hearing officer* of the state ~~board~~ court of tax appeals.

(b) Each hearing officer of the small claims *and expedited hearings* division shall receive compensation in an amount determined by the ~~executive director~~ *chief judge* and approved by the ~~board~~ court.

Sec. 10. K.S.A. 74-2434 is hereby amended to read as follows: 74-2434. (a) Each ~~member judge~~ of the ~~board~~ court, *including the chief hearing officer*, shall receive an annual salary as provided in this section. Each of the ~~members judges~~ of the ~~board~~ court, *including the chief hearing officer*, shall devote full time to the duties of such office.

(b) (1) The annual salary of the ~~chairperson~~ *chief judge* shall be an amount equal to the annual salary paid by the state to a district judge designated as chief judge; and

(2) the annual salary of each ~~member judge~~ other than the ~~chairperson~~ *chief judge, including the chief hearing officer*, shall be an amount which is \$2,465 less than the annual salary of the ~~chairperson~~ *chief judge*.

Sec. 11. K.S.A. 74-2435 is hereby amended to read as follows: 74-2435. Within amounts budgeted for it, the state ~~board~~ court of tax appeals may appoint such employees as may be necessary, which employees shall be in the classified service of the Kansas civil service act, and may appoint a secretary and attorneys, and such secretary and attorneys shall be in the unclassified service of the Kansas civil service act.

Sec. 12. K.S.A. 74-2436 is hereby amended to read as follows: 74-2436. The ~~board~~ court shall keep an accurate record of its official proceedings, and shall keep a common seal of such design as shall be determined by the ~~board~~ court. Copies of records of the ~~board~~ court, certified by the secretary and attested with the seal of the ~~board~~ court, shall be received in evidence with like effect as copies of other public records. The secretary of the ~~board~~ court shall be the custodian of the seal and records and be authorized to affix the seal in all proper cases. The secretary or any ~~member judge~~ of the ~~board~~ court shall have the power to administer oaths in all matters before the ~~board~~ court. Two ~~(2) members judges~~ of the ~~board~~ court shall constitute a quorum ~~for the transaction of the business.~~

Sec. 13. K.S.A. 74-2437 is hereby amended to read as follows: 74-2437. The state ~~board~~ court of tax appeals shall have the following powers and duties:

(a) To hear appeals from the director of taxation and the director of property valuation on rulings and interpretations by said directors, except where different provision is made by law;

(b) to hear appeals from the director of property valuation on the assessment of state assessed property;

(c) to adopt rules and regulations relating to the performance of its duties and particularly with reference to procedure before it on hearings and appeals; and

(d) such other powers as may be prescribed by law.

Sec. 14. K.S.A. 74-2437a is hereby amended to read as follows: 74-2437a. The state ~~board~~ court of tax appeals shall have the power to summon witnesses from any part of the state to appear and give testimony, and to compel ~~said~~ *such* witnesses to produce records, books, papers and documents relating to any subject matter before the ~~said board~~ state court of tax appeals, subject to the restrictions of K.S.A. 79-1424, *and amendments thereto*. Summons, subpoenas and subpoenas duces tecum may be directed to the sheriff of any county and may be made returnable at such time as the ~~board~~ court of tax appeals shall determine. No fees shall be charged by the sheriff for service thereof. Witness fees and mileage shall be allowed and may be taxed as costs to either party in the discretion of the ~~board~~ court.

Sec. 15. K.S.A. 74-2437b is hereby amended to read as follows: 74-2437b. The state ~~board~~ court of tax appeals shall have power to issue an order directing depositions of witnesses residing within or without the state, to be taken, upon notice to the interested parties, if any, in like

manner that depositions of witnesses are taken in civil actions pending in the district court, in any matter before the ~~board~~ court.

Sec. 16. K.S.A. 74-2438 is hereby amended to read as follows: 74-2438. An appeal may be taken to the state ~~board~~ court of tax appeals from any finding, ruling, order, decision, final determination or other final action, including action relating to abatement or reduction of penalty and interest, on any case of the secretary of revenue or the secretary's designee by any person aggrieved thereby. Notice of such appeal shall be filed with the secretary of the ~~board~~ court within 30 days after such finding, ruling, order, decision, final determination or other action on a case, and a copy served upon the secretary of revenue or the secretary's designee. An appeal may also be taken to the state ~~board~~ court of tax appeals at any time when no final determination has been made by the secretary of revenue or the secretary's designee after 270 days has passed since the date of the request for informal conference pursuant to K.S.A. 79-3226, and amendments thereto, and no written agreement by the parties to further extend the time for making such final determination is in effect. Upon receipt of a timely appeal, the ~~board~~ court shall conduct a hearing in accordance with the provisions of the Kansas administrative procedure act. The hearing before the ~~board~~ court shall be a de novo hearing unless the parties agree to submit the case on the record made before the secretary of revenue or the secretary's designee. With regard to any matter properly submitted to the ~~board~~ court relating to the determination of valuation of residential property or real property used for commercial and industrial purposes for taxation purposes, it shall be the duty of the county or district appraiser to initiate the production of evidence to demonstrate, by a preponderance of the evidence, the validity and correctness of such determination, except that no such duty shall accrue with regard to leased commercial and industrial property unless the property owner has furnished to the county or district appraiser a complete income and expense statement for the property for the three years next preceding the year of appeal. No presumption shall exist in favor of the county or district appraiser with respect to the validity and correctness of such determination. No interest shall accrue on the amount of the assessment of tax subject to any such appeal beyond 120 days after the date the matter was fully submitted, except that, if a final order is issued within such time period, interest shall continue to accrue until such time as the tax liability is fully satisfied, and if a final order is issued beyond such time period, interest shall recommence to accrue from the date of such order until such time as the tax liability is fully satisfied.

Sec. 17. K.S.A. 2007 Supp. 74-2438a is hereby amended to read as follows: 74-2438a. (a) The executive director of the state ~~board~~ court of tax appeals shall charge and collect a filing fee, established by rules and regulations adopted by the state ~~board~~ court of tax appeals, for any appeal in any proceeding under the tax protest, tax grievance or tax exemption statutes or in any other original proceeding for such ~~board~~ court to recover all or part of the costs of processing such actions incurred by the state ~~board~~ court of tax appeals. ~~No filing fee shall be imposed on applications by taxpayers for refunds of protested taxes under the provisions of K.S.A. 79-2005, and amendments thereto, or for appeals from decisions rendered pursuant to K.S.A. 79-1448, and amendments thereto, with regard to single-family residential property. With regard to single-family residential property, the filing fee charged for applications by taxpayers for refunds of protested taxes under the provisions of K.S.A. 79-2005, and amendments thereto, and appeals from decisions rendered pursuant to K.S.A. 79-1448, and amendments thereto, shall not exceed \$35; Provided, however, that no filing fee shall be imposed on any such application or appeal of residential property filed with the small claims and expedited hearings division.~~ Not-for-profit organizations shall not be charged a filing fee exceeding \$10 for any appeal if the valuation of the property that is the subject of the controversy does not exceed \$100,000.

(b) ~~There is hereby created in the state treasury~~ The BOTA filing fee fund is hereby renamed the COTA filing fee fund.

(c) The executive director of the ~~board~~ court of tax appeals shall remit to the state treasurer at least monthly all tax appeal filing fees received by the state ~~board~~ court of tax appeals. Upon receipt of any such remittance, the state treasurer shall deposit the amount in the state treasury to the credit of the ~~BOTA~~ COTA filing fee fund.

(d) All expenditures from the ~~BOTA~~ COTA filing fee fund shall be

made in accordance with appropriation acts upon warrants of the director of accounts and reports issued pursuant to vouchers approved by the executive director of the state ~~board~~ court of tax appeals or a person or persons designated by such executive director.

Sec. 18. K.S.A. 74-2439 is hereby amended to read as follows: 74-2439. Except as otherwise provided by law, the state ~~board~~ court of tax appeals shall have the following powers and duties:

(a) Constituting, sitting and acting as the state board of equalization as provided in K.S.A. 79-1409, *and amendments thereto*;

(b) authorizing the issuance of emergency warrants by taxing districts, as provided in article 29 of chapter 79 of Kansas Statutes Annotated, and acts amendatory thereof or supplemental thereto, and authorizing the issuance of warrants by cities or counties under statutes of this state;

(c) authorizing increases in tax levies by taxing districts, as provided in article 19 of chapter 79 of Kansas Statutes Annotated, and acts amendatory thereof or supplemental thereto;

(d) correcting errors and irregularities under the provisions of article 17 of chapter 79 of Kansas Statutes Annotated; and

(e) hearing and deciding applications for the refund of protested taxes under the provisions of K.S.A. 79-2005, *and amendments thereto*.

Sec. 19. K.S.A. 74-2442 is hereby amended to read as follows: 74-2442. There are hereby transferred to, vested in, and imposed upon, the director of property valuation to be executed and exercised by him, all the jurisdiction, rights, powers, duties and authority now vested in or imposed upon the state commission of revenue and taxation with respect to ad valorem tax administration and the assessment of state assessed property, except such as are specifically transferred to, vested in, and imposed upon, the state ~~board~~ court of tax appeals. The state commission of revenue and taxation is hereby abolished.

New Sec. 20. On July 1, 2008, there are hereby transferred to, vested in, and imposed upon, the state court of tax appeals, all the jurisdiction, rights, powers, duties and authority now vested in or imposed upon the state board of tax appeals. The state board of tax appeals is hereby abolished.

Sec. 21. K.S.A. 2007 Supp. 2-131e is hereby amended to read as follows: 2-131e. Whenever the board of county commissioners of any county in which there is a county fair association officially recognized by the secretary of agriculture, and having a population of not less than 35,000 nor more than 45,000, and having an assessed tangible valuation of not less than \$50,000,000 and not more than \$80,000,000, shall determine, upon the request of such fair association, that it is in the best interest of the county to raise funds for the purchase of grounds or the erection and maintenance of buildings for such fair association, such board of commissioners is hereby authorized and empowered to issue no-fund warrants in an amount not to exceed, in the aggregate, \$5,000 for the purposes stated hereinbefore. No-fund warrants issued hereunder shall be issued in the manner and form and bear interest and be redeemed as prescribed by K.S.A. 79-2940, and ~~acts amendatory thereof~~ *amendments thereto*, except that they may be issued without the approval of the state ~~board~~ court of tax appeals, and without the notation required by K.S.A. 79-2940, and amendments thereto. The authority to issue no-fund warrants, as provided herein, shall not be exercised by the board of county commissioners more than once in any ten-year period. Such warrants shall mature serially in approximately equal annual installments at such yearly dates as to be payable by not more than five tax levies, and the board of county commissioners issuing such warrants shall make a tax levy at the first tax levying period after such warrants are issued, and at such of the next succeeding tax levying periods as may be required, sufficient to pay such warrants as they mature and the interest thereon as the same becomes due. The money collected from issuance of such warrants shall be paid to such fair associations for the purposes herein specified. Such tax levy or levies shall be in addition to all other tax levies authorized or limited by law and shall not be subject to or within the aggregate tax levy limit prescribed by K.S.A. 79-1947, and amendments thereto.

Sec. 22. K.S.A. 9-1402 is hereby amended to read as follows: 9-1402. (a) Before any deposit of public moneys or funds shall be made by any municipal corporation or quasi-municipal corporation of the state of Kansas with any bank, savings and loan association or savings bank, such

municipal or quasi-municipal corporation shall obtain security for such deposit in one of the following manners prescribed by this section.

(b) Such bank, savings and loan association or savings bank may give to the municipal corporation or quasi-municipal corporation a personal bond in double the amount which may be on deposit at any given time.

(c) Such bank, savings and loan association or savings bank may give a corporate surety bond of some surety corporation authorized to do business in this state, which bond shall be in an amount equal to the public moneys or funds on deposit at any given time less the amount of such public moneys or funds which is insured by the federal deposit insurance corporation or its successor and such bond shall be conditioned that such deposit shall be paid promptly on the order of the municipal corporation or quasi-municipal corporation making such deposits.

(d) Such bank, savings and loan association or savings bank may deposit, maintain, pledge, assign, and grant a security interest in, or cause its agent, trustee, wholly-owned subsidiary or affiliate having identical ownership to deposit, maintain, pledge, assign, and grant a security interest in, for the benefit of the governing body of the municipal corporation or quasi-municipal corporation in the manner provided in this act, securities, security entitlements, financial assets and securities accounts owned by the depository institution directly or indirectly through its agent or trustee holding securities on its behalf, or owned by the depository institutions wholly-owned subsidiary or by such affiliate, the market value of which is equal to 100% of the total deposits at any given time, and such securities, security entitlements, financial assets and securities accounts, may be accepted or rejected by the governing body of the municipal corporation or quasi-municipal corporation and shall consist of the following and security entitlements thereto:

(1) Direct obligations of, or obligations that are insured as to principal and interest by, the United States of America or any agency thereof and obligations, including but not limited to letters of credit, and securities of United States sponsored corporations which under federal law may be accepted as security for public funds;

(2) bonds of any municipal corporation or quasi-municipal corporation of the state of Kansas which have been refunded in advance of their maturity and are fully secured as to payment of principal and interest thereon by deposit in trust, under escrow agreement with a bank, of direct obligations of, or obligations the principal of and the interest on which are unconditionally guaranteed by, the United States of America;

(3) bonds of the state of Kansas;

(4) general obligation bonds of any municipal corporation or quasi-municipal corporation of the state of Kansas;

(5) revenue bonds of any municipal corporation or quasi-municipal corporation of the state of Kansas if approved by the state bank commissioner in the case of banks and by the savings and loan commissioner in the case of savings and loan associations or federally chartered savings banks;

(6) temporary notes of any municipal corporation or quasi-municipal corporation of the state of Kansas which are general obligations of the municipal or quasi-municipal corporation issuing the same;

(7) warrants of any municipal corporation or quasi-municipal corporation of the state of Kansas the issuance of which is authorized by the state ~~board~~ court of tax appeals and which are payable from the proceeds of a mandatory tax levy;

(8) bonds of either a Kansas not-for-profit corporation or of a local housing authority that are rated at least Aa by Moody's Investors Service or AA by Standard & Poor's Corp.;

(9) bonds issued pursuant to K.S.A. 12-1740 et seq., and amendments thereto, that are rated at least MIG-1 or Aa by Moody's Investors Service or AA by Standard & Poor's Corp.;

(10) notes of a Kansas not-for-profit corporation that are issued to provide only the interim funds for a mortgage loan that is insured by the federal housing administration;

(11) bonds issued pursuant to K.S.A. 74-8901 through 74-8916, and amendments thereto;

(12) bonds issued pursuant to K.S.A. 68-2319 through 68-2330, and amendments thereto;

(13) commercial paper that does not exceed 270 days to maturity and which has received one of the two highest commercial paper credit ratings

by a nationally recognized investment rating firm; or

(14) (A) negotiable promissory notes together with first lien mortgages on one to four family residential real estate located in Kansas securing payment of such notes when such notes or mortgages:

(i) Are underwritten by the federal national mortgage association, the federal home loan mortgage corporation, the federal housing administration or the veterans administration standards; or are valued pursuant to rules and regulations which shall be adopted by both the state bank commissioner and the savings and loan commissioner after having first being submitted to and approved by both the state banking board under K.S.A. 9-1713, and amendments thereto, and the savings and loan board. Such rules and regulations shall be published in only one place in the Kansas administrative regulations as directed by the state rules and regulations board;

(ii) have been in existence with the same borrower for at least two years and with no history of any installment being unpaid for 30 days or more; and

(iii) are valued at not to exceed 50% of the lesser of the following three values: Outstanding mortgage balance; current appraised value of the real estate; or discounted present value based upon current federal national mortgage association or government national mortgage association interest rates quoted for conventional, federal housing administration or veterans administration mortgage loans.

(B) Securities under (A) shall be taken at their value for not more than 50% of the security required under the provisions of this section.

(C) Securities under (A) shall be withdrawn immediately from the collateral pool if any installment is unpaid for 30 days or more.

(D) A status report on all such loans shall be provided to the investing governmental entity by the financial institution on a quarterly basis.

(e) No such bank, savings and loan association or savings bank may deposit and maintain for the benefit of the governing body of a municipal or quasi-municipal corporation of the state of Kansas, any securities which consist of:

(1) Bonds secured by revenues of a utility which has been in operation for less than three years; or

(2) bonds issued under K.S.A. 12-1740 et seq., and amendments thereto, unless such bonds have been refunded in advance of their maturity as provided in subsection (d) or such bonds are rated at least Aa by Moody's Investors Service or AA by Standard & Poor's Corp.

(f) Any expense incurred in connection with granting approval of revenue bonds shall be paid by the applicant for approval.

Sec. 23. K.S.A. 12-110a is hereby amended to read as follows: 12-110a. (a) Whenever the governing body of any city, the board of county commissioners of any county or any township board shall deem that an emergency exists and that in order properly to protect and service or insure and provide for the health and convenience of the public it is necessary to purchase, repair or replace equipment, apparatus or machinery necessary for the operation of law enforcement, for the disposal of refuse, for fire protection, for street, road and bridge construction, repair or maintenance, for sewer treatment, for water service or for ambulance service, and such city, county or township is without funds for the purchase, repair or replacement of such equipment, apparatus or machinery, the governing body of the city, the board of county commissioners of the county or the township board shall have power to issue and sell no-fund warrants or general obligation bonds to raise revenue for such purchase or replacement in the manner as hereinafter provided and as provided by law and to levy taxes to pay such warrants or bonds. The governing body of such city shall by ordinance and the board of county commissioners or the township board shall by resolution declare that such emergency exists and that such purchase, repair or replacement of equipment, apparatus or machinery is necessary, and stating the maximum amount to be expended for such purchase, repair or replacement. Upon the passage and publication of such ordinance or resolution the governing body of the city, the board of county commissioners or the township board shall file an application with the state ~~board~~ court of tax appeals, asking for permission to make such expenditure and issue warrants or bonds in payment thereof. Such application shall be in writing and shall contain a copy of the ordinance or resolution published and such other information as the governing body or board shall deem necessary adequately to inform

the state ~~board~~ court of tax appeals of the emergency existing.

If, upon hearing being had in accordance with the provisions of the Kansas administrative procedure act, the state ~~board~~ court of tax appeals shall determine that such expenditure is necessary properly to protect and service or insure and provide for the health and convenience of the public the board shall issue its order in writing and under its seal authorizing the city, county or township to make such expenditure, and to issue warrants or bonds for the purpose of financing the same. The warrants may mature serially at such yearly dates as to be payable by not more than five tax levies. Bonds issued under the authority of this act shall be issued in accordance with the provisions of the general bond law and shall be in addition to and not subject to any bonded debt limitation prescribed by any other law of this state. Thereupon, the governing body of the city, the board of county commissioners or the township board shall have power to make such purchase, repair or replacement and to issue warrants or bonds and levy taxes to pay the same. All tax levies authorized by this section shall be in addition to all other tax levies authorized or limited by law and shall not be subject to, or within the aggregate tax levy prescribed by article 19 of chapter 79 of the Kansas Statutes Annotated, or acts amendatory thereof or supplemental thereto.

(b) As used in this section, the phrase "township board" means the township trustee, the township clerk, and the township treasurer acting as a board.

Sec. 24. K.S.A. 12-631 is hereby amended to read as follows: 12-631. Any city may in the manner hereinafter provided by ordinance require persons and property owners owning buildings within such city, which buildings are, or shall be located near a sewer, or in a block within any sewer district in said city through which a sewer extends, to make such connections with the sewer system, as may be necessary in the judgment of the board of health or in the event such city does not have a board of health, in the judgment of the governing body for the protection of the health of the public, for the purpose of disposing of all substances from any such building affecting the public health which may be lawfully and properly disposed of by means of such sewer, and if any person or persons, shall fail, neglect or refuse to so connect any building or buildings with the sewer system as herein provided for, for more than ~~ten~~ 10 days after being notified in writing by the board of health or governing body of such city to do so, such city may cause such buildings to be connected with said sewer system, or may advertise for bids for the construction and making of such sewer connections, and contract therefor with the lowest responsible bidder or bidders, and may assess the costs and expense thereof against the property and premises so connected in the manner provided by law. All costs incurred by the city under the provisions of this section may be financed, until the assessment is paid, out of the general fund or by the issuance of no-fund warrants. Whenever no-fund warrants are issued under the authority of this act the governing body of such city shall make a tax levy at the first tax levying period for the purpose of paying such warrants and the interest thereon. All such tax levies shall be in addition to all other levies authorized or limited by law and shall not be subject to the aggregate tax levy prescribed in article 19 of chapter 79 of the Kansas Statutes Annotated. Such warrants shall be issued, registered, redeemed and bear interest in the manner and in the form prescribed by K.S.A. 79-2940, *and amendments thereto*, except they shall not bear the notation required by said section and may be issued without the approval of the state ~~board~~ court of tax appeals. All moneys received from special assessments levied under the provisions of this section shall, when paid, be placed in the general fund of the city.

Sec. 25. K.S.A. 12-1664 is hereby amended to read as follows: 12-1664. Where any federal agency has agreed that federal aid shall bear a percentage of the total cost of or fixed or estimated amount of any local program by a public agency but the funds therefor will not be made available until the local program is partly or wholly completed and the public agency must finance all of the costs of the local program until the federal aid is received and the public agency is authorized by law to use current funds or bond or usual temporary note proceeds or a fund built up by levies over a period of years for such local program, such public agency may, to finance the portion to be paid by federal aid, issue temporary notes or no-fund warrants as provided herein. If an election is required to authorize the issuance of bonds by the public agency for the

whole or its share of the local program, no temporary notes or no-fund warrants shall be issued under this act until the public agency has held an election and been authorized to issue bonds and if bonds may be issued without an election for the whole or the public agency's share of a local program, no temporary notes or no-fund warrants shall be issued until the proper proceedings have been taken to initiate and authorize the local program. In no case shall temporary notes or no-fund warrants be issued under the authority of this section until there is a written commitment as to the amount of federal aid by an authorized federal agency. Nothing in this act shall prohibit any public agency from the temporary financing of the federal share of a local program from current funds if available or proceeds of bonds or usual temporary notes where the bond issue has been or may be for the entire cost as if no federal aid were to be received. The purpose of this act as to the issuance of temporary notes or no-fund warrants is to make unnecessary the tying up of current funds of a public agency or the issuance of bonds or the usual temporary notes, where authorized, in excess of the public agency's share of the cost of the program. The governing body of the public agency shall have full authority to determine if temporary notes or no-fund warrants shall be issued. No limitations by statutes relating to bonded debt shall apply to such temporary notes and no-fund warrants or use of the money received therefrom. No temporary notes or no-fund warrants shall be issued pursuant to this act unless approved by the state ~~board~~ *court* of tax appeals, which shall grant such approval only to the amount of the federal aid committed.

Sec. 26. K.S.A. 12-16,109 is hereby amended to read as follows: 12-16,109. (a) Any municipality which has entered into a written agreement with a state agency providing for a state grant or loan to the municipality for the performance of any public service or the construction of any public improvement, where such grant or loan constitutes a reimbursement for expenditures or obligations incurred by the municipality in undertaking such service or improvement, is hereby authorized to borrow money to temporarily finance such service or improvement. The amount borrowed under the provisions of this act shall not exceed the amount of the loan or grant to be received by the municipality under the terms of the agreement.

(b) Such borrowing in anticipation of a state grant or loan may be in the form of temporary notes or no-fund warrants, and shall be issued in substantially the same manner provided by law for the issuance of other temporary notes or no-fund warrants, but the approval of the state ~~board~~ *court* of tax appeals shall not be required. The terms of such notes or warrants shall not exceed the scheduled date the municipality is to be reimbursed by the state loan or grant, as determined by the agreement.

Sec. 27. K.S.A. 12-1737 is hereby amended to read as follows: 12-1737. The governing body of any city may, for the purposes hereinbefore authorized and provided:

- (a) Receive and expend gifts;
- (b) receive and expend grants-in-aid of state or federal funds;
- (c) issue bonds of the city;
- (d) levy an annual tax of not more than one mill for any city of the first class and not more than two mills for any city of the second or third class, which tax levy may be made for a period not exceeding 10 years upon all taxable tangible property in such city for the purpose of creating a building fund to be used for the purposes herein provided and to pay a portion of the principal and interest on bonds issued by such city under the authority of K.S.A. 12-1774, and amendments thereto;
- (e) issue no-fund warrants;
- (f) use moneys from the general operating fund or other appropriate budgeted fund when available;
- (g) use moneys received from the sale of public buildings or buildings and sites; or
- (h) combine any two or more of such methods of financing for the purposes herein authorized except that cities shall first use funds received from the payment of insurance claims for damages sustained by any such public building before resorting to methods of financing herein authorized.

An election upon the issuance of bonds under the authority of this act shall be required for the purpose of acquiring or constructing city offices, public libraries, auditoriums, community or recreational buildings.

When an election upon the issuance of bonds is required, the question

of the issuance of such bonds shall be submitted to a vote of the qualified electors of the city at a regular city election or at a special election called for that purpose. No such bonds shall be issued unless a majority of those voting on the question vote in favor of the issuance of the bonds. The bond election shall be called and held and the bonds shall be issued in accordance with the provisions of the general bond law. No levies shall be made for the purpose of creating a building fund under the provisions of this act until a resolution authorizing the making of such levies is adopted by the governing body of the city. Such resolution shall state the specific purpose for which the tax levy is made, the total amount proposed to be raised and the number of years the tax levy shall be made. The resolution shall be published once each week for two consecutive weeks in the official city paper. After publication, the levies may be made unless a petition requesting an election upon the question of whether to make the levies is filed in accordance with this section. Such petition shall be signed by electors equal in number to not less than 10% of the electors who voted at the last preceding regular city election as shown by the poll books, is filed with the city clerk of such city within 60 days following the last publication of the resolution. If a valid petition is filed, the governing body shall submit the question to the voters at an election called for that purpose or at the next regular city election.

The levy authorized by this section shall be in addition to and not limited by any other act authorizing or limiting the tax levies of the city. The building fund may be used for the purposes provided by this act at any time after the second levy has been made. If there are insufficient moneys in the building fund for expenditures for such purposes, the governing body of the city may issue bonds of the city in the manner provided by the general bond law of the state and in an amount which, together with the amount raised by the tax levy authorized by this act, will not exceed the total amount stated in the resolution creating such fund. Cities are hereby authorized to invest any portion of the special building fund which is not currently needed in investments authorized by K.S.A. 12-1675, and amendments thereto, in the manner prescribed therein or in direct obligations of the United States government maturing or redeemable at par and accrued interest within three years from date of purchase, the principal and interest whereof is guaranteed by the government of the United States. All interest received on any such investment shall upon receipt thereof be credited to the special building fund.

No-fund warrants issued under the authority of this act shall be issued in the manner and form and bear interest and be redeemed as prescribed by K.S.A. 79-2940, and amendments thereto, except that they may be issued without the approval of the state ~~board~~ *court* of tax appeals and without the notation required by K.S.A. 79-2940, and amendments thereto. The governing body of the city issuing such warrants shall levy a tax for the first tax levying period after such warrants are issued, sufficient to pay such warrants and the interest thereon. All such tax levies shall be in addition to all other levies authorized or limited by law, and none of the tax limitations provided by article 19 of chapter 79 of the Kansas Statutes Annotated, and amendments thereto, shall apply to such levies.

