

3/18
LTC

Session of 2016

HOUSE BILL No. 2714

By Committee on Taxation

3-2

Ballroom Amendments
House Committee on Tax
Presentation of Ratio Study

1 AN ACT concerning property taxation; relating to valuation, appeals,
2 procedure; state of board of tax appeals, filing fees, procedure, appeals
3 to district court; amending K.S.A. 79-309, 79-501, 79-504, 79-1412a
4 [and] 79-1456 and K.S.A. 2015 Supp. 74-2426, 74-2433, 74-2438, 74-
5 2438a, 77-618, 79-425a, 79-503a, 79-1448, 79-1476 and 79-2005 and
6 repealing the existing sections.
7

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

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

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

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

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

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

30 Sec. 2. K.S.A. 2015 Supp. 74-2426 is hereby amended to read as
31 follows: 74-2426. (a) Orders of the state board of tax appeals on any
32 appeal, in any proceeding under the tax protest, tax grievance or tax
33 exemption statutes or in any other original proceeding before the board
34 shall be rendered and served in accordance with the provisions of the
35 Kansas administrative procedure act. Notwithstanding the provisions of
36 ~~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 $\frac{1}{2}$ 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 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

Sec. 16 K.S.A. 79-1490 is hereby amended to read as follows: 79-1490. The director shall publish the ratio study after the procedures prescribed in K.S.A. 79-1489 have been concluded. If it is determined that the ratio study cannot be published by April 1, the director shall provide a preliminary ratio study to the governor, the speaker of the house and the president of the senate and their respective tax committees on or before March 15. Once the study has been published, then the director shall present the most recent results to each board of county commissioners in an open meeting. As a part of such presentation, the director shall present a summary of the number of valuation protests that were filed in that county and the outcomes of those protests that resulted in reduced valuations of property.

And by renumbering sections accordingly

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, 79-501, 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-

- 1 425a, 79-503a, 79-1448, 79-1476 and 79-2005 are hereby repealed.
- 2 Sec. 18. This act shall take effect and be in force from and after its
- 3 publication in the statute book.