

House Substitute for SENATE BILL No. 280

By Committee on Taxation

3-21

1 AN ACT concerning property taxation; relating to powers of taxing
2 jurisdictions; valuation, appeals, procedure; ratio study, presentation to
3 county commissioners, exemptions; bed and breakfasts; oil and gas
4 leases, determination of value of production, evidence; county
5 appraisers, persons eligible; market study analysis; tax liens,
6 extinguishment; delinquent real property taxes, interest rate, claims
7 against the county; amending K.S.A. 3-114, 12-1688, 19-432, 19-3557,
8 19-3617, 19-3622, 27-322, 27-333, 79-504, 79-1412a, 79-1456, 79-
9 1460a, 79-1490, 79-2011, 80-1520 and 80-1548 and K.S.A. 2015 Supp.
10 12-1927, 12-1928, 12-1936, 27-323, 74-2426, 74-2433, 74-2438, 77-
11 618, 79-331, 79-425a, 79-503a, 79-1439, 79-1448, 79-1460, 79-1476,
12 79-2004, 79-2005 and 79-2026 and repealing the existing sections.
13

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

15 New Section 1. For all taxable years commencing after December 31,
16 2015, all property owned and primarily operated as an airport by a
17 healthcare foundation that has been exempted from federal income
18 taxation pursuant to section 501(c)(3) of the federal internal revenue code
19 of 1986, as amended. The provisions of this section shall expire and have
20 no effect on and after January 1, 2021.

21 Sec. 2. On and after January 1, 2017, K.S.A. 3-114 is hereby
22 amended to read as follows: 3-114. (a) Except as provided in subsection
23 (b), in any city having a population of more than ~~sixty-five thousand~~
24 ~~(65,000)~~ 65,000 in which a board of park commissioners has been
25 established pursuant to K.S.A. 13-1346, *and amendments thereto*, all
26 powers, jurisdiction and control over municipal airports or municipal
27 fields for aviation purposes otherwise vested in the governing body of such
28 city shall be vested in such board of park commissioners. Such board of
29 park commissioners is hereby authorized to issue, as provided by law,
30 general bonds of the city for the purpose of purchasing, leasing,
31 developing and equipping municipal airports and fields for aviation
32 purposes. Such board of park commissioners ~~is hereby further authorized~~
33 ~~to may~~ levy an annual tax ~~not exceeding one-half~~ ^($\frac{1}{2}$) mill for the support,
34 maintenance and operation of municipal airports or fields for aviation
35 purposes. *Before issuing bonds or levying any such tax pursuant to this*
36 *section, the board shall submit the proposed bond issuance or tax levy to*

1 *the governing body of the city for review and approval thereof.*

2 (b) In any city in which an airport authority has been established
3 pursuant to K.S.A. 3-162, *and amendments thereto*, all powers, jurisdiction
4 and control over municipal airports or municipal fields for aviation
5 purposes otherwise vested in the governing body or board of park
6 commissioners of such city shall be vested in such airport authority. The
7 governing body of the city by a ~~two-thirds~~ ^{2/3} vote of the members thereof,
8 is hereby authorized to issue general obligation bonds of the city for the
9 purpose of purchasing, leasing, developing and equipping municipal
10 airports and fields for aviation purposes. The governing body of the city by
11 a ~~two-thirds~~ ^{2/3} vote of the members thereof is hereby further authorized to
12 levy an annual tax ~~not exceeding one-half~~ ^(^{1/2}) mill for the support,
13 maintenance and operation of municipal airports or fields for aviation
14 purposes.

15 Sec. 3. On and after January 1, 2017, K.S.A. 12-1688 is hereby
16 amended to read as follows: 12-1688. (a) Except as otherwise provided in
17 subsection (b) ~~of this section~~, when the provisions of this act shall have
18 been adopted by an election, the commission shall annually, and not later
19 than 20 days prior to the date for the publishing of the budget of such city
20 or school district, certify its budget to such city or school district, which
21 ~~shall~~ *may* levy a tax sufficient to raise the amount required by such budget,
22 but in no event more than one mill or the amount set out in the petition
23 provided for in K.S.A. 12-1684, *and amendments thereto*, except that,
24 when such petition shall have been submitted to a city and school district
25 jointly such budget shall be certified to the city or school district,
26 whichever shall be the larger in population, and the tax levied by such city
27 or school district. After three years' operation the authority to levy the tax
28 provided for in this section may be revoked by a majority of the electors
29 voting at an election called in the same manner as the election authorizing
30 the same. Upon such revocation all property and money belonging to such
31 commission shall become the property of the city or school district levying
32 the tax under this section.

33 (b) After any city or school district has begun to operate such a
34 museum, it appearing to the satisfaction of the museum commission of a
35 particular school district or city or of a city and school district jointly, that
36 the budget should be increased so as to adequately meet the needs of the
37 city or school district, such museum commission may submit a proposed
38 program with the budget for carrying out the same to the levying authority
39 which may then levy a tax sufficient to raise the amount required by the
40 expanded budget, but not to exceed one mill, which levy shall be in
41 addition to the one mill authorized by subsection (a) ~~of this section~~.

42 No city or school district authorized to increase its levy under
43 subsection (b) ~~of this section~~ shall make such increased levy until the

1 question of making such tax levy is submitted to the qualified electors of
2 the city or school district at the next general election or at a special
3 election called for such purpose. Any special election held under the
4 provisions of subsection (b) ~~of this section~~ shall be called and held in
5 accordance with the provisions of K.S.A. 10-120, and amendments
6 thereto. If a majority of the votes cast and counted on the question
7 submitted at such election are in favor of such tax, the same may be made;
8 but if a majority of the votes cast and counted on the question submitted at
9 such election are not in favor thereof, such tax may not be levied.

10 Sec. 4. On and after January 1, 2017, K.S.A. 2015 Supp. 12-1927 is
11 hereby amended to read as follows: 12-1927. (a) The recreation
12 commission shall prepare an annual budget for the operation of the
13 recreation system. Prior to the certification of its budget to the city or
14 school district, the recreation commission shall meet for the purpose of
15 answering and hearing objections of taxpayers relating to the proposed
16 budget and for the purpose of considering amendments to such proposed
17 budget. The recreation commission shall give at least 10 days' notice of the
18 time and place of the meeting by publication in a weekly or daily
19 newspaper having a general circulation in the taxing district. Such notice
20 shall include the proposed budget and shall set out all essential items in the
21 budget except such groupings as designated by the director of accounts
22 and reports on a special publication form prescribed by the director of
23 accounts and reports and furnished with the regular budget form. The
24 public hearing required to be held herein shall be held not less than 10
25 days prior to the date on which the recreation commission is required to
26 certify its budget to the city or school district. After such hearing the
27 budget shall be adopted or amended and adopted by the recreation
28 commission. In order to provide funds to carry out the provisions of this
29 act and to pay a portion of the principal and interest on bonds issued
30 pursuant to K.S.A. 12-1774, and amendments thereto, the recreation
31 commission shall annually, not later than August 1 of any year, certify its
32 budget to such city or school district which ~~shall~~ *may* levy a tax sufficient
33 to raise the amount required by such budget on all the taxable tangible
34 property within the taxing district. Each year a copy of the budget adopted
35 by the recreation commission shall be filed with the city clerk in the case
36 of a city-established recreation system or with the clerk of the school
37 district in the case of a school district-established recreation system or with
38 the clerk of the taxing district in the case of a jointly established recreation
39 system. A copy of such budget also shall be filed with the county clerk of
40 the county in which the recreation system is located. If the recreation
41 system is located in more than one county, a copy of the budget shall be
42 filed with the clerk of the county in which the greater portion of the
43 assessed valuation of the recreation system is located. The city or school

1 district shall not be required to levy a tax in excess of the maximum tax
2 levy set by the city or school district by current resolution. In the case of a
3 new recreation commission established under the provisions of this act,
4 such levy shall not be required to exceed one mill. Whenever the
5 recreation commission determines that the tax currently being levied for
6 the commission, as previously established by the city or school district, is
7 insufficient to operate the recreation system and the commission desires to
8 increase the mill levy above the current levy, the commission shall request
9 that the city or school district authorize an increase by adopting a
10 resolution declaring it necessary to increase the annual levy. The city or
11 school district may authorize the increase by resolution, but such increase
12 shall not exceed one mill per year. ~~The maximum annual mill levy for the
13 recreation commission general fund shall not exceed a total of four mills.~~

14 (b) Any resolution adopted under subsection (a) shall state the total
15 amount of the tax to be levied for the recreation system and shall be
16 published once each week for two consecutive weeks in the official
17 newspaper of the taxing district. Whereupon, such annual levy in an
18 amount not to exceed the amount stated in the resolution may be made for
19 the ensuing budget year and each successive budget year unless a petition
20 requesting an election upon the proposition to increase the tax levy in
21 excess of the current tax levy, signed by at least 5% of the qualified voters
22 of the taxing district, is filed with the county election officer within 30
23 days following the date of the last publication of the resolution. In the
24 event a valid petition is filed, no such increased levy shall be made without
25 such proposition having been submitted to and having been approved by a
26 majority of the voters of the taxing district voting at an election called and
27 held thereon. All such elections shall be called and held in the manner
28 provided by the general bond law, and the cost of the election shall be
29 borne by the recreation commission. Such taxes shall be levied and
30 collected in like manner as other taxes, which levy the city or school
31 district shall certify, on or before August 25 of each year, to the county
32 clerk who is hereby authorized and required to place the same on the tax
33 roll of the county to be collected by the county treasurer and paid over by
34 the county treasurer to the ex officio treasurer of the recreation
35 commission.

36 (c) The tax levy provided in this section shall not be considered a
37 levy of such city or school district under any of the statutes of this state,
38 but shall be in addition to all other levies authorized by law and, with
39 respect to any such levy made for the first time in 1989, shall not be
40 subject to the provisions of K.S.A. 79-5021 et seq., and amendments
41 thereto.

