

HOUSE BILL No. 2070

By Committee on Taxation

1-21

1 AN ACT concerning property taxation; relating to exemptions; initial
2 request for exemption; allowing counties to exempt certain property;
3 amending K.S.A. 2014 Supp. 79-213 and repealing the existing section;
4 also repealing K.S.A. 2014 Supp. 79-213f.
5

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

7 Section 1. K.S.A. 2014 Supp. 79-213 is hereby amended to read as
8 follows: 79-213. (a) Any property owner requesting an exemption from the
9 payment of ad valorem property taxes assessed, or to be assessed, against
10 their property shall be required to file an initial request for exemption, on
11 forms approved by the state-~~court~~ board of tax appeals and provided by the
12 county appraiser.

13 (b) The initial exemption request shall identify the property for which
14 the exemption is requested and state, in detail, the legal and factual basis
15 for the exemption claimed.

16 (c) The request for exemption shall be filed with the county appraiser
17 of the county where such property is principally located.

18 (d) After a review of the exemption request, and after a preliminary
19 examination of the facts as alleged, the county appraiser shall recommend
20 that the exemption request either be granted or denied, and, if necessary,
21 that a hearing be held. If a denial is recommended, a statement of the
22 controlling facts and law relied upon shall be included on the form.

23 (e) The county appraiser, after making such written recommendation,
24 shall file the request for exemption and the recommendations of the county
25 appraiser with the state-~~court~~ board of tax appeals. With regard to a request
26 for exemption from property tax pursuant to the provisions of K.S.A. 79-
27 201g and 82a-409, and amendments thereto, not filed with the-~~court~~ board
28 of tax appeals by the county appraiser on or before the effective date of
29 this act, if the county appraiser recommends the exemption request be
30 granted, the exemption shall be provided in the amount recommended by
31 the county appraiser and the county appraiser shall not file the request for
32 exemption and recommendations of the county appraiser with the state
33 ~~court~~ board of tax appeals. The county clerk or county assessor shall
34 annually make such adjustment in the taxes levied against the real property
35 as the owner may be entitled to receive under the provisions of K.S.A. 79-
36 201g, and amendments thereto, as recommended by the county appraiser,

1 beginning with the first period, following the date of issue of the certificate
2 of completion on which taxes are regularly levied, and during the years
3 which the landowner is entitled to such adjustment.

4 (f) Upon receipt of the request for exemption, the ~~court~~ board shall
5 docket the same and notify the applicant and the county appraiser of such
6 fact.

7 (g) After examination of the request for exemption and the county
8 appraiser's recommendation related thereto, the ~~court~~ board may fix a time
9 and place for hearing, and shall notify the applicant and the county
10 appraiser of the time and place so fixed. A request for exemption pursuant
11 to: (1) Section 13 of article 11 of the constitution of the state of Kansas; or
12 (2) K.S.A. 79-201a *Second*, and amendments thereto, for property
13 constructed or purchased, in whole or in part, with the proceeds of revenue
14 bonds under the authority of K.S.A. 12-1740 to 12-1749, inclusive, and
15 amendments thereto, prepared in accordance with instructions and
16 assistance which shall be provided by the department of commerce, shall
17 be deemed approved unless scheduled for hearing within 30 days after the
18 date of receipt of all required information and data relating to the request
19 for exemption, and such hearing shall be conducted within 90 days after
20 such date. Such time periods shall be determined without regard to any
21 extension or continuance allowed to either party to such request. In any
22 case where a party to such request for exemption requests a hearing
23 thereon, the same shall be granted. Hearings shall be conducted in
24 accordance with the provisions of the Kansas administrative procedure act.
25 In all instances where the ~~court~~ board sets a request for exemption for
26 hearing, the county shall be represented by its county attorney or county
27 counselor.

28 (h) Except as otherwise provided by subsection (g), in the event of a
29 hearing, the same shall be originally set not later than 90 days after the
30 filing of the request for exemption with the ~~court~~ board.

31 (i) During the pendency of a request for exemption, no person, firm,
32 unincorporated association, company or corporation charged with real
33 estate or personal property taxes pursuant to K.S.A. 79-2004 and 79-
34 2004a, and amendments thereto, on the tax books in the hands of the
35 county treasurer shall be required to pay the tax from the date the request
36 is filed with the county appraiser until the expiration of 30 days after the
37 ~~court~~ board issued its order thereon and the same becomes a final order. In
38 the event that taxes have been assessed against the subject property, no
39 interest shall accrue on any unpaid tax for the year or years in question nor
40 shall the unpaid tax be considered delinquent from the date the request is
41 filed with the county appraiser until the expiration of 30 days after the
42 ~~court~~ board issued its order thereon. In the event the ~~court~~ board
43 determines an application for exemption is without merit and filed in bad

1 faith to delay the due date of the tax, the tax shall be considered delinquent
2 as of the date the tax would have been due pursuant to K.S.A. 79-2004 and
3 79-2004a, and amendments thereto, and interest shall accrue as prescribed
4 therein.

5 (j) In the event the ~~court~~ *board* grants the initial request for
6 exemption, the same shall be effective beginning with the date of first
7 exempt use except that, with respect to property the construction of which
8 commenced not to exceed 24 months prior to the date of first exempt use,
9 the same shall be effective beginning with the date of commencement of
10 construction.

