

SESSION OF 2004

SUPPLEMENTAL NOTE ON HOUSE BILL NO. 2559

As Amended by House Committee of the Whole

Brief*

HB 2559 would amend KSA 79-412 to require the person recording or filing a lease agreement to include the words "building on leased ground" on the first page of a lease agreement, when improvements exist which are owned by entities other than the landowner. The bill further states failure to include these words may result in the improvements being assessed to the landowner.

Pursuant to a House Committee of the Whole amendment, the bill also would require that taxes collected on additional valuation added as a result of penalties for the late filing of personal property and oil and gas renditions would not be distributed by county treasurers to taxing subdivisions when such taxes have been paid under protest until such time as the appeals are final.

Background

KSA 79-412 requires county appraisers to value both land and improvements and place an aggregate value on the assessment roll, unless there are improvements owned by entities other than the landowner and the lease agreement has been recorded or filed with the county's Register of Deeds office. Proponents of the bill, including the Kansas County Appraiser's Association, the Kansas Register of Deeds Association, and the Kansas Association of Counties, indicated passage of HB 2559 would save considerable time in register of deeds offices, since this "building on leased ground" notation can currently appear anywhere in the filed lease agreement. No one appeared in opposition to the bill.

The House Committee of the Whole amended the bill to add the prohibition against distributing certain property taxes received as a

*Supplemental notes are prepared by the Legislative Research Department and do not express legislative intent. The supplemental note and fiscal note for this bill may be accessed on the Internet at <http://www.kslegislature.org>

result of assessed valuation penalties applied for failure to timely file renditions.

The fiscal note issued by the Division of the Budget indicated HB 2559 could save counties time and money if enacted, but the amount of the savings is unknown.