42 (d) (1) At any time after the making of the first tax levy pursuant to
43 this act, the amount of such tax levy may be reduced by a majority of the

1 voters of the taxing district voting at an election called pursuant to a
2 petition and conducted in the same manner as that prescribed by
3 subsection (b). The authority of any recreation commission in existence on
4 the effective date of this act or any recreation commission established
5 under the provisions of this act to operate and conduct its activities may be
6 revoked in any year following the third year of its operation by a majority
7 of the voters of the taxing district voting at an election called pursuant to a
8 petition and conducted in the same manner as that prescribed by
9 subsection (b). If the petition submitted is for the purpose of reducing the
10 mill levy, it shall state the mill levy reduction desired. Upon revocation, all
11 property and money belonging to the recreation commission shall become
12 the property of the taxing authority levying the tax for the commission,
13 and the recreation commission shall be dissolved. In the event the
14 authority of a recreation commission is revoked pursuant to this
15 subsection, the taxing authority may continue to levy a tax in the manner
16 prescribed by the petition language for the purpose of paying any
17 outstanding obligations of the recreation commission which exist on the
18 date such authority is revoked. The authority to levy a tax for this purpose
19 shall continue only as long as such outstanding obligations exist.

20 (2) If the recreation district whose authority is revoked owns any real
21 property at the time of such revocation, title to such real property shall
22 revert to the taxing authority.

23 (e) All financial records of the recreation commission shall be audited
24 as provided in K.S.A. 75-1122, and amendments thereto, and a copy of
25 such annual audit report shall be filed with the governing body of the city
26 or school district, or both, in the case of a jointly established recreation
27 system. A copy of such audit also shall be filed with the county clerk of the
28 county in which the recreation system is located. If the recreation system is
29 located in more than one county, a copy of the budget shall be filed with
30 the clerk of the county in which the greater portion of the assessed
31 valuation of the recreation system is located. The cost of each audit shall
32 be borne by the recreation commission.

33 Sec. 5. On and after January 1, 2017, K.S.A. 2015 Supp. 12-1928 is
34 hereby amended to read as follows: 12-1928. Every recreation commission
35 appointed pursuant to this act shall have the power to:

36 (a) Make and adopt rules and regulations for the operation of the
37 recreation system;

38 (b) conduct the activities of the recreation system on any property
39 under its custody and management, or, with proper consent, on any other
40 public property and upon private property with the consent of the owners;

41 (c) receive any gift or donation from any source;

42 (d) receive, accept and administer any money appropriated or granted
43 to it by the state or federal government or any agency thereof;

1 (e) purchase insurance. The city or school district to which the
2 recreation commission certifies its budget ~~shall~~ *may* levy an annual tax
3 upon all taxable tangible property within the taxing district in an amount
4 necessary to pay for insurance purchased for those purposes authorized by
5 K.S.A. 75-6111, and amendments thereto, and to pay a portion of the
6 principal and interest on bonds issued pursuant to K.S.A. 12-1774, and
7 amendments thereto, except that no levy shall be made under this
8 subsection which, when coupled with any levy made pursuant to
9 subsection (j), is in excess of one mill without the approval of the city or
10 school district. Taxes levied pursuant to this subsection shall be in addition
11 to all other taxes authorized or limited by K.S.A. 12-1927, and
12 amendments thereto, or any other provisions of law;

13 (f) sue and be sued;

14 (g) enter contracts;

15 (h) enter lease agreements for real and personal property. The term of
16 any such lease shall not exceed 10 years. Any such lease agreement shall
17 be subject to the approval of the city or school district to which the
18 recreation commission certifies its budget;

19 (i) employ a superintendent of recreation and any other employees
20 which may be necessary for proper operation of the recreation system;

21 (j) create and establish employee benefits contribution funds for the
22 purpose of paying the employer's share of any employee benefits,
23 exclusive of any salaries, wages or other direct payments to such
24 employees, as may be prescribed in the resolution creating such funds. The
25 recreation commission may receive and place in such funds any moneys
26 from any source whatsoever which may be lawfully utilized for the
27 purposes stated in the resolution creating such funds, including the
28 proceeds of tax levies authorized by law for such purposes. The city or
29 school district to which is certified the budget of any recreation
30 commission which has established employee benefits contribution funds
31 pursuant to this subsection shall levy an annual tax upon all taxable
32 tangible property within the taxing district in an amount determined by the
33 recreation commission to be necessary for the purposes for which such
34 funds were created and to pay a portion of the principal and interest on
35 bonds issued pursuant to K.S.A. 12-1774, and amendments thereto, except
36 that no levy shall be made under this subsection which, when coupled with
37 any levy made pursuant to subsection (e), is in excess of one mill without
38 the approval of the city or school district. Taxes levied pursuant to this
39 subsection shall be in addition to all other taxes authorized or limited by
40 K.S.A. 12-1927, and amendments thereto, or any other provisions of law.
41 For the purposes of this subsection, employee benefits shall include social
42 security as provided by ~~subsection (e) of~~ K.S.A. 40-2305(c), and
43 amendments thereto, workers' compensation as provided by K.S.A. 44-

1 505c, and amendments thereto, unemployment compensation as provided
2 by K.S.A. 44-710a, and amendments thereto, health insurance and
3 retirement benefits;

4 (k) establish a petty cash fund. The amount of moneys in a petty cash
5 fund shall not exceed \$1,000 at any one time;

6 (l) acquire title to personal property by purchase, bequest, gift or
7 other donation and acquire title to real property by devise, gift or other
8 donation. Whenever property owned by a recreation commission is sold,
9 the proceeds shall be used for recreation purposes;

10 (m) make improvements for recreation system purposes; and

11 (n) perform any other acts necessary to carry out the provisions of
12 this act.

13 Sec. 6. On and after January 1, 2017, K.S.A. 2015 Supp. 12-1936 is
14 hereby amended to read as follows: 12-1936. (a) The governing body of
15 any school district the boundaries of which are located entirely within the
16 corporate limits of a city that previously established a recreation system
17 and the governing body of the city within which such school district is
18 located may take joint action to initiate the conversion of the existing
19 recreation system to a city recreation system by adopting a joint ordinance
20 and resolution proposing to change the existing school district recreation
21 system to a city recreation system and authorizing publication of a notice
22 of intent to do so. Such notice of intent shall be published once each week
23 for two consecutive weeks in the official city newspaper, and, if within 30
24 days after the last publication of the notice a petition is signed by at least
25 5% of the qualified voters of the city requesting an election upon such
26 question, an election shall be called and held thereon. Such election shall
27 be called and held in the manner provided by the general bond law, and the
28 cost of the election shall be borne equally by the school district and the
29 city. If no protest or no sufficient protest is filed or if an election is held
30 and the proposition carries by a majority of those voting thereon, the
31 governing bodies of the school district and the city, by joint resolution and
32 ordinance, may provide for the conversion of the existing school district
33 recreation system to a city recreation system effective as of the next
34 succeeding July 1 subsequent to the publication of the notice of intent or
35 the date of the election, whichever is later.

36 (b) The mill levy rate for a recreation commission established under
37 subsection (a) shall not be subject to the one mill levy limitation for a new
38 recreation system established in K.S.A. 12-1927, and amendments thereto.

39 (c) Any conversion of an existing school district recreation system to
40 a city recreation system under subsection (a) shall provide for the transfer
41 of the assets of the existing school district recreation system to the city
42 recreation system, the assumption of the liabilities of the existing school
43 district recreation system by the city recreation system and thereafter

1 maintain and continue the operations of the city recreation system.

2 (d) In connection with the conversion of a school district recreation
3 system to a city recreation system under subsection (a), the members of the
4 school district recreation commission shall serve the balance of their
5 respective terms in office as members of the city recreation commission
6 and, upon the expiration thereof, the members of the city recreation
7 commission shall be appointed by the governing body of the city.

8 (e) *Before levying any tax authorized by this section, the commission*
9 *shall submit the proposed levy to the governing body of the city for review*
10 *and approval thereof.*

11 Sec. 7. K.S.A. 19-432 is hereby amended to read as follows: 19-432.

12 (a) The director of property valuation shall maintain a current list of
13 persons eligible to be appointed to the office of appraiser. Periodic
14 issuance of this list shall constitute the official list of eligible Kansas
15 appraisers who are candidates for appointment. Inclusion on this list shall
16 be made dependent upon successful completion of a written examination
17 as adopted and administered by the director.

18 (b) The director of property valuation shall be required to conduct
19 training courses annually for the purpose of training appraisal candidates.
20 These courses shall be designed to prepare students to successfully
21 complete the written examinations required for eligible Kansas appraiser
22 status.

23 (c) Once certified, an eligible Kansas appraiser may retain that status
24 only through successful completion of additional appraisal courses at
25 intervals as determined by the director of property valuation. The director
26 shall be required to conduct training courses annually for the purpose of
27 providing the additional curriculum required for retention of Kansas
28 appraiser status. The director may accept recognized appraisal courses as
29 an alternative to courses conducted by the director's office to fulfill this
30 requirement for the maintenance of eligible Kansas appraiser status.

31 (1) *The director of property valuation may remove any person from*
32 *the list of persons eligible to be appointed to the office of appraiser for*
33 *any of the following acts or omissions:*

34 (A) *Failing to meet the minimum qualifications established by this*
35 *section;*

36 (B) *a plea of guilty or nolo contendere to, or conviction of: (i) Any*
37 *crime involving moral turpitude; or (ii) any felony charge; or*

38 (C) *entry of a final civil judgment against the person on grounds of*
39 *fraud, misrepresentation or deceit in the making of any appraisal of real*
40 *or personal property.*

41 (2) *Any person removed from the list of persons eligible to be*
42 *appointed to the office of county appraiser under the provisions of this*
43 *section shall immediately forfeit the office of county or district appraiser.*

1 (3) *An appeal may be taken to the state board of tax appeals from any*
2 *final action of the director of property valuation under the provisions of*
3 *this section pursuant to K.S.A. 74-2438, and amendments thereto.*

4 (4) *The director of property valuation may relist a person as an*
5 *eligible county appraiser upon a showing of mitigating circumstances,*
6 *restitution or expungement.*

7 Sec. 8. On and after January 1, 2017, K.S.A. 19-3557 is hereby
8 amended to read as follows: 19-3557. (a) The provisions of this section
9 shall apply to public wholesale water supply districts No. 4, No. 11 and
10 No. 12.