Sec. 28. K.S.A. 12-1742 is hereby amended to read as follows: 12-1742. Such agreements shall provide for a rental sufficient to repay the principal of and the interest on the revenue bonds. Such agreements also may provide that the lessee shall reimburse the city or county for its actual costs of administering and supervising the issue. The city or county may charge an origination fee. Such fee shall not be deemed a payment in lieu of taxes hereunder. Such fee shall be used exclusively for local economic development activities but shall not be used to pay any administrative costs of the city or county. Except for the origination fee, all other fees paid in excess of such actual costs and any other obligation assumed under the contract shall be deemed payments in lieu of taxes and distributed as provided herein. If the agreement provides for a payment in lieu of taxes to the city or county, such payment, immediately upon receipt of same, shall be transmitted by the city or county to the county treasurer of the county in which the city is located. Payments in lieu of taxes received pursuant to agreements entered into after the effective date of this act shall include all fees or charges paid for services normally and customarily paid from the proceeds of general property tax levies, except for extraordinary services provided for the facility or an extraordinary level of services required by a facility. Payments in lieu of taxes may be required only

upon property for which an exemption from ad valorem property taxes has been granted by the state ~~board~~ court of tax appeals. The county treasurer shall apportion such payment among the taxing subdivisions of this state in the territory in which the facility is located. Any payment in lieu of taxes shall be divided by the county treasurer among such taxing subdivisions in the same proportion that the amount of the total mill levy of each individual taxing subdivision bears to the aggregate of such levies of all the taxing subdivisions among which the division is to be made. The county treasurer shall pay such amounts to the taxing subdivisions at the same time or times as their regular operating tax rate mill levy is paid to them. Based upon the assessed valuation which such facility would have if it were upon the tax rolls of the county, the county clerk shall compute the total of the property taxes which would be levied upon such facility by all taxing subdivisions within which the facility is located if such property were taxable.

Sec. 29. K.S.A. 12-1744a is hereby amended to read as follows: 12-1744a. (a) At least seven days prior to the issuance of any revenue bonds, the city or county shall file a statement with the ~~board~~ state court of tax appeals of such proposed issuance containing the following information:

(1) The name of the city or county proposing to issue the revenue bonds, the lessee, the guarantor, if any, the paying or fiscal agent, the underwriter, if any, and all attorneys retained to render an opinion on the issue;

(2) a legal description of any property to be exempted from ad valorem taxes, including the city or county in which the facility will be located;

(3) the appraised valuation of the property to be exempted from ad valorem taxes as shown on the records of the county as of the next preceding January 1;

(4) the estimated total cost of the facility showing a division of such total cost between real and personal property;

(5) if the facility to be financed is an addition to or further improvement of an existing facility the cost of which was financed by revenue bonds issued under the provisions of this act, the date of issuance of such revenue bonds, and if such facility or any portion thereof is presently exempt from property taxation, the period for which the same is exempt;

(6) the principal amount of the revenue bonds to be issued;

(7) the amount of any payment to be made in lieu of taxes;

(8) an itemized list of service fees or charges to be paid by the lessee together with a detailed description of the services to be rendered therefor;

(9) a reasonably detailed description of the use of bond proceeds, including whether they will be used to purchase, acquire, construct, reconstruct, improve, equip, furnish, enlarge or remodel the facility in question;

(10) the proposed date of issuance of such revenue bonds.

(b) Any change in the information or documents required to be filed pursuant to subsection (a) which does not materially adversely affect the security for the revenue bond issue may be made within the fifteen-day period prior to issuance of the revenue bonds by filing the amended information or document with the ~~board~~ state court of tax appeals.

(c) Any notice required to be filed pursuant to the provisions of subsection (a) shall be accompanied by a filing fee, which shall be fixed by rules and regulations of the ~~board~~ state court of tax appeals, in an amount sufficient to defray the cost of reviewing the information and documents required to be contained in the notice.

(d) Information required to be filed by subsection (a) of this section shall be in addition to any filing required by K.S.A. 79-210, and amendments thereto.

(e) The ~~board~~ state court of tax appeals may require any information listed under subsection (a) deemed necessary, to be filed by a city or county concerning agreements entered into prior to the effective date of this act.

(f) The state ~~board~~ court of tax appeals shall prepare and compile annually a report containing the information required to be filed pursuant to subsection (a) for each issuance of revenue bonds made pursuant to K.S.A. 12-1740 et seq., and amendments thereto. Such report shall be published in convenient form for the use and information of the legislature, taxpayers, public officers and other interested parties, and shall be available on January 10 of each year.

Sec. 30. K.S.A. 12-1744b is hereby amended to read as follows: 12-1744b. Revenue bonds for which notice is required to be filed pursuant to K.S.A. 12-1744a, and amendments thereto, shall not be issued unless the ~~chairperson~~ *chief judge* of the ~~board~~ *state court* of tax appeals finds all information and documents required to be contained in such notice are complete and timely filed. The ~~board~~ *state court* of tax appeals shall establish, by rules and regulations, procedures for the filing of the required information and documents in the event that the information and documents originally filed are not found to be complete and timely filed, and such bonds may be issued upon compliance therewith.

Sec. 31. K.S.A. 12-1744c is hereby amended to read as follows: 12-1744c. Upon the issuance of revenue bonds for which notice is required to be filed pursuant to K.S.A. 12-1744a, and amendments thereto, a certificate evidencing such issuance shall be filed with the ~~chairperson~~ *chief judge* of the ~~board~~ *state court* of tax appeals, along with verification thereof by the appropriate bond counsel within 15 days after the date of such issuance.

Sec. 32. K.S.A. 12-1744d is hereby amended to read as follows: 12-1744d. Failure to comply with the notice filing requirements of this act shall subject all members of the governing body of the issuing city or county who participated in the issuance of the revenue bonds to ouster from office upon complaint filed by the ~~board~~ *state court* of tax appeals in the office of the attorney general.

Sec. 33. K.S.A. 12-1755 is hereby amended to read as follows: 12-1755. (a) If the owner of any structure has failed to commence the repair or removal of such structure within the time stated in the resolution or has failed to diligently prosecute the same thereafter, the city may proceed to raze and remove such structure, make the premises safe and secure, or let the same to contract. The city shall keep an account of the cost of such work and may sell the salvage from such structure and apply the proceeds or any necessary portion thereof to pay the cost of removing such structure and making the premises safe and secure. All moneys in excess of that necessary to pay such costs and the cost of publications of notice and any postage for mailing of notice, after the payment of all costs, shall be paid to the owner of the premises upon which the structure was located.

(b) The city shall give notice to the owner of such structure by restricted mail of the total cost incurred by the city in removing such structure and making the premises safe and secure and the cost of providing notice. Such notice also shall state that payment of such cost is due and payable within 30 days following receipt of such notice. If the cost is not paid within the thirty-day period and if there is no salvageable material or if moneys received from the sale of salvage or from the proceeds of any insurance policy in which the city has created a lien pursuant to K.S.A. 40-3901 et seq., and amendments thereto, are insufficient to pay the cost of such work, the balance shall be collected in the manner provided by K.S.A. 12-1,115, and amendments thereto, or shall be assessed as a special assessment against the lot or parcel of land on which the structure was located and the city clerk at the time of certifying other city taxes, shall certify the unpaid portion of the costs and the county clerk shall extend the same on the tax rolls of the county against such lot or parcel of land. The city may pursue collection both by levying a special assessment and in the manner provided by K.S.A. 12-1,115, and amendments thereto, but only until the full cost and any applicable interest has been paid in full.

Whenever any structure is removed from any premises under the provisions of this act, the city clerk shall certify to the county appraiser that such structure, describing the same, has been removed.

(c) If there is no salvageable material, or if the moneys received from the sale of salvage or from the proceeds of any insurance policy in which the city has created a lien pursuant to K.S.A. 40-3901 et seq., and amendments thereto, are insufficient to pay the costs of the work and the cost of providing notice, such costs or any portion thereof in excess of that received from the sale of salvage or any insurance proceeds may be financed, until the costs are paid, out of the general fund or by the issuance of no-fund warrants. Whenever no-fund warrants are issued under the authority of this act the governing body of such city shall make a tax levy at the first tax levying period for the purpose of paying such warrants and the interest thereon. All such tax levies shall be in addition to all other

levies authorized or limited by law and shall not be subject to the aggregate tax levy prescribed in article 19 of chapter 79 of the Kansas Statutes Annotated, and amendments thereto. Such warrants shall be issued, registered, redeemed and bear interest in the manner and in the form prescribed by K.S.A. 79-2940, and amendments thereto, except they shall not bear the notation required by that section and may be issued without the approval of the state ~~board~~ court of tax appeals. All moneys received from special assessments levied under the provisions of this section or from an action under K.S.A. 12-1,115, and amendments thereto, when and if paid, shall be placed in the general fund of the city.

Sec. 34. K.S.A. 12-1934 is hereby amended to read as follows: 12-1934. The board of education of any unified school district previously authorized and making an annual tax levy pursuant to K.S.A. 12-1925, and amendments thereto, for the purpose of establishing, maintaining and conducting a joint recreation system which as a result of a clerical error of a county clerk will not receive the proceeds from such levy for the calendar year 1993, is hereby authorized to issue no-fund warrants in an amount not to exceed the amount which would have been raised from such levy. Such no-fund warrants shall be issued by the board in the manner and form and shall bear interest and be redeemable in the manner prescribed by K.S.A. 79-2940, and amendments thereto, except that they may be issued without the approval of the state ~~board~~ court of tax appeals, and without the notation required by such section. The board shall make a tax levy at the first tax levying period after such warrants are issued, sufficient to pay such warrants and the interest thereon.

Sec. 35. K.S.A. 12-3206 is hereby amended to read as follows: 12-3206. The governing body of any city, in the exercise of the power and authority herein granted for the purposes of carrying out the provisions of K.S.A. 12-3204 and 12-3205, *and amendments thereto*, from and after the effective date of this act and prior to the time that moneys may be available from the levy authorized by K.S.A. 12-3203, *and amendments thereto*, may issue no-fund warrants in an amount not to exceed the total amount such city could levy in one year under the provisions of K.S.A. 12-3203, *and amendments thereto*.

Whenever no-fund warrants are issued under the authority of this act the governing body of such city shall make a tax levy at the first tax levying period for the purpose of paying such warrants and the interest thereon. All such tax levies shall be in addition to all other levies authorized or limited by law and shall not be subject to the aggregate tax levy prescribed in article 19 of chapter 79 of the Kansas Statutes Annotated, and amendments thereto. Such warrants shall be issued, registered, redeemed and bear interest in the manner and in the form prescribed by K.S.A. 79-2940, *and amendments thereto*, except they shall not bear the notation required by said section and may be issued without the approval of the state ~~board~~ court of tax appeals.

Sec. 36. K.S.A. 12-3805 is hereby amended to read as follows: 12-3805. (a) Except to the extent that they are in conflict with this act, the provisions of chapter 10 of Kansas Statutes Annotated shall apply to the authorization, and issuance and sale of industrial development bonds by the local units of general government.

(b) The principal and interest of all bonds issued under the provisions of this act shall be payable from revenue derived from the leasing or rental of buildings and facilities acquired or constructed with the proceeds received from the sale of such bonds. Whenever by reason of the failure of any lessee to make payment under any contract for the leasing or rental of any such building or facility, it becomes necessary for the local unit of general government to assume the responsibility for the payment of principal and interest upon bonds issued under the provisions of this act, such local unit of general government may issue no-fund warrants in an amount necessary to make such payment. Such warrants shall be issued, registered, redeemed and bear interest in the manner and be in the form prescribed by K.S.A. 79-2940, and amendments thereto, except they shall not bear the notation required by ~~said~~ such section and may be issued without approval of the state ~~board~~ court of tax appeals. The governing body of such unit of general government shall make a tax levy at the time fixed for the certification of tax levies to the county clerk next following the issuance of such warrants sufficient to pay such warrants and the interest thereon. All such tax levies shall be in addition to all other levies authorized or limited by law.

(c) Property acquired or improved under the provisions of this act shall be subject to ad valorem taxation as other property.

Sec. 37. K.S.A. 14-1060 is hereby amended to read as follows: 14-1060. The provisions of this act shall apply to any city of the second class having a population of more than ~~four thousand eight hundred (4,800)~~ 4,800 and less than ~~five thousand five hundred (5,500)~~ 5,500 operating under the manager form of government and located in a county having a population of more than ~~eight thousand (8,000)~~ 8,000 and less than ~~fifteen thousand (15,000)~~ 15,000. Whenever the title to any real property, upon which taxes may be due and delinquent, may be vested in any such city, then the state ~~board~~ *state court* of tax appeals is hereby authorized upon application of such city, and for good reasons shown, to compromise, abate or cancel all such taxes or any part thereof.

Sec. 38. K.S.A. 17-1374 is hereby amended to read as follows: 17-1374. (a) Whenever the board of trustees of any cemetery organized pursuant to K.S.A. 17-1342, and amendments thereto, determines it is necessary to acquire land to enlarge the cemetery and revenues are insufficient to finance the cost of acquisition of such land, the board shall adopt a resolution of intent to make application to the ~~board~~ *state court* of tax appeals for authority to issue no-fund warrants to pay for the cost of such land and to have such land surveyed, platted into burial lots and otherwise prepared for burial purposes. The notice of intent shall be approved by a majority of the board of trustees. The notice of intent shall state the following: (1) A copy of the budget adopted for the current budget year; (2) the tax rate currently imposed; (3) the statutory tax levy authority of the district; (4) the proposed cost of acquisition of such land; and (5) a detailed explanation for the need of such land and why there are insufficient revenues to finance the cost of acquisition of such land.

Such resolution of intent shall be published once each week for two consecutive weeks in a newspaper of general circulation within the cemetery district. If within 30 days after the last publication of the resolution, a petition signed by at least 5% of the qualified voters of the cemetery district requesting an election upon such question, an election shall be called and held thereon. Such election shall be called and held in the manner provided by the general bond law, and the cost of the election shall be borne by the cemetery district. If no protest or no sufficient protest is filed or if an election is held and the proposition carries by a majority of those voting thereon, the board of directors may submit an application which conforms to the resolution of intent to the ~~board~~ *state court* of tax appeals.

(b) If the ~~board~~ *state court* of tax appeals finds that the evidence submitted in support of the application shows:

(1) The need for the acquisition of such land; (2) that there are insufficient revenues to pay for the cost of such acquisition and preparation of such land for burial purposes; and (3) the tax levying authority is insufficient to generate the revenues necessary to pay for the cost of acquisition and preparation of such land for burial purposes, the board may authorize the issuance of no-fund warrants for the payment of the cost of acquisition of such land and preparation of such land for burial purposes. The amount of such warrants shall not exceed \$35,000.

(c) No order for the issuance of such no-fund warrants shall be made without a public hearing before the ~~board~~ *state court* of tax appeals conducted in accordance with the provisions of the Kansas administrative procedure act. Notice of such hearing shall be published at least twice in a newspaper of general circulation within the cemetery district applying for such authority at least 10 days prior to such hearing. The notice shall be in a form prescribed by the ~~board~~ *state court* of tax appeals. The cost of such publication shall be paid by the cemetery district. Any taxpayer of the cemetery district may file a written protest against such application. Any member of the board of trustees of the cemetery district may appear and be heard in person at such hearing in support of the application. All records and findings of such hearings shall be subject to public inspection. Warrants issued pursuant to this section shall be paid no later than 15 years after issuance. The board of trustees may levy a tax sufficient to pay such warrants. Such tax levies may be levied outside of the aggregate tax levy limit prescribed by law.

Sec. 39. K.S.A. 19-236 is hereby amended to read as follows: 19-236. That in addition to the powers already given by law, the board of county commissioners of each county shall have power at any meeting, in case

of great loss or damage to life or property, to assist in burying the dead, caring for the wounded, rendering temporary aid to the distressed, preventing disease and pestilence, and cleaning up debris, and to issue nonfund warrants of the county therefor not exceeding 1% of the taxable property of the county, and to levy a tax at the first tax levying period thereafter to pay such warrants. Such warrants shall be issued, registered, redeemed and bear interest in the manner and in the form prescribed by K.S.A. 79-2940, and amendments thereto, except they shall not bear the notation required by such section and shall be issued without the approval of the state ~~board~~ court of tax appeals.

Sec. 40. K.S.A. 19-431 is hereby amended to read as follows: 19-431.

(a) Whenever it shall be made to appear to the board of county commissioners of any county or the district board of an appraisal district by evidence satisfactory to such board that the appraiser of such county or district has failed or neglected to properly perform the duties of office, by reasons of incompetency or for any other cause, the board shall enter upon its journal an order suspending or terminating the county or district appraiser from office. Such order shall state the reasons for such suspension or termination, and upon the service of any such order upon the appraiser suspended or terminated such appraiser shall at once be divested of all power as county or district appraiser and shall immediately deliver to the person appointed to discharge the duties of the office of such appraiser, all books, records and papers pertaining to the office. The board of county commissioners or district board shall appoint a temporary appraiser to discharge the duties of the office until the suspension is removed or the vacancy filled, and the person so appointed shall take the oath of office required by law and thereupon such person shall be invested with all of the powers and duties of the office.

Within 15 days after service of an order of suspension or termination, the appraiser may request a hearing on the order before the director of property valuation. Upon receipt of a timely request, the director of property valuation shall conduct a hearing in accordance with the provisions of the Kansas administrative procedure act. If the appraiser is a county appraiser, the hearing shall be held at the county seat of such county or if such appraiser is a district appraiser at the county seat of the county within the district having the greater population. At the hearing the director of property valuation shall make inquiry as to all facts connected with such suspension or termination, and if after such inquiry is made the director of property valuation shall determine that the appraiser suspended should be removed permanently and such appraiser's office declared vacated or should be terminated, then the director of property valuation shall render an order removing such appraiser. A copy of such order, duly certified and under the seal of the director of property valuation, shall be sent to the board of county commissioners or district board employing such appraiser who shall cause the same to be recorded in full upon the journal of the board. Immediately upon the service of such order by the director of property valuation such office of appraiser shall be vacant, and the board of county commissioners or district board shall appoint an eligible Kansas appraiser as appraiser to fill such vacancy, who shall qualify as provided by law in such cases. Should the person appointed be other than the person appointed to discharge the duties of the office temporarily, the person discharging the duties of the office temporarily shall immediately transfer to the person appointed to fill the vacancy all the books, records and files of the office.

(b) Whenever the director of property valuation shall on such director's own motion conclude, after inquiry, that the appraiser of any county or district has failed or neglected to discharge such appraiser's duties as required by law and that the interest of the public service will be promoted by the removal of such appraiser, the director of property valuation shall enter upon the record of proceeding in such director's office an order suspending or terminating such appraiser from office. Such order shall state the reason for such suspension or termination and from and after the date of service of such order upon such appraiser and the board of county commissioners or district board employing such appraiser, the person suspended or terminated shall be divested of all power as appraiser and shall immediately deliver to the person appointed to discharge the duties of the office of such appraiser, all books, records and papers pertaining to the office. Upon receipt of an order by the director of property valuation suspending or terminating the appraiser of the county or dis-

trict, the board of county commissioners or district board shall appoint a temporary appraiser to discharge the duties of the office until the suspension is removed or the vacancy filled, and the person appointed shall take the oath of office required by law and thereupon such person shall be invested with all of the powers and duties of the office.

Within 15 days after service of an order of suspension or termination by the director of property valuation under this subsection, the appraiser may request a hearing on the order before the ~~state board~~ *state court* of tax appeals. Upon receipt of a timely request, the ~~board~~ *state court* of tax appeals shall conduct a hearing in accordance with the provisions of the Kansas administrative procedure act. If the appraiser is a county appraiser, the hearing shall be held at the county seat of such county or if such appraiser is a district appraiser such hearing shall be held at the county seat of the county within such district having the greatest population. At the hearing, the ~~board~~ *state court* of tax appeals shall make inquiry as to all facts connected with such suspension or termination, and if after such inquiry is made the ~~board~~ *state court* of tax appeals determines that the appraiser suspended should be removed permanently and such appraiser's office declared vacated or should be terminated, then the ~~board~~ *state court* of tax appeals shall render an order removing such appraiser. A copy of such order, duly certified by the secretary under the seal of the ~~board~~ *court*, shall be sent to the board of county commissioners or district board, who shall cause the same to be recorded in full upon the journal of the board. Immediately upon the service of such order by the ~~board~~ *state court* of tax appeals such office of county appraiser shall be vacant, and the board of county commissioners or district board shall appoint an eligible Kansas appraiser as appraiser to fill such vacancy, who shall qualify as provided by law in such cases. Should the person appointed be other than the person appointed to discharge the duties of the office temporarily, the person discharging the duties of the office temporarily shall immediately transfer to the person appointed to fill the vacancy all the books, records and files of the office.

Sec. 41. K.S.A. 19-15,103 is hereby amended to read as follows: 19-15,103. Whenever no-fund warrants are issued under the authority provided by this act, the board of county commissioners shall make a tax levy at the first tax levying period after such warrants are issued, sufficient to pay such warrants and the interest thereon: ~~Provided, except~~ that in lieu of making only one tax levy, such board of county commissioners, if it deems it advisable, may make a tax levy each year for not to exceed five ~~(5)~~ years in approximately equal installments for the purpose of paying said warrants and the interest thereon. All such tax levies shall be in addition to all other levies authorized or limited by law and shall not be subject to the aggregate tax levy limit prescribed by K.S.A. 79-1947, ~~or acts amendatory thereof or supplemental~~ *and amendments* thereto. Such warrants shall be issued, registered, redeemed and bear interest in the manner and in the form prescribed by K.S.A. 79-2940, *and amendments thereto*, except they shall not bear the notation required by ~~said~~ *such* section and may be issued without the approval of the ~~state board~~ *state court* of tax appeals.

Any surplus existing after the redemption of such warrants shall be handled in the manner prescribed by ~~said section~~ *K.S.A. 79-2940, and amendments thereto*. None of the provisions of the cash basis and budget laws of this state shall apply to any expenditures made, the payment of which has been provided for by the issuance of warrants under this act.

Sec. 42. K.S.A. 19-15,106 is hereby amended to read as follows: 19-15,106. Whenever no-fund warrants are issued under the authority provided by this act, the board of county commissioners shall make a tax levy at the first tax levying period after such warrants are issued, sufficient to pay such warrants and the interest thereon: ~~Provided, except~~ that in lieu of making only one tax levy, such board of county commissioners, if it deems it advisable, may make a tax levy each year for not to exceed five ~~(5)~~ years in approximately equal installments for the purpose of paying said warrants and the interest thereon. All such tax levies shall be in addition to all other levies authorized or limited by law and shall not be subject to the aggregate tax levy limit prescribed by K.S.A. 79-1947, ~~or acts amendatory thereof or supplemental~~ *and amendments* thereto.

Such warrants shall be issued, registered, redeemed and bear interest in the manner and in the form prescribed by K.S.A. 79-2940, *and amendments thereto*, except they shall not bear the notation required by ~~said~~

such section and may be issued without the approval of the state board court of tax appeals. Any surplus existing after the redemption of such warrants shall be handled in the manner prescribed by said section K.S.A. 79-2940, and amendments thereto. None of the provisions of the cash basis and budget laws of this state shall apply to any expenditures made, the payment of which has been provided for by the issuance of warrants under this act.

Sec. 43. K.S.A. 19-15,116 is hereby amended to read as follows: 19-15,116. The board of county commissioners of any county may for the purposes hereinbefore authorized and provided:

(a) Receive and expend gifts;

(b) receive and expend grants-in-aid of state or federal funds;

(c) issue general obligation bonds of the county. If it is determined that it is necessary to issue more than \$300,000 in general obligation bonds for the purposes hereinbefore authorized, such bonds shall not be issued until the question of their issuance has been submitted to a vote of the qualified electors of the county and has been approved by a majority of those voting thereon at a general election or at a special election called for that purpose. Such election shall be called and held and bonds issued in the manner provided by the general bond law;

(d) make an annual tax levy of not to exceed one mill for a period of not to exceed 10 years upon all taxable tangible property in the county for the purpose of creating a building fund to be used for the purposes herein provided and to pay a portion of the principal and interest on bonds issued under the authority of K.S.A. 12-1774, and amendments thereto, by cities located in the county, except that no such levies shall be made until a resolution authorizing the same shall be adopted by the board of county commissioners stating the specific purpose for which such fund is created, the total amount proposed to be raised, the number of years such tax levy shall be made and shall be published once each week for three consecutive weeks in the official county newspaper. Whereupon such levies may be made unless a petition requesting an election upon the proposition, signed by electors equal in number to not less than 10% of the electors of the county who voted for the secretary of state at the last preceding general election, is filed with the county clerk within 30 days following the last publication of such resolution. In the event such petition is filed, the board of county commissioners shall submit the question to the voters at an election called for that purpose and held within 90 days after the last publication of the resolution or at the next general election if held within that time and no such levies shall be made unless such proposition shall receive the approval of a majority of the votes cast thereon. Such election shall be called and held in the manner provided in the general bond law. Such building fund may be used for the purposes stated in the resolution establishing the same at any time after the making of the second levy and if there are insufficient moneys in the building fund for such purpose the board of county commissioners may, in the manner provided by the general bond law of the state issue general obligation bonds of the county in an amount which together with the amount raised by the tax levies will not exceed the total amount stated in the resolution creating such fund. All levies authorized under the provisions of this section shall be in addition to and not limited by any other act authorizing or limiting the tax levies of such counties. Counties are hereby authorized to invest any portion of the special building fund which is not currently needed in investments authorized by K.S.A. 12-1675, and amendments thereto, in the manner prescribed therein or in direct obligations of the United States government maturing or redeemable at par and accrued interest within three years from date of purchase, the principal and interest whereof is guaranteed by the government of the United States. All interest received on any such investment shall upon receipt thereof be credited to the special building fund, except that the board of county commissioners of any county which has heretofore established a building fund under the provisions of this act may, if it shall find that the amount of the fund as originally established is insufficient for such purposes, by resolution redetermine and increase the amount necessary to be raised for the purpose for which such fund was originally created and may make or continue to make an annual tax levy of not to exceed one mill upon all of the taxable tangible property of the county for the purpose of providing the additional funds contemplated by the supplemental resolution and to pay a portion of the principal and interest on bonds issued

under the authority of K.S.A. 12-1774, and amendments thereto, by cities located in the county. Such supplemental resolution shall be published and shall be subject to petition for election and become effective in like manner as that provided for the original resolution;

(e) issue no-fund warrants in the manner and form and bearing interest and redeemable as prescribed by K.S.A. 79-2940, *and amendments thereto*, except that they may be issued without the approval of the state ~~board~~ *court* of tax appeals, and without the notation required by such section. The board of county commissioners shall make a tax levy at the first tax levying period after such warrants are issued, sufficient to pay such warrants and the interest thereon. All such levies shall be in addition to all other levies authorized or limited by law and the tax limitations provided by article 19 of chapter 79 of the Kansas Statutes Annotated shall not apply to such levies;

(f) use moneys from the general operating fund or other appropriated budgeted fund when such is available;

(g) use moneys received from the sale of public buildings or buildings and sites without regard to limitations prescribed by the budget law;

(h) or may combine any two or more of such methods of financing for the purposes herein authorized, except that counties shall first use funds received from the payment of insurance claims for damages sustained by any such public building before resorting to methods of financing herein authorized;

(i) authorize the county engineer to supervise the work necessary for the purposes herein provided, including the right of such county engineer to have such work done by force account as well as by contract.

Sec. 44. K.S.A. 19-15,123 is hereby amended to read as follows: 19-15,123. The board of county commissioners of any county in this state having a population of more than 300,000 may provide additional courtrooms, offices and other facilities as are required by the district court judge to carry out probate and juvenile matters. The quarters and facilities shall be constructed and furnished in available space of the courthouse. The board of county commissioners is hereby authorized to issue no-fund warrants or general obligation bonds for the purpose of paying all costs incurred in providing additional quarters and facilities. Before such warrants shall be issued the board of county commissioners shall have received from the chief judge of the district court a resolution certifying to the necessity of additional quarters. Such no-fund warrants shall be issued in the manner and form, bear interest and be redeemed as prescribed by K.S.A. 79-2940, and amendments thereto, except that warrants may be issued without approval of the state ~~board~~ *court* of tax appeals, and without the notation required by K.S.A. 79-2940, and amendments thereto. The board of county commissioners shall make a tax levy at the first tax levying period after such warrants are issued, sufficient to pay such warrants and the interest thereon. In lieu of making only one tax levy, the board of county commissioners may, if it deems it advisable, make a tax levy each year for not to exceed five years in approximately equal installments for the purpose of paying the warrants and the interest thereon. All such tax levies shall be in addition to all other levies authorized or limited by law and shall not be subject to or within the aggregate tax levy limitation prescribed by article 19 of chapter 79 of the Kansas Statutes Annotated and amendments thereto. None of the provisions of the state budget law shall apply to any expenditure which has been provided for by the issuance of warrants under this act. General obligation bonds issued under the authority of this act shall be issued in the manner prescribed by the general bond law but shall not be subject to or within any bonded debt limitation prescribed by any other law of this state and shall not be considered or included in applying any other law limiting bonded indebtedness.

