

HOUSE BILL No. 2714

By Committee on Taxation

3-2

AN ACT concerning property taxation; relating to valuation, appeals, procedure; state of board of tax appeals, ~~[filing fees]~~ procedure, appeals to district court; amending K.S.A. ~~[79-309, 79-504, 79-504, 79-1412a and 79-1456 and K.S.A. 2015 Supp. 74-2426, 74-2433, 74-2438, 74-2438a]~~ 77-618, 79-425a, 79-503a, 79-1448, 79-1476 and 79-2005 and repealing the existing sections.

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

~~[New Section 1. (a) Notwithstanding any other provisions of law to the contrary and except as otherwise provided by subsection (b), the valuation established for property for utilization as the basis for ad valorem taxation in the first year of a biennium, the first of which shall commence on January 1, 2017, shall be utilized for ad valorem taxation purposes for each year during the applicable biennium.~~

~~(b) (1) For any improvement to existing property or any other property for which a valuation has not been established for utilization as the basis for ad valorem taxation as of the first year of a biennium, there shall be established a valuation or increased valuation for such property, which shall be utilized for ad valorem taxation purposes for the year of valuation and the remaining portion of the applicable biennium.~~

~~(2) In the event a valuation of property is reduced pursuant to law during a biennium, such reduced valuation shall be utilized for ad valorem taxation purposes for the year in which such valuation is reduced and the remaining portion of the applicable biennium.~~

~~(c) The provisions of this section shall not be construed to conflict with any other provision of law relating to the appraisal of property for taxation purposes or the appeals process associated therewith.~~

~~(d) The provisions of this section shall be applicable to all taxable years commencing after December 31, 2016.~~

Sec. 2. K.S.A. 2015 Supp. 74-2426 is hereby amended to read as follows: 74-2426. (a) Orders of the state board 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 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(g), and amendments thereto, a written

Balloon Amendment
House Committee on Taxation
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Office of Revisor of Statutes

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

7 (d) Appeals decided by the state board of tax appeals shall be made
8 available to the public and shall be published by the board on the board's
9 website within 30 days after the decision has been rendered. The board
10 shall also publish a monthly report that includes all appeals decided that
11 month as well as all appeals which have not yet been decided and are
12 beyond the time limitations as set forth in K.S.A. 74-2426, and
13 amendments thereto. Such report shall be made available to the public and
14 transmitted by the board to the members of the Kansas legislature.

15 (e) After appointment, members of the state board of tax appeals that
16 are not otherwise a state certified general real property appraiser shall
17 complete the following course requirements: (1) A tested appraisal course
18 of not less than 30 clock hours of instruction consisting of the
19 fundamentals of real property appraisal with an emphasis on the cost and
20 sales approaches to value; (2) a tested appraisal course of not less than 30
21 clock hours of instruction consisting of the fundamentals of real property
22 appraisal with an emphasis on the income approach to value; (3) a tested
23 appraisal course of not less than 30 clock hours of instruction with an
24 emphasis on mass appraisal; (4) an appraisal course with an emphasis on
25 Kansas property tax laws; (5) an appraisal course on the techniques and
26 procedures for the valuation of state assessed properties with an emphasis
27 on unit valuation; and (6) a tested appraisal course on the techniques and
28 procedures for the valuation of land devoted to agricultural use pursuant to
29 K.S.A. 79-1476, and amendments thereto. Any member appointed to the
30 board who is a certified real property appraiser shall only be required to
31 take such educational courses as are required to maintain the appraisal
32 license. The executive director shall adopt rules and regulations
33 prescribing a timetable for the completion of the course requirements and
34 prescribing continued education requirements for members of the board.

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

37 (g) It is the intent of the legislature that proceedings in front of the
38 board of tax appeals be conducted in a fair and impartial manner and that
39 all taxpayers are entitled to a neutral interpretation of the tax laws of the
40 state of Kansas. The provisions of the tax laws of this state shall be applied
41 impartially to both taxpayers and taxing districts in cases before the board.
42 *Valuation appeals before the board shall [red] be decided upon whether or
43 not the mass appraisal of the property was done correctly, but upon a*

1 *determination of the fair market value of the fee simple of the property.*
2 Cases before the board shall not be decided upon arguments concerning
3 the shifting of the tax burden or upon any revenue loss or gain which may
4 be experienced by the taxing district.