11 (b) The governing body of any public wholesale water supply district
12 created pursuant to K.S.A. 19-3545 et seq., and amendments thereto, to
13 which this section applies may issue general obligation bonds of the
14 district to finance the cost of acquisition, construction, reconstruction,
15 alteration, repair, improvement, extension or enlargement of the district.
16 All general obligation bonds of the district shall be authorized, issued,
17 registered and sold in the manner provided by the general bond law and
18 shall bear interest at a rate not to exceed the maximum rate prescribed by
19 K.S.A. 10-1009, and amendments thereto. The authorized and outstanding
20 bonded indebtedness of the district shall not exceed 20% of the assessed
21 value of all taxable tangible property located within the district, as
22 certified to the county clerk on the preceding August 25.

23 No bonds may be issued under this subsection until the question of
24 issuing such bonds has been submitted to and approved by a majority of
25 the qualified electors of the district voting at an election called thereon.
26 Such election shall be called and held in the manner provided by the
27 general bond law. If a majority of the voters voting on the question vote in
28 favor thereof, the bonds may be issued.

29 (c) The governing body of any public wholesale water supply district
30 to which this section applies may issue, from time to time, general
31 obligation bonds, in the manner prescribed by K.S.A. 10-427 et seq., and
32 amendments thereto, to refund any previous issue or part thereof of its
33 outstanding revenue bonds, including the principal amount thereof and all
34 accrued outstanding interest thereon, if such revenue bonds are callable in
35 accordance with their terms or the holders thereof are willing to surrender
36 them to the district. Such general obligation bonds shall not be issued until
37 a resolution adopted by the governing body of the district stating the
38 purpose for which such bonds are to be issued, the total amount of the
39 bonds proposed to be issued, and the total cost to the district of the
40 refunding project, is published once each week for two consecutive weeks
41 in the official newspaper of such district. After publication, such bonds
42 may be issued unless a petition requesting an election on the proposition,
43 signed by electors equal in number to not less than 5% of the electors of

1 the district who voted for the office of secretary of state at the last
2 preceding general election of such office, is filed with the clerk of such
3 district within 20 days following the last publication of such resolution. If
4 such a petition is filed, the governing body of the district shall submit the
5 proposition to the voters at an election called for such purpose and held
6 within 90 days after the last publication of the resolution and no bonds
7 shall be issued under this subsection unless such proposition shall receive
8 the approval of a majority of the votes cast thereon. Such election shall be
9 called and held in the manner provided by the general bond law.

10 (d) The governing body of any public wholesale water supply district
11 to which this section applies ~~shall have the power to~~ *may* levy a tax against
12 all taxable, tangible property in the district for the purpose of paying any
13 bonds, and the interest thereon, issued pursuant to this section. Any bonds
14 issued pursuant to this section shall not be included in computing the total
15 bonded indebtedness of any city or county located within such water
16 supply district.

17 (e) *Before issuing any bonds under the authority of subsection (c) or*
18 *levying any tax authorized by this section, the governing body of the*
19 *public wholesale water supply district shall submit the proposed levy to*
20 *the governing body of each water supply district, municipality and*
21 *publicly and privately owned distribution company to which the district*
22 *provides water at wholesale for review and approval thereof.*

23 Sec. 9. On and after January 1, 2017, K.S.A. 19-3617 is hereby
24 amended to read as follows: 19-3617. (a) The governing body may
25 provide for the furnishing of fire protection services or may contract with
26 any other fire district, city or township or private entity within the vicinity
27 of the fire district, for the purpose of furnishing fire protection service to
28 the residents of such district.

29 (b) Where such fire district does enter into a contract with any other
30 fire district, city or township or private entity within the vicinity of the fire
31 district for furnishing fire protection service to the residents of such
32 district, the fire district governing board ~~shall have the power to~~ *may* levy
33 a tax ~~not to exceed 8.5 mills upon the dollar of~~ *upon* the assessed valuation
34 of all taxable, tangible property in the district, for the purpose of carrying
35 out the provisions of the contract. Such tax levy shall be in addition to all
36 other tax levies authorized or limited by law except that no other levies for
37 fire department purposes shall be made on such property.

38 (c) *Before levying any tax authorized by this section, the board shall*
39 *submit the proposed bond issuance or tax levy to the governing body of the*
40 *county for review and approval thereof.*

41 Sec. 10. On and after January 1, 2017, K.S.A. 19-3622 is hereby
42 amended to read as follows: 19-3622. (a) The governing body of the fire
43 district shall prepare an annual budget for the operation of the fire district.

1 Prior to the adoption of its budget, the governing body shall meet for the
2 purpose of answering and hearing objections of taxpayers relating to the
3 proposed budget and for the purpose of considering amendments to such
4 proposed budget. The governing body shall give at least 10 days' notice of
5 the time and place of the meeting by publication in a weekly or daily
6 newspaper having a general circulation in the fire district. Such notice
7 shall include the proposed budget and shall set out all essential items in the
8 budget on a publication form prescribed by the director of accounts and
9 reports and furnished with the regular budget form. The public hearing
10 required to be held herein shall be held not less than 10 days prior to the
11 date on which the fire district is required to submit its budget to the board
12 of county commissioners for review and approval thereby. After such
13 hearing a proposed budget shall be adopted or amended and adopted by
14 the fire district. The governing body, not later than August 1 of any year,
15 shall submit its proposed budget to the board of county commissioners for
16 review and approval thereby. The board shall approve or disapprove the
17 budget no later than August 10. After the board of county commissioners
18 approves the budget, the governing body shall submit the budget to the
19 county clerk as provided by K.S.A. 79-2930, and amendments thereto.

20 (b) The governing body of the fire district ~~shall have the power to~~
21 *may* levy a tax ~~not to exceed 8.5 mills upon the dollar of~~ *upon* the assessed
22 valuation of all taxable, tangible property in the district, for the purpose of
23 paying any lawful cost or expense incurred by the fire district and to pay a
24 portion of the principal and interest on bonds issued pursuant to K.S.A. 12-
25 1774, and amendments thereto. No other levies for the operation and
26 maintenance of a fire department shall be made on such property by any
27 other taxing district. If any incorporated city is partly within the
28 boundaries of one or more fire districts, and partly outside the boundaries
29 of any fire district, the governing body of such city may cause a tax to be
30 levied in that portion of the city outside of the boundaries of any fire
31 district for fire protection, and may contract with any fire district, city,
32 township or other organized fire department, to furnish fire protection in
33 that portion of the city not lying within the boundaries of a fire district, in
34 the same manner as though the city lay wholly without the boundaries of a
35 fire district.

36 (c) The governing body of the fire district may increase the mill levy
37 authorized by subsection (b) ~~in an amount not to exceed 11.5 mills~~ by
38 adoption of a resolution. Such resolution shall be published once each
39 week for two consecutive weeks in a newspaper of general circulation in
40 the fire district. If within 30 days after the last publication of the
41 resolution, a petition signed by not less than 5% of the qualified electors in
42 the fire district is filed in the office of the county election officer
43 requesting an election thereon, no levy in an amount exceeding 8.5 mills

1 shall be made unless the question is submitted to and approved by a
2 majority of the voters of the fire district voting at an election called by the
3 governing body. Such election shall be called and held in the manner
4 provided under the general bond law.

5 *(d) Before levying any tax authorized by this section, the governing*
6 *body of the fire district shall submit the proposed levy to the board of*
7 *county commissioners for review and approval thereof.*

8 Sec. 11. On and after January 1, 2017, K.S.A. 27-322 is hereby
9 amended to read as follows: 27-322. (a) ~~Except as provided in subsection~~
10 ~~(b);~~ With the consent of the governing body of the city, the authority may
11 annually levy a tax ~~not to exceed three mills on each dollar of~~ upon the
12 assessed tangible valuation of the property of the city for the furtherance
13 of the purposes of the authority, to be levied and collected in like manner
14 with other taxes, which levy the board of directors shall, on or before
15 August 25, of each year, certify to the county clerk who is hereby
16 authorized and required to place the same on the tax roll of ~~said~~ the county
17 to be collected by the treasurer of ~~said~~ the county and paid over ~~by him or~~
18 ~~her~~ to the board of directors of the authority.

19 (b) In addition to the levy authorized in subsection (a), if the authority
20 is required to provide matching funds in order to qualify for any federal or
21 state grant relating to the development, improvement, operation or
22 maintenance of the public airport, and such funds are not otherwise
23 available from revenues of the airport facility, the authority may levy a tax
24 not to exceed one mill upon each dollar of the assessed tangible valuation
25 of the property of the city to be levied and collected in the same manner as
26 provided for in subsection (a) ~~except that such levy shall be made without~~
27 ~~the consent of the governing body of the city.~~

28 Before any levy is made pursuant to this subsection, the board of
29 directors of the authority shall publish a notice of their intention to make
30 such additional levy once each week for two consecutive weeks in the
31 official newspaper of the city. If within 30 days next following the last
32 publication of the notice a petition signed by not less than 5% of the
33 qualified electors of the city requesting an election on the question of
34 levying the additional mill authorized by this subsection is filed with the
35 city clerk, an election on the question shall be noticed, called and held in
36 the manner prescribed under the general bond law. If a majority of the
37 qualified electors of the city voting at such election vote "no" on the
38 question of levying the additional mill, no levy shall be made under this
39 subsection.

40 (c) The authority shall be exempt from the provisions of the budget
41 laws of the state.