Sec. 45. K.S.A. 19-2106f is hereby amended to read as follows: 19-2106f. The board of county commissioners of any county previously authorized and making an annual tax levy under the authority of K.S.A. 19-2106e, *and amendments thereto*, for the operation of a home for the aged, which as the result of an increase in the population of the county was not authorized to levy a tax under the provisions of such act for the operation of such home for the year 1972, is hereby authorized to issue no-fund warrants in an amount not to exceed the amount which could have been raised by the levy of a tax under the provisions of K.S.A. 19-2106e, ~~as amended~~ *and amendments thereto*, had the same remained applicable to

such county. Such no-fund warrants shall be issued by the county in the manner and form and shall bear interest and be redeemable in the manner prescribed by K.S.A. 79-2940, *and amendments thereto*, except that they may be issued without the approval of the state ~~board~~ *court* of tax appeals, and without the notation required by ~~said~~ *such* section. The board of county commissioners shall make a tax levy at the first tax levying period after such warrants are issued, sufficient to pay such warrants and the interest thereon. All such tax levies shall be in addition to all other tax levies authorized or limited by law and such tax levies shall not be limited by or subject to the limitation upon the levy of taxes prescribed by article 44 of chapter 79 of the 1971 supplement of the Kansas statutes annotated or amendments thereto.

Sec. 46. K.S.A. 19-2653 is hereby amended to read as follows: 19-2653. Whenever no-fund warrants are issued under the authority provided by this act, the board of county commissioners shall make a tax levy at the first tax levying period after such warrants are issued, sufficient to pay such warrants and the interest thereon. ~~Provided, except~~ that in lieu of making only one tax levy, such board of county commissioners, if it deems it advisable, may make a tax levy each year for not to exceed five ~~(5)~~ years in approximately equal installments for the purpose of paying said warrants and the interest thereon. All such tax levies shall be in addition to all other levies authorized or limited by law and shall not be subject to the aggregate tax levy prescribed by K.S.A. 79-1947, ~~or acts amendatory thereof or supplemental and amendments thereto~~. Such warrants shall be issued, registered, redeemed and bear interest in the manner and in the form prescribed by K.S.A. 79-2940, *and amendments thereto*, except they shall not bear the notation required by ~~said~~ *such* section and may be issued without the approval of the state ~~board~~ *court* of tax appeals. Any surplus existing after the redemption of such warrants shall be handled in the manner prescribed by ~~said~~ *section* K.S.A. 79-2940, *and amendments thereto*. None of the provisions of the cash basis and budget laws of this state shall apply to any expenditures made, the payment of which has been provided for by the issuance of warrants under this act.

Sec. 47. K.S.A. 19-2752a is hereby amended to read as follows: 19-2752a. That whenever a main sewer district has been established under the provisions of K.S.A. 19-2731 to 19-2752, both sections inclusive, *and amendments thereto*, and the question of the issuance of bonds for the purpose of providing revenue to be used to construct a main trunk sewer system with sewage disposal plant and all appurtenances thereto has been submitted to the qualified electors of such main sewer district and at least ~~sixty-five percent~~ 65% of the persons voting on said question shall have voted in favor of the issuance of said bonds in the amount stated on the ballot, and after such election the governing body of such main sewer district was unable to immediately commence work on the construction of said main trunk sewer system and sewage disposal plant and appurtenances because of a shortage of necessary materials and labor and, as a result of such delay, the prices of materials and labor needed for such construction and appurtenances have increased to such an extent that the original amount of bonds voted will not provide sufficient revenue to meet the total cost of such improvements and appurtenances, and the governing body of such main sewer district shall have adopted a resolution declaring such conditions to exist, then the governing body of such main sewer district is hereby authorized and empowered to issue no-fund warrants of such main sewer district in an amount not exceeding six percent of the total amount of bonds authorized by the vote of the electors of such main sewer district, and the revenue derived from the issuance of said warrants may be used by the governing body of said main sewer district to provide additional funds to be used in paying the cost of constructing a main trunk sewer system with sewage disposal plant and all appurtenances thereto. ~~Provided, except~~ that no warrants shall be issued under the authority conferred by this act unless, and until, an application shall have been filed with the state ~~board~~ *court* of tax appeals requesting ~~said board~~ *such court* to authorize the issuance of ~~said~~ *such* warrants and the ~~board~~ *court* shall enter its order under its seal authorizing the issuance of the same.

The application to ~~said board~~ *such court* shall be signed and sworn to by the governing body of the main sewer district and shall reveal the following: (1) Circumstances which caused the shortage in revenues; (2)

a detailed statement showing why the original estimates of necessary expenditures for the improvements to be made are now insufficient; and (3) such other information as the ~~board~~ court shall deem necessary. If the ~~board~~ court shall find the evidence submitted in writing in support of the application shows: (a) That the cost of labor and materials needed for the construction of such main trunk sewer system and sewage disposal plant and all appurtenances has increased since the bonds were originally voted for said construction and improvements; and (b) that the governing body of such main sewer district does not have sufficient funds available to pay the costs of necessary construction and improvements, the ~~board~~ court is empowered to authorize the issuance of warrants in an amount not in excess of the amount hereinbefore authorized. No order for the issuance of such warrants shall be made without a public hearing before the ~~board~~ court and notice of such hearing shall be published in two issues of a paper of general circulation within the main sewer district applying for such authority at least ten days prior to such hearing. The notice shall be in such form as the ~~board~~ court shall prescribe, and the expense of such publication shall be borne by the main sewer district.

Any taxpayer interested may file a written protest against such application. When the authority to issue warrants under this section is granted to a main sewer district, the governing body of such main sewer district shall make a tax levy, at the first tax-levying period after such warrants are issued, sufficient to pay such warrants and the interest thereon. ~~Provided, except~~ that in lieu of making only one tax levy, the governing body, if it deems it advisable, may make a tax levy once each year for not to exceed three years, in approximately equal installments, sufficient to pay such warrants and the interest thereon. Such tax levies shall be in addition to all other tax levies authorized or limited by law. All warrants issued under the authority conferred by this act shall be issued, bear interest, be in the form, registered and redeemed in the manner prescribed in K.S.A. 79-2940, *and amendments thereto*, and any surplus existing after the redemption of ~~said~~ such warrants shall be handled in the manner prescribed in ~~said section~~ K.S.A. 79-2940, *and amendments thereto*.

Sec. 48. K.S.A. 19-3554 is hereby amended to read as follows: 19-3554. The governing body of any district created pursuant to K.S.A. 19-3545 et seq., *and amendments thereto*, may issue no-fund warrants in amounts sufficient to pay preliminary engineering, financial and legal services to determine the advisability of proceeding with the acquisition or construction of a water supply system. Such warrants shall be authorized, issued, registered and redeemed as prescribed by K.S.A. 79-2940, *and amendments thereto*, and shall bear interest at a rate not to exceed the maximum rate prescribed by K.S.A. 10-1009, *and amendments thereto*. Any surplus existing after the redemption of such warrants shall be handled in the manner prescribed by K.S.A. 79-2940, *and amendments thereto*.

The governing body of the district shall make not more than five equal annual tax levies, as determined by the ~~board~~ state court of tax appeals, at the next succeeding tax-levying periods after such warrants are issued in an amount sufficient to pay such warrants and interest thereon.

Sec. 49. K.S.A. 19-4420 is hereby amended to read as follows: 19-4420. The board of county commissioners of any county adopting the provisions of this act, for the purposes of carrying out the provisions of this act from and after the date of the adoption of the provisions thereof by such county and prior to the time that moneys are available from the tax levy authorized by K.S.A. 19-4421, *and amendments thereto*, is hereby authorized to issue no-fund warrants in an amount not to exceed the amount which would be raised by the levy of a tax of one (~~4~~) mill upon all taxable tangible property in the county, deemed necessary and fixed by resolution of the agency, for such purpose. Such no-fund warrants shall be issued by the county in the manner and form and shall bear interest and be redeemable in the manner prescribed by K.S.A. 79-2940, *and amendments thereto*, except that they may be issued without the approval of the state ~~board~~ court of tax appeals, and without the notation required by ~~said~~ such section. The board of county commissioners shall make a tax levy at the first tax levying period after such warrants are issued, sufficient to pay such warrants and the interest thereon. All such tax levies shall be in addition to all other levies authorized or limited by law and the tax limitations provided by article 19 of chapter 79 of the Kansas Statutes Annotated and amendments thereto shall not apply to such lev-

ies.

Sec. 50. K.S.A. 19-4442 is hereby amended to read as follows: 19-4442. The board of county commissioners of any county adopting the provisions of this act, for the purposes of carrying out the provisions of this act from and after the date of the adoption of the provisions thereof by such county, and prior to the time that moneys are available from the tax levy authorized by K.S.A. 19-4443, and amendments thereto, is hereby authorized for such purpose, whenever deemed necessary and fixed by resolution of the agency, to issue no-fund warrants in an amount not to exceed the amount which would be raised by the levy of a tax of one ~~(1)~~ mill upon all taxable tangible property in the county. Such no-fund warrants shall be issued by the county in the manner and form and shall bear interest and be redeemed in the manner prescribed by K.S.A. 79-2940, *and amendments thereto*, except that they may be issued without the approval of the state ~~board~~ court of tax appeals, and without the notation required by said section. The board of county commissioners shall make a tax levy at the first levying period after such warrants are issued, sufficient to pay such warrants and the interest thereon. All such tax levies shall be in addition to all other levies authorized or limited by law.

Sec. 51. K.S.A. 20-356 is hereby amended to read as follows: 20-356. Any county in which additional divisions of the district court are established or in which additional district magistrate judge positions are established, may pay all of the costs and expenses incidental to or arising out of the establishment, operation and maintenance of the facilities for such additional divisions or positions during the year in which they are established, out of the general fund of the county or if it does not have sufficient moneys available in its general fund for such purpose, such county is hereby authorized and empowered to issue during such year, no-fund warrants for the purpose of providing funds to pay all expenses, costs, salaries payable by any such county and costs incidental to or arising out of the establishment, maintenance and operation of such division or position, including the providing and equipping of courtrooms and other necessary offices and costs incidental thereto or arising therefrom or whenever the board of county commissioners considers it advisable, such board may issue general obligation bonds of the county to pay all of the costs and expenses incidental to or arising out of the establishment, operation and maintenance of facilities for such additional divisions or positions other than costs incurred for payment of salaries, and for the purpose of redeeming no-fund warrants issued under the authority of this section except no-fund warrants issued for payment of salaries. Such no-fund warrants shall be issued in the manner and form, bear interest and be redeemed as prescribed by K.S.A. 79-2940, and amendments thereto, except they may be issued without the approval of the state ~~board~~ court of tax appeals and without the notation required by K.S.A. 79-2940, and amendments thereto.

If such no-fund warrants are issued under the provisions of this act, the county issuing the same shall make a tax levy at the first tax levying period after such warrants are issued sufficient to pay the same and the interest thereon. Any such county may make expenditures from its general fund during the year in which the said divisions or positions of the court are created for any of the purposes hereinbefore described, even though such expenditures were not included in the county budget for that year.

General obligation bonds issued under the authority of this section shall be issued in the manner prescribed by the general bond law but shall not be subject to or within any bonded debt limitation prescribed by any other law of this state and shall not be considered or included in applying any other law limiting bonded indebtedness.

Sec. 52. K.S.A. 20-363 is hereby amended to read as follows: 20-363. (a) On and after June 18, 1979, job positions for district court employees whose principal duties involved service of process for the district court of the county immediately prior to such date shall be abolished. Except as provided in subsection (b), on and after such date the office of sheriff in such county shall assume the duties of service of process for the district court of the county and there is hereby created job positions in such sheriff's office in a number equal to the number of job positions abolished in the district court of such county by this section.

(b) On and after June 18, 1979, in Wyandotte county the county shall assume the duties of service of process for the district court of such county

and there is hereby created job positions in such county, under the supervision of the board of county commissioners, in a number equal to the number of job positions abolished in the district court of such county by this section.

(c) In appointing persons to fill the job positions created by this section, due consideration shall be given to appointing those persons whose job positions are abolished by this act. On and after such date the county shall pay the compensation and employer's contributions of such employees and amounts therefor may be paid during the budget year even though the same were not included in the budget of expenditures for such year. On and after June 18, 1979, district court employees shall not perform the function of serving process for the district courts. A county may issue no-fund warrants to cover costs imposed upon the county for calendar year 1979 pursuant to this section and such warrants may be issued without the approval of the state ~~board~~ court of tax appeals.

Sec. 53. K.S.A. 20-626 is hereby amended to read as follows: 20-626. The board of county commissioners of any county in this state having a population of more than ~~three hundred thousand (300,000)~~ 300,000 is hereby authorized to issue no-fund warrants for the purpose of paying all costs incurred in providing additional quarters in any available space of the courthouse for the holding of court and jury and retiring rooms. ~~Provided, except~~ that before such warrants shall be issued the board of county commissioners shall have received from all of the judges of the appropriate court a resolution certifying to necessity of additional quarters. Such no-fund warrants shall be issued in the manner and form, bear interest and be redeemed as prescribed by K.S.A. 79-2940, *and amendments thereto*, except that they may be issued without the approval of the state ~~board~~ court of tax appeals, and without the notation required by said section. The board of county commissioners shall make a tax levy at the first tax levying period after such warrants are issued, sufficient to pay such warrants and the interest thereon. ~~Provided, except~~ that in lieu of making only one tax levy, the county commissioners may, if it deems it advisable, make a tax levy each year for not to exceed five ~~(5)~~ years in approximately equal installments for the purpose of paying said warrants and the interest thereon. All such tax levies shall be in addition to all other levies authorized or limited by law and shall not be subject to or within the aggregate tax levy limitation prescribed by article 19 of chapter 79 of the Kansas Statutes Annotated and acts amendatory thereof. None of the provisions of the state budget law shall apply to any expenditure which has been provided for by the issuance of warrants under this act.

Sec. 54. K.S.A. 24-133 is hereby amended to read as follows: 24-133. (a) Subject to the provisions of subsection (b), the governing body of any drainage district may issue emergency no-fund warrants of the drainage district to pay the costs and expenses resulting from an emergency within the district. An emergency within the district exists by reason of current injuries to persons or property, or imminent danger thereof, from floods or other injurious action of water in any watercourse within the district. In case of an emergency, the governing body of the district may build new dikes and levees, and repair, expand and strengthen old ones, dig ditches, build jetties, or make any other changes, alterations and additions in existing improvements. The governing body also may build any other new structure or other improvement it deems necessary to solve the problems created by the emergency.

The governing body shall levy a tax at the first tax levying period after the issuance to pay the emergency no-fund warrants and interest thereon. The levy shall be in addition to all other levies authorized or limited by law. Emergency no-fund warrants shall be issued, registered, redeemed and bear interest in the manner and in the form prescribed by K.S.A. 79-2940, and amendments thereto, except that such no-fund warrants shall be issued without the approval of the state ~~board~~ court of tax appeals and shall not bear the notation required thereby.

(b) Except as provided by subsection (c), the authorized and outstanding no-fund warrant indebtedness of any drainage district shall not exceed 5% of the assessed valuation of the drainage district.

(c) If the governing body of a drainage district determines it is necessary to issue no-fund warrants and the amount of such no-fund warrants together with any outstanding no-fund warrants exceed 5% of the assessed valuation of the drainage district prior to issuing any such no-fund warrants under the authority of this section, the governing body shall

publish once in a newspaper of general circulation within the district a notice of the intention of the governing body to issue such no-fund warrants. If within 60 days after the publication of such notice, a petition requesting an election on the question of the issuance of the no-fund warrants signed by not less than 5% of the owners of land within the district is filed with the county election officer of the county in which the greater portion of the district is located, the governing body shall submit the question of the issuance of such no-fund warrants at an election held under the provisions of the general bond law.

(d) For the purpose of this section, assessed valuation means the value of all taxable tangible property within the drainage district as certified to the county clerk on the preceding August 25 which includes the assessed valuation of motor vehicles as provided by K.S.A. 10-310, and amendments thereto.

Sec. 55. K.S.A. 24-665 is hereby amended to read as follows: 24-665. The district board may issue no-fund warrants to pay for initial organizational, engineering, legal and administrative expenses of the district. ~~Provided, except~~ that the amount so issued shall not exceed the product of two (2) mills times the assessed valuation of the taxable tangible property within the district, which warrants shall be issued, bear interest and be retired in accordance with the provisions of K.S.A. 79-2940, and ~~acts amendatory thereof~~ *amendments thereto*, except that the approval of the state ~~board court~~ of tax appeals shall not be required. Whenever warrants have been issued under this section, the board shall make a tax levy at the first tax levying period, after such warrants are issued sufficient to pay such warrants and interest.

Annually, after the assessment of property for the purpose of taxation has been made in any county in which a part of the joint drainage district lies, the county clerk of such county shall thereupon ascertain the total assessed valuation of all taxable tangible property in his county within the joint drainage district and certify the same to the county clerk of the official county of the joint drainage district designated as authorized by K.S.A. 24-664, *and amendments thereto*.

Sec. 56. K.S.A. 24-1219 is hereby amended to read as follows: 24-1219. (a) The district board may issue no-fund warrants to pay for initial organizational, engineering, legal and administrative expenses of the district except that the amount so issued shall not exceed the product of two mills times the assessed valuation of the taxable tangible property within the district. Such warrants shall be issued, bear interest and be retired in accordance with the provisions of K.S.A. 79-2940, and amendments thereto, except that the approval of the state ~~board court~~ of tax appeals shall not be required. Whenever warrants have been issued under this section, the board shall make a tax levy at the first tax levying period, after such warrants are issued, sufficient to pay such warrants and interest.

(b) Following incorporation of the district by the secretary of state, the board shall have authority to levy annually a tax of not to exceed two mills to create a general fund for the payment of engineering, legal, clerical, land and interests in land, installation maintenance, operation and other administrative expenses and such tax may be against all of the taxable, tangible property of the district. Whenever the board desires to increase the mill levy for such purposes above two mills, it may adopt a resolution declaring it necessary to increase such annual levy in an amount which together with the current levy shall not exceed a total of four mills. Any such resolution shall state the total amount of the tax to be levied and shall be published once each week for two consecutive weeks in a newspaper of general circulation in the district. Whereupon such annual levy in an amount not to exceed the amount stated in the resolution may be made for the ensuing budget year and each successive budget year unless a petition requesting an election upon the proposition to increase the tax levy in excess of the current tax levy, signed by not less than 5% of the qualified electors in the district is filed with the county election officer within 60 days following the date of the last publication of the resolution. In the event a valid petition is filed, no such increased levy shall be made without such proposition having been submitted to and having been approved by a majority of the qualified electors voting at an election called and held thereon. All such elections shall be called and held in the manner prescribed for the calling and holding of elections upon the question of the issuance of bonds under the general bond law.

(c) There is hereby authorized to be established in the watershed

districts of the state a fund which shall be called the structure maintenance fund. The fund shall consist of moneys deposited therein from funds received according to provisions of the watershed district law. The amount of funds that may be deposited annually shall be a maximum of .35% of the construction cost of the structure. Moneys in the structure maintenance fund may be used for the purpose of engineering, reconstruction and other required maintenance and other expenses relating to the maintenance of a structure. The watershed board of directors is hereby authorized to invest any portion of the structure maintenance fund, which is not currently needed, in investments authorized by K.S.A. 12-1675, and amendments thereto. All interest received on any such investment shall be credited to the structure maintenance fund.

(d) The district board shall have authority to levy a tax, after improvement bonds have been issued in accordance with K.S.A. 24-1214, 24-1215 and 24-1220, and amendments thereto, sufficient to pay such bonds and interest.

Sec. 57. K.S.A. 31-144 is hereby amended to read as follows: 31-144.

(a) As used in this act, "school building" means any building or structure operated or used for any purpose by, or located upon the land of, any school district, community college district, area vocational school, area vocational-technical school, institution under the state board of regents or any private or nonpublic school, college or university, whether or not operated for profit. The term school building does not include within its meaning any single-family dwelling or duplex constructed as part of a vocational education program or construction trades class if such single-family dwelling or duplex is to be sold, after its construction, for private use.

(b) All school buildings shall be inspected at least once each year. In all cities of the first and second class in which there is a full-time fire chief or full-time fire inspector, the inspection of the school buildings shall be conducted by such chief or inspector. The chief or inspector shall report the findings from the inspection to the state fire marshal within 30 days after such inspection. In all other cases, school buildings shall be inspected by the state fire marshal or the fire marshal's authorized assistants.

(c) The state fire marshal shall order the governing body having control of any school building or facility thereof to correct any condition in such building or facility which is in violation of this act, or any condition which the fire marshal deems dangerous, or which in any way prevents a speedy exit from such building. After any such order is rendered, such governing body shall make the changes required to comply therewith. A board of education of any school district is hereby authorized to make expenditures from its general fund or capital outlay fund to comply with such order, or the board may issue no-fund warrants in such amounts as are necessary to pay expenses incurred in complying with such order. Such no-fund warrants shall be issued, registered, paid and redeemed and bear interest as provided by K.S.A. 79-2940, and amendments thereto, except that the approval of the state ~~board~~ court of tax appeals shall not be required. Such warrants shall recite that they are issued by the board of education of the school district under authority of this act. Any board of education issuing warrants hereunder shall make a tax levy at the same time as other tax levies are made, after such warrants are issued, sufficient to pay such warrants and the interest thereon.

(d) Whenever a board of education receives an order from the state fire marshal pursuant to subsection (c), the board, in lieu of repairing or remodeling the school building or facility as ordered by the state fire marshal, may close such building or facility as an attendance center. Whenever any board of education finds that any such order of the state fire marshal involves a cost in excess of that which the board of education finds the school district can afford, or that the changes ordered are unwarranted or unnecessary, the board may petition for review of such order in the district court of the home county of such school district. Upon receiving such petition, the district court shall appoint three disinterested commissioners, one of whom shall be a licensed architect. The commissioners shall inspect the building or facility affected by the order and report to the court its findings of fact as to the necessity for the improvements or changes ordered by the state fire marshal, together with the estimated cost of each such improvement or change and such other recommendations as the commissioners deem advisable. Upon receiving

such findings of fact and recommendations, or any other evidence relating to the petition for review, the court shall enter its order affirming, reversing or modifying the order of the state fire marshal. Such order of the court may be reviewed by the appellate courts in the same manner as other orders and judgments of the district court may be reviewed.

(e) Except as provided in subsection (d), any action of the state fire marshal pursuant to this section is subject to review in accordance with the act for judicial review and civil enforcement of agency actions.

Sec. 58. K.S.A. 38-549 is hereby amended to read as follows: 38-549. The board of directors of any youth camp or home may adopt a resolution at any time before tax moneys are available under authority of this act, and such resolution may provide for the issuance of no-fund warrants in an amount not to exceed the amount which would be produced by a one mill levy on the assessed taxable tangible property in the contracting counties. Such no-fund warrants may be issued without the approval of the state ~~board~~ court of tax appeals, and in all other respects shall be issued in accordance to statutes related to no-fund warrants.

Sec. 59. K.S.A. 68-151n is hereby amended to read as follows: 68-151n. The board of any such county may issue no-fund warrants without the approval of the state ~~board~~ court of tax appeals, to provide additional funds to be used to pay a part of the cost of the relocation, construction, reconstruction and improvement of or the acquisition of a site or right of way for any road or bridge which is necessitated by the construction of any dam or reservoir by the federal government and part of the total cost of which is to be paid or reimbursed by the federal government. The total amount of such warrants shall not exceed the sum of one hundred fifty thousand dollars (\$150,000). Such warrants shall be in the form and be issued, registered, bear interest and may be sold in the manner provided and all other things relating thereto done as prescribed in K.S.A. 79-2940, or acts amendatory thereof, except as herein otherwise expressly provided and except that they shall not bear the notation required by said section, but in lieu thereof they shall bear the notation "issued pursuant to authority granted by (giving a citation of this act)."

At the next tax levying time after the issuance of such warrants ~~said~~ *such* board shall make a tax levy sufficient to pay the warrants and the interest thereon: ~~Provided, except~~ that if the board determines it to be advisable, said warrants may be issued to mature in two (~~2~~) approximately equal annual installments and in such cases, such tax levy may be made each year for a period of not to exceed two (~~2~~) years. The tax levies herein authorized shall be in addition to all other tax levies authorized or limited by law and shall not be subject to the aggregate tax levy limit prescribed by K.S.A. 79-1947 ~~or acts amendatory thereof, and amendments thereto,~~ or that may be fixed by any other law of this state.

Sec. 60. K.S.A. 72-4142 is hereby amended to read as follows: 72-4142. To provide revenue for the initial purchase of textbooks for use in the textbook rental plan, the board of education of any school district is authorized to issue no-fund warrants in an amount necessary to make such purchase. Such no-fund warrants shall be issued in the manner and form, bear interest and be redeemed as prescribed by K.S.A. 79-2940, ~~and amendments thereto,~~ except that they may be issued without the approval of the state ~~board~~ court of tax appeals.

Whenever no-fund warrants are issued under the authority of this act, the board of education shall make a tax levy at the first tax levying period after such warrants are issued, sufficient to pay such warrants and the interest thereon: ~~Provided, except~~ that in lieu of making only one tax levy, such board, if it deems it advisable, may make a tax levy each year for not to exceed three (~~3~~) years in approximately equal installments for the purpose of paying said warrants and the interest thereon. All such tax levies shall be in addition to all other levies authorized or limited by law and none of the tax limitations provided by law shall apply to such levy.

Sec. 61. K.S.A. 2007 Supp. 72-6441 is hereby amended to read as follows: 72-6441. (a) (1) The board of any district to which the provisions of this subsection apply may levy an ad valorem tax on the taxable tangible property of the district each year for a period of time not to exceed two years in an amount not to exceed the amount authorized by the state ~~board~~ court of tax appeals under this subsection for the purpose of financing the costs incurred by the state that are directly attributable to assignment of ancillary school facilities weighting to enrollment of the district. The state ~~board~~ court of tax appeals may authorize the district to

make a levy which will produce an amount that is not greater than the difference between the amount of costs directly attributable to commencing operation of one or more new school facilities and the amount that is financed from any other source provided by law for such purpose, including any amount attributable to assignment of school facilities weighting to enrollment of the district for each school year in which the district is eligible for such weighting. If the district is not eligible, or will be ineligible, for school facilities weighting in any one or more years during the two-year period for which the district is authorized to levy a tax under this subsection, the state ~~board~~ court of tax appeals may authorize the district to make a levy, in such year or years of ineligibility, which will produce an amount that is not greater than the actual amount of costs attributable to commencing operation of the facility or facilities.

(2) The state ~~board~~ court of tax appeals shall certify to the state board of education the amount authorized to be produced by the levy of a tax under subsection (a).

(3) The state ~~board~~ court of tax appeals may adopt rules and regulations necessary to effectuate the provisions of this subsection, including rules and regulations relating to the evidence required in support of a district's claim that the costs attributable to commencing operation of one or more new school facilities are in excess of the amount that is financed from any other source provided by law for such purpose.