5 Sec. 4. K.S.A. 2015 Supp. 74-2438 is hereby amended to read as
6 follows: 74-2438. (a) An appeal may be taken to the state board of tax
7 appeals from any finding, ruling, order, decision, final determination or
8 other final action, including action relating to abatement or reduction of
9 penalty and interest, on any case of the secretary of revenue or the
10 secretary's designee by any person aggrieved thereby. Notice of such
11 appeal shall be filed with the secretary of the board within 30 days after
12 such finding, ruling, order, decision, final determination or other action on
13 a case, and a copy served upon the secretary of revenue or the secretary's
14 designee. An appeal may also be taken to the state board of tax appeals at
15 any time when no final determination has been made by the secretary of
16 revenue or the secretary's designee after 270 days has passed since the date
17 of the request for informal conference pursuant to K.S.A. 79-3226, and
18 amendments thereto, and no written agreement by the parties to further
19 extend the time for making such final determination is in effect.

20 (b) Upon receipt of a timely appeal, the board shall conduct a hearing
21 in accordance with the provisions of the Kansas administrative procedure
22 act. The hearing before the board shall be a de novo hearing unless the
23 parties agree to submit the case on the record made before the secretary of
24 revenue or the secretary's designee.

25 (c) (1) With regard to any matter properly submitted to the board
26 relating to the determination of valuation of residential property or real
27 property used for commercial and industrial purposes for taxation
28 purposes, it shall be the duty of the county or district appraiser to initiate
29 the production of evidence to demonstrate, by a preponderance of the
30 evidence, the validity and correctness of such determination, except that
31 no such duty shall accrue with regard to leased commercial and industrial
32 property unless the property owner has furnished to the county or district
33 appraiser a complete income and expense statement for the property for
34 the three years next preceding the year of appeal. Any appraisal made by
35 the county or district appraiser must be released through the discovery
36 process to the taxpayer, the taxpayer's attorney or the taxpayer's
37 representative. No presumption shall exist in favor of the county or district
38 appraiser with respect to the validity and correctness of such
39 determination. If a taxpayer presents a single property appraisal with an
40 effective date of January 1 of the year appealed which has been conducted
41 by a certified general real property appraiser which determines the subject
42 property's valuation to be less than that determined by a mass real estate
43 appraisal conducted by the county or district appraiser, then the taxpayer's

Nothing is this section shall prohibit a property owner, during a property valuation appeal before the board, from raising arguments regarding classification.

1 property-specific appraisal shall be accepted into evidence by the board.
2 No interest shall accrue on the amount of the assessment of tax subject to
3 any such appeal beyond 120 days after the date the matter was fully
4 submitted, except that, if a final order is issued within such time period,
5 interest shall continue to accrue until such time as the tax liability is fully
6 satisfied, and if a final order is issued beyond such time period, interest
7 shall recommence to accrue from the date of such order until such time as
8 the tax liability is fully satisfied.

9 (2) *With regard to any matter property submitted to the board*
10 *relating to the determination of valuation of real property, if the director of*
11 *property valuation has developed and adopted methodologies to value*
12 *such type of property, then it shall be the duty of the county or district to*
13 *demonstrate compliance with such methodologies. If the appraiser fails to*
14 *demonstrate such compliance, then the board shall award judgment in the*
15 *matter to the taxpayer.*