42 Sec. 12. On and after January 1, 2017, K.S.A. 2015 Supp. 27-323 is
43 hereby amended to read as follows: 27-323. The authority shall have

1 power to issue its own general obligation bonds, revenue bonds, industrial
2 revenue bonds, and no-fund warrants as provided by this section:

3 (a) If the authority desires to issue its general obligation bonds, the
4 board of directors of the authority shall adopt a resolution setting forth the
5 principal amounts of bonds proposed to be issued and the purpose for
6 which the bonds are to be issued, and shall forward a copy of such
7 resolution to the mayor of the city. The mayor shall present such resolution
8 to the governing body of the city for its approval or disapproval. If the
9 governing body of the city, by appropriate ordinance, disapproves the
10 resolution of the authority, no further action shall be taken by the authority
11 on the basis of the resolution. If the governing body of the city, by
12 appropriate ordinance, unconditionally approves the resolution of the
13 authority, the governing body of the authority may proceed to authorize
14 and issue the general obligation bonds of the authority in the amount and
15 for the purpose specified in the resolution of the authority. The governing
16 body of the city, however, upon the presentation to it of the resolution of
17 the authority, in lieu of disapproving or unconditionally approving the
18 resolution, may adopt a resolution giving its approval of the resolution of
19 the authority but directing the publication once in the official city
20 newspaper of a notice setting forth the intention of the authority to issue its
21 general obligation bonds in the amount and for the purpose specified in the
22 resolution of the authority, and if within 15 days after the publication of
23 the notice there is filed with the city clerk a written protest against the
24 issuance of the general obligation bonds of the authority signed by not less
25 than 20% of the qualified electors of the city, the governing body of the
26 city shall submit the proposed improvement and the proposed general
27 obligation bond issue of the authority to the electors of the city at a special
28 election to be called for that purpose upon at least 10 days' notice, to be
29 held not later than 60 days after the filing of the protest, or at a regular city
30 election or general election which will occur not sooner than 30 days nor
31 later than 60 days after the filing of the protest. In the event that a majority
32 of the voters voting on the proposition at the election vote in favor thereof,
33 the improvement may be made and the general obligation bonds of the
34 authority may be issued by the authority to pay the cost thereof. General
35 obligation bonds of the authority shall not be issued in excess of 10% of
36 the assessed valuation of all the taxable tangible property within the city as
37 shown by the assessment books of the previous year. The general
38 obligation bonds of the authority as to the term, maximum interest rate,
39 and other details shall conform to the provisions of the general bond law.
40 The full faith and credit of the authority shall be pledged to the payment of
41 the general obligation bonds of the authority, including principal and
42 interest, and the authority ~~shall~~ *may* annually levy a tax on all taxable
43 tangible property within the city, in addition to all other levies authorized

1 by law, in an amount sufficient to pay the interest on and principal of the
2 bonds as the same become due. The general obligation bonds of the
3 authority shall not constitute a debt or obligation of the city which
4 established and created the authority. *Before levying any tax authorized by*
5 *this section, the authority shall submit the proposed levy to the governing*
6 *body of the city for review and approval thereof.*

7 (b) The authority may issue from time to time the revenue bonds of
8 the authority for the purpose of purchasing, constructing, or otherwise
9 acquiring, repairing, extending, or improving any property or facility of
10 the authority and may pledge to the payment of the revenue bonds, both
11 principal and interest, any rental, rates, fees or charges derived or to be
12 derived by the authority from property or facilities owned or operated by
13 it. The revenue bonds of the authority shall mature not later than 40 years
14 after the date of issuance. The revenue bonds shall bear interest at a rate
15 not exceeding the maximum rate of interest prescribed by K.S.A. 10-1009,
16 and amendments thereto. The bonds shall contain recitals stating the
17 authority under which such bonds are issued, that they are issued in
18 conformity with the provisions, restrictions and limitations of the
19 authority, and that the bonds and interest thereon is to be paid by the
20 issuing authority from any rental, rates, fees or charges derived or to be
21 derived by the authority from property or facilities owned or operated by it
22 and not from any other fund or source. The resolution authorizing the
23 issuance of revenue bonds of the authority may establish limitations upon
24 the issuance of additional revenue bonds of the authority and may provide
25 that additional revenue bonds shall stand on a parity as to the revenues of
26 the authority and in all other respects with revenue bonds previously
27 issued by the authority on the conditions as specified in the resolution. The
28 resolution may include other agreements, covenants or restrictions deemed
29 advisable by the governing body of the authority to effect the efficient
30 operation of the property and facilities of the authority, and to safeguard
31 the interests of the holders of the revenue bonds of the authority, and to
32 secure the payment of the bonds and the interest thereon promptly when
33 due. When an authority authorizes and issues its revenue bonds under the
34 provisions of this section, an amount of the net revenues of the property
35 and facilities of the authority sufficient for the purpose shall be pledged to
36 the payment of the principal of and the interest on the bonds as the same
37 become due, and it shall be the mandatory duty of any authority issuing
38 revenue bonds under this act to fix and maintain rentals, rates, fees and
39 charges for the use and services of the property and facilities of the
40 authority sufficient to pay the cost of operation and maintenance of the
41 property and facilities, pay the principal of and interest on all revenue
42 bonds or other obligations issued by the authority and chargeable to the
43 revenues of the authority as and when the same become due, provide an

1 adequate depreciation and replacement fund, and create reasonable
2 reserves therefor, and to provide funds ample to meet all valid and
3 reasonable requirements of the resolution authorizing the revenue bonds.
4 The bonds shall be registered in the office of the secretary or clerk of the
5 authority.

6 (c) The authority may issue the industrial revenue bonds of the
7 authority in the manner provided by K.S.A. 12-1740 to 12-1749, inclusive,
8 and amendments thereto.

9 (d) The authority may issue its no-fund warrants under the conditions
10 and in the manner provided by law for the issuance of no-fund warrants by
11 cities of the first class.

12 (e) The bonds, warrants, and other obligations and liabilities of the
13 authority shall not constitute any debt or liability of the state of Kansas or
14 of the city which established and created the authority, and neither the state
15 nor the city shall be liable thereon.

16 Sec. 13. On and after January 1, 2017, K.S.A. 27-333 is hereby
17 amended to read as follows: 27-333. An authority created pursuant to this
18 act may annually levy a tax ~~not to exceed one and eighty-five hundredths~~
19 ~~(1.85) mills upon each dollar of~~ *upon the* assessed taxable tangible
20 valuation of the property located within the county for the furtherance of
21 the purposes of the authority. Any tax authorized hereunder shall be levied
22 and collected in like manner with other taxes, and the board of directors
23 shall, on or before August 25, of each year, certify the same to the county
24 clerk who shall place the same on the tax roll of the county to be collected
25 by the county treasurer and paid over to the board of directors of the
26 authority. *Before levying any such tax, the authority shall submit the*
27 *proposed levy to the governing body of the city for review and approval*
28 *thereof.*

29 Sec. 14. K.S.A. 2015 Supp. 74-2426 is hereby amended to read as
30 follows: 74-2426. (a) Orders of the state board of tax appeals on any
31 appeal, in any proceeding under the tax protest, tax grievance or tax
32 exemption statutes or in any other original proceeding before the board
33 shall be rendered and served in accordance with the provisions of the
34 Kansas administrative procedure act. Notwithstanding the provisions of
35 ~~subsection (g) of~~ K.S.A. 77-526(g), and amendments thereto, a written
36 summary decision shall be rendered by the board and served within 14
37 days after the matter was fully submitted to the board unless this period is
38 waived or extended with the written consent of all parties or for good
39 cause shown. Any aggrieved party, within 14 days of receiving the board's
40 decision, may request a full and complete opinion be issued by the board
41 in which the board explains its decision. *Except as provided in subsection*
42 *(c)(4), this full opinion shall be served by the board within 90 days of*
43 *being requested. If the board has not rendered a summary decision or a full*

1 and complete opinion within the time periods described in this subsection,
2 and such period has not been waived by the parties nor can the board show
3 good cause for the delay, then the board shall refund any filing fees paid
4 by the taxpayer.

5 (b) Final orders of the board shall be subject to review pursuant to
6 subsection (c) except that the aggrieved party may first file a petition for
7 reconsideration of ~~that order~~ *a full and complete opinion* with the board in
8 accordance with the provisions of K.S.A. 77-529, and amendments
9 thereto.

10 (c) Any action of the board pursuant to this section is subject to
11 review in accordance with the Kansas judicial review act, except that:

12 (1) The parties to the action for judicial review shall be the same
13 parties as appeared before the board in the administrative proceedings
14 before the board. The board shall not be a party to any action for judicial
15 review of an action of the board.

16 (2) There is no right to review of any order issued by the board in a
17 no-fund warrant proceeding pursuant to K.S.A. 12-110a, 12-1662 et seq.,
18 19-2752a, 79-2938, 79-2939 and 79-2951, and amendments thereto, and
19 statutes of a similar character.

20 (3) In addition to the cost of the preparation of the transcript, the
21 appellant shall pay to the state board of tax appeals the other costs of
22 certifying the record to the reviewing court. Such payment shall be made
23 prior to the transmission of the agency record to the reviewing court.