(4) The provisions of this subsection apply to any district that (A) commenced operation of one or more new school facilities in the school year preceding the current school year or has commenced or will commence operation of one or more new school facilities in the current school year or any or all of the foregoing; (B) is authorized to adopt and has adopted a local option budget which is at least equal to that amount required to qualify for school facilities weighting under K.S.A. 2007 Supp. 72-6415b, and amendments thereto; and (C) is experiencing extraordinary enrollment growth as determined by the state board of education.

(b) The board of any district that has levied an ad valorem tax on the taxable tangible property of the district each year for a period of two years under authority of subsection (a) may continue to levy such tax under authority of this subsection each year for an additional period of time not to exceed three years in an amount not to exceed the amount computed by the state board of education as provided in this subsection if the board of the district determines that the costs attributable to commencing operation of one or more new school facilities are significantly greater than the costs attributable to the operation of other school facilities in the district. The tax authorized under this subsection may be levied at a rate which will produce an amount that is not greater than the amount computed by the state board of education as provided in this subsection. In computing such amount, the state board shall (1) determine the amount produced by the tax levied by the district under authority of subsection (a) in the second year for which such tax was levied and add to such amount the amount of general state aid directly attributable to school facilities weighting that was received by the district in the same year, and (2) compute 75% of the amount of the sum obtained under (1), which computed amount is the amount the district may levy in the first year of the three-year period for which the district may levy a tax under authority of this subsection, and (3) compute 50% of the amount of the sum obtained under (1), which computed amount is the amount the district may levy in the second year of the three-year period for which the district may levy a tax under authority of this subsection, and (4) compute 25% of the amount of the sum obtained under (1), which computed amount is the amount the district may levy in the third year of the three-year period for which the district may levy a tax under authority of this subsection.

(c) The proceeds from the tax levied by a district under authority of this section shall be remitted to the state treasurer in accordance with the provisions of K.S.A. 75-4215, and amendments thereto. Upon receipt of each such remittance, the state treasurer shall deposit the entire amount in the state treasury to the credit of the state school district finance fund.

Sec. 62. K.S.A. 72-6443 is hereby amended to read as follows: 72-6443. (a) The ancillary school facilities weighting of each district shall be determined in each school year in which such weighting may be assigned to enrollment of the district as follows:

(1) Add the amount authorized under subsection (a) of K.S.A. 72-6441, and amendments thereto, to be produced by a tax levy and certified

to the state board by the ~~board~~ state court of tax appeals to the amount, if any, computed under subsection (b) of K.S.A. 72-6441, and amendments thereto, to be produced by a tax levy;

(2) divide the sum obtained under (1) by base state aid per pupil. The quotient is the ancillary school facilities weighting of the district.

(b) The provisions of this section shall take effect and be in force from and after July 1, 1997.

Sec. 63. K.S.A. 2007 Supp. 72-6451 is hereby amended to read as follows: 72-6451. (a) As used in this section:

(1) "School district" or "district" means a school district which: (A) Has a declining enrollment; and (B) has adopted a local option budget in an amount which equals at least 31% of the state financial aid for the school district at the time the district applies to the state ~~board~~ court of tax appeals for authority to make a levy pursuant to this section.

(2) "Declining enrollment" means an enrollment which has declined in amount from that of the preceding school year.

(b) (1) (A) A school district may levy an ad valorem tax on the taxable tangible property of the district each year for a period of time not to exceed two years in an amount not to exceed the amount authorized by the state ~~board~~ court of tax appeals under this subsection for the purpose of financing the costs incurred by the state that are directly attributable to assignment of declining enrollment weighting to enrollment of the district. The state ~~board~~ court of tax appeals may authorize the district to make a levy which will produce an amount that is not greater than the amount of revenues lost as a result of the declining enrollment of the district. Such amount shall not exceed 5% of the general fund budget of the district in the school year in which the district applies to the state ~~board~~ court of tax appeals for authority to make a levy pursuant to this section.

(B) As an alternative to the authority provided in paragraph (1)(A), if a district was authorized to make a levy pursuant to this section in school year 2006-2007, such district shall remain authorized to make a levy at a rate necessary to generate revenue in the same amount that was generated in school year 2007-2008 if the district adopts a local option budget in an amount equal to the state prescribed percentage in effect in school year 2006-2007.

(2) The ~~board~~ state court of tax appeals shall certify to the state board the amount authorized to be produced by the levy of a tax under this section.

(3) The state board shall prescribe guidelines for the data that school districts shall include in cases before the state ~~board~~ court of tax appeals pursuant to this section.

(c) A district may levy the tax authorized pursuant to this section for a period of time not to exceed two years unless authority to make such levy is renewed by the state ~~board~~ court of tax appeals. The state ~~board~~ court of tax appeals may renew the authority to make such levy for periods of time not to exceed two years.

(d) The state board shall provide to the state ~~board~~ court of tax appeals such school data and information requested by the state ~~board~~ court of tax appeals and any other information deemed necessary by the state board.

(e) There is hereby established in every district a fund which shall be called the declining enrollment fund. Such fund shall consist of all moneys deposited therein or transferred thereto according to law. The proceeds from the tax levied by a district under authority of this section shall be credited to the declining enrollment fund of the district. The proceeds from the tax levied by a district credited to the declining enrollment fund shall be remitted to the state treasurer in accordance with the provisions of K.S.A. 75-4215, and amendments thereto. Upon receipt of each such remittance, the state treasurer shall deposit the entire amount in the state treasury to the credit of the state school district finance fund.

Sec. 64. K.S.A. 72-8203b is hereby amended to read as follows: 72-8203b. Whenever the board of education of any school district shall make a finding that such school district has a temporary cash deficit in any school district fund, such school district may issue temporary notes of the school district for the purpose of borrowing money to meet such temporary cash deficit. The proceeds of any notes issued pursuant to this section shall be credited to the fund found to have such deficit. Such notes may be issued only with the approval of the state ~~board~~ court of tax

appeals. Temporary notes issued pursuant to this act shall mature, be retired and paid during the fiscal year during which they are issued. Such notes shall be retired from the proceeds of distributions to the fund in which the temporary cash deficit occurred. Such notes shall be in a form prescribed by the state board of education and may bear interest at a rate not to exceed ~~five percent (5%)~~ 5% per annum. No such notes may be issued in an amount in excess of anticipated receipts during the fiscal year of the fund in which the temporary cash deficit occurred. If any such anticipated receipts are not received during the fiscal year in which such notes are issued, such notes shall be retired in the next succeeding fiscal year from the proceeds of later received distributions to such fund or shall be retired from a tax levy upon the taxable tangible property in the school district in an amount sufficient to retire such notes, which levy shall be made at the next tax levying period.

Sec. 65. K.S.A. 2007 Supp. 74-4911f is hereby amended to read as follows: 74-4911f. (a) Subject to procedures or limitations prescribed by the governor, any person who is not an employee and who becomes a state officer may elect to not become a member of the system. The election to not become a member of the system must be filed within 90 days of assuming the position of state officer. Such election shall be irrevocable. If such election is not filed by such state officer, such state officer shall be a member of the system.

(b) Any such state officer who is a member of the Kansas public employees retirement system, on or after the effective date of this act, may elect to not be a member by filing an election with the office of the retirement system. The election to not become a member of the system must be filed within 90 days of assuming the position of state officer. If such election is not filed by such state officer, such state officer shall be a member of the system.

(c) Subject to limitations prescribed by the board, the state agency employing any employee who has filed an election as provided under subsection (a) or (b) and who has entered into an employee participation agreement, as provided in K.S.A. 75-5524, and amendments thereto, for deferred compensation pursuant to the Kansas public employees deferred compensation plan shall contribute to such plan on such employee's behalf an amount equal to 8% of the employee's salary, as such salary has been approved pursuant to K.S.A. 75-2935b, and amendments thereto, or as otherwise prescribed by law. With regard to a state officer who is a member of the legislature who has retired pursuant to the Kansas public employees retirement system and who files an election as provided in this section, employee's salary means per diem compensation as provided by law as a member of the legislature.

(d) As used in this section and K.S.A. 74-4927k, and amendments thereto, "state officer" means the secretary of administration, secretary on aging, secretary of commerce, secretary of corrections, secretary of health and environment, secretary of labor, secretary of revenue, secretary of social and rehabilitation services, secretary of transportation, secretary of wildlife and parks, superintendent of the Kansas highway patrol, secretary of agriculture, executive director of the Kansas lottery, executive director of the Kansas racing commission, president of the Kansas development finance authority, state fire marshal, state librarian, securities commissioner, adjutant general, ~~members~~ *judges and chief hearing officer* of the state ~~board~~ *court* of tax appeals, members of the Kansas parole board, members of the state corporation commission, any unclassified employee on the staff of officers of both houses of the legislature, any unclassified employee appointed to the governor's or lieutenant governor's staff, any person employed by the legislative branch of the state of Kansas, other than any such person receiving service credited under the Kansas public employees retirement system or any other retirement system of the state of Kansas therefor, who elected to be covered by the provisions of this section as provided in subsection (e) of K.S.A. 46-1302, and amendments thereto, or who is first employed on or after July 1, 1996, by the legislative branch of the state of Kansas and any member of the legislature who has retired pursuant to the Kansas public employees retirement system.

(e) The provisions of this section shall not apply to any state officer who has elected to remain eligible for assistance by the state board of regents as provided in subsection (a) of K.S.A. 74-4925 and amendments thereto.

Sec. 66. K.S.A. 75-430 is hereby amended to read as follows: 75-430.

(a) The secretary of state shall compile, index and publish a publication to be known as the Kansas register. Such register shall contain:

(1) All acts of the legislature required to be published in the Kansas register;

(2) all executive orders and directives of the governor which are required to be filed in the office of the secretary of state;

(3) summaries of all opinions of the attorney general interpreting acts of the legislature as prepared by the office of the attorney general;

(4) notice of any public comment period on contemplated modification of an existing rule and regulation, which notice shall contain the information required by K.S.A 77-421, and amendments thereto;

(5) all notices of hearings on proposed administrative rules and regulations required to be filed in the office of the secretary of state under the provisions of article 4 of chapter 77 of the Kansas Statutes Annotated and a summary of all proposed administrative rules and regulations to be considered at such hearings together with the address of the state agency from which a copy of the full text of the proposed rules and regulations may be received;

(6) the full text of all administrative rules and regulations which have been adopted and filed in accordance with the provisions of article 4 of chapter 77 of the Kansas Statutes Annotated, except that the secretary of state may publish a summary of any rule and regulation together with the address of the state agency from which a copy of the full text of the proposed rules and regulations may be received, if such rule and regulation is lengthy and expensive to publish and otherwise available in published form and a summary will, in the opinion of the secretary, properly notify the public of the contents of such rule and regulation;

(7) a cumulative index of all administrative rules and regulations which have been adopted and filed in accordance with the provisions of article 4 of chapter 77 of the Kansas Statutes Annotated;

(8) all notices of hearings of special legislative interim study committees, descriptions of all prefiled bills and resolutions and descriptions of all bills and resolutions introduced in the legislature during any session of the legislature, and other legislative information which is approved for publication by the legislative coordinating council;

(9) the hearings docket of the Kansas supreme court and the court of appeals;

(10) summaries of all orders of the ~~board~~ *state court* of tax appeals which have statewide application;

(11) all advertisements for contracts for construction, repairs, improvements or purchases by the state of Kansas or any agency thereof for which competitive bids are required; and

(12) any other information which the secretary of state deems to be of sufficient interest to the general public to merit its publication or which is required by law to be published in the Kansas register.

(b) The secretary of state shall publish such register at regular intervals, but not less than weekly.

(c) The secretary of state may omit from the register any information the publication of which the secretary deems cumbersome, expensive, or otherwise inexpedient, if the information is made available in printed or processed form by the adopting agency on application for it, and if the register contains a notice stating the general subject matter of the information and the manner in which a copy of it may be obtained.

(d) One copy of each issue of the register shall be made available without charge on request to each officer, board, commission, and department of the state having statewide jurisdiction, to each member of the legislature, to each county clerk in the state, and to the supreme court, court of appeals and each district court.

(e) The secretary of state shall make copies of the register available to other persons on payment of a fee to be fixed by the secretary of state under K.S.A. 75-433, and amendments thereto.

Sec. 67. K.S.A. 2007 Supp. 75-37,121 is hereby amended to read as follows: 75-37,121. (a) There is created the office of administrative hearings within the department of administration, to be headed by a director appointed by the secretary of administration. The director shall be in the unclassified service under the Kansas civil service act.

(b) The office may employ or contract with presiding officers, court reporters and other support personnel as necessary to conduct proceed-

ings required by the Kansas administrative procedure act for adjudicative proceedings of the state agencies, boards and commissions specified in subsection (h). The office shall conduct adjudicative proceedings of any state agency which is specified in subsection (h) when requested by such agency. Only a person admitted to practice law in this state or a person directly supervised by a person admitted to practice law in this state may be employed as a presiding officer. The office may employ regular part-time personnel. Persons employed by the office shall be under the classified civil service.

(c) If the office cannot furnish one of its presiding officers within 60 days in response to a requesting agency's request, the director shall designate in writing a full-time employee of an agency other than the requesting agency to serve as presiding officer for the proceeding, but only with the consent of the employing agency. The designee must possess the same qualifications required of presiding officers employed by the office.

(d) The director may furnish presiding officers on a contract basis to any governmental entity to conduct any proceeding other than a proceeding as provided in subsection (h).

(e) The secretary of administration may adopt rules and regulations:

(1) To establish procedures for agencies to request and for the director to assign presiding officers. An agency may neither select nor reject any individual presiding officer for any proceeding except in accordance with the Kansas administrative procedure act;

(2) to establish procedures and adopt forms, consistent with the Kansas administrative procedure act, the model rules of procedure, and other provisions of law, to govern presiding officers; and

(3) to facilitate the performance of the responsibilities conferred upon the office by the Kansas administrative procedure act.

(f) The director may implement the provisions of this section and rules and regulations adopted under its authority.

(g) The secretary of administration may adopt rules and regulations to establish fees to charge a state agency for the cost of using a presiding officer.

(h) The following state agencies, boards and commissions shall utilize the office of administrative hearings for conducting adjudicative hearings under the Kansas administrative procedures act in which the presiding officer is not the agency head or one or more members of the agency head:

(1) On and after July 1, 2005: Department of social and rehabilitation services, juvenile justice authority, department on aging, department of health and environment, Kansas public employees retirement system, Kansas water office, Kansas animal health department and Kansas insurance department.

(2) On and after July 1, 2006: Emergency medical services board, emergency medical services council, Kansas health policy authority and Kansas human rights commission.

(3) On and after July 1, 2007: Kansas lottery, Kansas racing and gaming commission, state treasurer, pooled money investment board, Kansas department of wildlife and parks and state board court of tax appeals.

(4) On and after July 1, 2008: Department of human resources, state corporation commission, state conservation commission, agricultural labor relations board, department of administration, department of revenue, board of adult care home administrators, Kansas state grain inspection department, board of accountancy and Kansas wheat commission.

(5) On and after July 1, 2009, all other Kansas administrative procedure act hearings not mentioned in subsections (1), (2), (3) and (4).

(i) (1) Effective July 1, 2005, any presiding officer in agencies specified in subsection (h)(1) which conduct hearings pursuant to the Kansas administrative procedure act, except those exempted pursuant to K.S.A. 77-551, and amendments thereto, and support personnel for such presiding officers, shall be transferred to and shall become employees of the office of administrative hearings. Such personnel shall retain all rights under the state personnel system and retirement benefits under the laws of this state which had accrued to or vested in such personnel prior to the effective date of this section. Such person's services shall be deemed to have been continuous. All transfers of personnel positions in the classified service under the Kansas civil service act shall be in accordance with civil service laws and any rules and regulations adopted thereunder. This section shall not affect any matter pending before an administrative

hearing officer at the time of the effective date of the transfer, and such matter shall proceed as though no transfer of employment had occurred.

(2) Effective July 1, 2006, any presiding officer in agencies specified in subsection (h)(2) which conduct hearings pursuant to the Kansas administrative procedure act, except those exempted pursuant to K.S.A. 77-551, and amendments thereto, and support personnel for such presiding officers, shall be transferred to and shall become employees of the office of administrative hearings. Such personnel shall retain all rights under the state personnel system and retirement benefits under the laws of this state which had accrued to or vested in such personnel prior to the effective date of this section. Such person's services shall be deemed to have been continuous. All transfers of personnel positions in the classified service under the Kansas civil service act shall be in accordance with civil service laws and any rules and regulations adopted thereunder. This section shall not affect any matter pending before an administrative hearing officer at the time of the effective date of the transfer, and such matter shall proceed as though no transfer of employment had occurred.

(3) Effective July 1, 2007, any presiding officer in agencies specified in subsection (h)(3) which conduct hearings pursuant to the Kansas administrative procedure act, except those exempted pursuant to K.S.A. 77-551, and amendments thereto, and support personnel for such presiding officers, shall be transferred to and shall become employees of the office of administrative hearings. Such personnel shall retain all rights under the state personnel system and retirement benefits under the laws of this state which had accrued to or vested in such personnel prior to the effective date of this section. Such person's services shall be deemed to have been continuous. All transfers of personnel positions in the classified service under the Kansas civil service act shall be in accordance with civil service laws and any rules and regulations adopted thereunder. This section shall not affect any matter pending before an administrative hearing officer at the time of the effective date of the transfer, and such matter shall proceed as though no transfer of employment had occurred.

(4) Effective July 1, 2008, any full-time presiding officer in agencies specified in subsection (h)(4) which conduct hearings pursuant to the Kansas administrative procedure act, except those exempted pursuant to K.S.A. 77-551, and amendments thereto, and support personnel for such presiding officers, shall be transferred to and shall become employees of the office of administrative hearings. Such personnel shall retain all rights under the state personnel system and retirement benefits under the laws of this state which had accrued to or vested in such personnel prior to the effective date of this section. Such person's services shall be deemed to have been continuous. All transfers of personnel positions in the classified service under the Kansas civil service act shall be in accordance with civil service laws and any rules and regulations adopted thereunder. This section shall not affect any matter pending before an administrative hearing officer at the time of the effective date of the transfer, and such matter shall proceed as though no transfer of employment had occurred.

(5) Effective July 1, 2009, any full-time presiding officer in agencies specified in subsection (h)(5) which conduct hearings pursuant to the Kansas administrative procedure act, except those exempted pursuant to K.S.A. 77-551, and amendments thereto, and support personnel for such presiding officers, shall be transferred to and shall become employees of the office of administrative hearings. Such personnel shall retain all rights under the state personnel system and retirement benefits under the laws of this state which had accrued to or vested in such personnel prior to the effective date of this section. Such person's services shall be deemed to have been continuous. All transfers of personnel positions in the classified service under the Kansas civil service act shall be in accordance with civil service laws and any rules and regulations adopted thereunder. This section shall not affect any matter pending before an administrative hearing officer at the time of the effective date of the transfer, and such matter shall proceed as though no transfer of employment occurred.

Sec. 68. K.S.A. 2007 Supp. 75-4201 is hereby amended to read as follows: 75-4201. As used in this act, unless the context otherwise requires:

- (a) "Treasurer" means state treasurer.
- (b) "Controller" means director of accounts and reports.
- (c) "Board" means the pooled money investment board.
- (d) "Bank" means a bank incorporated under the laws of this state,

or organized under the laws of the United States or another state and which has a main or branch office in this state.

(e) "State moneys" means all moneys in the treasury of the state or coming lawfully into the possession of the treasurer.

(f) "State bank account" means state moneys or fee agency account moneys deposited in accordance with the provisions of this act.

(g) "Operating account" means a state bank account which is payable or withdrawable, in whole or in part, on demand.

(h) "Investment account" means a state bank account which is not payable on demand.

(i) "Fee agency account" means a state bank account of any state agency consisting of moneys authorized by law prior to remittance to the state treasurer.

(j) "Disbursement" means a payment of any kind whatsoever made from the state treasury or from any operating account, except transfer of moneys between or among operating accounts and investment accounts or either or both of them.

(k) "Securities" means, for the purposes of this section and K.S.A. 75-4218, and amendments thereto, securities, security entitlements, financial assets and securities account consisting of any one or more of the following, and security entitlements thereto, which may be accepted or rejected by the pooled money investment board:

(1) Direct obligations of, or obligations that are insured as to principal and interest by, the United States government or any agency thereof and obligations, letters of credit and securities of United States sponsored enterprises which under federal law may be accepted as security for public funds.

(2) Kansas municipal bonds which are general obligations of the municipality issuing the same.

(3) Revenue bonds of any agency or arm of the state of Kansas.

(4) Revenue bonds of any municipality, as defined by K.S.A. 10-101, and amendments thereto, within the state of Kansas or bonds issued by a public building commission as authorized by K.S.A. 12-1761, and amendments thereto, if approved by the state bank commissioner, except (A) bonds issued under the provisions of K.S.A. 12-1740 et seq., and amendments thereto, unless such bonds are rated at least MIG-1 or Aa by Moody's Investors Service or AA by Standard & Poor's Corp. and (B) bonds secured by revenues of a utility which has been in operation for less than three years. Any expense incurred in connection with granting approval of revenue bonds shall be paid by the applicant for approval.

(5) Temporary notes of any municipal corporation or quasi-municipal corporation within the state of Kansas which are general obligations of the municipal corporation or quasi-municipal corporation issuing the same.

(6) Warrants of any municipal corporation or quasi-municipal corporation within the state of Kansas the issuance of which is authorized by the state ~~board~~ court of tax appeals and which are payable from the proceeds of a mandatory tax levy.

(7) Bonds of any municipal or quasi-municipal corporation of the state of Kansas which have been refunded in advance of their maturity and are fully secured as to payment of principal and interest thereon by deposit in trust, under escrow agreement with a bank, of direct obligations of, or obligations the principal of and the interest on which are unconditionally guaranteed by, the United States of America. A copy of such escrow agreement shall be furnished to the treasurer.

(8) Securities listed in paragraph (14) of subsection (d) of K.S.A. 9-1402, and amendments thereto, within limitations of K.S.A. 9-1402, and amendments thereto.

(9) A corporate surety bond guaranteeing deposits in a bank, savings or savings and loan association in excess of federal deposit insurance corporation insurance, underwritten by an insurance company authorized to do business in the state of Kansas.

(10) Commercial paper that does not exceed 270 days to maturity and which has received one of the two highest commercial paper credit ratings by a nationally recognized investment rating firm.

(11) All of such securities shall be current as to interest according to the terms thereof.

(l) "Savings bank" means a savings bank organized under the laws of the United States or another state insured by the federal deposit insur-

ance corporation or its successor and having a main or branch office in the county in which a state agency making collection of any fees, tuition, or charges is located.

(m) "Savings and loan association" means a savings and loan association incorporated under the laws of this state or organized under the laws of the United States or another state, insured by the federal deposit insurance corporation or its successor and having a main or branch office in the county in which a state agency making collection of any fees, tuition or charges is located.

(n) "Custodial bank" means a bank holding on deposit collateral which is security for state bank accounts.

(o) "Centralized securities depository" means a clearing agency registered with the securities and exchange commission which provides safe-keeping and book-entry settlement services to its participants.

(p) "Depository bank" means a bank, savings bank or savings and loan association authorized and eligible to receive state moneys.

(q) "Main office" means the place of business specified in the articles of association, certificate of authority or similar document, where the business of the institution is carried on and which is not a branch.

(r) "Branch" means any office, agency or other place of business within this state, other than the main office, at which deposits are received, checks paid or money lent with approval of the appropriate regulatory authorities. Branch does not include an automated teller machine, remote service unit or similar device.

(s) "Securities," "security entitlements," "financial assets," "securities account," "security agreement," "security interest," "perfection" and "control" shall have the meanings given such terms under the Kansas uniform commercial code.

Sec. 69. K.S.A. 75-5104 is hereby amended to read as follows: 75-5104. Whenever, under any statute of this state, the director of revenue is authorized to make, adopt or promulgate rules and regulations or rules or regulations, or words of like effect, and whenever in any statute of this state there is reference to any such rule or regulation, such authority and such reference shall after the effective date of this act be deemed to so authorize or refer to the secretary of revenue and not the director of revenue, and no approval for adoption of any such rules and regulations shall be required by the state ~~board~~ court of tax appeals.

Sec. 70. K.S.A. 75-5107 is hereby amended to read as follows: 75-5107. Whenever, under any statute of this state, the director of property valuation is authorized to make, adopt or promulgate rules and regulations or rules or regulations, or words of like effect, and whenever in any statute of this state there is reference to any such rule or regulation, such authority and such reference shall after the effective date of this act be deemed to so authorize or refer to the secretary of revenue and not the director of property valuation, and no approval for adoption of any such rules and regulations shall be required by the state ~~board~~ court of tax appeals.

Sec. 71. K.S.A. 75-5121 is hereby amended to read as follows: 75-5121. The secretary of revenue may appoint attorneys for the department of revenue and its divisions and officers, except attorneys for the state ~~board~~ court of tax appeals and the division and director of alcoholic beverage control. All attorneys appointed under this section shall be subject to assignment and reassignment of duty within the department of revenue as may be determined by the attorney designated by the secretary of revenue as chief attorney of the department of revenue. Not more than three attorneys appointed under this section shall be in the classified service under the Kansas civil service act. All other attorneys, including the chief attorney of the department of revenue, appointed under this section shall be in the unclassified service under the Kansas civil service act and shall receive annual salaries fixed by the secretary of revenue and approved by the governor.

Sec. 72. K.S.A. 2007 Supp. 77-529 is hereby amended to read as follows: 77-529. (a) (1) Except as otherwise provided by paragraph (2), any party, within 15 days after service of a final order, may file a petition for reconsideration with the agency head, stating the specific grounds upon which relief is requested. The filing of the petition is not a prerequisite for seeking administrative or judicial review except as provided in K.S.A. 44-1010 and 44-1115, and amendments thereto, concerning orders of the Kansas human rights commission, K.S.A. 55-606 and 66-118b, and

amendments thereto, concerning orders of the corporation commission and K.S.A. 74-2426, and amendments thereto, concerning orders of the ~~board~~ *state court* of tax appeals.

(2) Any party applying for an exemption under: (A) Section 13, of article 11 of the Kansas Constitution, or (B) K.S.A. 79-201a *Second*, and amendments thereto, for property constructed or purchased, in whole or in part, with the proceeds of revenue bonds under the authority of K.S.A. 12-1740 to 12-1749, inclusive, and amendments thereto, may file a petition for reconsideration with the state ~~board~~ *court* of tax appeals within 30 days after service of a final order.

(b) Within 20 days after the filing of the petition, the agency head shall render a written order denying the petition, granting the petition and dissolving or modifying the final order, or granting the petition and setting the matter for further proceedings. The petition may be granted, in whole or in part, only if the agency head states, in the written order, findings of fact, conclusions of law and policy reasons for the decision if it is an exercise of the state agency's discretion, to justify the order. In proceedings before the Kansas corporation commission, the petition is deemed to have been denied if the agency head does not dispose of it within 30 days after the filing of the petition.

An order under this section shall be served on the parties in the manner prescribed by K.S.A. 77-531, and amendments thereto.

(c) Any order rendered upon reconsideration or any order denying a petition for reconsideration shall state the agency officer to receive service of a petition for judicial review on behalf of the agency.

(d) For the purposes of this section, "agency head" shall include a presiding officer designated in accordance with subsection (g) of K.S.A. 77-514, and amendments thereto.

Sec. 73. K.S.A. 2007 Supp. 79-210 is hereby amended to read as follows: 79-210. The owner or owners of all property which is exempt from the payment of property taxes under the laws of the state of Kansas for a specified period of years, other than property exempt under K.S.A. 79-201d and 79-201g, and amendments thereto, shall in each year after approval thereof by the ~~board~~ *state court* of tax appeals claim such exemption on or before March 1 of each year in which such exemption is claimed in the manner hereinafter provided. All claims for exemption from the payment of property taxes shall be made upon forms prescribed by the director of property valuation and shall identify the property sought to be exempt, state the basis for the exemption claimed and shall be filed in the office of the assessing officer of the county in which such property is located. The assessing officers of the several counties shall list and value for assessment, all property located within the county for which no claim for exemption has been filed in the manner hereinbefore provided. The secretary of revenue shall adopt rules and regulations necessary to administer the provisions of this section. The provisions of this section shall apply to property exempted pursuant to the provisions of section 13 of article 11 of the Kansas constitution. The claim for exemption annually filed by the owner of such property with the assessing officer shall include a written statement, signed by the clerk of the city or county granting the exemption, that the property continues to meet all the terms and conditions established as a condition of granting the exemption.

