

Substitute for SENATE BILL No. 165

By Committee on Assessment and Taxation

3-12

1 AN ACT concerning property taxation; relating to authority for boards of
2 county commissioners to abate or provide credit against property taxes
3 levied upon property destroyed or substantially destroyed by calamity;
4 ***certain agreements by board of county commissioners; payment of***
5 ***taxes; amending K.S.A. 2012 Supp. 79-1703 and repealing the***
6 ***existing section.***

7
8 *Be it enacted by the Legislature of the State of Kansas:*

9 ***{New}*** Section 1. (a) As used in this section:

10 (1) "Destroyed or substantially destroyed" means damage of any
11 origin sustained by a homestead as the direct result of an earthquake,
12 flood, tornado, fire, storm or other event or occurrence which the governor
13 of the state of Kansas has declared a disaster, whereby the cost of restoring
14 the structure to its before-damaged condition would equal or exceed 50%
15 of the market value of the structure before the damage occurred.

16 (2) "Homestead" means the dwelling, or any part thereof, whether
17 owned or rented, which is occupied as a residence by the household and so
18 much of the land surrounding it, as defined as a home site for ad valorem
19 tax purposes, and may consist of a part of a multi-dwelling or multi-
20 purpose building and a part of the land upon which it is built or a
21 manufactured home or mobile home and the land upon which it is situated.
22 "Owned" includes a vendee in possession under a land contract, a life
23 tenant, a beneficiary under a trust and one or more joint tenants or tenants
24 in common.

25 (3) "Public or private buyout" means any buyout from a local, state or
26 federal governmental entity or any non-governmental entity, including, but
27 not limited to, an individual, foundation, trust, association, corporation,
28 limited liability company or partnership.

29 (b) The owner of any homestead listed and assessed for property
30 taxation purposes which was destroyed or substantially destroyed due to
31 an earthquake, flood, tornado, fire, storm, or other event or occurrence
32 which the governor of the state of Kansas has declared a disaster may
33 make application to the board of county commissioners of the county in
34 which such property is located for the abatement of property taxes levied
35 upon such homestead or for a credit against property taxes payable by such
36 owner, as permitted by this section.

1 (1) If such homestead has been so destroyed or substantially
2 destroyed after January 1 of a particular year but prior to August 15 of
3 such year, the owner of such homestead may make application to such
4 board of county commissioners for the abatement of property taxes levied
5 upon such homestead, or if such property taxes have been paid or partially
6 paid, may make application for the granting of a credit against property
7 taxes payable by such owner during any or all of the next succeeding three
8 taxable years.

9 (2) If such homestead has been so destroyed or substantially
10 destroyed on or after August 15 of a particular year but prior to January 1
11 of the next succeeding year, the owner of such homestead may make
12 application to such board of county commissioners for the granting of a
13 credit against property taxes payable by such owner during any or all of
14 the next succeeding three taxable years.

15 (c) An application for relief as permitted by subsection (b) may be
16 made for abatement of property taxes assessed but not yet paid, or for a
17 grant of a credit for assessed property taxes paid or for both, as the case
18 may be, and may be made on or before December 20 of the year next
19 succeeding the year for which such taxes have been assessed.

20 (d) Upon receipt of any such application, subject to budgetary
21 restraints of the county or taxing subdivision arising from the event or
22 occurrence declared a disaster by the governor, the board of county
23 commissioners shall inquire into and make findings regarding, among
24 other things, whether the property is a homestead, as defined in subsection
25 (a), whether the homestead was destroyed or substantially destroyed, as
26 defined in subsection (a) and the assessed valuation thereof. If it is
27 determined that an owner of such homestead is entitled to an abatement of
28 all or any portion of the property taxes levied against such homestead or is
29 entitled to a credit against property taxes payable by such owner in any or
30 all of the next succeeding three years, the board may issue an order so
31 providing.

32 (e) The board shall not grant an application for relief by an owner
33 who is a recipient of funds from either a public or private buyout or
34 insurance proceeds, which, as the case may be, are of an amount equal to
35 or greater than 50% of the entire pre-disaster value of the homestead
36 which was destroyed or substantially destroyed.

37 (f) The county clerk and county treasurer shall in each case of
38 abatement or credit correct their records in accordance therewith and the
39 county clerk shall notify the governing body of any taxing district affected
40 thereby.

41 (g) The provisions of this section shall be applicable to all taxable
42 years commencing after December 31, 2011.

43 *{Sec. 2. K.S.A. 2012 Supp. 79-1703 is hereby amended to read as*

1 *follows: 79-1703. (a) Except as provided in subsection (b), section 1, and*
2 *amendments thereto, or as otherwise provided by law, no board of county*
3 *commissioners or other officer of any county shall have power to*
4 *release, discharge, or remit or commute any portion of the taxes assessed*
5 *or levied against any person or property within their respective*
6 *jurisdictions for any reason whatever. Any taxes so discharged, released,*
7 *or remitted or commuted may be recovered by civil action from the*
8 *members of the board of county commissioners or such other officer and*
9 *the sureties of their official bonds at the suit of the attorney general, the*
10 *county attorney, or of any citizen of the county or the board of education*
11 *of any school district a part of the territory of which is in such county, as*
12 *the case may be, and when collected shall be paid into the county*
13 *treasury to be properly apportioned and paid to the county,*
14 *municipalities, school districts and other taxing subdivisions entitled*
15 *thereto. Nothing in this subsection shall be construed to prohibit a board*
16 *of county commissioners from entering into an agreement whereby the*
17 *board agrees to pay the full amount of the taxes assessed or levied against*
18 *any person or property on behalf of such person, as long as such amount*
19 *is properly apportioned and paid to the county, municipalities, school*
20 *districts and other taxing subdivisions entitled to a portion of such*
21 *amount.*

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

35 *Sec. 3. K.S.A. 2012 Supp. 79-1703 is hereby repealed.}*

36 *Sec. -2. {4.} This act shall take effect and be in force from and after its*
37 *publication in the Kansas register.*