24 (4) *Appeal of an order of the board shall be to the court of appeals as*
25 *provided in subsection (c)(4)(A), unless a taxpayer who is a party to the*
26 *order requests review in district court pursuant to subsection (c)(4)(B).*

27 (A) Any aggrieved person has the right to appeal any final order of
28 the board issued after June 30, 2014, by filing a petition with the court of
29 appeals or the district court. Any appeal to the district court shall be a trial
30 de novo. *Any aggrieved party may file a petition for review of the board's*
31 *order in the court of appeals. For purposes of such an appeal, the board's*
32 *order shall become final only after the issuance of a full and complete*
33 *opinion pursuant to subsection (a).*

34 (B) ~~Review of orders issued by the board of tax appeals relating to~~
35 ~~the valuation or assessment of property for ad valorem tax purposes or~~
36 ~~relating to the tax protest for which the appellant chooses to be reviewed in~~
37 ~~district court, shall be conducted by the district court of the county in~~
38 ~~which the property is located or, if located in more than one county, the~~
39 ~~district court of any county in which any portion of the property is~~
40 ~~located.~~ *At the election of a taxpayer, any summary decision or full and*
41 *complete opinion of the board of tax appeals issued after June 30, 2014,*
42 *may be appealed by filing a petition for review in the district court. Any*
43 *appeal to the district court shall be a trial de novo. Notwithstanding*

1 *K.S.A. 77-619, and amendments thereto, the trial de novo shall include an*
2 *evidentiary hearing at which issues of law and fact shall be determined*
3 *anew. District court review of orders issued by the board relating to the*
4 *valuation or assessment of property for ad valorem tax purposes or*
5 *relating to the tax protest shall be conducted by the court of the county in*
6 *which the property is located, or, if located in more than one county, the*
7 *court of any county in which any portion of the property is located.*

8 *(C) If a taxpayer requests review of a summary decision or full and*
9 *complete opinion in district court pursuant to subsection (c)(4)(B), the*
10 *taxpayer shall provide notice to the board as well as the parties. Upon*
11 *receipt of the notice, the board's jurisdiction shall terminate,*
12 *notwithstanding any prior request for a full and complete opinion under*
13 *subsection (a), and the board shall not issue such opinion.*

14 (d) If review of an order of the state board of tax appeals to the court
15 of appeals relating to excise, income or estate taxes, is sought by a person
16 other than the director of taxation, such person shall give bond for costs at
17 the time the petition is filed. The bond shall be in the amount of 125% of
18 the amount of taxes assessed or a lesser amount approved by the court of
19 appeals and shall be conditioned on the petitioner's prosecution of the
20 review without delay and payment of all costs assessed against the
21 petitioner.

22 Sec. 15. K.S.A. 2015 Supp. 74-2433 is hereby amended to read as
23 follows: 74-2433. (a) There is hereby created a state board of tax appeals,
24 referred to in this act as the board. The board shall be composed of three
25 members who shall be appointed by the governor, subject to confirmation
26 by the senate as provided in K.S.A. 75-4315b, and amendments thereto.
27 For members appointed after June 30, 2014, one of such members shall
28 have been regularly admitted to practice law in the state of Kansas and for
29 a period of at least five years, have engaged in the active practice of law as
30 a lawyer, judge of a court of record or any other court in this state; one of
31 such members shall have engaged in active practice as a certified public
32 accountant for a period of at least five years and one such member shall be
33 a licensed certified general real property appraiser. In addition, the
34 governor shall also appoint a chief hearing officer, subject to confirmation
35 by the senate as provided in K.S.A. 75-4315b, and amendments thereto,
36 who, in addition to other duties prescribed by this act, shall serve as a
37 member pro tempore of the board. No successor shall be appointed for any
38 judge of the court of tax appeals appointed before July 1, 2014. Such
39 persons shall continue to serve as members on the board of tax appeals
40 until their terms expire. Except as provided by K.S.A. 46-2601, and
41 amendments thereto, no person appointed to the board, including the chief
42 hearing officer, shall exercise any power, duty or function as a member of
43 the board until confirmed by the senate. Not more than two members of

1 the board shall be of the same political party. Members of the board,
2 including the chief hearing officer, shall be residents of the state. Subject
3 to the provisions of K.S.A. 75-4315c, and amendments thereto, no more
4 than one member shall be appointed from any one of the congressional
5 districts of Kansas unless, after having exercised due diligence, the
6 governor is unable to find a qualified replacement within 90 days after any
7 vacancy on the board occurs. The members of the board, including the
8 chief hearing officer, shall be selected with special reference to training
9 and experience for duties imposed by this act and shall be individuals with
10 legal, tax, accounting or appraisal training and experience. State board of
11 tax appeals members shall be subject to the supreme court rules of judicial
12 conduct applicable to all judges of the district court. The board shall be
13 bound by the doctrine of stare decisis limited to published decisions of an
14 appellate court. Members of the board, including the chief hearing officer,
15 shall hold office for terms of four years. A member may continue to serve
16 for a period of 90 days after the expiration of the member's term, or until a
17 successor has been appointed and confirmed, whichever is shorter. Except
18 as otherwise provided, such terms of office shall expire on January 15 of
19 the last year of such term. If a vacancy occurs on the board, or in the
20 position for chief hearing officer, the governor shall appoint a successor to
21 fill the vacancy for the unexpired term. Nothing in this section shall be
22 construed to prohibit the governor from reappointing any member of the
23 board, including the chief hearing officer, for additional four-year terms.
24 The governor shall select one of its members to serve as chairperson. The
25 votes of two members shall be required for any final order to be issued by
26 the board. Meetings may be called by the chairperson and shall be called
27 on request of a majority of the members of the board and when otherwise
28 prescribed by statute.

29 (b) Any member appointed to the state board of tax appeals and the
30 chief hearing officer may be removed by the governor for cause, after
31 public hearing conducted in accordance with the provisions of the Kansas
32 administrative procedure act.

33 (c) The state board of tax appeals shall appoint, subject to approval
34 by the governor, an executive director of the board, to serve at the pleasure
35 of the board. The executive director shall: (1) Be in the unclassified
36 service under the Kansas civil service act; (2) devote full time to the
37 executive director's assigned duties; (3) receive such compensation as
38 determined by the board, subject to the limitations of appropriations
39 thereof; and (4) have familiarity with the tax appeals process sufficient to
40 fulfill the duties of the office of executive director. The executive director
41 shall perform such other duties as directed by the board.

42 (d) Appeals decided by the state board of tax appeals shall be made
43 available to the public and shall be published by the board on the board's

1 website within 30 days after the decision has been rendered. The board
2 shall also publish a monthly report that includes all appeals decided that
3 month as well as all appeals which have not yet been decided and are
4 beyond the time limitations as set forth in K.S.A. 74-2426, and
5 amendments thereto. Such report shall be made available to the public and
6 transmitted by the board to the members of the Kansas legislature.

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

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

29 (g) It is the intent of the legislature that proceedings in front of the
30 board of tax appeals be conducted in a fair and impartial manner and that
31 all taxpayers are entitled to a neutral interpretation of the tax laws of the
32 state of Kansas. The provisions of the tax laws of this state shall be applied
33 impartially to both taxpayers and taxing districts in cases before the board.
34 *Valuation appeals before the board shall be decided upon a determination*
35 *of the fair market value of the fee simple of the property. Nothing in this*
36 *section shall prohibit a property owner, during a property valuation*
37 *appeal before the board, from raising arguments regarding classification.*
38 Cases before the board shall not be decided upon arguments concerning
39 the shifting of the tax burden or upon any revenue loss or gain which may
40 be experienced by the taxing district.

41 Sec. 16. K.S.A. 2015 Supp. 74-2438 is hereby amended to read as
42 follows: 74-2438. (a) An appeal may be taken to the state board of tax
43 appeals from any finding, ruling, order, decision, final determination or

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

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

18 (c) (1) With regard to any matter properly submitted to the board
19 relating to the determination of valuation of residential property or real
20 property used for commercial and industrial purposes for taxation
21 purposes, it shall be the duty of the county or district appraiser to initiate
22 the production of evidence to demonstrate, by a preponderance of the
23 evidence, the validity and correctness of such determination, except that
24 no such duty shall accrue with regard to leased commercial and industrial
25 property unless the property owner has furnished to the county or district
26 appraiser a complete income and expense statement for the property for
27 the three years next preceding the year of appeal. Any appraisal made by
28 the county or district appraiser must be released through the discovery
29 process to the taxpayer, the taxpayer's attorney or the taxpayer's
30 representative. No presumption shall exist in favor of the county or district
31 appraiser with respect to the validity and correctness of such
32 determination. If a taxpayer presents a single property appraisal with an
33 effective date of January 1 of the year appealed which has been conducted
34 by a certified general real property appraiser which determines the subject
35 property's valuation to be less than that determined by a mass real estate
36 appraisal conducted by the county or district appraiser, then the taxpayer's
37 property-specific appraisal shall be accepted into evidence by the board.
38 No interest shall accrue on the amount of the assessment of tax subject to
39 any such appeal beyond 120 days after the date the matter was fully
40 submitted, except that, if a final order is issued within such time period,
41 interest shall continue to accrue until such time as the tax liability is fully
42 satisfied, and if a final order is issued beyond such time period, interest
43 shall recommence to accrue from the date of such order until such time as

1 the tax liability is fully satisfied.

2 (2) *With regard to any matter properly submitted to the board*
3 *relating to the determination of valuation of real property, if the director of*
4 *property valuation has developed and adopted methodologies to value*
5 *such type of property, then it shall be the duty of the county or district*
6 *appraiser to demonstrate compliance with such methodologies.*

7 Sec. 17. K.S.A. 2015 Supp. 77-618 is hereby amended to read as
8 follows: 77-618. Judicial review of disputed issues of fact shall be
9 confined to the agency record for judicial review as supplemented by
10 additional evidence taken pursuant to this act, except that review of:

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

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

18 (c) orders of the division of vehicles, other than orders under K.S.A.
19 8-254, and amendments thereto, which deny, cancel, suspend or revoke a
20 driver's license shall be in accordance with K.S.A. 8-259, and amendments
21 thereto;

22 (d) orders of the secretary of labor under K.S.A. 72-5413 through 72-
23 5431, and amendments thereto, shall be in accordance with K.S.A. 72-
24 5430a, and amendments thereto; ~~and~~

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

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

29 Sec. 18. K.S.A. 2015 Supp. 79-331 is hereby amended to read as
30 follows: 79-331. (a) Except as otherwise provided in subsection (b) ~~of this~~
31 ~~section~~, in determining the value of oil and gas leases or properties the
32 appraiser shall take into consideration the age of the wells, the quality of
33 oil or gas being produced therefrom, the nearness of the wells to market,
34 the cost of operation, the character, extent and permanency of the market,
35 the probable life of the wells, the quantity of oil or gas produced from the
36 lease or property, the number of wells being operated, and such other facts
37 as may be known by the appraiser to affect the value of the lease or
38 property.