Sec. 74. K.S.A. 2007 Supp. 79-213 is hereby amended to read as follows: 79-213. (a) Any property owner requesting an exemption from the payment of ad valorem property taxes assessed, or to be assessed, against their property shall be required to file an initial request for exemption, on forms approved by the ~~board~~ *state court* of tax appeals and provided by the county appraiser.

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

(c) The request for exemption shall be filed with the county appraiser of the county where such property is principally located.

(d) After a review of the facts as alleged, the county appraiser shall recommend that the exemption request either be granted or denied, and, if necessary, that a hearing be held. If a denial is recommended, a statement of the controlling facts and law relied upon shall be included on the form.

(e) The county appraiser, after making such written recommendation, shall file the request for exemption and the recommendations of the

county appraiser with the ~~board~~ *state court* of tax appeals.

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

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

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

(i) During the pendency of a request for exemption, no person, firm, unincorporated association, company or corporation charged with real estate or personal property taxes pursuant to K.S.A. 79-2004 and 79-2004a, and amendments thereto, on the tax books in the hands of the county treasurer shall be required to pay the tax from the date the request is filed with the county appraiser until the expiration of 30 days after the ~~board~~ *court* issued its order thereon and the same becomes a final order. In the event that taxes have been assessed against the subject property, no interest shall accrue on any unpaid tax for the year or years in question nor shall the unpaid tax be considered delinquent from the date the request is filed with the county appraiser until the expiration of 30 days after the ~~board~~ *court* issued its order thereon. In the event the ~~board~~ *court* determines an application for exemption is without merit and filed in bad faith to delay the due date of the tax, the tax shall be considered delinquent as of the date the tax would have been due pursuant to K.S.A. 79-2004 and 79-2004a, and amendments thereto, and interest shall accrue as prescribed therein.

(j) In the event the ~~board~~ *court* grants the initial request for exemption, the same shall be effective beginning with the date of first exempt use except that, with respect to property the construction of which commenced not to exceed 24 months prior to the date of first exempt use, the same shall be effective beginning with the date of commencement of construction.

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

(l) The provisions of this section shall not apply to: (1) Farm machinery and equipment exempted from ad valorem taxation by K.S.A. 79-201j, and amendments thereto; (2) personal property exempted from ad valorem taxation by K.S.A. 79-215, and amendments thereto; (3) wearing apparel, household goods and personal effects exempted from ad valorem taxation by K.S.A. 79-201c, and amendments thereto; (4) livestock; (5) all property exempted from ad valorem taxation by K.S.A. 79-201d, and amendments thereto; (6) merchants' and manufacturers' inventories exempted from ad valorem taxation by K.S.A. 79-201m, and amendments thereto; (7) grain exempted from ad valorem taxation by K.S.A. 79-201n,

and amendments thereto; (8) property exempted from ad valorem taxation by K.S.A. 79-201a *Seventeenth*, and amendments thereto, including all property previously acquired by the secretary of transportation or a predecessor in interest, which is used in the administration, construction, maintenance or operation of the state system of highways. The secretary of transportation shall at the time of acquisition of property notify the county appraiser in the county in which the property is located that the acquisition occurred and provide a legal description of the property acquired; (9) property exempted from ad valorem taxation by K.S.A. 79-201a *Ninth*, and amendments thereto, including all property previously acquired by the Kansas turnpike authority which is used in the administration, construction, maintenance or operation of the Kansas turnpike. The Kansas turnpike authority shall at the time of acquisition of property notify the county appraiser in the county in which the property is located that the acquisition occurred and provide a legal description of the property acquired; (10) aquaculture machinery and equipment exempted from ad valorem taxation by K.S.A. 79-201j, and amendments thereto. As used in this section, "aquaculture" has the same meaning ascribed thereto by K.S.A. 47-1901, and amendments thereto; (11) Christmas tree machinery and equipment exempted from ad valorem taxation by K.S.A. 79-201j, and amendments thereto; (12) property used exclusively by the state or any municipality or political subdivision of the state for right-of-way purposes. The state agency or the governing body of the municipality or political subdivision shall at the time of acquisition of property for right-of-way purposes notify the county appraiser in the county in which the property is located that the acquisition occurred and provide a legal description of the property acquired; (13) machinery, equipment, materials and supplies exempted from ad valorem taxation by K.S.A. 79-201w, and amendments thereto; (14) vehicles owned by the state or by any political or taxing subdivision thereof and used exclusively for governmental purposes; (15) property used for residential purposes which is exempted pursuant to K.S.A. 79-201x, *and amendments thereto*, from the property tax levied pursuant to K.S.A. 72-6431, and amendments thereto; (16) from and after July 1, 1998, vehicles which are owned by an organization having as one of its purposes the assistance by the provision of transit services to the elderly and to disabled persons and which are exempted pursuant to K.S.A. 79-201 *Ninth, and amendments thereto*; (17) from and after July 1, 1998, motor vehicles exempted from taxation by subsection (e) of K.S.A. 79-5107, and amendments thereto; (18) commercial and industrial machinery and equipment exempted from property or ad valorem taxation by K.S.A. 2007 Supp. 79-223, and amendments thereto; and (19) telecommunications machinery and equipment and railroad machinery and equipment exempted from property or ad valorem taxation by K.S.A. 2007 Supp. 79-224, and amendments thereto.

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

(n) The provisions of subsection (k) as amended by this act shall be applicable to all exemption applications filed in accordance with subsection (a) after December 31, 2001.

Sec. 75. K.S.A. 79-213a is hereby amended to read as follows: 79-213a. Any group, association, corporation or individual who has not been assessed or levied a tax on its personal or real property prior to July 1, 1985, and who has applied for exemption from ad valorem taxation on such property premised upon use for purposes described in K.S.A. 79-201 *Second, and amendments thereto*, between July 1, 1986, and January 1, 1990, shall not be liable for any taxes prior to January 1, 1987, if such group, association, corporation or individual had a reasonable basis to believe that it would not be assessed or taxed under the laws of the state of Kansas, and did not deceive or otherwise mislead, by affirmative misrepresentation, the county appraiser or other taxing authority in relationship to the use or ownership of such property. The burden of proof shall rest with the party claiming exemption. Relief may be granted under this section by a court in any pending tax appeal, by remand to the state board of tax appeals or upon the filing of an initial application pursuant to K.S.A. 79-213, and amendments thereto.

Sec. 76. K.S.A. 2007 Supp. 79-332a is hereby amended to read as follows: 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 April 1 shall be subject to a penalty as follows:

(1) The appraiser shall, after having ascertained the assessed value of the property of such taxpayer, add 5% thereto as a penalty for late filing if the failure is not for more than one month, with an additional 5% for each additional month or fraction thereof during which such failure continues, not exceeding 25% in the aggregate.

(2) If the statement of assessment is filed more than one year from 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. The county treasurer may not distribute any taxes assessed under this section and paid under protest by the taxpayer pursuant to K.S.A. 79-2005, and amendments thereto, until such time as the appeal is final.

(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~~ state court 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. 77. K.S.A. 79-425a is hereby amended to read as follows: 79-425a. (a) Whenever a tract of land which has been assessed shall thereafter be divided into tracts owned by different persons, any one or more of such persons, after giving 10 days' written notice to the other persons at their respective mailing addresses, may make application to the county appraiser for an apportionment of the assessed valuation of such tract among the several tracts, and the county appraiser is authorized to apportion such valuation among the owners of such tracts according to the value of their respective interests as shown by evidence available at a time designated by the county appraiser. Upon the apportionment of the assessed valuation among the several tracts and the levying of tax against each such tract, the county treasurer, upon payment of such tax on any such tract, shall issue a receipt therefor and, in any case where such tax is not paid on any of such tracts, it shall be sold for delinquent taxes in the same manner prescribed by law for sale of real estate for delinquent taxes. If taxes levied on a tract of land prior to its division are delinquent, the owner of any divided portion of such tract may have that portion released from the tax lien by paying to the county treasurer the share of the delinquent tax attributable to such divided portion as shown by the apportionment made of the whole tract's assessed valuation among the divided portions by the county appraiser.

(b) Any person aggrieved by the application of the provisions of subsection (a) may, within 10 days after the apportionment decision of the county appraiser, appeal to the state ~~board~~ court of tax appeals, and the ~~board~~ court shall have the power, upon a showing that such decision was erroneous, to substitute an apportionment of the assessed valuation of a tract of land for that of the county appraiser.

Sec. 78. K.S.A. 2007 Supp. 79-5a27 is hereby amended to read as follows: 79-5a27. On or before June 15, 1989, and on or before June 15 each year thereafter, the director of property valuation shall certify to the county clerk of each county the amount of assessed valuation apportioned to each taxing unit therein for properties valued and assessed under K.S.A. 79-5a01 et seq., and amendments thereto. The county clerk shall include such assessed valuations in the applicable taxing districts with all other assessed valuations in those taxing districts and on or before July 1

notify the appropriate officials of each taxing district within the county of the assessed valuation estimates to be utilized in the preparation of budgets for ad valorem tax purposes. If in any year the county clerk has not received the applicable valuations from the director of property valuation, the county clerk shall use the applicable assessed valuations of the preceding year as an estimate for such notification. If the public utility has filed an application for exemption of all or a portion of its property, the county clerk shall not include such assessed valuation in the applicable taxing districts until such time as the application is denied by the state ~~board~~ *court* of tax appeals or, if judicial review of the ~~board's~~ *court's* order is sought, until such time as judicial review is finalized.

Sec. 79. K.S.A. 79-6a14 is hereby amended to read as follows: 79-6a14. Whenever the director of property valuation shall determine that it is advisable to abate motor carrier ad valorem tax liabilities determined to be uncollectable accounts the director shall file a petition with the state ~~board~~ *court* of tax appeals setting forth: (a) The name of the debtor; (b) the year for which the tax is due; (c) the amount of the obligation; (d) a review or statement of actions taken to collect such taxes and (e) one or more of the grounds for abatement as hereinafter set forth.

The ~~board~~ *state court* of tax appeals, within ~~sixty (60)~~ 60 days after the petition is filed by the director of property valuation, may approve or disapprove of the abatement of any motor carrier ad valorem tax liability submitted by the director. The director shall prepare an order abating any tax liability, the abatement of which has been approved by the ~~board~~ *state court* of tax appeals, upon receiving notice of such approval. The director shall prepare an order abating any tax liability submitted to and not specifically disapproved by the ~~board~~ *state court* of tax appeals within ~~sixty (60)~~ 60 days of the filing of the petition to abate said tax liability. A list of all tax liabilities abated under the authority of this section shall be filed with the secretary of state and thereafter preserved by ~~him or her~~ *the secretary* as a public record.

Sec. 80. K.S.A. 79-1404a is hereby amended to read as follows: 79-1404a. The director of property valuation shall have authority to review any valuation change made by a county or district appraiser pursuant to K.S.A. 79-1448 and 79-2005, and amendments thereto, or a hearing officer or panel pursuant to K.S.A. 79-1606, and amendments thereto, and may rescind such change upon written findings that such change has caused property not to be valued according to law, provided however, no valuation change shall be rescinded more than 60 days after the date of such change. Any party aggrieved by an order of the director of property valuation rescinding a valuation change may appeal such order to the state ~~board~~ *court* of tax appeals as provided in K.S.A. 74-2438, and amendments thereto.

Sec. 81. K.S.A. 79-1409 is hereby amended to read as follows: 79-1409. The state ~~board~~ *court* of tax appeals shall constitute a state board of equalization, and shall equalize the valuation and assessment of property throughout the state; and shall have power to equalize the assessment of all property in this state between persons, firms or corporations of the same assessment district, between cities and townships of the same county, and between the different counties of the state, and the property assessed by the director of property valuation in the first instance. And any person feeling aggrieved by the action of the county board of equalization may, within ~~forty-five (45)~~ 45 days after the decision of ~~said~~ *such* board, appeal to the state board of equalization for a determination of such grievance.

It shall be the duty of the state board of equalization to meet in its office, or such other place within any county of the state as the board shall deem advisable, to perform the work of equalization as hereinbefore provided. Such board may meet at any time on and after January 15 of each year as it may deem necessary and shall meet from the 11th day of July, or the next following business day if such date shall fall on a day other than a regular business day, until the 25th day of August as the business of the board shall require. Whenever the valuation of any taxing district, whether it be a county, township, city, school district, or otherwise, is changed by the state board of equalization, the officers of such taxing district who have authority to levy taxes are required to use the valuation so fixed by the state board as a basis for making their levies for all purposes. In case a change is made in such valuation, ~~said board~~ *the state court* of tax appeals shall certify the equalized values to the director

of property valuation who shall forthwith certify the same to the county clerks of the several counties of the state or to the counties affected by such equalization; and ~~the said~~ *such* county clerks shall carry the real estate and tangible personal property on the tax rolls of their respective counties at the valuations so certified, and shall use such valuations as the basis of all tax levies. ~~Provided, however,~~ *except* that any certification received by a county clerk after August 25 may be handled as an abatement, refund, or added tax as the certification warrants.

The director of property valuation shall apportion the amount of tax for state purposes as required by law to be raised in the state among the several counties therein, in proportion to the valuation of the taxable property therein for the year as equalized by the state board of equalization.

Sec. 82. K.S.A. 79-1410 is hereby amended to read as follows: 79-1410. It shall be the duty of the director of property valuation to compile the abstracts of assessments received from county clerks into tabular statements convenient for the use of the ~~board~~ *state court* of tax appeals.

Sec. 83. K.S.A. 79-1413a is hereby amended to read as follows: 79-1413a. Whenever upon complaint made to the state ~~board~~ *court* of tax appeals by the county or district appraiser, the director of property valuation, the board of county commissioners, any property taxpayer or any aggrieved party, and a summary proceeding in that behalf had, it shall be made to appear to the satisfaction of the ~~board~~ *court* that the appraisal of real property or tangible personal property in any county is not in substantial compliance with law and the guidelines and timetables prescribed by the director of property valuation, and that the interest of the public will be promoted by a reappraisal of such property, the state ~~board~~ *court* of tax appeals shall order a reappraisal of all or any part of the property in such county to be made by one or more persons, to be appointed by the state ~~board~~ *court* of tax appeals for that purpose, the expense of any such reappraisal to be borne by the county in which is situated the property to be reappraised. The state ~~board~~ *court* of tax appeals shall, upon its own motion, after a hearing, order any such reappraisal if it shall clearly appear that the public would be benefited thereby. Due notice of the time and place fixed for such summary proceeding or hearing shall be mailed to the county clerk and the county appraiser of the county involved, the director of property valuation, who shall be made a party to the proceeding, and to the party filing any such complaint. Upon ordering such a reappraisal the state ~~board~~ *court* of tax appeals may order all or any part of the taxable real property and tangible personal property in such county to be reappraised, and shall either designate the person or persons to make such reappraisal or permit the board of county commissioners to designate such persons with the approval of the state ~~board~~ *court* of tax appeals. The cost of such reappraisal shall be paid from the county general fund, the special countywide reappraisal fund established by K.S.A. 79-1482, and amendments thereto, the issuance of no-fund warrants, or from a special assessment equalization fund in the same manner as provided in K.S.A. 79-1607 and 79-1608, and ~~any~~ amendments thereto, for the payment of the cost of appraisals.

The persons designated shall have access to all official records in the office of the county clerk, county treasurer, county or district appraiser and register of deeds pertaining to listing, assessment, and records of the ownership of real property and tangible personal property in such county and all powers of the assessing officials in the county pertaining to discovery of taxable property in the county. They shall reappraise all such taxable real property and tangible personal property in the county as shall be ordered by the state ~~board~~ *court* of tax appeals, except that which is state assessed. They shall make such reappraisals on forms approved by the state director of property valuation, and shall deliver the same upon completion to the county or district appraiser who shall retain the same for use of the county or district appraisers, the county board of equalization and the state ~~board~~ *court* of tax appeals.

No person, firm, corporation, partnership, or association, other than the county or district appraiser, shall commence any contracted reappraisal in any county until a written agreement has been entered into between the board of county commissioners and such contractors. Such agreement shall specifically set out the duties of the reappraisers, and shall contain a stipulation that upon completion of the reappraisal and before final payment to the reappraisers under the agreement, the reap-

praisers will notify each taxpayer of its recommendations as to the valuation of such taxpayer's property, by mailing such information to the taxpayer's last known address. Pursuant to K.S.A. 79-1460, and amendments thereto, the county or district appraiser shall not be authorized to use the valuations submitted by the reappraisers in the year the reappraisal was completed unless the reappraisal was completed and delivered to such appraiser on or before March 1 of the year in which the valuations established are used as a basis for the levy of taxes. Before entering into any contracts with the county commissioners for reappraisals of property, every reappraiser shall give and file with the board of county commissioners a good and sufficient surety bond by a surety company authorized to do business in this state, approved by the county attorney, in such sum as the county commissioners shall fix, but not less than the amount to be received by the reappraisers under the terms of the contract and conditioned for the faithful performance of all duties required of such reappraisers under the terms of the contract entered into, and the execution and filing of such a bond shall be a condition precedent to entering into such an agreement and to commencing work on the contract of reappraisal. Such bond shall be further conditioned to remain in full force and effect for one year subsequent to the date of the printing of the change of value notices for the reappraisal and the delivery thereof to the county or district appraiser.

Sec. 84. K.S.A. 79-1422 is hereby amended to read as follows: 79-1422. (a) Any person required to file a statement listing property for assessment and taxation purposes under the provisions of this act who fails to make and file such statement on or before the date prescribed by K.S.A. 79-306, and amendments thereto, shall be subject to a penalty as follows:

The appraiser shall, after having ascertained the assessed value of the property of such taxpayer, add 5% thereto as a penalty for late filing if the failure is not for more than one month, with an additional 5% for each additional month or fraction thereof during which such failure continues, not exceeding 25% in the aggregate.

For good cause shown the appraiser may extend the time in which to make and file such statement. Such request for extension of time must be in writing and shall state just and adequate reasons on which the request may be granted. The request must be received by the appraiser prior to the due date of the statement.

(b) If, within one year following the date prescribed by K.S.A. 79-306, and amendments thereto, any person shall fail to make and file the statement listing property for assessment and taxation purposes or shall fail to make and file a full and complete statement listing property for such purposes, the appraiser shall proceed to ascertain the assessed value of the property of such taxpayer, and for this purpose the appraiser may examine under oath any person or persons whom the appraiser deems to have knowledge thereof. The appraiser shall, after having ascertained the assessed value of such property, add 50% thereto as a penalty for failure to file such statement or for failure to file a full and complete statement.

(c) The ~~board~~ state court 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 required to make and file the statement listing property for assessment and taxation purposes 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. 85. K.S.A. 79-1426 is hereby amended to read as follows: 79-1426. Any county assessor, deputy assessor, member of the state ~~board~~ court of tax appeals, director of property valuation, or member of any county board of equalization, and every other person whose duty it is to list, value, assess or equalize real estate or tangible personal property for taxation, who shall knowingly or willfully fail to list or return for assessment or valuation any real estate or personal property, or who shall knowingly or willfully list or return for assessment or valuation any real estate or personal property at other than as provided for by law, or any assessing officer who shall willfully or knowingly fail to appraise, assess or to equalize the values of any real estate or tangible personal property, which is subject to general property taxes as required in K.S.A. 79-1439, *and amendments thereto*, shall be deemed guilty of a misdemeanor, and upon

conviction thereof shall be fined in any sum not exceeding ~~five hundred dollars (\$500)~~ \$500 or imprisonment in the county jail for a period not exceeding ~~ninety (90)~~ 90 days, and in addition thereto shall forfeit his or her office if an officer mentioned herein. A variance of 10% in the appraisal at fair market value in money shall not be considered a violation of this section.

Sec. 86. K.S.A. 2007 Supp. 79-1427a is hereby amended to read as follows: 79-1427a. (a) If, the county appraiser discovers, after the tax roll has been certified to the county clerk, that any tangible personal property subject to taxation has been omitted from the tax rolls, the county clerk shall place such property on the tax roll as an added tax, or if, after one year from the date prescribed by K.S.A. 79-306, and amendments thereto, for the listing of tangible personal property, the county appraiser discovers that any tangible personal property which was subject to taxation in any year or years within two years next preceding January 1 of the calendar year in which it was discovered has not been listed or has been underreported for whatever reason, such property shall be deemed to have escaped taxation. In the case of property which has not been listed, it shall be the duty of the county appraiser to list and appraise such property and, for an added tax, add penalties as prescribed in K.S.A. 79-1422, and amendments thereto, and which shall be designated on the appraisal roll as an added appraisal for that year. In the case of property which has escaped taxation, it shall be the duty of the county appraiser to list and appraise such property and add 50% thereto as a penalty for escaping taxation for each such year during which such property was not listed, and it shall be designated on the appraisal roll as "escaped appraisal" for each such preceding year or years. In the case of property which has been listed but underreported, it shall be the duty of the county appraiser to list and appraise the underreported portion of such property and add 50% thereto as a penalty for escaping taxation for each such year during which such property was underreported, and it shall be designated on the appraisal roll as "escaped appraisal" for each such preceding year or years. The county clerk, upon receipt of the valuation for such property in either of the aforementioned cases, shall place such property on the tax rolls and compute the amount of tax due based upon the mill levy for the year or years in which such tax should have been levied, and shall certify such amount to the county treasurer as an added or escaped appraisal. The amount of such tax shall be due immediately and payable within 45 days after the issuance of an additional or escaped property tax bill by the county treasurer. The county treasurer may not distribute any taxes assessed under this section and paid under protest by the taxpayer pursuant to K.S.A. 79-2005, and amendments thereto, until such time as the appeal is final. No interest shall be imposed unless the tax remains unpaid after such 45 day period. Taxes levied pursuant to this section which remain unpaid after such 45 day period shall be deemed delinquent and the county treasurer shall collect and distribute such tax in the same manner as prescribed by law for the collection and distribution of other taxes levied upon property which are delinquent. If the owner of such property is deceased, taxes charged as herein provided shall be levied against the estate of such deceased person for only two calendar years preceding death and shall be paid by the legal representative or representatives of such estate. In the event that such escaped appraisal is due to any willful or clerical error of the county appraiser, such property shall be appraised at its fair market value and no penalty shall be added.

(b) A taxpayer with a grievance as to any penalty applied pursuant to the provisions of this section, may appeal to the state ~~board~~ court of tax appeals on forms prepared by the state ~~board~~ court of tax appeals and provided by the county appraiser. The state ~~board~~ court 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 required to make and file the statement listing property for assessment and taxation purposes is shown, or whenever the property which has been deemed to have escaped taxation is repossessed, judicially or otherwise, by a secured creditor and such creditor pays the taxes and interest due. No interest shall be assessed during the pendency of this appeal.

(c) The provisions of this section shall apply to any tangible personal property discovered during the calendar years 1982, 1983, 1984 and any year thereafter to have escaped appraisal and taxation during any such

year or any year within two years next preceding any such year.

Sec. 87. K.S.A. 2007 Supp. 79-1437f is hereby amended to read as follows: 79-1437f. Except as otherwise provided by K.S.A. 79-1460, and amendments thereto, contents of the real estate sales validation questionnaire shall be made available only to the following people for the purposes listed hereafter:

(a) County officials for cooperating with and assisting the director of property valuation in developing the information as provided for in K.S.A. 79-1487, and amendments thereto;

(b) any property owner, or the owner's representative, for prosecuting an appeal of the valuation of such owner's property or for determining whether to make such an appeal, but access shall be limited to the contents of those questionnaires concerning the same constitutionally prescribed subclass of property as that of such owner's property;

(c) the county appraiser and appraisers employed by the county for the appraisal of property located within the county;

(d) appraisers licensed or certified pursuant to K.S.A. 58-4101 et seq., and amendments thereto, for appraisal of property and preparation of appraisal reports;

(e) financial institutions for conducting appraisals and evaluations as required by federal and state regulators;

(f) the county appraiser or the appraiser's designee, hearing officers or panels appointed pursuant to K.S.A. 79-1602 or 79-1611, and amendments thereto, and the state ~~board~~ court of tax appeals for conducting valuation appeal proceedings;

(g) the board of county commissioners for conducting any of the board's statutorily prescribed duties;

(h) the director of property valuation for conducting any of the director's statutorily prescribed duties; and

(i) a person licensed pursuant to the real estate brokers' and salespersons' act for purposes of fulfilling such person's statutory duties and providing information on market value of property to clients and customers.

Sec. 88. K.S.A. 2007 Supp. 79-1448 is hereby amended to read as follows: 79-1448. Any taxpayer may complain or appeal to the county appraiser from the classification or appraisal of the taxpayer's property by giving notice to the county appraiser within 30 days subsequent to the date of mailing of the valuation notice required by K.S.A. 79-1460, and amendments thereto, for real property, and on or before May 15 for personal property. 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, including the affording to the taxpayer of the opportunity to review the data sheet of comparable sales utilized in the determination of such valuation. 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 15, nor shall a final determination be given by the appraiser after May 20. Any final determination shall be accompanied by a written explanation of the reasoning upon which such determination is based when such determination is not in favor of the taxpayer. Any taxpayer who is aggrieved by the final determination of the county appraiser may appeal to the hearing officer or panel appointed pursuant to K.S.A. 79-1611, and amendments thereto, and such hearing officer, or panel, 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. 79-1606, and amendments thereto. In lieu of appealing to a hearing officer or panel appointed pursuant to K.S.A. 79-1611, and amendments thereto, any taxpayer aggrieved by the final determination of the county appraiser, except with regard to land devoted to agricultural use, wherein the value of the property, is less than \$2,000,000, as reflected on the valuation notice, or the property constitutes single family residential property, may appeal to the small claims *and expedited hearings* division of the state ~~board~~ court of tax appeals within the time period prescribed by K.S.A. 79-1606, and amendments thereto. Any taxpayer who

is aggrieved by the final determination of a hearing officer or panel may appeal to the state ~~board~~ court of tax appeals as provided in K.S.A. 79-1609, and amendments thereto. An informal meeting with the county appraiser or the appraiser's designee shall be a condition precedent to an appeal to the county or district hearing panel.

Sec. 89. K.S.A. 2007 Supp. 79-1476 is hereby amended to read as follows: 79-1476. The director of property valuation is hereby directed and empowered to administer and supervise a statewide program of reappraisal of all real property located within the state. Except as otherwise authorized by K.S.A. 19-428, and amendments thereto, each county shall comprise a separate appraisal district under such program, and the county appraiser shall have the duty of reappraising all of the real property in the county pursuant to guidelines and timetables prescribed by the director of property valuation and of updating the same on an annual basis. In the case of multi-county appraisal districts, the district appraiser shall have the duty of reappraising all of the real property in each of the counties comprising the district pursuant to such guidelines and timetables and of updating the same on an annual basis. Commencing in 2000, every parcel of real property shall be actually viewed and inspected by the county or district appraiser once every six years. Any county or district appraiser shall be deemed to be in compliance with the foregoing requirement in any year if 17% or more of the parcels in such county or district are actually viewed and inspected.

Compilation of data for the initial preparation or updating of inventories for each parcel of real property and entry thereof into the state computer system as provided for in K.S.A. 79-1477, and amendments thereto, shall be completed not later than January 1, 1989. Whenever the director determines that reappraisal of all real property within a county is complete, notification thereof shall be given to the governor and to the state ~~board~~ court of tax appeals.