16 ~~Sec. 5. K.S.A. 2015 Supp. 74-2438a is hereby amended to read as~~
17 ~~follows: 74-2438a. (a) Except as provided in subsection (e), the executive~~
18 ~~director of the state board of tax appeals shall charge and collect a filing~~
19 ~~fee, established by rules and regulations adopted by the state board of tax~~
20 ~~appeals, for any appeal in any proceeding under the tax protest, tax~~
21 ~~grievance or tax exemption statutes or in any other original proceeding for~~
22 ~~such board to recover all or part of the costs of processing such actions~~
23 ~~incurred by the state board of tax appeals. For any property valuation~~
24 ~~appeal to the board in which a filing fee is charged to a taxpayer, a filing~~
25 ~~fee of an equal amount shall also be charged to the county where the~~
26 ~~subject property is located.~~

27 ~~(b) The COTA filing fee fund is hereby renamed the BOTIA filing fee~~
28 ~~fund.~~

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

34 ~~(d) All expenditures from the BOTIA filing fee fund shall be made in~~
35 ~~accordance with appropriation acts upon warrants of the director of~~
36 ~~accounts and reports issued pursuant to vouchers approved by the~~
37 ~~executive director of the state board of tax appeals or a person or persons~~
38 ~~designated by such executive director.~~

39 ~~(e) No filing fee of any kind shall be charged by the executive~~
40 ~~director to:~~

41 ~~(1) A taxpayer who has filed an appeal for a previous year that has~~
42 ~~not been decided by the board and is beyond the time period prescribed by~~
43 ~~K.S.A. 74-2426, and amendments thereto;~~

~~(2) any taxpayer filing in regard to single-family residential property for a refund of protested taxes under the provisions of K.S.A. 79-2005, and amendments thereto, or an appeal from a decision rendered pursuant to K.S.A. 79-1448, and amendments thereto;~~

~~(3) any not-for-profit organization if the valuation of the property that is the subject of the controversy does not exceed \$100,000; or~~
~~(4) any municipality or political subdivision of the state.]~~

Sec. 6. K.S.A. 2015 Supp. 77-618 is hereby amended to read as follows: 77-618. Judicial review of disputed issues of fact shall be confined to the agency record for judicial review as supplemented by additional evidence taken pursuant to this act, except that review of:

(a) Orders of the director of workers' compensation under the workmen's compensation act shall be in accordance with K.S.A. 44-556, and amendments thereto;

(b) orders of the Kansas human rights commission under the Kansas act against discrimination or the Kansas age discrimination in employment act shall be in accordance with K.S.A. 44-1011 and 44-1021, and amendments thereto;

(c) orders of the division of vehicles, other than orders under K.S.A. 8-254, and amendments thereto, which deny, cancel, suspend or revoke a driver's license shall be in accordance with K.S.A. 8-259, and amendments thereto;

(d) orders of the secretary of labor under K.S.A. 72-5413 through 72-5431, and amendments thereto, shall be in accordance with K.S.A. 72-5430a, and amendments thereto; and

(e) orders of the state fire marshal under K.S.A. 31-144, and amendments thereto, shall be in accordance with that section; and

(f) orders of the state board of tax appeals under K.S.A. 74-2426, and amendments thereto, shall be in accordance with that section.

~~[Sec. 7. K.S.A. 79-309 is hereby amended to read as follows: 79-309. All property shall be listed and valued on the first day of January in the year in which the same is assessed, and the transfer and sale of any taxable personal property subsequently to the first day of January shall not authorize any person to omit the same from the list, although such list be not made until after the sale or transfer of such property; but all such property shall be listed for taxation in the same manner as if no sale or transfer thereof had been made. In case moneys or property shall come into the hands of any person, which he or she such person would be required to list for taxation, and which moneys or property was not taxed in this state for the year immediately preceding the first day of January in any year, and the said moneys or property shall have been prior to any such January first invested in tax-exempt bonds or securities, then any such moneys or property shall be listed for taxation on January first by-~~

1 dividing the value of any such moneys or property by three hundred sixty
2 ~~five (265) 365~~, and multiplying the quotient by the number of days which
3 any such taxable moneys or property remained in the hands of such a
4 person prior to the time of its investment in any such tax-exempt bonds or
5 securities. ~~In no circumstance shall a change in the property occurring~~
6 ~~after the first day of January of any year be used to value the property as~~
7 ~~of the first day of January of such year.]~~