39 Whenever a change in any of the factors or figures used in determining
40 the ⁸/₈^{ths} valuation of the production for any oil or gas lease or property is
41 made pursuant to the tax equalization, tax protest or tax grievance
42 proceedings, such change shall apply to the working interest, royalty
43 interest, overriding royalty interest and production payments and, if

1 applicable, a refund of taxes shall be made in the manner prescribed by
2 ~~subsection (1)(1) of K.S.A. 79-2005(1)(1), and amendments thereto.~~

3 (b) The valuation of the working interest and royalty interest, except
4 valuation of equipment, of any original base lease or property producing
5 oil or gas for the first time in economic quantities on and after July 1 of the
6 calendar year preceding the year in which such property is first assessed
7 shall be determined for the year in which such property is first assessed by
8 determining the quantity of oil or gas such property would have produced
9 during the entire year preceding the year in which such property is first
10 assessed upon the basis of the actual production in such year and by
11 multiplying the income and expenses that would have been attributable to
12 such property at such production level, excluding equipment valuation
13 thereof, if it had actually produced said entire year preceding the year in
14 which such property is first assessed by 60%.

15 (c) The provisions of subsection (b) ~~of this section~~ shall not apply in
16 the case of any production from any direct offset well or any subsequent
17 well on the same lease.

18 (d) (1) In order to clarify and express the intent of the legislature
19 regarding the methodology utilized in the determination of fair market
20 value of producing oil and gas leases for property tax purposes, it is hereby
21 declared that the primary and predominant consideration in such
22 determination is, has been and shall be the actual value of oil and gas
23 production severed from the earth.

24 (2) *Information used to establish the fair market value of producing*
25 *oil and gas leases which commence production during the preceding*
26 *calendar year shall be limited to any information regarding production*
27 *prior to April 1 of the calendar year in which such property is assessed.*
28 *Information used to establish the fair market value of any base lease or*
29 *property producing oil and gas for the first time in economic quantities on*
30 *and after October 1 of the calendar year preceding the year in which such*
31 *property is first assessed shall be limited to any information regarding*
32 *production prior to July 1 of the calendar year in which such property is*
33 *assessed.*

34 (e) The provisions of this act shall apply to all tax years commencing
35 on and after December 31, ~~2003~~ 2016.

36 Sec. 19. K.S.A. 2015 Supp. 79-425a is hereby amended to read as
37 follows: 79-425a. (a) Whenever a tract of land which has been assessed
38 shall thereafter be divided into tracts owned by different persons, any one
39 or more of such persons, after giving 10 days' written notice to the other
40 persons at their respective mailing addresses, may make application to the
41 county appraiser for an apportionment of the assessed valuation of such
42 tract among the several tracts, and the county appraiser ~~is authorized to~~
43 *shall* apportion such valuation among the owners of such tracts according

1 to the value of their respective interests as shown by evidence available at
2 a time designated by the county appraiser. Upon the apportionment of the
3 assessed valuation among the several tracts and the levying of tax against
4 each such tract, the county treasurer, upon payment of such tax on any
5 such tract, shall issue a receipt therefor and, in any case where such tax is
6 not paid on any of such tracts, it shall be sold for delinquent taxes in the
7 same manner prescribed by law for sale of real estate for delinquent taxes.
8 If taxes levied on a tract of land prior to its division are delinquent, the
9 owner of any divided portion of such tract may have that portion released
10 from the tax lien by paying to the county treasurer the share of the
11 delinquent tax attributable to such divided portion as shown by the
12 apportionment made of the whole tract's assessed valuation among the
13 divided portions by the county appraiser.

14 (b) Any person aggrieved by the application of the provisions of
15 subsection (a) may, within 10 days after the apportionment decision of the
16 county appraiser, appeal to the state board of tax appeals, and the board
17 shall have the power, upon a showing that such decision was erroneous, to
18 substitute an apportionment of the assessed valuation of a tract of land for
19 that of the county appraiser.

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

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

- 33 (a) The proper classification of lands and improvements;
34 (b) the size thereof;
35 (c) the effect of location on value;
36 (d) depreciation, including physical deterioration or functional,
37 economic or social obsolescence;
38 (e) cost of reproduction of improvements;
39 (f) productivity taking into account all restrictions imposed by the
40 state or federal government and local governing bodies, including, but not
41 limited to, restrictions on property rented or leased to low income
42 individuals and families as authorized by section 42 of the federal internal
43 revenue code of 1986, as amended;

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

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

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

10 (j) restrictions or requirements imposed upon the use of real estate by
11 the state or federal government or local governing bodies, including
12 zoning and planning boards or commissions, and including, but not limited
13 to, restrictions or requirements imposed upon the use of real estate rented
14 or leased to low income individuals and families, as authorized by section
15 42 of the federal internal revenue code of 1986, as amended; and

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

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

24 Sec. 21. K.S.A. 79-504 is hereby amended to read as follows: 79-504.
25 For the purposes of this act:

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

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

38 Sec. 22. K.S.A. 79-1412a is hereby amended to read as follows: 79-
39 1412a. (a) County appraisers and district appraisers shall perform the
40 following duties:

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

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

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

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

9 *Fifth.* Supervise the township trustees, assistants, appraisers and other
10 employees appointed by the appraiser in the performance of their duties.

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

15 *Seventh.* Carry on continuously throughout the year the process of
16 appraising real property.

17 *Eighth.* If the county appraiser or district appraiser deems it advisable,
18 such appraiser may appoint one or more advisory committees of not less
19 than five persons representative of the various economic interests and
20 geographic areas of the county to assist the appraiser in establishing unit
21 land values, unit values for structures, productivity, classifications for
22 agricultural lands, adjustments for location factors, and generally to advise
23 on assessment procedures and methods.

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

25 (b) The director of property valuation shall give notice to county and
26 district appraisers and county boards of equalization of any proposed
27 changes in the guides, schedules or methodology for use in valuing
28 property prescribed to the county and district appraisers for use in setting
29 values for property within the county or district. Such notice shall also be
30 published in the Kansas register and shall provide that such changes are
31 available for public inspection. Changes and modifications in guides,
32 schedules or methodology for use in valuing property which are prescribed
33 by the director of property valuation for use by county and district
34 appraisers on or after July 1 in any year shall not be utilized in establishing
35 the value, for the current tax year, of any property, the value of which has
36 previously been established for such year.

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

40 (1) *Any appraisal of the property that was conducted for the purpose*
41 *of obtaining mortgage financing;*

42 (2) *any fee appraisal with an effective date more than 12 months*
43 *prior to January 1 of the valuation year under appeal; or*

1 (3) *documents detailing individual lease agreements.*

2 *Nothing in this subsection shall prohibit the county appraiser or the*
3 *county appraiser's designee from requesting a certified rent roll from the*
4 *taxpayer.*

5 Sec. 23. K.S.A. 2015 Supp. 79-1439 is hereby amended to read as
6 follows: 79-1439. (a) All real and tangible personal property which is
7 subject to general ad valorem taxation shall be appraised uniformly and
8 equally as to class and, unless otherwise specified herein, shall be
9 appraised at its fair market value, as defined in K.S.A. 79-503a, and
10 amendments thereto.

11 (b) Property shall be classified into the following classes and assessed
12 at the percentage of value prescribed therefor:

13 (1) Real property shall be assessed as to subclass at the following
14 percentages of value:

15 (A) Real property used for residential purposes including multi-
16 family residential real property, real property necessary to accommodate a
17 residential community of mobile or manufactured homes including the real
18 property upon which such homes are located, residential real property used
19 partially for day care home purposes if such home has been registered or
20 licensed pursuant to K.S.A. 65-501 et seq., and amendments thereto, and
21 ~~residential~~ real property used ~~partially~~ for bed and breakfast ~~home~~
22 purposes at 11.5%. As used in this paragraph "bed and breakfast ~~home~~"
23 means a ~~residence~~ *property* with five or fewer bedrooms available for
24 overnight guests who stay for not more than 28 consecutive days for which
25 there is compliance with all zoning or other applicable ordinances or laws
26 which pertain to facilities which lodge and feed guests;

27 (B) land devoted to agricultural use valued pursuant to K.S.A. 79-
28 1476, and amendments thereto, at 30%;

29 (C) vacant lots at 12%;

30 (D) real property which is owned and operated by a not-for-profit
31 organization not subject to federal income taxation pursuant to section 501
32 of the federal internal revenue code and included herein pursuant to K.S.A.
33 79-1439a, and amendments thereto, at 12%;

34 (E) public utility real property, except railroad property which shall
35 be assessed at the average rate all other commercial and industrial property
36 is assessed, at 33%. As used in this paragraph, "public utility" shall have
37 the meaning ascribed thereto by K.S.A. 79-5a01, and amendments thereto;

38 (F) real property used for commercial and industrial purposes and
39 buildings and other improvements located upon land devoted to
40 agricultural use at 25%; and

41 (G) all other urban and rural real property not otherwise specifically
42 subclassed at 30%.

43 (2) Personal property shall be classified into the following classes and

1 assessed at the percentage of value prescribed therefor:

2 (A) Mobile homes used for residential purposes at 11.5%;

3 (B) mineral leasehold interests, except oil leasehold interests the
4 average daily production from which is five barrels or less, and natural gas
5 leasehold interests, the average daily production from which is 100 mcf or
6 less, which shall be assessed at 25%, at 30%;

7 (C) public utility tangible personal property including inventories
8 thereof, except railroad personal property including inventories thereof,
9 which shall be assessed at the average rate all other commercial and
10 industrial property is assessed, at 33%. As used in this paragraph, "public
11 utility" shall have the meaning ascribed thereto by K.S.A. 79-5a01, and
12 amendments thereto;

13 (D) all categories of motor vehicles listed and taxed pursuant to
14 K.S.A. 79-306d, and amendments thereto, and, prior to January 1, 2014,
15 over-the-road motor vehicles defined pursuant to K.S.A. 79-6a01, and
16 amendments thereto, at 30%;

17 (E) commercial and industrial machinery and equipment, including
18 rolling equipment defined pursuant to K.S.A. 79-6a01, and amendments
19 thereto, which, if its economic life is seven years or more, shall be valued
20 at its retail cost when new less seven-year straight-line depreciation, or
21 which, if its economic life is less than seven years, shall be valued at its
22 retail cost when new less straight-line depreciation over its economic life,
23 except that, the value so obtained for such property as long as it is being
24 used shall not be less than 20% of the retail cost when new of such
25 property at 25%; and

26 (F) all other tangible personal property not otherwise specifically
27 classified at 30%.