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

In addition thereto valuations shall be established for each parcel of land devoted to agricultural use upon the basis of the agricultural income or productivity attributable to the inherent capabilities of such land in its current usage under a degree of management reflecting median production levels in the manner hereinafter provided. A classification system for all land devoted to agricultural use shall be adopted by the director of property valuation using criteria established by the United States department of agriculture soil conservation service. For all taxable years commencing after December 31, 1989, all land devoted to agricultural use which is subject to the federal conservation reserve program shall be classified as cultivated dry land for the purpose of valuation for property tax purposes pursuant to this section. For all taxable years commencing after December 31, 1999, all land devoted to agricultural use which is subject to the federal wetlands reserve program shall be classified as native grassland for the purpose of valuation for property tax purposes pursuant to this section. Productivity of land devoted to agricultural use shall be determined for all land classes within each county or homogeneous region based on an average of the eight calendar years immediately preceding the calendar year which immediately precedes the year of valuation, at a degree of management reflecting median production levels. The director of property valuation shall determine median production levels based on information available from state and federal crop and livestock reporting services, the soil conservation service, and any other sources of data that the director considers appropriate.

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

curring from the gross income normally received by the landlord. Commodity prices, crop yields and pasture and rangeland rental rates and expenses shall be based on an average of the eight calendar years immediately preceding the calendar year which immediately precedes the year of valuation. Net income for every land class within each county or homogeneous region shall be capitalized at a rate determined to be the sum of the contract rate of interest on new federal land bank loans in Kansas on July 1 of each year averaged over a five-year period which includes the five years immediately preceding the calendar year which immediately precedes the year of valuation, plus a percentage not less than .75% nor more than 2.75%, as determined by the director of property valuation, except that the capitalization rate calculated for property tax year 2003, and all such years thereafter, shall not be less than 11% nor more than 12%.

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

It is the intent of the legislature that appraisal judgment and appraisal standards be followed and incorporated throughout the process of data collection and analysis and establishment of values pursuant to this section.

For the purpose of the foregoing provisions of this section the phrase "land devoted to agricultural use" shall mean and include land, regardless of whether it is located in the unincorporated area of the county or within the corporate limits of a city, which is devoted to the production of plants, animals or horticultural products, including but not limited to: Forages; grains and feed crops; dairy animals and dairy products; poultry and poultry products; beef cattle, sheep, swine and horses; bees and apiary products; trees and forest products; fruits, nuts and berries; vegetables; nursery, floral, ornamental and greenhouse products. Land devoted to agricultural use shall not include those lands which are used for recreational purposes, other than that land established as a controlled shooting area pursuant to K.S.A. 32-943, and amendments thereto, which shall be deemed to be land devoted to agricultural use, suburban residential acreages, rural home sites or farm home sites and yard plots whose primary function is for residential or recreational purposes even though such properties may produce or maintain some of those plants or animals listed in the foregoing definition.

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

The provisions of this act shall not be construed to conflict with any other provisions of law relating to the appraisal of tangible property for taxation purposes including the equalization processes of the county and state ~~board~~ court of tax appeals.

Sec. 90. K.S.A. 79-1478 is hereby amended to read as follows: 79-1478. The state shall assume a portion of the costs incurred by any county in complying with the provisions of this act. The portion of the cost to be paid to each such county by the state shall be determined in accordance with a statewide payment schedule adopted by the secretary of revenue. Such schedule shall contain a specified amount according to class or subclass of property as specified in K.S.A. 79-1459, and amendments thereto, to be paid by the state to each county on a per parcel basis. Payments shall be made to counties as authorized under the provisions of this section in accordance with appropriation acts of the legislature. No county for which the state ~~board~~ court of tax appeals has issued an order pursuant to K.S.A. 79-1479, *and amendments thereto*, shall be entitled to receive any payment from the state under the provisions of this section for the period of time such an order is in effect.

The state division of property valuation shall make assistance available

to any county in the reappraisal of property located in such county upon such county's request. Any county requesting such assistance shall make reimbursement for the costs incurred by the state in providing the same. Counties are hereby authorized to contract with private appraisal firms to conduct the reappraisal of property within the county. Selection of a private firm whose products or services are necessary to conduct a reappraisal must be made from a list of approved firms supplied by the director of property valuation. Contracts executed between counties and such firms must meet the specifications of the director of property valuation.

Sec. 91. K.S.A. 79-1478a is hereby amended to read as follows: 79-1478a. The director of property valuation shall order the state treasurer to withhold all or a portion of funds appropriated by the legislature pursuant to K.S.A. 79-1478, and amendments thereto, upon a finding by the director that a county is not in compliance with statutes, rules and regulations or directives governing property taxation. The order of the director shall be served on the county as provided in K.S.A. 60-304, and amendments thereto. Any county aggrieved by such order may appeal to the state ~~board~~ court of tax appeals as provided in K.S.A. 74-2438, and amendments thereto, which shall conduct a summary proceeding thereon pursuant to the Kansas administrative procedure act.

Unless the funds withheld under this section are restored by the state ~~board~~ court of tax appeals, such funds shall be deposited in a special training fund to be utilized by the director of property valuation to correct the problem resulting in the withholding of the funds and to provide training for county officials.

Sec. 92. K.S.A. 79-1479 is hereby amended to read as follows: 79-1479. (a) On or before January 15, 1992, and quarterly thereafter, the county or district appraiser shall submit to the director of property valuation a progress report indicating actions taken during the preceding quarter calendar year to implement the appraisal of property in the county or district. Whenever the director of property valuation shall determine that any county has failed, neglected or refused to properly provide for the appraisal of property or the updating of the appraisals on an annual basis in substantial compliance with the provisions of law and the guidelines and timetables prescribed by the director, the director shall file with the state ~~board~~ court of tax appeals a complaint stating the facts upon which the director has made the determination of noncompliance as provided by K.S.A. 79-1413a, and amendments thereto. If, as a result of such proceeding, the state ~~board~~ court of tax appeals finds that the county is not in substantial compliance with the provisions of law and the guidelines and timetables of the director of property valuation providing for the appraisal of all property in the county or the updating of the appraisals on an annual basis, it shall order the immediate assumption of the duties of the office of county appraiser by the director of the division of property valuation until such time as the director of property valuation determines that the county is in substantial compliance with the provisions of law. In addition, the ~~board~~ court shall order the state treasurer to withhold all or a portion of the county's entitlement to moneys from either or both of the local ad valorem tax reduction fund and the city and county revenue sharing fund for the year following the year in which the order is issued. Upon service of any such order on the board of county commissioners, the appraiser shall immediately deliver to the director of property valuation, or the director's designee, all books, records and papers pertaining to the appraiser's office.

Any county for which the director of the division of property valuation is ordered by the state ~~board~~ court of tax appeals to assume the responsibility and duties of the office of county appraiser shall reimburse the state for the actual costs incurred by the director of the division of property valuation in the assumption and carrying out of such responsibility and duties, including any contracting costs in the event it is necessary for the director of property valuation to contract with private appraisal firms to carry out such responsibilities and duties.

(b) On or before June 1 of each year, the director of property valuation shall review the appraisal of property in each county or district to determine if property within the county or district is being appraised or valued in accordance with the requirements of law. If the director determines the property in any county or district is not being appraised in accordance with the requirements of law, the director of property valuation

ation shall notify the county or district appraiser and the board of county commissioners of any county or counties affected that the county has 30 days within which to submit to the director a plan for bringing the appraisal of property within the county into compliance.

If a plan is submitted and approved by the director the county or district shall proceed to implement the plan as submitted. The director shall continue to monitor the program to insure that the plan is implemented as submitted. If no plan is submitted or if the director does not approve the plan, the director shall petition the state ~~board~~ court of tax appeals for a review of the plan or, if no plan is submitted, for authority for the division of property valuation to assume control of the appraisal program of the county and to proceed to bring the same into compliance with the requirements of law.

If the state ~~board~~ court of tax appeals approves the plan, the county or district appraiser shall proceed to implement the plan as submitted. If no plan has been submitted or the plan submitted is not approved, the ~~board~~ court shall fix a time within which the county may submit a plan or an amended plan for approval. If no plan is submitted and approved within the time prescribed by the ~~board~~ court, the ~~board~~ court shall order the division of property valuation to assume control of the appraisal program of the county and shall certify its order to the state treasurer who shall withhold distributions of the county's share of moneys from the county and city revenue sharing fund and the local ad valorem tax reduction fund and credit the same to the general fund of the state for the year following the year in which the ~~board's~~ court's order is made. The director of property valuation shall certify the amount of the cost incurred by the division in bringing the program in compliance to the state ~~board~~ court of tax appeals. The ~~board~~ court shall order the county commissioners to reimburse the state for such costs.

(c) The state ~~board~~ court of tax appeals shall within 60 days after the publication of the Kansas assessment/sales ratio study review such publication to determine county compliance with K.S.A. 79-1439, and amendments thereto. If in the determination of the ~~board~~ court one or more counties are not in substantial compliance and the director of property valuation has not acted under subsection (b) above, the ~~board~~ court shall order the director of property valuation to take such corrective action as is necessary or to show cause for noncompliance.

Sec. 93. K.S.A. 79-1481 is hereby amended to read as follows: 79-1481. No hearing officer or panel shall issue an order applicable uniformly to all property in any class in any area or areas of the county, which order changes the assessment of such class of property in such area or areas, without the approval of the state ~~board~~ court of tax appeals. Whenever any hearing officer or panel proposes to issue any such order, it shall make written application to the state ~~board~~ court of tax appeals for a hearing on such matter if such change constitutes the final decision of the county. The state ~~board~~ court of tax appeals shall set a time and place for a hearing thereon within five days of receipt of such application. The hearing shall be conducted in accordance with the provisions of the Kansas administrative procedure act. The time set for hearing such matter shall in no event be more than 30 days following the date of receipt of such application. The state ~~board~~ court of tax appeals shall notify the hearing officer or panel, the county or district appraiser and the director of property valuation, of the time and place set for hearing. The director of property valuation shall be made a party to such hearing.

Sec. 94. K.S.A. 79-1489 is hereby amended to read as follows: 79-1489. The director shall determine the mid-year ratios for each county and notify the board of county commissioners thereof. When the final ratios are determined, the director shall notify the board of county commissioners of each county of the ratios determined for such county. If the board of county commissioners disagrees with the ratios determined for the county, such board, within 15 days after receipt of such notice, may appeal such determination to the state ~~board~~ court of tax appeals. Written notice of appeal shall be served on the state ~~board~~ court of tax appeals and the director by certified mail. The notice of appeal shall clearly and specifically state the facts upon which the appeal is based. The state ~~board~~ court of tax appeals shall conduct a summary proceeding in accordance with the provisions of the Kansas administrative procedure act within 30 days of receipt of the written notice of appeal and shall issue findings and a final order within 30 days after the conclusion of such

summary proceeding. If the state ~~board~~ *court* of tax appeals finds that corrections in the ratios are necessary, it shall order the director to make necessary corrections consistent with such findings prior to the publication of the study.

Sec. 95. K.S.A. 2007 Supp. 79-1609 is hereby amended to read as follows: 79-1609. Any person aggrieved by any order of the hearing officer or panel may appeal to the state ~~board~~ *court* of tax appeals by filing a written notice of appeal, on forms approved by the state ~~board~~ *court* 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 thereof upon which they rely as evidence of inequality of the appraisal of their property, if that be a ground of the appeal, with the ~~board~~ *state court* of tax appeals and by filing a copy thereof with the county clerk within 30 days after the date of the order from which the appeal is taken. A county or district appraiser may appeal to the state ~~board~~ *court* of tax appeals from any order of the hearing officer or panel. With regard to any matter properly submitted to the ~~board~~ *court* relating to the determination of valuation of residential property or real property used for commercial and industrial purposes for taxation purposes, it shall be the duty of the county appraiser to initiate the production of evidence to demonstrate, by a preponderance of the evidence, the validity and correctness of such determination except that no such duty shall accrue with regard to leased commercial and industrial property unless the property owner has furnished to the county or district appraiser a complete income and expense statement for the property for the three years next preceding the year of appeal. No presumption shall exist in favor of the county appraiser with respect to the validity and correctness of such determination.

Sec. 96. K.S.A. 2007 Supp. 79-1611 is hereby amended to read as follows: 79-1611. The board of county commissioners of each county may appoint at least one hearing officer or 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. 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 hearing officer or district hearing panel of not fewer than three individuals. In any county wherein a hearing officer or county or district hearing panel is not appointed pursuant to this section any appeal from the final determination of the county appraiser shall be filed directly with the state ~~board~~ *court* 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 the hearing officer or each member of the county hearing panel. In the case of a district hearing officer or district hearing panel, the salary to be paid 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 and K.S.A. 79-1494, *and amendments thereto*.

No person may serve as a hearing officer or on a 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 hearing officers or county and district hearing panels. Each hearing officer and member of a 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 a hearing officer or 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 a hearing officer or as members of the county or district hearing panel provided they meet the foregoing requirements.

Whenever the director of property valuation shall conclude that any person appointed as a hearing officer or to a county or district hearing panel has failed or neglected to discharge such person's duties as required

by law and that the interest of the public will be promoted by the removal of such person, the director of property valuation shall issue an order suspending or terminating such person as a hearing officer or member of the hearing panel in the same manner and subject to the same conditions provided in subsection (b) of K.S.A. 19-431, and amendments thereto.

The provisions of this section shall apply to all taxable years commencing after December 31, 1997.

Sec. 97. K.S.A. 2007 Supp. 79-1701 is hereby amended to read as follows: 79-1701. The county clerk shall, prior to November 1, correct the following clerical errors in the assessment and tax rolls for the current year, which are discovered prior to such date:

- (a) Errors in the description or quantity of real estate listed;
- (b) errors which have caused improvements to be assessed upon real estate when no such improvements were in existence;
- (c) errors whereby improvements located upon one tract or lot of real estate have been assessed as being upon another tract or lot;
- (d) errors whereby taxes have been charged upon property which the state ~~board~~ court of tax appeals has specifically declared to be exempt from taxation under the constitution or laws of the state;
- (e) errors whereby the taxpayer has been assessed twice in the same year for the same property in one or more taxing districts in the county;
- (f) errors whereby the assessment of either real or personal property has been assigned to a taxing district in which the property did not have its taxable situs; and
- (g) errors whereby the values or taxes are understated or overstated as a result of a mathematical miscomputation on the part of the county.

Sec. 98. K.S.A. 2007 Supp. 79-1702 is hereby amended to read as follows: 79-1702. If any taxpayer, municipality or taxing district shall have a grievance described under the provisions of K.S.A. 79-1701 or 79-1701a, and amendments thereto, which is not remediable thereunder solely because not reported within the time prescribed therein, or which was remediable thereunder and reported to the proper official or officials within the time prescribed but which has not been remedied by such official or officials, such grievance may be presented to the state ~~board~~ court of tax appeals and if it shall be satisfied from competent evidence produced that there is a real grievance, it may direct that the same be remedied either by canceling the tax, if uncollected, together with all penalties charged thereon, or if the tax has been paid, by ordering a refund of the amount found to have been unlawfully charged and collected and interest at the rate prescribed by K.S.A. 79-2968, and amendments thereto, minus two percentage points.

In all cases where the identical property owned by any taxpayer has been assessed for the current tax year in more than one county in the state, the ~~board~~ court is hereby given authority to determine which county is entitled to the assessment of the property and to charge legal taxes thereon, and if the taxes have been paid in a county not entitled thereto, the ~~board~~ court is hereby empowered to direct the authorities of the county which has so unlawfully collected the taxes to refund the same to the taxpayer with all penalties charged thereon.

No tax grievance shall be considered by the ~~board~~ state court of tax appeals unless the same is filed within four years from the date the tax would have become a lien on real estate.

In all cases where an error results in an understatement of values or taxes as a result of a mathematical miscomputation on the part of a county, the ~~board~~ state court of tax appeals, if it shall be satisfied from competent evidence produced that there is an understatement as a result of a clerical error, may order an additional assessment or tax bill, or both, to be issued so that the proper value of the property in question is reflected, except that, in no such case shall the taxpayer be assessed interest or penalties on any tax which may be assessed. No increase shall be ordered to correct such error that extends back more than two years from the date of the most recent tax year. If such error applies to property which has been sold or otherwise transferred subsequent to the time the error was made, no such additional assessment or tax bill shall be issued.

Errors committed in the valuation and assessment process that are not specifically described in K.S.A. 79-1701, and amendments thereto, shall be remediable only under the provisions of K.S.A. 79-2005, and amendments thereto.

Sec. 99. K.S.A. 79-1703 is hereby amended to read as follows: 79-

1703. (a) Except as provided in subsection (b) or as otherwise provided by law, no board of county commissioners or other officer of any county shall have power to release, discharge, remit or commute any portion of the taxes assessed or levied against any person or property within their respective jurisdictions for any reason whatever. Any taxes so discharged, released, remitted or commuted may be recovered by civil action from the members of the board of county commissioners or such other officer and the sureties of their official bonds at the suit of the attorney general, the county attorney, or of any citizen of the county or the board of education of any school district a part of the territory of which is in such county, as the case may be, and when collected shall be paid into the county treasury to be properly apportioned and paid to the county, municipalities, school districts and other taxing subdivisions entitled thereto.

(b) In the event a person, partnership or corporation has failed to pay any portion of the taxes assessed or levied against its property located within any county and such person, partnership or corporation is a debtor in an action filed pursuant to the United States bankruptcy code, the county commissioners of any such county may compromise, assign, transfer or otherwise settle such tax claim in such fashion as the commissioners deem to be in the best interest of the state and all taxing subdivisions affected thereby, subject to approval by the state ~~board~~ court of tax appeals; except that, the state and each other taxing subdivision affected by any such settlement shall receive the same proportional share of its respective tax claim. The state ~~board~~ court of tax appeals shall respond to such settlement request within 30 days from the date of receiving such request or such request shall be deemed approved.

Sec. 100. K.S.A. 79-1704 is hereby amended to read as follows: 79-1704. Whenever in any city of the first class having a population of more than ~~twenty thousand (20,000)~~ 20,000 and less than ~~twenty-four thousand (24,000)~~ 24,000 inhabitants, the title to any real property, upon which taxes may be due and delinquent, may be vested in such city, then the state ~~board~~ court of tax appeals is hereby authorized upon application of such city, and for good reason shown, to compromise, abate or cancel all such taxes or any part thereof.

Sec. 101. K.S.A. 79-1964a is hereby amended to read as follows: 79-1964a. When it is apparent to the governing body of any taxing district except cities, counties, community colleges, and school districts at tax levying time that the rate of levy, for any individual fund for which the board desires to make a levy, is so limited by the maximum levy limit for the individual fund or by the aggregate limit, that it is impossible to raise sufficient tax plus receipts from all other sources, to finance the proposed budget of expenditures for such fund for the ensuing budget year, the governing body may make application to the state ~~board~~ court of tax appeals for authority to increase such rate of levy. The application shall be signed and sworn to, and shall have a majority approval of any governing body composed of three members or less, and a $\frac{3}{4}$ majority of any governing body composed of more than three members. The application shall reveal the following:

- (1) A copy of the proposed budget for the ensuing budget year;
- (2) a detailed statement showing why the proposed budget of expenditures cannot be reduced so that the amount to be raised by taxation for such fund will not exceed the individual fund limit of levy, or the limitation placed upon such fund by reason of the aggregate limit; and
- (3) the proposed rate of levy for each fund of such taxing district, such rates to be computed so that the total, except those specifically exempted, does not exceed the aggregate limit.

If the ~~board~~ state court of tax appeals finds that evidence submitted in support of the application shows that the rate of levy for any fund is so limited that it will be impossible for the taxing district to pay for the imperative governmental functions payable from such fund, the ~~board~~ state court of tax appeals is empowered to authorize such taxing district to increase the rate of levy for such fund for that particular year. The order of the ~~board~~ state court of tax appeals shall state definitely the exact increase (in mills) in the rate of levy authorized for such fund. The amount of increases in the rate of levy for any fund of any taxing district shall not exceed 25% of the maximum limit of levy for such fund. The amount of increase in the rate of levy for any fund of any taxing district shall not exceed 25% of the amount of levy for such fund which can be made within the aggregate limit. Such tax levy may be levied outside of the aggregate

limit prescribed by this article or any amendments thereto.

No order for an increased levy for any fund of any taxing district shall be made without a public hearing before the ~~board~~ *state court* of tax appeals conducted in accordance with the provisions of the Kansas administrative procedure act. In addition to notice to the parties, notice of such hearing shall be published in two issues of a paper of general circulation within the district applying for such authority at least 10 days prior to such hearing. The notice shall be in such form as the ~~board~~ *state court* of tax appeals prescribes, and the expense of such publication shall be borne by the taxing district making application. Any taxpayer interested may file a written protest against such application. All records and findings of such hearings shall be subject to public inspection.

Sec. 102. K.S.A. 79-1964b is hereby amended to read as follows: 79-1964b. Whenever it shall be the opinion of the majority of the members of any body authorized to levy taxes in any taxing district other than a city, county or community college located in any county adjoining a regular army post or military reservation, or of any officer solely charged with that duty therein, that the rates of levy in the particular taxing district under consideration are so limited as to be insufficient for the raising of the funds necessary to supply the needs of such taxing district for general or maintenance expenses for the current tax year, such levying officers or officer shall have authority to fix rates of levy in such district which will raise an amount of money for such taxing district not exceeding by 50% the amount of money which can be raised in such taxing district for the current tax year by using the rates limited by law. No such authority shall be exercised until an application for its exercise shall be made to the ~~board~~ *state court* of tax appeals, which body, if the evidence submitted in support of the application shall show an emergency need for the additional amount hereby authorized or any part thereof, is hereby empowered to order such increase as may have been shown to be necessary, but no order for the making of such increased levy shall be made without a public hearing before the ~~state board~~ *state court* of tax appeals conducted in accordance with the provisions of the Kansas administrative procedure act. In addition to notice to the parties, notice of such hearing shall be published in two issues of a paper of general circulation within the district applying for such authority at least 10 days prior to such hearing. The notice shall be in such form as the ~~state board~~ *state court* of tax appeals may prescribe, and the expense of such publication shall be borne by the district making application. At no time shall any increase authorized by the ~~board~~ *state court* of tax appeals in any such taxing district exceed by more than 50% the amount of money that can be raised by taxation in any such district for the current tax year.

Sec. 103. K.S.A. 2007 Supp. 79-2005 is hereby amended to read as follows: 79-2005. (a) Any taxpayer, before protesting the payment of such taxpayer's taxes, shall be required, either at the time of paying such taxes, or, if the whole or part of the taxes are paid prior to December 20, no later than December 20, or, with respect to taxes paid in whole or in part in an amount equal to at least $\frac{1}{2}$ of such taxes on or before December 20 by an escrow or tax service agent, no later than January 31 of the next year, to file a written statement with the county treasurer, on forms approved by the ~~state board~~ *state court* of tax appeals and provided by the county treasurer, clearly stating the grounds on which the whole or any part of such taxes are protested and citing any law, statute or facts on which such taxpayer relies in protesting the whole or any part of such taxes. When the grounds of such protest is an assessment of taxes made pursuant to K.S.A. 79-332a and 79-1427a, and amendments thereto, the county treasurer may not distribute the taxes paid under protest until such time as the appeal is final. When the grounds of such protest is that the valuation or assessment of the property upon which the taxes are levied is illegal or void, the county treasurer shall forward a copy of the written statement of protest to the county appraiser who shall within 15 days of the receipt thereof, schedule an informal meeting with the taxpayer or such taxpayer's agent or attorney with reference to the property in question. The county appraiser shall review the appraisal of the taxpayer's property with the taxpayer or such taxpayer's agent or attorney and may change the valuation of the taxpayer's property, if in the county appraiser's opinion a change in the valuation of the taxpayer's property is required to assure that the taxpayer's property is valued according to law, and shall, within 15 business days thereof, notify the taxpayer in the event the valuation of

the taxpayer's property is changed, in writing of the results of the meeting. In the event the valuation of the taxpayer's property is changed and such change requires a refund of taxes and interest thereon, the county treasurer shall process the refund in the manner provided by subsection (l).

(b) No protest appealing the valuation or assessment of property shall be filed pertaining to any year's valuation or assessment when an appeal of such valuation or assessment was commenced pursuant to K.S.A. 79-1448, and amendments thereto, nor shall the second half payment of taxes be protested when the first half payment of taxes has been protested. Notwithstanding the foregoing, this provision shall not prevent any subsequent owner from protesting taxes levied for the year in which such property was acquired, nor shall it prevent any taxpayer from protesting taxes when the valuation or assessment of such taxpayer's property has been changed pursuant to an order of the director of property valuation.

(c) A protest shall not be necessary to protect the right to a refund of taxes in the event a refund is required because the final resolution of an appeal commenced pursuant to K.S.A. 79-1448, and amendments thereto, occurs after the final date prescribed for the protest of taxes.

(d) If the grounds of such protest shall be that the valuation or assessment of the property upon which the taxes so protested are levied is illegal or void, such statement shall further state the exact amount of valuation or assessment which the taxpayer admits to be valid and the exact portion of such taxes which is being protested.

(e) If the grounds of such protest shall be that any tax levy, or any part thereof, is illegal, such statement shall further state the exact portion of such tax which is being protested.

(f) Upon the filing of a written statement of protest, the grounds of which shall be that any tax levied, or any part thereof, is illegal, the county treasurer shall mail a copy of such written statement of protest to the state ~~board~~ court of tax appeals and the governing body of the taxing district making the levy being protested.

(g) Within 30 days after notification of the results of the informal meeting with the county appraiser pursuant to subsection (a), the protesting taxpayer may, if aggrieved by the results of the informal meeting with the county appraiser, appeal such results to the state ~~board~~ court of tax appeals.

(h) After examination of the copy of the written statement of protest and a copy of the written notification of the results of the informal meeting with the county appraiser in cases where the grounds of such protest is that the valuation or assessment of the property upon which the taxes are levied is illegal or void, the ~~board~~ court shall conduct a hearing in accordance with the provisions of the Kansas administrative procedure act, unless waived by the interested parties in writing. If the grounds of such protest is that the valuation or assessment of the property is illegal or void the ~~board~~ court shall notify the county appraiser thereof.

(i) In the event of a hearing, the same shall be originally set not later than 90 days after the filing of the copy of the written statement of protest and a copy, when applicable, of the written notification of the results of the informal meeting with the county appraiser with the ~~board~~ court. With regard to any matter properly submitted to the ~~board~~ court relating to the determination of valuation of residential property or real property used for commercial and industrial purposes for taxation purposes, it shall be the duty of the county appraiser to initiate the production of evidence to demonstrate, by a preponderance of the evidence, the validity and correctness of such determination except that no such duty shall accrue to the county or district appraiser with regard to leased commercial and industrial property unless the property owner has furnished to the county or district appraiser a complete income and expense statement for the property for the three years next preceding the year of appeal. No presumption shall exist in favor of the county appraiser with respect to the validity and correctness of such determination. In all instances where the ~~board~~ court sets a request for hearing and requires the representation of the county by its attorney or counselor at such hearing, the county shall be represented by its county attorney or counselor.

(j) When a determination is made as to the merits of the tax protest, the ~~board~~ court shall render and serve its order thereon. The county treasurer shall notify all affected taxing districts of the amount by which tax revenues will be reduced as a result of a refund.

(k) If a protesting taxpayer fails to file a copy of the written statement

of protest and a copy, when applicable, of the written notification of the results of the informal meeting with the county appraiser with the ~~board~~ *court* within the time limit prescribed, such protest shall become null and void and of no effect whatsoever.

