3/18
Att. 6

Balloon Amendments
House Committee on Taxation
3rd Party Appraisals

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, 79-501, 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 of mailing of the valuation notice required by K.S.A. 79-1460, and amendments thereto, for real property, and on or before May 15 for personal property. The county appraiser or the appraiser's designee shall arrange to hold an informal meeting with the aggrieved taxpayer 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 valuaiton of the property has been increased over the preceding year. Such summary shall include any assumptions used by the county appraiser to determine the property's value.* At such meeting 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 the affording to the taxpayer of the opportunity to review the data sheet of comparable sales utilized in the determination of such valuation. *The county appraiser shall take into account any evidence provided by the taxpayer which relates to the amount of deferred maintenance, re-tenant reserves and tenant improvement depreciation for the property.* In any appeal from the appraisal of leased commercial and industrial property, the county or district appraiser's appraised value shall be presumed to be valid and correct and may only be rebutted by a preponderance of the evidence, unless the property owner furnishes the county or district appraiser a complete income and expense statement for the property for the three years next preceding the year of appeal within 30 calendar days following the informal meeting. *In any appeal from the reclassification of property that was originally classified as land devoted to agricultural use, the taxpayer's classification of the property as land devoted to agricultural use shall be presumed to be valid and correct if the taxpayer provides an executed lease document demonstrating a commitment to use the property for agricultural use.* The county appraiser may extend the time in which the taxpayer may informally appeal from the classification or appraisal of the taxpayer's property for just and adequate reasons. Except as provided in K.S.A. 79-1404, and amendments thereto, no informal meeting regarding real property shall be scheduled to take place after May 15, nor shall a final determination be given by the appraiser after May 20. Any final determination shall be accompanied by a written explanation of the reasoning upon which such determination is based when such determination is not in favor of the taxpayer. Any taxpayer who is aggrieved by the final determination of the county appraiser may appeal to the hearing officer or panel appointed pursuant to K.S.A. 79-1611, and amendments thereto, and such hearing officer, or panel, for just cause shown and recorded, is authorized to change the classification or valuation of specific tracts or individual items of real or personal property in the same manner provided for in K.S.A. 79-1606, and amendments thereto. In

In any appeal from the appraisal of property whose valuation was originally determined using the computer-assisted mass-appraisal system, if the taxpayer presents an independent market-based appraisal of the property, then the results of the independent appraisal shall be presumed to be valid and correct. The county may appeal the results of such independent appraisal to the board of tax appeals.