28 Sec. 24. K.S.A. 2015 Supp. 79-1448 is hereby amended to read as
29 follows: 79-1448. Any taxpayer may complain or appeal to the county
30 appraiser from the classification or appraisal of the taxpayer's property by
31 giving notice to the county appraiser within 30 days subsequent to the date
32 of mailing of the valuation notice required by K.S.A. 79-1460, and
33 amendments thereto, for real property, and on or before May 15 for
34 personal property. The county appraiser or the appraiser's designee shall
35 arrange to hold an informal meeting with the aggrieved taxpayer with
36 reference to the property in question. At such meeting it shall be the duty
37 of the county appraiser or the county appraiser's designee to initiate
38 production of evidence to substantiate the valuation of such property,
39 ~~including the affording to,~~ *a summary of the reasons that the valuation of*
40 *the property has been increased over the previous year; any assumptions*
41 *used by the county appraiser to determine the value of the property and a*
42 *description of the individual property characteristics, property specific*
43 *valuation records and conclusions. The taxpayer ~~of~~ shall be provided with*

1 the opportunity to review the data-sheet of comparable sales utilized in the
2 ~~determination of such valuation~~ sheets applicable to the valuation
3 approach utilized for the subject property. The county appraiser shall take
4 into account any evidence provided by the taxpayer which relates to the
5 amount of deferred maintenance and depreciation for the property. In any
6 appeal from the appraisal of leased commercial and industrial property, the
7 county or district appraiser's appraised value shall be presumed to be valid
8 and correct and may only be rebutted by a preponderance of the evidence,
9 unless the property owner furnishes the county or district appraiser a
10 complete income and expense statement for the property for the three
11 years next preceding the year of appeal within 30 calendar days following
12 the informal meeting. *In any appeal from the reclassification of property*
13 *that was classified as land devoted to agricultural use for the preceding*
14 *year, the taxpayer's classification of the property as land devoted to*
15 *agricultural use shall be presumed to be valid and correct if the taxpayer*
16 *provides an executed lease agreement or other documentation*
17 *demonstrating a commitment to use the property for agricultural use, if no*
18 *other actual use is evident. In any appeal from the appraisal of property*
19 *whose valuation was originally determined using the computer-assisted*
20 *mass-appraisal system, if the taxpayer presents an independent market-*
21 *based appraisal of the property from a certified appraiser licensed in*
22 *Kansas which was conducted not more than three months prior to the*
23 *informal meeting, then the results of the independent appraisal shall be*
24 *presumed to be valid and correct. The county may appeal the results of*
25 *such independent appraisal to the board of tax appeals. The county*
26 *appraiser may extend the time in which the taxpayer may informally*
27 *appeal from the classification or appraisal of the taxpayer's property for*
28 *just and adequate reasons. Except as provided in K.S.A. 79-1404, and*
29 *amendments thereto, no informal meeting regarding real property shall be*
30 *scheduled to take place after May 15, nor shall a final determination be*
31 *given by the appraiser after May 20. Any final determination shall be*
32 *accompanied by a written explanation of the reasoning upon which such*
33 *determination is based when such determination is not in favor of the*
34 *taxpayer. Any taxpayer who is aggrieved by the final determination of the*
35 *county appraiser may appeal to the hearing officer or panel appointed*
36 *pursuant to K.S.A. 79-1611, and amendments thereto, and such hearing*
37 *officer, or panel, for just cause shown and recorded, is authorized to*
38 *change the classification or valuation of specific tracts or individual items*
39 *of real or personal property in the same manner provided for in K.S.A. 79-*
40 *1606, and amendments thereto. In lieu of appealing to a hearing officer or*
41 *panel appointed pursuant to K.S.A. 79-1611, and amendments thereto, any*
42 *taxpayer aggrieved by the final determination of the county appraiser,*
43 *except with regard to land devoted to agricultural use, wherein the value of*

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

11 Sec. 25. K.S.A. 79-1456 is hereby amended to read as follows: 79-
12 1456. (a) The county appraiser shall follow the policies, procedures and
13 guidelines of the director of property valuation in the performance of the
14 duties of the office of county appraiser. *If the director has developed and*
15 *adopted methodologies to value specific types of property, the county*
16 *appraiser shall be required to follow such methodologies. Prior to*
17 *January 1, 2017, the secretary of revenue shall adopt rules and*
18 *regulations necessary to administer the provisions of this section.*

19 (b) The county appraiser in establishing values for various types of
20 personal property, shall conform to the values for such property as shown
21 in the personal property appraisal guides prescribed or furnished by the
22 director of property valuation. The county appraiser may deviate from the
23 values shown in such guides on an individual piece of *personal* property
24 for just cause shown and in a manner consistent with achieving fair market
25 value.

26 Sec. 26. K.S.A. 2015 Supp. 79-1460 is hereby amended to read as
27 follows: 79-1460. (a) The county appraiser shall notify each taxpayer in
28 the county annually on or before March 1 for real property and May 1 for
29 personal property, by mail directed to the taxpayer's last known address, of
30 the classification and appraised valuation of the taxpayer's property, except
31 that, the valuation for all real property shall not be increased unless: ~~(1)~~
32 ~~the record of the latest physical inspection was reviewed by the county or~~
33 ~~district appraiser, and documentation exists to support such increase in~~
34 ~~valuation in compliance with the directives and specifications of the~~
35 ~~director of property valuation, and such record and documentation is~~
36 ~~available to the affected taxpayer; and (2). For the next two taxable years~~
37 ~~following the taxable year that the valuation for real property has been~~
38 ~~reduced due to a final determination made pursuant to the valuation~~
39 ~~appeals process, ~~documented substantial and compelling reasons exist~~~~
40 ~~therefor and are provided by the county appraiser such property shall be~~
41 ~~appraised through the use of a market-based appraisal from an~~
42 ~~independent third-party chosen and paid for by the county. When the~~
43 ~~valuation for real property has been reduced due to a final determination~~

1 made pursuant to the valuation appeals process for the prior year, and the
2 county appraiser has already certified the appraisal rolls for the current
3 year to the county clerk pursuant to K.S.A. 79-1466, and amendments
4 thereto, the county appraiser may amend the appraisal rolls and certify the
5 changes to the county clerk to implement the provisions of this subsection
6 and reduce the valuation of the real property to the prior year's final
7 determination, except that such changes shall not be made after October 31
8 of the current year. For the purposes of this section and in the case of real
9 property, the term "taxpayer" shall be deemed to be the person in
10 ownership of the property as indicated on the records of the office of
11 register of deeds or county clerk and, in the case where the real property or
12 improvement thereon is the subject of a lease agreement, such term shall
13 also be deemed to include the lessee of such property if the lease
14 agreement has been recorded or filed in the office of the register of deeds.
15 Such notice shall specify separately both the previous and current
16 appraised and assessed values for each property class identified on the
17 parcel. Such notice shall also contain the uniform parcel identification
18 number prescribed by the director of property valuation. Such notice shall
19 also contain a statement of the taxpayer's right to appeal, the procedure to
20 be followed in making such appeal and the availability without charge of
21 the guide devised pursuant to subsection (b). Such notice may, and if the
22 board of county commissioners so require, shall provide the parcel
23 identification number, address and the sale date and amount of any or all
24 sales utilized in the determination of appraised value of residential real
25 property. In any year in which no change in appraised valuation of any real
26 property from its appraised valuation in the next preceding year is
27 determined, an alternative form of notification which has been approved
28 by the director of property valuation may be utilized by a county. Failure
29 to timely mail or receive such notice shall in no way invalidate the
30 classification or appraised valuation as changed. The secretary of revenue
31 shall adopt rules and regulations necessary to implement the provisions of
32 this section.

33 (b) For all taxable years commencing after December 31, 1999, there
34 shall be provided to each taxpayer, upon request, a guide to the property
35 tax appeals process. The director of the division of property valuation shall
36 devise and publish such guide, and shall provide sufficient copies thereof
37 to all county appraisers. Such guide shall include but not be limited to: (1)
38 A restatement of the law which pertains to the process and practice of
39 property appraisal methodology, including the contents of K.S.A. 79-503a
40 and 79-1460, and amendments thereto; (2) the procedures of the appeals
41 process, including the order and burden of proof of each party and time
42 frames required by law; and (3) such other information deemed necessary
43 to educate and enable a taxpayer to properly and competently pursue an

1 appraisal appeal.

2 ~~(e) For purposes of this section:~~

3 ~~(1) The term "substantial and compelling reasons" means a change in~~
4 ~~the character of the use of the property or a substantial addition or~~
5 ~~improvement to the property;~~

6 ~~(2) the term "substantial addition or improvement to the property"~~
7 ~~means the construction of any new structures or improvements on the~~
8 ~~property or the renovation of any existing structures or improvements on~~
9 ~~the property. The term "substantial addition or improvement to the~~
10 ~~property" shall not include:~~

11 ~~(A) Any maintenance or repair of any existing structures, equipment~~
12 ~~or improvements on the property; or~~

13 ~~(B) reconstruction or replacement of any existing equipment or~~
14 ~~components of any existing structures or improvements on the property.~~

15 Sec. 27. K.S.A. 79-1460a is hereby amended to read as follows: 79-
16 1460a. Annually, ~~at least five business days~~ prior to the mailing of change
17 of valuation notices pursuant to K.S.A. 79-1460, and amendments thereto,
18 the county or district appraiser shall cause to be published in the official
19 county newspaper *or on the official county website* the results of the
20 market study analysis as prescribed by the director of the division of
21 property valuation of the department of revenue.