(l) (1) In the event the ~~board~~ *court* orders that a refund be made pursuant to this section or the provisions of K.S.A. 79-1609, and amendments thereto, or a court of competent jurisdiction orders that a refund be made, and no appeal is taken from such order, or in the event a change in valuation which results in a refund pursuant to subsection (a), the county treasurer shall, as soon thereafter as reasonably practicable, refund to the taxpayer such protested taxes and, with respect to protests or appeals commenced after the effective date of this act, interest computed at the rate prescribed by K.S.A. 79-2968, and amendments thereto, minus two percentage points, per annum from the date of payment of such taxes from tax moneys collected but not distributed. Upon making such refund, the county treasurer shall charge the fund or funds having received such protested taxes, except that, with respect to that portion of any such refund attributable to interest the county treasurer shall charge the county general fund. In the event that the ~~board or court~~ *state court of tax appeals or a court of competent jurisdiction* finds that any time delay in making its decision is unreasonable and is attributable to the taxpayer, it may order that no interest or only a portion thereof be added to such refund of taxes.

(2) No interest shall be allowed pursuant to paragraph (1) in any case where the tax paid under protest was inclusive of delinquent taxes.

(m) Whenever, by reason of the refund of taxes previously received or the reduction of taxes levied but not received as a result of decreases in assessed valuation, it will be impossible to pay for imperative functions for the current budget year, the governing body of the taxing district affected may issue no-fund warrants in the amount necessary. Such warrants shall conform to the requirements prescribed by K.S.A. 79-2940, and amendments thereto, except they shall not bear the notation required by such section and may be issued without the approval of the state ~~board~~ *court* of tax appeals. The governing body of such taxing district shall make a tax levy at the time fixed for the certification of tax levies to the county clerk next following the issuance of such warrants sufficient to pay such warrants and the interest thereon. All such tax levies shall be in addition to all other levies authorized by law.

(n) The county treasurer shall disburse to the proper funds all portions of taxes paid under protest and shall maintain a record of all portions of such taxes which are so protested and shall notify the governing body of the taxing district levying such taxes thereof and the director of accounts and reports if any tax protested was levied by the state.

(o) This statute shall not apply to the valuation and assessment of property assessed by the director of property valuation and it shall not be necessary for any owner of state assessed property, who has an appeal pending before the ~~board~~ *state court* of tax appeals, to protest the payment of taxes under this statute solely for the purpose of protecting the right to a refund of taxes paid under protest should that owner be successful in that appeal.

Sec. 104. K.S.A. 79-2416d is hereby amended to read as follows: 79-2416d. The state ~~board~~ *court* of tax appeals shall have the authority, upon such application and proper showing as the ~~board~~ *court* may require, to cancel all penalties and accrued interest on real estate taxes where such real estate taxes were incurred prior to January 1, 1910.

Sec. 105. K.S.A. 79-2925a is hereby amended to read as follows: 79-2925a. On or before August 1, 1974, the board of county commissioners of Shawnee county shall prepare a budget for such county for the period commencing January 1, 1975, and ending December 31, 1975, and thereafter each budget prepared by said board for an ensuing budget year shall be prepared for a period commencing January 1 and ending December 31 of the succeeding calendar year. In order to provide moneys sufficient for the operation of such county during the period between November 1, 1974, and December 31, 1974, said board is hereby authorized to issue no-fund warrants in an amount not to exceed ~~one sixth (1/6)~~ $\frac{1}{6}$ of the amount of the budget of expenditures adopted for the 1975 budget year. Such warrants shall be issued, registered, redeemed and bear interest in the manner and in the form prescribed by K.S.A. 79-2940, *and amendments thereto*, except that they shall not bear the notation required by

said section and may be issued without the approval of the state ~~board~~ court of tax appeals. Moneys received from the issuance of such warrants may be expended during the period for which the warrants were issued, even though the same were not budgeted for, and any tax levied to redeem said warrants shall be exempt from the limitations imposed under the provisions of K.S.A. 79-5001 to 79-5016, inclusive, *and amendments thereto*.

Sec. 106. K.S.A. 79-2938 is hereby amended to read as follows: 79-2938. Whenever during the current budget year it becomes apparent to the governing body of any taxing district that because of unforeseen circumstances the revenues of the current budget year for any fund are insufficient to finance the adopted budget of expenditures for such fund for the current budget year, the governing body may make application to the ~~board~~ state court of tax appeals for authority to issue warrants to pay for such budgeted expenditures. The application shall be signed and sworn to, and shall have a majority approval of any governing body composed of three members or less, and a $\frac{3}{4}$ majority of any governing body composed of more than three members. The application shall reveal the following: (1) The circumstances which caused the shortage in revenues; (2) a copy of the budget adopted for the current budget year; and (3) a detailed statement showing why the budget of expenditures cannot be reduced during the remainder of the current budget year so that additional revenue will not be necessary. If the ~~board~~ state court of tax appeals shall find that the evidence submitted in writing in support of the application shows:

(a) That the adopted budget of revenues balanced with the adopted budget of expenditures;

(b) that the governing body exercised prudent judgment at the time of preparing the budget of revenues; and

(c) that the budget of expenditures cannot be reduced during the remainder of the current budget year so that additional revenue will not be necessary, the ~~board~~ state court of tax appeals is empowered to authorize the issuance of warrants for the payment of that portion (in dollars) of the unfinanced budget of expenditures which the ~~board~~ state court of tax appeals deems necessary. The amount of such warrants for any fund of any taxing district shall not exceed 25% of the amount of money that could have been raised by levy for such fund under the individual fund limit for the payment of expenses for the current budget year, nor shall the amount of such warrants for any fund, of any taxing district exceed 25% of the amount of money that could have been raised by levy for such fund under the limitation placed upon such fund by reason of the aggregate limit, and in no case shall the total amount of such warrants for all funds exceed 25% of the amount of money that could have been raised by levy within the aggregate limit prescribed by law for such taxing district for the payment of expenses of the current budget year. The limitations of the foregoing provision shall have no application to funds for payment of general obligation bonds and interest thereon.

No order for the issuance of such warrants shall be made without a public hearing before the ~~board~~ state court of tax appeals conducted in accordance with the provisions of the Kansas administrative procedure act. In addition to notice to the parties, notice of such hearing shall be published in two issues of a paper of general circulation within the district applying for such authority at least 10 days prior to such hearing. The notice shall be in such form as the ~~board~~ state court of tax appeals prescribes, and the expense of such publication shall be borne by the taxing district making application. Any taxpayer interested may file a written protest against such application. Any member of the governing body of the taxing district making an application hereunder may appear and be heard in person at such hearing in support of the application. All records and findings of such hearings shall be subject to public inspection. Whenever the authority to issue warrants under this section is granted, the governing body of such taxing district shall make a tax levy, at the first tax-levying period after such authority is granted, sufficient to pay such warrants, and such tax levy may be levied outside of the aggregate tax levy limit prescribed by law.

Sec. 107. K.S.A. 79-2939 is hereby amended to read as follows: 79-2939. Whenever there is an unforeseen occurrence which causes an expense in any fund of any municipality or other taxing district which could not have been anticipated at the time the budget for the current budget

year was prepared, and by reason of such unforeseen occurrence the governing body of any such municipality or taxing district is of the opinion that it will be impossible to pay for such unforeseen expense and pay for the imperative functions of the fund without incurring indebtedness in excess of the adopted budget of expenditures for the current budget year, the governing body may make application to the ~~board~~ *state court* of tax appeals for authority to issue no-fund warrants to pay for such unforeseen expense. The application shall be signed and sworn to, and shall have a majority approval of any governing body composed of three members or less, and a $\frac{3}{4}$ majority of any governing body composed of more than three members. The application shall reveal: (1) The nature of the unforeseen occurrence; (2) a copy of the final budget adopted for the current budget year; and (3) a detailed statement showing why the budgeted expenditures for the current budget year cannot be reduced during the remainder of the current budget year so that the total expenditure for the current budget year, including the unforeseen expense, will not exceed the adopted budget. If the ~~board~~ *state court* of tax appeals shall find that the evidence submitted in writing in support of the application shows:

(a) There was an occurrence which could not have been foreseen at the time the budget for the current budget year was prepared; and

(b) that from the time of such unforeseen occurrence to the end of the current budget year it will be impossible to reduce the expenditures of the adopted budget to the extent the total expenditure for the current budget year, including the unforeseen expense, will not exceed the adopted budget, the ~~board~~ *state court* of tax appeals is empowered to authorize the issuance of warrants for the payment of that portion (in dollars) of such unforeseen expense which must be in excess of the adopted budget. The amount of such warrants for a public utility fund shall not exceed the amount of money on hand in the utility fund not required for budgeted expenses. The amount of such warrants for any fund, excepting public utility funds, of any municipality or other taxing district, other than a township, shall not exceed the amount of money that could have been raised by levy for such fund under the individual fund limit for the payment of expenses of the current budget year, nor shall the amount of such warrants for any fund, of any municipality or other taxing district, other than a township, exceed the amount of money that could have been raised by levy for such fund under the limitation placed upon such fund by reason of the aggregate limit, and in no case shall the total amount of such warrants for all such tax funds, other than warrants issued by a township, exceed the amount of money that would have been raised by levy within the aggregate limit prescribed by law for such municipality or other taxing district for the payment of expenses of the current budget year.

No order for the issuance of such warrants shall be made without a public hearing before the ~~board~~ *state court* of tax appeals conducted in accordance with the provisions of the Kansas administrative procedure act. In addition to notice to the parties, notice of such hearing shall be published in two issues of a paper of general circulation within the district applying for such authority at least 10 days prior to such hearing. The notice shall be in such form as the ~~board~~ *state court* of tax appeals prescribes, and the expense of such application shall be borne by the municipality or taxing district making application. Any taxpayer interested may file a written protest against such application. Any member of the governing body of the municipality or other taxing district making application hereunder may appear and be heard in person at such hearing in support of the application. All records and findings of such hearings shall be subject to public inspection.

Whenever the authority to issue warrants under this section is granted, the governing body of such municipality or other taxing district shall make not more than five equal annual tax levies, as determined by the ~~board~~ *state court* of tax appeals, except as to any public utility funds, at the next succeeding tax-levying periods after such authority is granted, sufficient to pay such warrants, and such tax levy or levies may be levied outside of the aggregate tax levy limit prescribed by law. If there is money in the fund over and above the amount needed for the adopted budget, such money shall be used and the tax levy or levies shall be only for the difference, if any, between the money available and the amount of warrants issued. Any municipality having a surplus in any public utility fund may use such surplus to pay the warrants authorized by the ~~board~~ *state court*

of tax appeals under this section. When the money must be raised by a tax levy the taxing unit may issue and sell at par no-fund warrants in multiples of \$100 and place the money in the fund and issue regular warrants in the usual manner. Whenever any municipality or taxing district receives insurance money in payment of damage occasioned by the unforeseen occurrence, and authority to issue warrants is authorized by the ~~board~~ *state court* of tax appeals under this section, such insurance money shall be deposited with the county treasurer immediately and used by the county treasurer in lieu of ad valorem taxes as provided in K.S.A. 79-2940, and amendments thereto. This section shall not require a deposit of insurance money in excess of the total amount of such warrants and interest thereon.

Sec. 108. K.S.A. 79-2940 is hereby amended to read as follows: 79-2940. A certified copy of orders issued by the ~~board~~ *state court* of tax appeals authorizing the issuance of warrants in accordance with the provisions of K.S.A. 79-2938 and 79-2939, and amendments thereto, shall be delivered by the ~~board~~ *state court* of tax appeals to the county treasurer, county clerk, and clerk of the municipality or other taxing district. Warrants issued thereunder shall be issued in like manner as other warrants, or such warrants in multiples of ~~one hundred dollars (\$100)~~ \$100 not exceeding the amount authorized and to be raised by tax levy may be issued and sold at par and the money placed in the fund and paid out on regular warrants, and the warrants or single warrant issued under this section shall bear interest at the rate of not more than the maximum rate of interest prescribed by K.S.A. 10-1009, and amendments thereto, except that such warrants shall be made payable at the office of the county treasurer, shall be designated on their face as "no-fund warrants," and shall also bear the notation "issued pursuant to authority granted by order No. _____, dated _____ of the state ~~board~~ *court* of tax appeals."

Such warrants, when presented to the county treasurer, shall be registered in accordance with the provisions of K.S.A. 10-807 and 10-808, and amendments thereto. No warrants shall be registered in excess of the amount authorized by the ~~board~~ *state court* of tax appeals. The county treasurer shall maintain a separate register for such warrants and all warrants issued under a particular order of the ~~board~~ *state court* of tax appeals shall be registered under the particular order number in the register. When the tax levy to redeem warrants issued under K.S.A. 79-2938 and 79-2939, and amendments thereto, is made, the county treasurer shall keep the proceeds of such tax levy in a separate fund and charge the warrants against such fund when paid. In the event a surplus exists in any such fund at any tax levying time, the county treasurer shall certify the amount of such surplus to the county clerk and the county clerk shall deduct the levy equivalent of such surplus from the general fund tax levy of such district, and the maximum general fund levy and aggregate limit of such taxing district shall be reduced accordingly, and that amount of surplus shall be considered and used as revenue in lieu of ad valorem taxes for such taxing district.

On January 1 following such action by the county clerk, and in that event only, the county treasurer shall transfer to the general fund of such taxing district the amount of surplus as used by the county clerk in reducing ad valorem taxes, except that the governing body of any city may request, by resolution, that the county treasurer pay to the city treasurer all money collected from the levy for the payment of emergency warrants. Upon presentation of such resolution, the county treasurer shall pay to the city treasurer all moneys collected from the levy for the payment of such warrants and the city treasurer shall deposit the money in the bond and interest fund and redeem the emergency warrants for which such levy was made and shall forthwith exhibit such redeemed warrants to the county treasurer who shall record such redemption in the warrant register. The provisions of this act shall not apply to utilities managed, operated and controlled by a board of public utilities as provided for by chapter 126 of the Laws of Kansas for 1929.

Sec. 109. K.S.A. 79-2941 is hereby amended to read as follows: 79-2941. Whenever it shall be apparent to a majority of the members of any board authorized to levy taxes in any taxing district in any county adjoining a United States army post or military reservation, or to any officer solely charged with that duty therein, that the rates of levy in the particular taxing district under consideration are so limited as to be insufficient for

the raising of funds necessary to supply the needs of such taxing district for general maintenance expenses for the current tax year, such officers or officer shall have the authority to issue warrants to meet such general maintenance expenses for the current tax year to the amount of money not exceeding 50% of the amount of money which can be raised in such taxing district by using the rates limited by law. No such authority to issue warrants shall be exercised until an application for such exercise shall be made to the ~~board~~ *state court* of tax appeals, which body, if the evidence submitted in support of the application shall show an emergency need for the issue of warrants for the additional amount hereby authorized or any part thereof, is hereby empowered to order the issuance of such warrants as may be shown to be necessary, but no order for the issuance of such warrants shall be made without a public hearing before the ~~board~~ *court* of tax appeals conducted in accordance with the provisions of the Kansas administrative procedure act. In addition to notice to the parties, notice of such hearing shall be published in two issues of a paper of general circulation within the district applying for such authority at least 10 days prior to such hearing.

The notice shall be in such form as the state ~~board~~ *court* of tax appeals shall prescribe, and the expense of such publication shall be borne by the district making application. At no time shall the issuance of such warrants authorized by the ~~board~~ *state court* of tax appeals in any such taxing district exceed in amount 50% of the amount of money that can be raised by taxation in any such district for the current tax year under the existing rates.

Sec. 110. K.S.A. 79-2951 is hereby amended to read as follows: 79-2951. Whenever there is an unforeseen occurrence which causes an expense in any fund of any city of the second class having a population over 3,000 and located in a county having a population of not less than 14,000 nor more than 16,000 with a total assessed tangible valuation under \$30,000,000 which could not have been anticipated at the time the budget for the current budget year was prepared, and by reason of such unforeseen occurrence the governing body of any such city is of the opinion that it will be impossible to pay for such unforeseen expense and pay for the imperative functions of such fund without incurring indebtedness in excess of the adopted budget of expenditures for the current budget year, the governing body may make application to the state ~~board~~ *court* of tax appeals for authority to issue warrants to pay for such unforeseen expense. The application shall be signed and sworn to, and shall have a majority approval of any governing body composed of three members or less, and a $\frac{3}{4}$ majority of any governing body composed of more than three members. The application shall reveal: (1) The nature of the unforeseen occurrence; (2) a copy of the final budget adopted for the current budget year; and (3) a detailed statement showing why the budgeted expenditures for the current budget year cannot be reduced during the remainder of the current budget year so that the total expenditure for the current budget year, including the unforeseen expense, will not exceed the adopted budget. If the ~~board~~ *court* shall find that the evidence submitted in writing in support of the application shows:

(a) There was an occurrence which could not have been foreseen at the time the budget for the current budget year was prepared; and

(b) that from the time of such unforeseen occurrence to the end of the current budget year it will be impossible to reduce the expenditures of the adopted budget to the extent the total expenditure for the current budget year, including the unforeseen expense, will not exceed the adopted budget, the ~~board~~ *court* is empowered to authorize the issuance of warrants for the payment of that portion (in dollars) of such unforeseen expense which must be in excess of the adopted budget. The amount of such warrants for a public utility fund shall not exceed the amount of money on hand in the utility fund not required for budgeted expenses. The amount of such warrants for any fund, excepting public utility funds, of any such city shall not exceed 50% of the amount of money that could have been raised by levy for such fund under the individual fund limit for the payment of expenses of the current budget year nor shall the amount of such warrants for any fund, of any such city exceed 50% of the amount of money that could have been raised by levy for such fund under the limitation placed upon such fund by reason of the aggregate limit. In no case shall the total amount of such warrants for all such tax funds exceed 50% of the amount of money that could have been raised by levy

within the aggregate limit prescribed by law for such city for the payment of expenses of the current budget year.

No order for the issuance of such warrants shall be made without a public hearing before the ~~board~~ court conducted in accordance with the provisions of the Kansas administrative procedure act. In addition to notice to the parties, notice of such hearing shall be published in two issues of a paper of general circulation within the city applying for such authority at least 10 days prior to such hearing. The notice shall be in such form as the ~~board~~ court shall prescribe, and the expense of such application shall be borne by the taxing district making application. Any taxpayer interested may file a written protest against such application. All records and findings of such hearings shall be subject to public inspection. That whenever the authority to issue warrants under this section is granted, the governing body of such city shall make a tax levy, except as to any public utility funds, at the first tax levying period after such authority is granted, sufficient to pay such warrants, and such tax levy may be levied outside of the aggregate tax levy limit prescribed by law. If there is money in the fund over and above the amount needed for the adopted budget such money shall be used and the tax levy shall be only for the difference, if any, between the money available and the amount of warrants issued. Any such city having a surplus in any public utility fund may use such surplus to pay the warrants authorized by the ~~board~~ court under this section. When the money must be raised by a tax levy such city may issue and sell at par no-fund warrants in multiples of \$100 as hereinafter provided and place the money in the fund and issue regular warrants in the usual manner. Whenever any such city receives insurance money in payment of damage occasioned by the unforeseen occurrence, and authority to issue warrants is authorized by the ~~board~~ court under this section, such insurance money shall be deposited with the county treasurer immediately and used by the county treasurer in lieu of ad valorem taxes as provided in K.S.A. 79-2940, and amendments thereto. This section shall not require a deposit of insurance money in excess of the total amount of such warrants and interest thereon.

Sec. 111. K.S.A. 2007 Supp. 79-2977 is hereby amended to read as follows: 79-2977. (a) (1) Notwithstanding the provisions of any other law to the contrary, with respect to the following taxes administered by the department of revenue, an amnesty from the assessment or payment of all penalties and interest with respect to unpaid taxes or taxes due and owing shall apply upon compliance with the provisions of this section and if such tax liability is paid in full within the amnesty period, from October 1, 2003, to November 30, 2003: (A) Privilege tax under K.S.A. 79-1106 et seq., and amendments thereto; (B) taxes under the Kansas estate tax act, K.S.A. 2007 Supp. 79-15,100 et seq., and amendments thereto; (C) taxes under the Kansas income tax act, K.S.A. 79-3201 et seq., and amendments thereto; (D) taxes under the Kansas withholding and declaration of estimated tax act, K.S.A. 79-3294 et seq., and amendments thereto; (E) taxes under the Kansas cigarette and tobacco products act, K.S.A. 79-3301 et seq., and amendments thereto; (F) taxes under the Kansas retailers' sales tax act, K.S.A. 79-3601 et seq., and amendments thereto and the Kansas compensating tax act, K.S.A. 79-3701 et seq., and amendments thereto; (G) local sales and use taxes under K.S.A. 12-187 et seq., and amendments thereto; (H) liquor enforcement tax under K.S.A. 79-4101 et seq., and amendments thereto; (I) liquor drink tax under K.S.A. 79-41a01 et seq., and amendments thereto; and (J) mineral severance tax under K.S.A. 79-4216 et seq., and amendments thereto.

(2) Except for the Kansas privilege tax and individual and corporate income tax, amnesty shall apply only to tax liabilities due and unpaid for tax periods ending on or before December 31, 2002. For the Kansas privilege tax and individual and corporate income tax, amnesty shall apply only to tax liabilities due and unpaid for tax periods ending on or before December 31, 2001. For the eligible taxes and tax periods, amnesty shall apply to the under-reporting of such tax liabilities, the nonpayment of such taxes and the nonreporting of such tax liabilities.

(3) Amnesty shall not apply to any matter or matters for which, on or after February 6, 2003, any one of the following circumstances exist: (A) The taxpayer has received notice of the commencement of an audit; (B) an audit is in progress; (C) the taxpayer has received notice of an assessment pursuant to K.S.A. 79-2971 or 79-3643, and amendments thereto; (D) as a result of an audit, the taxpayer has received notice of a proposed

or estimated assessment or notice of an assessment; (E) the time to administratively appeal an issued assessment has not yet expired; or (F) an assessment resulting from an audit, or any portion of such assessment, is pending in the administrative appeals process before the secretary or secretary's designee pursuant to K.S.A. 79-3226 or 79-3610, and amendments thereto, or the ~~board~~ *state court* of tax appeals, or is pending in the judicial review process before any state or federal district or appellate court. Amnesty shall not apply to any matter that is the subject of an assessment, or any portion of an assessment, which has been affirmed by a reviewing state or federal district or appellate court. Amnesty shall not apply to any party to any criminal investigation or to any civil or criminal litigation that is pending in any court of the United States or this state for nonpayment, delinquency or fraud in relation to any tax imposed by the state of Kansas.

(b) Upon written application by the taxpayer, on forms prescribed by the secretary of revenue, and upon compliance with the provisions of this section, the department of revenue shall not seek to collect any penalty or interest which may be applicable with respect to taxes eligible for amnesty.

(c) Amnesty for penalties and interest shall be granted only to those eligible taxpayers who, within the amnesty period of October 1, 2003, to November 30, 2003, and in accordance with rules and regulations established by the secretary of revenue, have properly filed a tax return for each taxable period for which amnesty is requested, paid the entire balance of tax due and obtained approval of such amnesty by the department of revenue.

(d) If a taxpayer elects to participate in the amnesty program established pursuant to this section as evidenced by full payment of the tax due as established by the secretary of revenue, that election shall constitute an express and absolute relinquishment of all administrative and judicial rights of appeal with respect to such tax liability. No tax payment received pursuant to this section shall be eligible for refund or credit. No payment of penalties or interest made prior to October 1, 2003, shall be eligible for amnesty.

(e) For tax returns for which amnesty has been requested, nothing in this section shall be interpreted to prohibit the department from adjusting such tax return as a result of a federal, department or other state agency audit.

(f) Fraud or intentional misrepresentation of a material fact in connection with an application for amnesty shall void such application and any waiver of penalties and interest from amnesty.

(g) Discovery of fraud relating to the underlying tax liability shall void the abatement of any liability as a result of any amnesty.

(h) The department may promulgate such rules and regulations or issue administrative guidelines as are necessary to administer the provisions of this section.

(i) The provisions of this section shall be effective on and after July 1, 2003.

Sec. 112. K.S.A. 79-3107c is hereby amended to read as follows: 79-3107c. (a) Any person, before protesting the payment of mortgage registration fees, shall be required, within 30 days after the time of paying such fees, to file a written protest statement with the register of deeds, on forms approved by the director of property valuation and provided by the register of deeds, clearly stating the grounds on which the whole or any part of such fees are protested and citing any law, statute or facts upon which such person relies in protesting the whole or any part of such fees. The register of deeds shall forward a copy of the written statement of protest to the county treasurer and to the state ~~board~~ *court* of tax appeals within 15 days of the receipt thereof.

(b) Upon receipt of the protest statement, the ~~board~~ *court* shall docket the same and notify the protestant and the county register of deeds of such fact.

(c) After examination of the protest statement, the ~~board~~ *court* shall fix a time and place for hearing, unless waived by the interested parties in writing, and shall notify the protestant and the county register of deeds of the time and place so fixed.

(d) In the event of a hearing, the same shall be originally set not later than 90 days after the filing of the protest statement with the ~~board~~ *court* and shall be conducted in accordance with the provisions of the Kansas

administrative procedure act.

(e) When a determination is made as to the merits of a protest statement, the ~~board~~ court shall enter its order thereon and give notice of the same to the protestant, county treasurer, county register of deeds and other interested parties as determined by the ~~board~~ court by mailing to each a certified copy of its order. The date of an order, for purposes of filing an appeal to the district court, shall be the date of certification.

(f) In the event the ~~board~~ court orders that a refund be made and no appeal is taken from such order, the county treasurer shall, as soon thereafter as reasonably practicable, refund to the protestant such protested mortgage registration fees. Upon making such refund, the county treasurer shall charge the fund or funds having received such protested fees.

Sec. 113. K.S.A. 79-3221 is hereby amended to read as follows: 79-3221. (a) All returns required by this act shall be made as nearly as practical in the same form as the corresponding form of income tax return by the United States.

(b) All returns shall be filed in the office of the director of taxation on or before the 15th day of the fourth month following the close of the taxable year, except as provided in subsection (c) hereof. Tentative returns may be filed before the close of the taxable year and the estimated tax computed on such return, paid, but no interest will be paid on any overpayment of tax liability, computed on such tentative return.

(c) The director of taxation may grant a reasonable extension of time for filing returns in accordance with rules and regulations of the secretary of revenue. Whenever any such extension of time to file is requested by a taxpayer and granted by the director with respect to any tax year commencing after December 31, 1992, no penalty authorized by K.S.A. 79-3228, and amendments thereto, shall be imposed if 90% of the liability is paid on or before the original due date.

(d) In the case of an individual serving in the armed forces of the United States, or serving in support of such armed forces, in an area designated by the president of the United States by executive order as a "combat zone" as defined under 26 U.S.C. 112 at any time during the period designated by the president by executive order as the period of combatant activities in such zone for the purposes of such section, or hospitalized as a result of injury received or sickness incurred while serving in such an area during such time, the period of service in such area, plus the period of continuous qualified hospitalization attributable to such injury or sickness, and the next 180 days thereafter, shall be disregarded in determining, under article 32 of chapter 79 of the Kansas Statutes Annotated, in respect of any tax liability (including any interest, penalty, additional amount, or addition to the tax) of such individual:

(1) Whether any of the following acts was performed within the time prescribed therefor: (A) Filing any return of income tax; (B) payment of any income tax or installment thereof; (C) filing a notice of appeal with the director of taxation or the ~~board~~ state court of tax appeals for redetermination of a deficiency or for a review of a decision rendered by either the director or the ~~board~~ state court of tax appeals; (D) allowance of a credit or refund of any income tax; (E) filing a claim for credit or refund of any income tax; (F) bringing suit upon any such claim for credit or refund; (G) assessment of any income tax; (H) giving or making any notice or demand for the payment of any income tax, or with respect to any liability to the state of Kansas in respect of any income tax; (I) collection, by the director of taxation or his or her agent, by warrant, levy or otherwise, of the amount of any liability in respect to any income tax; (J) bringing suit by the state of Kansas, or any officer on its behalf, in respect to any liability in respect of any income tax; and (K) any other act required or permitted under the Kansas income tax act specified in rules and regulations adopted by the secretary of revenue under this section;

(2) The amount of any credit or refund.