11 (k) In conjunction with its authority to grant exemptions, the ~~court~~
12 *board* shall have the authority to abate all unpaid taxes that have accrued
13 from and since the effective date of the exemption. In the event that taxes
14 have been paid during the period where the subject property has been
15 determined to be exempt, the ~~court~~ *board* shall have the authority to order
16 a refund of taxes for the year immediately preceding the year in which the
17 exemption application is filed in accordance with subsection (a).

18 (l) The provisions of this section shall not apply to: (1) Farm
19 machinery and equipment exempted from ad valorem taxation by K.S.A.
20 79-201j, and amendments thereto; (2) personal property exempted from ad
21 valorem taxation by K.S.A. 79-215, and amendments thereto; (3) wearing
22 apparel, household goods and personal effects exempted from ad valorem
23 taxation by K.S.A. 79-201c, and amendments thereto; (4) livestock; (5) all
24 property exempted from ad valorem taxation by K.S.A. 79-201d, and
25 amendments thereto; (6) merchants' and manufacturers' inventories
26 exempted from ad valorem taxation by K.S.A. 79-201m, and amendments
27 thereto; (7) grain exempted from ad valorem taxation by K.S.A. 79-201n,
28 and amendments thereto; (8) property exempted from ad valorem taxation
29 by K.S.A. 79-201a *Seventeenth*, and amendments thereto, including all
30 property previously acquired by the secretary of transportation or a
31 predecessor in interest, which is used in the administration, construction,
32 maintenance or operation of the state system of highways. The secretary of
33 transportation shall at the time of acquisition of property notify the county
34 appraiser in the county in which the property is located that the acquisition
35 occurred and provide a legal description of the property acquired; (9)
36 property exempted from ad valorem taxation by K.S.A. 79-201a *Ninth*,
37 and amendments thereto, including all property previously acquired by the
38 Kansas turnpike authority which is used in the administration,
39 construction, maintenance or operation of the Kansas turnpike. The Kansas
40 turnpike authority shall at the time of acquisition of property notify the
41 county appraiser in the county in which the property is located that the
42 acquisition occurred and provide a legal description of the property
43 acquired; (10) aquaculture machinery and equipment exempted from ad

1 valorem taxation by K.S.A. 79-201j, and amendments thereto. As used in
2 this section, "aquaculture" has the same meaning ascribed thereto by
3 K.S.A. 47-1901, and amendments thereto; (11) Christmas tree machinery
4 and equipment exempted from ad valorem taxation by K.S.A. 79-201j, and
5 amendments thereto; (12) property used exclusively by the state or any
6 municipality or political subdivision of the state for right-of-way purposes.
7 The state agency or the governing body of the municipality or political
8 subdivision shall at the time of acquisition of property for right-of-way
9 purposes notify the county appraiser in the county in which the property is
10 located that the acquisition occurred and provide a legal description of the
11 property acquired; (13) machinery, equipment, materials and supplies
12 exempted from ad valorem taxation by K.S.A. 79-201w, and amendments
13 thereto; (14) vehicles owned by the state or by any political or taxing
14 subdivision thereof and used exclusively for governmental purposes; (15)
15 property used for residential purposes which is exempted pursuant to
16 K.S.A. 79-201x, *and amendments thereto*, from the property tax levied
17 pursuant to K.S.A. 72-6431, and amendments thereto; (16) from and after
18 July 1, 1998, vehicles which are owned by an organization having as one
19 of its purposes the assistance by the provision of transit services to the
20 elderly and to disabled persons and which are exempted pursuant to
21 K.S.A. 79-201 *Ninth, and amendments thereto*; (17) from and after July 1,
22 1998, motor vehicles exempted from taxation by ~~subsection (e) of~~ K.S.A.
23 79-5107(e), and amendments thereto; (18) commercial and industrial
24 machinery and equipment exempted from property or ad valorem taxation
25 by K.S.A. 2014 Supp. 79-223, and amendments thereto; (19)
26 telecommunications machinery and equipment and railroad machinery and
27 equipment exempted from property or ad valorem taxation by K.S.A. 2014
28 Supp. 79-224, and amendments thereto; ~~and~~ (20) property exempted from
29 property or ad valorem taxation by K.S.A. 2014 Supp. 79-234, and
30 amendments thereto; (21) *property belonging to the United States and*
31 *exempted from taxation by K.S.A. 79-201a First, and amendments thereto;*
32 *and (22) property used exclusively by the state or any municipality or*
33 *political subdivision of the state and exempted from taxation by K.S.A. 79-*
34 *201a Second, and amendments thereto, except property purchased,*
35 *acquired, constructed, reconstructed, improved, equipped, furnished,*
36 *repaired, enlarged or remodeled with all or any part of the proceeds of*
37 *revenue bonds issued under the authority of K.S.A. 12-1740 to 12-1749a,*
38 *inclusive, and amendments thereto.*

39 (m) The provisions of this section shall apply to property exempt
40 pursuant to the provisions of section 13 of article 11 of the constitution of
41 the state of Kansas.

42 (n) The provisions of subsection (k) as amended by this act shall be
43 applicable to all exemption applications filed in accordance with

1 subsection (a) after December 31, 2001.

2 Sec. 2. K.S.A. 2014 Supp. 79-213 and 79-213f are hereby repealed.

3 Sec. 3. This act shall take effect and be in force from and after its

4 publication in the statute book.