8 Sec. 8. K.S.A. 2015 Supp. 79-425a is hereby amended to read as
9 follows: 79-425a. (a) Whenever a tract of land which has been assessed
10 shall thereafter be divided into tracts owned by different persons, any one
11 or more of such persons, after giving 10 days' written notice to the other
12 persons at their respective mailing addresses, may make application to the
13 county appraiser for an apportionment of the assessed valuation of such
14 tract among the several tracts, and the county appraiser is authorized to
15 ~~shall~~ apportion such valuation among the owners of such tracts according
16 to the value of their respective interests as shown by evidence available at
17 a time designated by the county appraiser. Upon the apportionment of the
18 assessed valuation among the several tracts and the levying of tax against
19 each such tract, the county treasurer, upon payment of such tax on any
20 such tract, shall issue a receipt therefor and, in any case where such tax is
21 not paid on any of such tracts, it shall be sold for delinquent taxes in the
22 same manner prescribed by law for sale of real estate for delinquent taxes.
23 If taxes levied on a tract of land prior to its division are delinquent, the
24 owner of any divided portion of such tract may have that portion released
25 from the tax lien by paying to the county treasurer the share of the
26 delinquent tax attributable to such divided portion as shown by the
27 apportionment made of the whole tract's assessed valuation among the
28 divided portions by the county appraiser.

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

35 ~~[Sec. 9. K.S.A. 79-501 is hereby amended to read as follows: 79-501.~~
36 ~~(a) Each parcel of real property shall be individually appraised at its fair~~
37 ~~market value in money, the value thereof to be determined by the appraiser~~
38 ~~from actual view and inspection of the property. The price at which such~~
39 ~~real property would sell at forced sale may be taken as a criterion of such~~
40 ~~fair market value in money in the market place of such sale if the appraiser~~
41 ~~believes such price to be a reasonable factor in arriving at fair market~~
42 ~~value. The price at which real property would sell at auction may be taken~~
43 ~~as the criterion of fair market value in money if the appraiser determines~~

1 such sale to be an arms-length transaction between a willing buyer and
2 seller. In addition, land devoted to agricultural use shall be valued as
3 provided by K.S.A. 79-1476, and amendments thereto. Tangible personal
4 property shall be appraised at its fair market value in money except as
5 provided by K.S.A. 79-1439, and amendments thereto. All such real and
6 tangible personal property shall be assessed at the rate prescribed by
7 K.S.A. 79-1439, and amendments thereto.

8 ~~(b) For the purposes of determining the value of an individual parcel~~
9 ~~of real property, the county appraiser shall not consider the parcel as an~~
10 ~~economic unit with any adjoining parcel.]~~

11 Sec. 10. K.S.A. 2015 Supp. 79-503a is hereby amended to read as
12 follows: 79-503a. "Fair market value" means the amount in terms of
13 money that a well informed buyer is justified in paying and a well
14 informed seller is justified in accepting for property in an open and
15 competitive market, assuming that the parties are acting without undue
16 compulsion. In the determination of fair market value of any real property
17 which is subject to any special assessment, such value shall not be
18 determined by adding the present value of the special assessment to the
19 sales price. For the purposes of this definition it will be assumed that
20 consummation of a sale occurs as of January 1.

21 Sales in and of themselves shall not be the sole criteria of fair market
22 value but shall be used in connection with cost, income and other factors
23 including but not by way of exclusion:

24 (a) The proper classification of lands and improvements;

25 (b) the size thereof;

26 (c) the effect of location on value;

27 (d) depreciation, including physical deterioration or functional,
28 economic or social obsolescence;

29 (e) cost of reproduction of improvements;

30 (f) productivity taking into account all restrictions imposed by the
31 state or federal government and local governing bodies, including, but not
32 limited to, restrictions on property rented or leased to low income
33 individuals and families as authorized by section 42 of the federal internal
34 revenue code of 1986, as amended;

35 (g) earning capacity as indicated by lease price, by capitalization of
36 net income or by absorption or sell-out period;