(e) (1) Subsection (d) shall not apply for purposes of determining the amount of interest on any overpayment of tax.

(2) If an individual is entitled to the benefits of subsection (d) with respect to any return and such return is timely filed (determined after the application of such subsection), subsections (e)(5) and (e)(7) of K.S.A. 79-32,105, and amendments thereto, shall not apply.

(f) The provisions of subsection (d) and the subsequent subsections of this section shall apply to the spouse of any individual entitled to the benefits of subsection (d). Except in the case of the combat zone desig-

nated for purposes of the Vietnam conflict, the preceding sentence shall not cause subsection (d) and the subsequent subsections of this section to apply for any spouse for any taxable year beginning more than two years after the date designated under 26 U.S.C. 112 as the date of termination of combatant activities in a combat zone.

(g) The period of service in the area referred to in subsection (d) shall include the period during which an individual entitled to benefits under subsection (d) is in a missing status, within the meaning of 26 U.S.C. 6013(f)(3).

(h) (1) Notwithstanding the provisions of subsection (d), any action or proceeding authorized by K.S.A. 79-3229, and amendments thereto, as well as any other action or proceeding authorized by law in connection therewith, may be taken, begun or prosecuted. In any other case in which the secretary determines that collection of the amount of any assessment would be jeopardized by delay, the provisions of subsection (d) shall not operate to stay collection of such amount by levy or otherwise as authorized by law. There shall be excluded from any amount assessed or collected pursuant to this subsection the amount of interest, penalty, additional amount, and addition to the tax, if any, in respect of the period disregarded under subsection (d). In any case to which this paragraph relates, if the secretary is required to give any notice to or make any demand upon any person, such requirement shall be deemed to be satisfied if the notice or demand is prepared and signed, in any case in which the address of such person last known to the secretary is in an area for which United States post offices under instructions of the postmaster general are not, by reason of the combatant activities, accepting mail for delivery at the time the notice or demand is signed. In such case the notice or demand shall be deemed to have been given or made upon the date it is signed.

(2) The assessment or collection of any tax under the provisions of article 32 of chapter 79 of the Kansas Statutes Annotated, or any action or proceeding by or on behalf of the state in connection therewith, may be made, taken, begun or prosecuted in accordance with law, without regard to the provisions of subsection (d), unless prior to such assessment, collection, action or proceeding it is ascertained that the person concerned is entitled to the benefits of subsection (d).

(i) (1) Any individual who performed Desert Shield services (and the spouse of such individual) shall be entitled to the benefits of subsection (d) and the subsequent subsections of this section in the same manner as if such services were services referred to in subsection (d).

(2) For purposes of this subsection, the term "Desert Shield services" means any services in the armed forces of the United States or in support of such armed forces if:

(A) Such services are performed in the area designated by the president as the "Persian Gulf Desert Shield area", and

(B) such services are performed during the period beginning on August 2, 1990, and ending on the date on which any portion of the area referred to in subparagraph (A) is designated by the president as a combat zone pursuant to 26 U.S.C. 112.

(j) For purposes of subsection (d), the term "qualified hospitalization" means:

(1) Any hospitalization outside the United States, and

(2) any hospitalization inside the United States, except that not more than five years of hospitalization may be taken into account under this paragraph. This paragraph shall not apply for purposes of applying subsection (d) and the subsequent subsections of this section with respect to the spouse of an individual entitled to the benefits of subsection (d).

Sec. 114. K.S.A. 2007 Supp. 79-3226 is hereby amended to read as follows: 79-3226. (a) As soon as practicable after the return is filed, the director of taxation shall examine it and shall determine the correct amount of the tax. If the tax found due shall be greater than the amount theretofore paid, or if a claim for a refund is denied, notice shall be mailed to the taxpayer. Within 60 days after the mailing of such notice the taxpayer may request an informal conference with the secretary of revenue or the secretary's designee relating to the tax liability or denial of refund by filing a written request with the secretary of revenue or the secretary's designee which sets forth the objections to the proposed liability or proposed denial of refund. The purpose of such conference shall be to review and reconsider all facts and issues that underlie the proposed liability or

proposed denial of refund. The secretary of revenue or the secretary's designee shall hold an informal conference with the taxpayer and shall issue a written final determination thereon. The informal conference shall not constitute an adjudicative proceeding under the Kansas administrative procedure act. Informal conferences held pursuant to this section may be conducted by the secretary of revenue or the secretary's designee. The rules of evidence shall not apply to an informal conference and no record shall be made, except at the request and expense of the secretary of revenue or the secretary's designee or taxpayer. The taxpayer may bring to the informal conference an attorney, certified public accountant and any other person to represent the taxpayer or to provide information. Because the purpose of the department staff is to aid the secretary or secretary's designee in the proper discharge of the secretary's or secretary's designee's duties, the secretary or secretary's designee may confer at any time with any staff member with respect to the case under reconsideration. The secretary of revenue or the secretary's designee shall issue a written final determination within 270 days of the date of the request for informal conference unless the parties agree in writing to extend the time for issuing such final determination. A final determination issued within or after 270 days, with or without extension, constitutes final agency action subject to administrative review by the state ~~board~~ court of tax appeals. In the event that a written final determination is not rendered within 270 days, the taxpayer may appeal to the state ~~board~~ court of tax appeals at any time provided that a written extension of time is not in effect.

(b) A final determination finding additional tax shall be accompanied by a notice and demand for payment. Notice under this section shall be sent by first-class mail in the case of individual taxpayers and by registered or certified mail in the case of all other taxpayers. The tax shall be paid within 20 days thereafter, together with interest at the rate per month prescribed by subsection (a) of K.S.A. 79-2968, and amendments thereto, on the additional tax from the date the tax was due unless an appeal is taken in the manner provided by K.S.A. 74-2438, and amendments thereto, but no additional tax shall be assessed for less than \$5 unless the secretary or the secretary's designee determines the administration and collection cost involved in collecting an amount over \$5 but less than \$100 would not warrant collection of the amount due. Interest at such rate shall continue to accrue on any additional tax liability during the course of any appeal.

Sec. 115. K.S.A. 2007 Supp. 79-3233g is hereby amended to read as follows: 79-3233g. In all cases where the income tax liability exceeds the sum of \$100 including penalties and interest, the secretary shall petition the ~~board~~ state court of tax appeals to abate such income tax liability setting forth the name of the debtor, the year for which the tax is due, and the grounds for abatement as set forth in K.S.A. 79-3233i, and amendments thereto.

The ~~board~~ state court of tax appeals may, within 60 days after the petition is filed by the secretary, approve or disapprove the requested abatement. The secretary shall prepare an order abating any tax indebtedness that has been approved by the ~~board~~ court or that has been submitted to and not specifically disapproved by the ~~board~~ court within 60 days of the filing of the petition. Notwithstanding any other contrary provision of law, a list of all tax indebtedness abated under the authority of this section shall be filed with the secretary of state and thereafter preserved as a public record.

Sec. 116. K.S.A. 79-32,193 is hereby amended to read as follows: 79-32,193. (a) The secretary of revenue is hereby authorized and directed to promptly negotiate, approve and recommend judicial approval of a settlement agreement to resolve all tax refund claims pending in the Barker class action for the amounts set forth in subsection (d). As used in this section, "Barker class action" means the consolidated class action styled Keyton E. Barker, et al. v. State of Kansas, et al., Nos. 89-CV-666 and 89-CV-1100, filed in the district court of Shawnee county, Kansas. The settlement agreement shall include:

- (1) Any stipulations, terms and conditions which may be necessary to effectuate the prompt and final disposition of the Barker class action;
- (2) stipulations that the plaintiffs in the Barker class action shall dismiss, with prejudice, their pending motion for an award of attorney's fees under 42 U.S.C. 1988, and that class counsel in the Barker class action

may submit one or more applications with the district court of Shawnee county, Kansas, for an award of reasonable litigation costs and expenses, including reasonable attorney's fees; and

(3) provisions for joint administration under the supervision of the secretary of revenue and class counsel or their respective designees in accordance with methodologies for the calculation and payment of refund claims to eligible persons. The settlement agreement shall be submitted to the district court of Shawnee county, Kansas, no later than June 15, 1994, and such court shall have all necessary jurisdiction to fully implement the provisions of this act.

(b) Subject to the provisions of subsection (c), any person who paid Kansas individual income tax on or on account of federal military retirement benefits for any or all of the tax years from 1984 through 1991 shall be entitled to receive refund payments in an aggregate amount equal to that portion of the tax actually paid pursuant to the Kansas income tax act which is attributable to federal military retirement benefits, plus interest on the amount of overpayment at the rate of 5% per annum from the date of overpayment through December 31, 1991, in accordance with the terms of the settlement agreement referenced in subsection (a) and the provisions of this act. Refund payments of such aggregate amount shall be made in three equal annual installments. As used in this section, "federal military retirement benefits" shall include all benefits calculated and paid by the United States in accordance with applicable provisions of title 10 and 14 of the United States code as retired pay, retainer pay or survivor's benefits. Where any person otherwise entitled to receive a refund payment under this section is deceased, such refund shall be paid upon a claim duly made on behalf of the estate of the deceased or in the absence of any such claim upon a claim by or on behalf of a surviving spouse and if none upon the claim of any heir at law.

(c) There is hereby created a military retirees income tax refund fund in the state treasury which shall be administered by the secretary of revenue in accordance with this section and appropriation acts. No expenditures from the military retirees income tax refund fund shall be made until and unless the settlement agreement referenced in subsection (a) is approved by the district court of Shawnee county, Kansas, after eligible persons have been afforded reasonable notice and an opportunity to be heard.

(1) In the event of judicial approval, administration of the military retirees income tax refund fund shall be subject to the jurisdiction and supervisory control of the district court of Shawnee county, Kansas, until such time as all refund payments have been made to eligible persons in accordance with the terms of the settlement agreement. The payment of refunds as provided in the settlement agreement shall represent a final and complete settlement of all claims, including any appeal or administrative process perfected pursuant to law for the purpose of obtaining a refund of income tax imposed upon federal military retirement benefits, of all federal military retired personnel for taxable years 1984 through 1991 against the state of Kansas, its departments, agencies, officials, employees and agents regarding the taxation of federal military retirement benefits for the taxable years 1984 through 1991. No claim for refund submitted by a federal military retired individual or, if such individual is deceased, on behalf of the estate of the deceased or, in the absence of any such claim, upon a claim by or on behalf of a surviving spouse and, if none, upon the claim of any heir-at-law, after 18 months from the date of judicial approval of the settlement agreement shall be allowed if due diligence has been exercised in attempting to locate any such individual. For so long as the judicial process is active in regard to the settlement agreement described herein, all administrative appeals or related activity by the director of taxation or the state ~~board~~ court of tax appeals concerning claims for refunds of income tax imposed upon federal military retirement benefits for taxable years 1984 through 1991 shall be held in abeyance. Upon final judicial approval of the settlement agreement, all such administrative appeals shall be deemed dismissed with prejudice to all parties.

(2) In the event that the settlement agreement does not receive judicial approval, no expenditures or refund payments shall be made pursuant to this section, and all pending administrative appeals or related activities shall proceed in accordance with applicable law.

(d) (1) The aggregate amount, including interest thereon as provided

by subsection (b), equal to that portion of Kansas individual income tax actually paid by all individuals for any or all of the taxable years 1984 through 1991, pursuant to the Kansas income tax act which is attributable to federal military retirement benefits, as calculated and determined pursuant to subsection (b), shall be certified on or before December 15, 1994, by the secretary of revenue to the director of accounts and reports.

(2) On December 20, 1994, the director of accounts and reports shall transfer the amount equal to $\frac{1}{3}$ of the amount certified pursuant to paragraph (1) from the state budget stabilization fund to the military retirees income tax refund fund. On April 29, 1995, the director of accounts and reports shall transfer the amount equal to $\frac{1}{3}$ of the amount certified pursuant to paragraph (1) from the state general fund to the military retirees income tax refund fund. On June 30, 1995, the director of accounts and reports shall transfer the amount equal to $\frac{1}{3}$ of the amount certified pursuant to paragraph (1) from the state general fund to the military retirees income tax refund fund.

(3) Expenditures from the military retirees income tax refund fund shall be made upon warrants of the director of accounts and reports pursuant to vouchers approved by the secretary of revenue or by the secretary's designee in accordance with the settlement agreement referenced in subsection (a) as approved by the district court of Shawnee county, Kansas.

(e) If any clause, paragraph or subsection of this act shall be held invalid or unconstitutional, it shall be conclusively presumed that the legislature would have enacted the remainder of this act without such invalid or unconstitutional clause, paragraph or subsection.

Sec. 117. K.S.A. 2007 Supp. 79-3694 is hereby amended to read as follows: 79-3694. (a) (1) An application for a refund claim that is incomplete, not supported by the required documentation or otherwise fails to meet the requirements specified in K.S.A. 2007 Supp. 79-3693, and amendments thereto, whether submitted to the department or to a retailer, shall not be considered a valid refund claim for the purpose of any of the following:

(A) Tolling the statute of limitations provisions of K.S.A. 79-3609, and amendments thereto, except that for any refund application returned to the applicant for failing to meet the requirements of K.S.A. 2007 Supp. 79-3693, and amendments thereto, the applicant shall have 60 days from the date of the department's written notice to file with the department a complete refund application meeting the requirements of K.S.A. 2007 Supp. 79-3693, and amendments thereto; or

(B) commencing the running of the 120-day provision of subsection (d) of K.S.A. 79-3609, and amendments thereto, for payment of refunds without interest.

(2) If an application for a refund claim is incomplete, not supported by the required documentation or otherwise fails to meet the requirements specified in K.S.A. 2007 Supp. 79-3693, and amendments thereto, the substance or merits of the incomplete refund application shall not be reviewed by the department, and the incomplete application shall be returned to the applicant. At the time, the applicant shall be notified in writing of the actions, corrections, information or additional documentation that are needed to complete the application, and that the applicant shall have 60 days from the date of the department's written notice to file a complete refund application satisfying the requirements of K.S.A. 2007 Supp. 79-3693, and amendments thereto. The applicant also shall be provided with a written description of the method by which an informal conference may be requested pursuant to K.S.A. 79-3226, and amendments thereto, to request a review of the determination that the refund application is incomplete. Each review of the department's determination that the taxpayer submitted a refund application that was incomplete, not supported by the required documentation, or otherwise failed to meet the requirements specified in K.S.A. 2007 Supp. 79-3693, and amendments thereto, shall be limited to determining whether the refund application, as originally submitted, complied with the requirements of K.S.A. 2007 Supp. 79-3693, and amendments thereto, by providing sufficient information and documentation to allow the refund application to be verified and processed. If, upon review at the informal conference, it is determined that the refund application failed to meet the requirements specified in K.S.A. 2007 Supp. 79-3693, and amendments thereto, when submitted so that the refund application could not be verified and proc-

essed, the applicant shall be required to file a new refund application for the refund being sought.

(b) Each application for refund that meets the requirements specified in K.S.A. 2007 Supp. 79-3693, and amendments thereto, so that it can be verified and processed shall be reviewed by the department as a refund claim and its validity determined. Each applicant shall be notified in writing of the department's determination and, if the refund claim is denied in whole or in part, shall be provided with a written description of the method by which an informal conference pursuant to K.S.A. 79-3226, and amendments thereto, may be requested. Each denial of a refund claim by the department shall be final, unless the applicant timely requests an informal conference pursuant to K.S.A. 79-3226, and amendments thereto. Once an informal conference is requested, an informal conference shall be held by the secretary or designee, and a written final determination shall be issued by the secretary or designee, in accordance with K.S.A. 79-3226, and amendments thereto. The written final determination shall constitute a final agency action subject to administrative review by the ~~Kansas board~~ *state court* of tax appeals, as provided in K.S.A. 74-2438, and amendments thereto.

(c) The provisions of this section shall be part of and supplemental to the Kansas retailers' sales tax act.

Sec. 118. K.S.A. 2007 Supp. 79-5205 is hereby amended to read as follows: 79-5205. (a) At such time as the director of taxation shall determine that a dealer has not paid the tax as provided by K.S.A. 79-5204, and amendments thereto, the director may immediately assess a tax based on personal knowledge or information available to the director of taxation; mail to the taxpayer at the taxpayer's last known address or serve in person, a written notice of the amount of tax, penalties and interest; and demand its immediate payment. If payment is not immediately made, because collection of every assessment made hereunder is presumed to be in jeopardy due to the nature of the commodity being taxed, the director may immediately collect the tax, penalties and interest in any manner provided by K.S.A. 79-5212, and amendments thereto.

(b) The tax, penalties and interest assessed by the director of taxation are presumed to be valid and correctly determined and assessed. The burden is upon the taxpayer to show their incorrectness or invalidity. Any statement filed by the director of taxation with the court or any other certificate by the director of taxation of the amount of tax, penalties and interest determined or assessed is admissible in evidence and is prima facie evidence of the facts it contains.

(c) In making an assessment pursuant to subsection (a), the director of taxation may consider but shall not be bound by a plea agreement or judicial determination made in any criminal case.

(d) Within 15 days after the mailing or personal service of such notice of assessment pursuant to subsection (a), the taxpayer may request an informal conference with the secretary of revenue or the secretary's designee relating to the tax, penalties and interest assessed by filing a written request with the secretary or the secretary's designee. Such written request shall set forth the taxpayer's objections to the assessment. The purpose of such conference shall be to review and reconsider all facts and issues that underlie the assessment. The informal conference shall not constitute an adjudicative proceeding under the Kansas administrative procedure act and the rules of evidence shall not apply. No record of the informal conference shall be made except at the request and expense of the taxpayer. The taxpayer may be represented at the informal conference by an attorney licensed in the state of Kansas. The taxpayer may also present written or verbal information from other persons. The secretary or the secretary's designee may confer at any time with any employee of the department of revenue who has factual information relating to the assessment under reconsideration. The secretary or the secretary's designee shall issue a written final determination within 270 days of the date of the request for informal conference unless the parties agree in writing to extend the time for issuing such final determination. A final determination issued within or after 270 days, with or without extension, constitutes final agency action subject to administrative review by the ~~state board~~ *state court* of tax appeals pursuant to K.S.A. 74-2438, and amendments thereto. In the event that a written final determination is not rendered within 270 days or within an agreed extension, the taxpayer may appeal the assessment to the ~~state board~~ *state court* of tax appeals within 30 days after

the expiration date of the 270 days or agreed extension. A taxpayer's request for an informal conference shall not stay the collection of the assessment but shall stay the sale of real or personal property, or the disposal of firearms, seized pursuant to K.S.A. 79-5212, and amendments thereto, until the final determination is made by the secretary or the secretary's designee. A taxpayer's appeal to the state ~~board~~ court of tax appeals shall not stay the collection of the assessment but shall stay the sale of real or personal property seized pursuant to K.S.A. 79-5212, and amendments thereto, until a decision is rendered by the state ~~board~~ court of tax appeals.

Sec. 119. K.S.A. 2007 Supp. 80-119 is hereby amended to read as follows: 80-119. Whenever no-fund warrants are issued under the authority of this act the township board shall make a tax levy or levies sufficient to pay such warrants and the interest thereon. Such warrants may mature serially at such yearly dates as to be payable by not more than five tax levies. Such warrants shall be issued, registered, redeemed and bear interest in the manner and be in the form prescribed by K.S.A. 79-2940, and amendments thereto, except they shall not bear the notation required by such section and may be issued without the approval of the state ~~board~~ court of tax appeals.

Sec. 120. K.S.A. 2007 Supp. 80-808 is hereby amended to read as follows: 80-808. The township board of any township which maintains and operates a township library which is known as a Carnegie library is hereby authorized and empowered to issue no-fund warrants in an amount not exceeding \$4,000 for the purpose of providing funds for the repair and reconstruction of the Carnegie library building of such township. Whenever any township board shall issue warrants under the provisions of this section, such board shall make a tax levy at the first tax levying period after such warrants are issued sufficient to pay the same and the interest thereon. If the township board deems it advisable not to make all of such levy in any one year, then such township board may make an annual tax levy at not more than the next three tax levying periods occurring after the issuance of such warrants, the total of which levies shall be sufficient to pay such warrants and the interest thereon. The warrants shall be issued, registered, redeemed and bear interest in the manner and be in the form prescribed by K.S.A. 79-2940, and amendments thereto, except that such warrants shall not bear the notation required by K.S.A. 79-2940, and amendments thereto, and may be issued without the approval of the state ~~board~~ court of tax appeals, and any surplus existing after the issuance of such warrants shall be handled in the manner prescribed by K.S.A. 79-2940, and amendments thereto. Such township board is hereby authorized and empowered to expend all moneys raised by no-fund warrants issued under the provisions of this section although such expenditures were not included in the budget for the year in which such warrants were issued.

Sec. 121. K.S.A. 2007 Supp. 80-1920 is hereby amended to read as follows: 80-1920. Subject to the provisions of K.S.A. 19-270, and amendments thereto, and upon the presentation of such petition, the township board of any such township shall create a township fire department. Such township board is hereby authorized and empowered to purchase fire-fighting equipment for the use of the fire department and to provide buildings for the housing and storage of the same. For the purpose of raising funds to pay the cost of such equipment and housing facilities, the township board is hereby empowered to issue no-fund warrants in an amount not exceeding \$12,000. After the issuance of such no-fund warrants, the township board shall make a tax levy at the first tax-levying period after such warrants are issued, sufficient to pay such warrants and the interest thereon. In lieu of making only one tax levy, such board, if it deems it advisable, may make a tax levy each year for not to exceed five years in approximately equal installments for the purpose of paying the warrants and the interest thereon.

Such warrants shall be issued, registered, redeemed and bear interest in the manner and be in the form prescribed by K.S.A. 79-2940, and amendments thereto, except they shall not bear the notation required therein and may be issued without the approval of the ~~board~~ state court of tax appeals. Any surplus existing after the redemption of the warrants shall be handled in the manner prescribed by K.S.A. 79-2940, and amendments thereto. None of the provisions of the cash-basis and budget laws of this state shall apply to any expenditures made, the payment of which

has been provided for by the issuance of such no-fund warrants.

Sec. 122. K.S.A. 2007 Supp. 82a-1030 is hereby amended to read as follows: 82a-1030. (a) In order to finance the operations of the district, the board may assess an annual water user charge against every person who withdraws groundwater from within the boundaries of the district. The board shall base such charge upon the amount of groundwater allocated for such person's use pursuant to such person's water right. Such charge shall not exceed \$1 for each acre-foot (325,851 gallons) of groundwater withdrawn within the district or allocated by the water right, except that a groundwater management district may assess a greater annual water user charge not exceeding \$1.50 for each acre-foot of groundwater withdrawn within the district if more than 50% of the authorized place of use for such groundwater is outside the district. Whenever a person shows by the submission to the board of a verified claim and any supportive data which may be required by the board that such person's actual annual groundwater withdrawal is in a lesser amount than that allocated by the water right of such person, the board shall assess such annual charge against such person on the amount of water shown to be withdrawn by the verified claim. Any such claim shall be submitted by April 1 of the year in which such annual charge is to be assessed. The board may also make an annual assessment against each landowner of not to exceed \$.05 for each acre of land owned within the boundaries of the district. Special assessments may also be levied, as provided hereafter, against land specially benefited by a capital improvement without regard to the limits prescribed above.

(b) Before any assessment is made, or user charge imposed, the board shall submit the proposed budget for the ensuing year to the eligible voters of the district at a hearing called for that purpose by one publication in a newspaper or newspapers of general circulation within the district at least 28 days prior to the meeting. Following the hearing, the board shall, by resolution, adopt either the proposed budget or a modified budget and determine the amount of land assessment or user charge, or both, needed to support such budget.

(c) Both the user charges assessed for groundwater withdrawn and the assessments against lands within the district shall be certified to the proper county clerks and collected the same as other taxes in accordance with K.S.A. 79-1801, and ~~acts amendatory thereof or supplemental and amendments~~ thereto, and the amount thereof shall attach to the real property involved as a lien in accordance with K.S.A. 79-1804, and ~~acts amendatory thereof or supplemental and amendments~~ thereto. All moneys so collected shall be remitted by the county treasurer to the treasurer of the groundwater management district who shall deposit them to the credit of the general fund of the district. The accounts of each groundwater management district shall be audited annually by a public accountant or certified public accountant.

(d) Subsequent to the certification of approval of the organization of a district by the secretary of state and the election of a board of directors for such district, such board shall be authorized to issue no-fund warrants in amounts sufficient to meet the operating expenses of the district until money therefor becomes available pursuant to user charges or assessments under subsection (a). In no case shall the amount of any such issuance be in excess of 20% of the total amount of money receivable from assessments which could be levied in any one year as provided in subsection (a). No such warrants shall be issued until a resolution authorizing the same shall have been adopted by the board and published once in a newspaper having a general circulation in each county within the boundaries of the district. Whereupon such warrants may be issued unless a petition in opposition to the same, signed by not less than 10% of the eligible voters of such district and in no case by less than 20 of the eligible voters of such district, is filed with the county clerk of each of the counties in such district within 10 days following such publication. In the event such a petition is filed, it shall be the duty of the board of such district to submit the question to the eligible voters at an election called for such purpose. Such election shall be noticed and conducted as provided by K.S.A. 82a-1031, and amendments thereto.

Whenever no-fund warrants are issued under the authority of this subsection, the board of directors of such district shall make an assessment each year for three years in approximately equal installments for the purpose of paying such warrants and the interest thereon. All such assess-

ments shall be in addition to all other assessments authorized or limited by law. Such warrants shall be issued, registered, redeemed and bear interest in the manner and in the form prescribed by K.S.A. 79-2940, and amendments thereto, except they shall not bear the notation required by said statute and may be issued without the approval of the state ~~board~~ *court* of tax appeals. Any surplus existing after the redemption of such warrants shall be handled in the manner prescribed by K.S.A. 79-2940, and amendments thereto.

Sec. 123. K.S.A. 9-1402, 12-110a, 12-631, 12-1664, 12-16,109, 12-1737, 12-1742, 12-1744a, 12-1744b, 12-1744c, 12-1744d, 12-1755, 12-1934, 12-3206, 12-3805, 14-1060, 17-1374, 19-236, 19-431, 19-15,103, 19-15,106, 19-15,116, 19-15,123, 19-2106f, 19-2653, 19-2752a, 19-3554, 19-4420, 19-4442, 20-356, 20-363, 20-626, 24-133, 24-665, 24-1219, 31-144, 38-549, 68-151n, 72-4142, 72-6443, 72-8203b, 74-2426, 74-2433a, 74-2433b, 74-2433c, 74-2433d, 74-2433e, 74-2433f, 74-2433g, 74-2434, 74-2435, 74-2436, 74-2437, 74-2437a, 74-2437b, 74-2438, 74-2439, 74-2442, 75-430, 75-5104, 75-5107, 75-5121, 79-213a, 79-425a, 79-6a14, 79-1404a, 79-1409, 79-1410, 79-1413a, 79-1422, 79-1426, 79-1478, 79-1478a, 79-1479, 79-1481, 79-1489, 79-1703, 79-1704, 79-1964a, 79-1964b, 79-2416d, 79-2925a, 79-2938, 79-2939, 79-2940, 79-2941, 79-2951, 79-3107c, 79-3221, 79-32,193 and K.S.A. 2007 Supp. 2-131e, 72-6441, 72-6451, 74-2433, 74-2438a, 74-4911f, 75-37,121, 75-4201, 77-529, 79-210, 79-213, 79-332a, 79-5a27, 79-1427a, 79-1437f, 79-1448, 79-1476, 79-1609, 79-1611, 79-1701, 79-1702, 79-2005, 79-2977, 79-3226, 79-3233g, 79-3694, 79-5205, 80-119, 80-808, 80-1920 and 82a-1030 are hereby repealed.

Sec. 124. This act shall take effect and be in force from and after its publication in the statute book.

Approved April 21, 2008.
