

SESSION OF 2013

SUPPLEMENTAL NOTE ON HOUSE BILL NO. 2042

As Amended by House Committee on Taxation

Brief*

HB 2042, as amended, would make several changes relating to property tax valuation and administration.

One set of provisions in the bill would clarify that during valuation hearings at the Court of Tax Appeals, values determined by county appraisers would have the initial presumption of validity and correctness with regard to leased commercial and industrial property, unless taxpayers had, within 30 days after certain informal hearings conducted earlier in the appeals process, furnished to counties complete income and expense statements for the previous three years. Current law simply provides a blanket prohibition against a presumption of validity and correctness on behalf of county appraisers.

Additional provisions relating to the correction of errors would expand the types of clerical errors resulting in understatement of values or taxes to include errors in the description or quantity of real estate listed, errors placing improvements in the wrong tract or lot and errors placing real or personal property in the wrong taxing jurisdiction; and would clarify that the Court of Tax Appeals would have authority to order additional assessments or tax bills to be issued relative to the finding of such errors.

Background

The bill was requested for introduction and supported by the Kansas County Appraisers Association whose

*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>

representative noted the provisions of the bill had been approved by the Kansas Senate during the 2012 Session as part of SB 348.

The House Tax Committee amended the bill to remove language that would have authorized the retroactive addition to the tax rolls for up to two previous years certain escaped improvements to property and to remove language that would have authorized counties to send valuation by electronic mail under certain circumstances. An additional amendment adopted by the Committee clarified the amount of time taxpayers appealing valuation of leased commercial and industrial property have to provide income and expense information in order to avoid triggering the presumption of validity on behalf of county appraisers in hearing at the Court of Tax Appeals.

A fiscal note on the original bill indicated the legislation could have some small but indeterminate impact on the budget of the Court of Tax Appeals.