37 (h) rental or reasonable rental values or rental values restricted by the
38 state or federal government or local governing bodies, including, but not
39 limited to, restrictions on property rented or leased to low income
40 individuals and families, as authorized by section 42 of the federal internal
41 revenue code of 1986, as amended;

42 (i) sale value on open market with due allowance to abnormal
43 inflationary factors influencing such values;

(j) restrictions or requirements imposed upon the use of real estate by the state or federal government or local governing bodies, including zoning and planning boards or commissions, and including, but not limited to, restrictions or requirements imposed upon the use of real estate rented or leased to low income individuals and families, as authorized by section 42 of the federal internal revenue code of 1986, as amended; and

(k) comparison with values of other property of known or recognized value. The assessment-sales ratio study shall not be used as an appraisal for appraisal purposes.

The appraisal process utilized in the valuation of all real and tangible personal property for ad valorem tax purposes shall conform to generally accepted appraisal procedures which are adaptable to mass appraisal and consistent with the definition of fair market value unless otherwise specified by law.

and standards

Sec. 11. K.S.A. 79-504 is hereby amended to read as follows: 79-504. For the purposes of this act:

(a) "Appraisal foundation" and "foundation" mean the appraisal foundation established on November 30, 1987, as a not-for-profit corporation under the laws of Illinois.

(b) "Written appraisal" means a written statement used in connection with the activities of the division of property valuation or a county appraiser that is independently and impartially prepared by a county appraiser setting forth an opinion of defined value of an adequately described property as of a specific date, supported by presentation and analysis of relevant market information. ~~Appraisals produced by the computer-assisted mass appraisal system prescribed or approved by the director of property valuation shall be deemed to be written appraisals for the purposes of this act.~~

Sec. 12. K.S.A. 79-1412a is hereby amended to read as follows: 79-1412a. (a) County appraisers and district appraisers shall perform the following duties:

First. Install and maintain such records and data relating to all property in the county, taxable and exempt, as may be required by the director of property valuation.

Second. Annually, as of January 1, supervise the listing and appraisal of all real estate and personal property in the county subject to taxation except state-appraised property.

Third. Attend meetings of the county board of equalization for the purpose of aiding such board in the proper discharge of its duties, making all records available to the county board of equalization.

Fourth. Prepare the appraisal roll and certify such rolls to the county clerk.

Fifth. Supervise the township trustees, assistants, appraisers and other

1 employees appointed by the appraiser in the performance of their duties.

2 *Sixth.* The county appraiser or district appraiser in setting values for
3 various types of personal property, shall conform to the values for such
4 property as shown in the personal property appraisal guides devised or
5 prescribed by the director of property valuation.

6 *Seventh.* Carry on continuously throughout the year the process of
7 appraising real property.

8 *Eighth.* If the county appraiser or district appraiser deems it advisable,
9 such appraiser may appoint one or more advisory committees of not less
10 than five persons representative of the various economic interests and
11 geographic areas of the county to assist the appraiser in establishing unit
12 land values, unit values for structures, productivity, classifications for
13 agricultural lands, adjustments for location factors, and generally to advise
14 on assessment procedures and methods.

15 *Ninth.* Perform such other duties as may be required by law.

16 (b) . The director of property valuation shall give notice to county and
17 district appraisers and county boards of equalization of any proposed
18 changes in the guides, schedules or methodology for use in valuing
19 property prescribed to the county and district appraisers for use in setting
20 values for property within the county or district. Such notice shall also be
21 published in the Kansas register and shall provide that such changes are
22 available for public inspection. Changes and modifications in guides,
23 schedules or methodology for use in valuing property which are prescribed
24 by the director of property valuation for use by county and district
25 appraisers on or after July 1 in any year shall not be utilized in establishing
26 the value, for the current tax year, of any property, the value of which has
27 previously been established for such year.

