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HOUSE BILL No. 2714

By Committee on Taxation

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Balloon Amendments
HB No. 2714
Committee on Taxation
Protest Payment

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

~~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 $^1/_2$ 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 is made*~~, 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*

the grounds of such protest is an assessment of taxes made pursuant to K.S.A. 79-332a and 79-1427a, and amendments thereto, is made on or before December 20, or with respect to taxes paid, in whole or in part, in an amount equal to at least $^1/_2$ of such taxes on or before December 20, by an escrow or tax service agent, no later than January 31 of the next year