

HOUSE BILL No. 2245

By Committee on Taxation

2-6

1 AN ACT concerning property taxation; relating to severed mineral rights;
2 exemptions; amending K.S.A. 79-420 and repealing the existing
3 section.

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

6 Section 1. K.S.A. 79-420 is hereby amended to read as follows: 79-
7 420. Whenever the fee to the surface of any tract, parcel or lot of land is in
8 any person or persons, natural or artificial, and the right or title to any
9 minerals therein is in another or in others, such mineral interest, *unless*
10 *otherwise exempted from property taxation by the board of county*
11 *commissioners under the provisions of section 2, and amendments thereto,*
12 shall be listed and the market value, if any, determined separately from the
13 fee of such land, in separate entries and descriptions. Such land and such
14 mineral interest shall be separately taxed to the owners thereof
15 respectively. In determining the market value, if any, of any such mineral
16 interest, the appraiser shall consider every proper factor, including, but not
17 limited to, the size of the particular mineral interest, the fractional share of
18 such interest and the number of fractional shares in existence for such
19 interest. The register of deeds shall furnish to the county clerk where such
20 mineral interest exists and are a matter of record, a certified description of
21 all such interest. When such reserves or leases are not recorded within 90
22 days after execution, they shall become void if not listed for taxation.

23 New Sec. 2. (a) The board of county commissioners, in its sole
24 discretion, may grant an exemption from ad valorem taxation for such
25 severed mineral interests as described in K.S.A. 79-420, and amendments
26 thereto. If granted, such mineral interests shall be exempt from ad valorem
27 taxation for one tax year.

28 (b) Prior to the granting of such exemption, the board shall:

29 (1) Weigh the costs and benefits of the exemption, including its effect
30 on state and local revenues; and

31 (2) conduct a public hearing on the granting of such exemption.
32 Notice of the public hearing shall be published at least once every seven
33 days prior to the hearing in the official city or county newspaper, as the
34 case requires, and shall indicate the purpose, time and place thereof. In
35 addition to such publication notice, the city or county clerk, as the case
36 requires, shall notify in writing the governing body of the city or county

1 and unified school district within which the property proposed for
2 exemption is located.

3 Sec. 3. K.S.A. 79-420 is hereby repealed.

4 Sec. 4. This act shall take effect and be in force from and after its
5 publication in the statute book.