28 (c) *Notwithstanding the provisions of this section, the county*
29 *appraiser or the county appraiser's designee shall not, at any time, request*
30 *the following from a taxpayer:*

31 (1) *Any appraisal of the property conducted for the purpose of*
32 *obtaining mortgage financing;*

33 (2) *any fee appraisal ~~that was conducted~~ more than 12 months from*
34 *the date of the taxpayer's complaint or appeal;*

35 (3) *documents detailing individual lease agreement*
36 *or*

37 ~~(4) architectural drawings;~~
38 *Nothing in this subsection shall prohibit the county appraiser or the*
39 *county appraiser's designee from requesting a certified rent roll from the*
40 *taxpayer.*

41 Sec. 13. K.S.A. 2015 Supp. 79-1448 is hereby amended to read as
42 follows: 79-1448. Any taxpayer may complain or appeal to the county
43 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

with an effective appraisal date

prior to January 1 of the valuation year under appeal, or

a summary of the reasons that the valuation of the property has been increased over the previous year, any assumptions used by the county appraiser to determine the value of the property and a description of the individual property characteristics, property specific valuation records and conclusions.

shall be provided with

sheets applicable to the valuation approach utilized for the subject property

and

for the preceding year

agreement or other documentation

, if no other actual use is evident

1 of mailing of the valuation notice required by K.S.A. 79-1460, and
 2 amendments thereto, for real property, and on or before May 15 for
 3 personal property. The county appraiser or the appraiser's designee shall
 4 arrange to hold an informal meeting with the aggrieved taxpayer with
 5 reference to the property in question. ~~Prior to the informal meeting, the~~
 6 ~~county appraiser shall prepare and deliver to the taxpayer a written~~
 7 ~~narrative and summary of the reasons that the valuation of the property~~
 8 ~~has been increased over the preceding year. Such summary shall include~~
 9 ~~any assumptions used by the county appraiser to determine the property's~~
 10 ~~value.~~ At such meeting it shall be the duty of the county appraiser or the
 11 county appraiser's designee to initiate production of evidence to
 12 substantiate the valuation of such property, including the affording to the
 13 taxpayer ~~the opportunity to review the data sheet of comparable sales~~
 14 ~~utilized in the determination of such valuation.~~ The county appraiser shall
 15 take into account any evidence provided by the taxpayer which relates to
 16 the amount of deferred maintenance, ~~tenant reserves, and tenant~~
 17 improvement depreciation for the property. In any appeal from the
 18 appraisal of leased commercial and industrial property, the county or
 19 district appraiser's appraised value shall be presumed to be valid and
 20 correct and may only be rebutted by a preponderance of the evidence,
 21 unless the property owner furnishes the county or district appraiser a
 22 complete income and expense statement for the property for the three
 23 years next preceding the year of appeal within 30 calendar days following
 24 the informal meeting. In any appeal from the reclassification of property
 25 that was ~~originally~~ classified as land devoted to agricultural use, the
 26 taxpayer's classification of the property as land devoted to agricultural
 27 use shall be presumed to be valid and correct if the taxpayer provides an
 28 executed lease ~~document~~ demonstrating a commitment to use the property
 29 for agricultural use. The county appraiser may extend the time in which
 30 the taxpayer may informally appeal from the classification or appraisal of
 31 the taxpayer's property for just and adequate reasons. Except as provided
 32 in K.S.A. 79-1404, and amendments thereto, no informal meeting
 33 regarding real property shall be scheduled to take place after May 15, nor
 34 shall a final determination be given by the appraiser after May 20. Any
 35 final determination shall be accompanied by a written explanation of the
 36 reasoning upon which such determination is based when such
 37 determination is not in favor of the taxpayer. Any taxpayer who is
 38 aggrieved by the final determination of the county appraiser may appeal to
 39 the hearing officer or panel appointed pursuant to K.S.A. 79-1611, and
 40 amendments thereto, and such hearing officer, or panel, for just cause
 41 shown and recorded, is authorized to change the classification or valuation
 42 of specific tracts or individual items of real or personal property in the
 43 same manner provided for in K.S.A. 79-1606, and amendments thereto. In

1 lieu of appealing to a hearing officer or panel appointed pursuant to K.S.A.
2 79-1611, and amendments thereto, any taxpayer aggrieved by the final
3 determination of the county appraiser, except with regard to land devoted
4 to agricultural use, wherein the value of the property, is less than
5 \$3,000,000, as reflected on the valuation notice, or the property constitutes
6 single family residential property, may appeal to the small claims and
7 expedited hearings division of the state board of tax appeals within the
8 time period prescribed by K.S.A. 79-1606, and amendments thereto. Any
9 taxpayer who is aggrieved by the final determination of a hearing officer
10 or panel may appeal to the state board of tax appeals as provided in K.S.A.
11 79-1609, and amendments thereto. An informal meeting with the county
12 appraiser or the appraiser's designee shall be a condition precedent to an
13 appeal to the county or district hearing panel.

14 Sec. 14. K.S.A. 79-1456 is hereby amended to read as follows: 79-
15 1456. (a) The county appraiser shall follow the policies, procedures and
16 guidelines of the director of property valuation in the performance of the
17 duties of the office of county appraiser. *If the director has developed and*
18 *adopted methodologies to value specific types of property, the county*
19 *appraiser shall be required to follow such methodologies.*
20 (b) The county appraiser in establishing values for various types of
21 personal property, shall conform to the values for such property as shown
22 in the personal property appraisal guides prescribed or furnished by the
23 director of property valuation. The county appraiser may deviate from the
24 values shown in such guides on an individual piece of property for just
25 cause shown and in a manner consistent with achieving fair market value.

26 Sec. 15. K.S.A. 2015 Supp. 79-1476 is hereby amended to read as
27 follows: 79-1476. The director of property valuation is hereby directed and
28 empowered to administer and supervise a statewide program of reappraisal
29 of all real property located within the state. Except as otherwise authorized
30 by K.S.A. 19-428, and amendments thereto, each county shall comprise a
31 separate appraisal district under such program, and the county appraiser
32 shall have the duty of reappraising all of the real property in the county
33 pursuant to guidelines and timetables prescribed by the director of
34 property valuation and of updating the same on an annual basis. In the case
35 of multi-county appraisal districts, the district appraiser shall have the duty
36 of reappraising all of the real property in each of the counties comprising
37 the district pursuant to such guidelines and timetables and of updating the
38 same on an annual basis. Commencing in 2000, every parcel of real
39 property shall be actually viewed and inspected by the county or district
40 appraiser once every six years. ~~Any county or district appraiser shall be~~
41 ~~deemed to be in compliance with the foregoing requirement in any year if~~
42 ~~17% or more of the parcels in such county or district are actually viewed~~
43 ~~and inspected.]~~

Prior to January 1, 2017, the secretary of revenue shall adopt rules and regulations
necessary to administer the provisions of this section.

personal

~~though such properties may produce or maintain some of those plants or animals listed in the foregoing definition. If a parcel has land devoted to agricultural purposes and land used for suburban [recreational] acreages, rural home sites or farm home sites, the county appraiser shall determine the amount of the parcel used for agricultural purposes and value it and assess it accordingly as land devoted to agricultural purposes. The county appraiser shall then determine the amount of the remaining land used for such other purposes and value that land and assess it according to its use.~~

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 of tax appeals.

Sec. 16. K.S.A. 2015 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 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 a protest of an assessment of taxes~~ such protest is an assessment of taxes made pursuant to K.S.A. 79-332a and 79-1427a, and amendments thereto a protest of an assessment of taxes made by 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. [Prior to the informal meeting, the county appraiser shall prepare and deliver to the taxpayer a written narrative and summary of the reasons that the valuation of the property has been increased over the

residential

on or before 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

~~preceding year. Such summary shall include any assumptions used by the county appraiser to determine the property's value.] At the informal meeting 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 (f).~~

(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 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

, 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 a summary of the reasons that the valuation of the property has been increased over the preceding year, any assumptions used by the county appraiser to determine the value of the property and a description of the individual property characteristics, property specific valuation records and conclusions. The taxpayer shall be provided with the opportunity to review the data sheets applicable to the valuation approach utilized for the subject property. The county appraiser shall take into account any evidence provided by the taxpayer which relates to the amount of deferred maintenance and depreciation of the property.

1 meeting with the county appraiser, appeal such results to the state board of
2 tax appeals.

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

12 (i) In the event of a hearing, the same shall be originally set not later
13 than 90 days after the filing of the copy of the written statement of protest
14 and a copy, when applicable, of the written notification of the results of the
15 informal meeting with the county appraiser with the board. With regard to
16 any matter properly submitted to the board relating to the determination of
17 valuation of residential property or real property used for commercial and
18 industrial purposes for taxation purposes, it shall be the duty of the county
19 appraiser to initiate the production of evidence to demonstrate, by a
20 preponderance of the evidence, the validity and correctness of such
21 determination except that no such duty shall accrue to the county or
22 district appraiser with regard to leased commercial and industrial property
23 unless the property owner has furnished to the county or district appraiser
24 a complete income and expense statement for the property for the three
25 years next preceding the year of appeal. No presumption shall exist in
26 favor of the county appraiser with respect to the validity and correctness of
27 such determination. In all instances where the board sets a request for
28 hearing and requires the representation of the county by its attorney or
29 counselor at such hearing, the county shall be represented by its county
30 attorney or counselor. *The board shall take into account any evidence
31 provided by the taxpayer which relates to the amount of deferred
32 maintenance, re-tenant reserves and tenant improvement depreciation for
33 the property. In any appeal from the reclassification of property that was
34 previously classified as land devoted to agricultural use, the taxpayer's
35 classification of the property as land devoted to agricultural use shall be
36 presumed to be valid and correct if the taxpayer provides an executed
37 lease agreement demonstrating a commitment to use the property for
38 agricultural use.*

for the preceding year

agreement or other documentation

, if no other actual use is evident

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

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

1 of K.S.A. 79-1609, and amendments thereto, the county treasurer or the
2 governing body of any taxing subdivision within a county may request the
3 pooled money investment board to make a loan to such county or taxing
4 subdivision as provided in this section. The pooled money investment
5 board is authorized and directed to loan to such county or taxing
6 subdivision sufficient funds to enable the county or taxing subdivision to
7 refund such taxes to the taxpayer. The pooled money investment board is
8 authorized and directed to use any moneys in the operating accounts,
9 investment accounts or other investments of the state of Kansas to provide
10 the funds for such loan. Each loan shall bear interest at a rate equal to the
11 net earnings rate of the pooled money investment portfolio at the time of
12 the making of such loan. The total aggregate amount of loans under this
13 program shall not exceed \$50,000,000 of unencumbered funds pursuant to
14 article 42 of chapter 75 of the Kansas Statutes Annotated, and amendments
15 thereto. Such loan shall not be deemed to be an indebtedness or debt of the
16 state of Kansas within the meaning of section 6 of article 11 of the
17 constitution of the state of Kansas. Upon certification to the pooled money
18 investment board by the county treasurer or governing body of the amount
19 of each loan authorized pursuant to this subsection, the pooled money
20 investment board shall transfer each such amount certified by the county
21 treasurer or governing body from the state bank account or accounts
22 prescribed in this subsection to the county treasurer who shall deposit such
23 amount in the county treasury. Any such loan authorized pursuant to this
24 subsection shall be repaid within four years. The county or taxing
25 subdivision shall make not more than four equal annual tax levies at the
26 time fixed for the certification of tax levies to the county clerk following
27 the making of such loan sufficient to pay such loan within the time period
28 required under such loan. All such tax levies shall be in addition to all
29 other levies authorized by law.

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

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

42 Sec. 17. K.S.A. ~~[79-309, 79-504]~~ 79-504, 79-1412a and 79-1456 and
43 K.S.A. 2015 Supp. ~~74-2426, 74-2433, 74-2438, [74-2438a]~~ 77-618, 79-

And by renumbering sections accordingly