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

40 Compilation of data for the initial preparation or updating of
41 inventories for each parcel of real property and entry thereof into the state
42 computer system as provided for in K.S.A. 79-1477, and amendments
43 thereto, shall be completed not later than January 1, 1989. Whenever the

1 director determines that reappraisal of all real property within a county is
2 complete, notification thereof shall be given to the governor and to the
3 state board of tax appeals.

4 Valuations shall be established for each parcel of real property at its fair
5 market value in money in accordance with the provisions of K.S.A. 79-
6 503a, and amendments thereto.

7 In addition thereto valuations shall be established for each parcel of
8 land devoted to agricultural use upon the basis of the agricultural income
9 or productivity attributable to the inherent capabilities of such land in its
10 current usage under a degree of management reflecting median production
11 levels in the manner hereinafter provided. A classification system for all
12 land devoted to agricultural use shall be adopted by the director of
13 property valuation using criteria established by the United States
14 department of agriculture soil conservation service. For all taxable years
15 commencing after December 31, 1989, all land devoted to agricultural use
16 which is subject to the federal conservation reserve program shall be
17 classified as cultivated dry land for the purpose of valuation for property
18 tax purposes pursuant to this section. For all taxable years commencing
19 after December 31, 1999, all land devoted to agricultural use which is
20 subject to the federal wetlands reserve program shall be classified as native
21 grassland for the purpose of valuation for property tax purposes pursuant
22 to this section. Productivity of land devoted to agricultural use shall be
23 determined for all land classes within each county or homogeneous region
24 based on an average of the eight calendar years immediately preceding the
25 calendar year which immediately precedes the year of valuation, at a
26 degree of management reflecting median production levels. The director of
27 property valuation shall determine median production levels based on
28 information available from state and federal crop and livestock reporting
29 services, the soil conservation service, and any other sources of data that
30 the director considers appropriate.

31 The share of net income from land in the various land classes within
32 each county or homogeneous region which is normally received by the
33 landlord shall be used as the basis for determining agricultural income for
34 all land devoted to agricultural use except pasture or rangeland. The net
35 income normally received by the landlord from such land shall be
36 determined by deducting expenses normally incurred by the landlord from
37 the share of the gross income normally received by the landlord. The net
38 rental income normally received by the landlord from pasture or rangeland
39 within each county or homogeneous region shall be used as the basis for
40 determining agricultural income from such land. The net rental income
41 from pasture and rangeland which is normally received by the landlord
42 shall be determined by deducting expenses normally incurred from the
43 gross income normally received by the landlord. Commodity prices, crop

1 yields and pasture and rangeland rental rates and expenses shall be based
2 on an average of the eight calendar years immediately preceding the
3 calendar year which immediately precedes the year of valuation. Net
4 income for every land class within each county or homogeneous region
5 shall be capitalized at a rate determined to be the sum of the contract rate
6 of interest on new federal land bank loans in Kansas on July 1 of each year
7 averaged over a five-year period which includes the five years
8 immediately preceding the calendar year which immediately precedes the
9 year of valuation, plus a percentage not less than 0.75% nor more than
10 2.75%, as determined by the director of property valuation, except that the
11 capitalization rate calculated for property tax year 2003, and all such years
12 thereafter, shall not be less than 11% nor more than 12%.

13 Based on the foregoing procedures the director of property valuation
14 shall make an annual determination of the value of land within each of the
15 various classes of land devoted to agricultural use within each county or
16 homogeneous region and furnish the same to the several county appraisers
17 who shall classify such land according to its current usage and apply the
18 value applicable to such class of land according to the valuation schedules
19 prepared and adopted by the director of property valuation under the
20 provisions of this section.

21 It is the intent of the legislature that appraisal judgment and appraisal
22 standards be followed and incorporated throughout the process of data
23 collection and analysis and establishment of values pursuant to this
24 section.

25 For the purpose of the foregoing provisions of this section the phrase
26 "land devoted to agricultural use" shall mean and include land, regardless
27 of whether it is located in the unincorporated area of the county or within
28 the corporate limits of a city, which is devoted to the production of plants,
29 animals or horticultural products, including, but not limited to: Forages;
30 grains and feed crops; dairy animals and dairy products; poultry and
31 poultry products; beef cattle, sheep, swine and horses; bees and apiary
32 products; trees and forest products; fruits, nuts and berries; vegetables;
33 nursery, floral, ornamental and greenhouse products. Land devoted to
34 agricultural use shall ~~not include those lands which are used for~~
35 ~~recreational purposes, other than that~~ land established as a controlled
36 shooting area pursuant to K.S.A. 32-943, and amendments thereto, which
37 shall be deemed to be land devoted to agricultural use, ~~suburban~~
38 ~~residential acreages, rural home sites or farm home sites and yard plots~~
39 ~~whose primary function is for residential or recreational purposes even~~
40 ~~though such properties may produce or maintain some of those plants or~~
41 ~~animals listed in the foregoing definition. If a parcel has land devoted to~~
42 ~~agricultural purposes and land used for suburban residential acreages,~~
43 ~~rural home sites or farm home sites, the county appraiser shall determine~~

1 *the amount of the parcel used for agricultural purposes and value and*
2 *assess it accordingly as land devoted to agricultural purposes. The county*
3 *appraiser shall then determine the amount of the remaining land used for*
4 *such other purposes and value and assess that land according to its use.*

5 The term "expenses" shall mean those expenses typically incurred in
6 producing the plants, animals and horticultural products described above
7 including management fees, production costs, maintenance and
8 depreciation of fences, irrigation wells, irrigation laterals and real estate
9 taxes, but the term shall not include those expenses incurred in providing
10 temporary or permanent buildings used in the production of such plants,
11 animals and horticultural products.

12 The provisions of this act shall not be construed to conflict with any
13 other provisions of law relating to the appraisal of tangible property for
14 taxation purposes including the equalization processes of the county and
15 state board of tax appeals.

16 Sec. 29. K.S.A. 79-1490 is hereby amended to read as follows: 79-
17 1490. The director shall publish the ratio study after the procedures
18 prescribed in K.S.A. 79-1489, *and amendments thereto*, have been
19 concluded. If it is determined that the ratio study cannot be published by
20 April 1, the director shall provide a preliminary ratio study to the governor,
21 the speaker of the house and the president of the senate and their
22 respective tax committees on or before March 15. *Once the study has been*
23 *published, then the director shall present the most recent results to each*
24 *board of county commissioners in an open meeting. As a part of such*
25 *presentation, the director shall present a summary of the number of*
26 *valuation protests that were filed in that county and the outcomes of those*
27 *protests that resulted in reduced valuations of property.*

28 Sec. 30. K.S.A. 2015 Supp. 79-2004 is hereby amended to read as
29 follows: 79-2004. (a) Except as provided by K.S.A. 79-4521, and
30 amendments thereto, any person charged with real property taxes on the
31 tax books in the hands of the county treasurer may pay, at such person's
32 option, the full amount thereof on or before December 20 of each year, or
33 $\frac{1}{2}$ thereof on or before December 20 and the remaining $\frac{1}{2}$ on or before
34 May 10 next ensuing. If the full amount of the real property taxes listed
35 upon any tax statement is \$10 or less the entire amount of such tax shall be
36 due and payable on or before December 20.

37 In case the first half of the real property taxes remains unpaid after
38 December 20, the first half of the tax shall draw interest at the rate
39 prescribed by K.S.A. 79-2968, and amendments thereto, *plus five*
40 *percentage points* per annum and may be paid at any time prior to May 10
41 following by paying $\frac{1}{2}$ of the tax together with interest at such rate from
42 December 20 to date of payment. Subject to the provisions of subsection
43 (d), all real property taxes of the preceding year and accrued interest

1 thereon which remain due and unpaid on May 11 shall accrue interest at
2 the rate prescribed by K.S.A. 79-2968, and amendments thereto, *plus five*
3 *percentage points* per annum from May 10 until paid, or until the real
4 property is sold for taxes by foreclosure as provided by law. Except as
5 provided by subsection (c), all interest herein provided shall be credited to
6 the county general fund, and whenever any such interest is paid the county
7 treasurer shall enter the amount of interest so paid on the tax rolls in the
8 proper column and account for such sum.

9 (b) Whenever any date prescribed in subsection (a) for the payment
10 of real property taxes occurs on a Saturday or Sunday, such date for
11 payment shall be extended until the next-following regular business day of
12 the office of the county treasurer.

13 (c) The board of county commissioners may enter into an agreement
14 with the governing body of any city located in the county for the
15 distribution of part or all of the interest paid on special assessments levied
16 by the city which remain unpaid.

17 (d) All real property taxes of any year past due and unpaid on the
18 effective date of this section and interest accrued thereon pursuant to this
19 section prior to its amendment by this act shall draw interest at the rate
20 prescribed by K.S.A. 79-2968, and amendments thereto, *plus five*
21 *percentage points* per annum from the effective date of this section until
22 paid or until the real property is sold for taxes by foreclosure as provided
23 by law.

24 Sec. 31. K.S.A. 2015 Supp. 79-2005 is hereby amended to read as
25 follows: 79-2005. (a) Any taxpayer, before protesting the payment of such
26 taxpayer's taxes, shall be required, either at the time of paying such taxes,
27 or, if the whole or part of the taxes are paid prior to December 20, no later
28 than December 20, or, with respect to taxes paid in whole or in part in an
29 amount equal to at least $\frac{1}{2}$ of such taxes on or before December 20 by an
30 escrow or tax service agent, no later than January 31 of the next year, to
31 file a written statement with the county treasurer, on forms approved by
32 the state board of tax appeals and provided by the county treasurer, clearly
33 stating the grounds on which the whole or any part of such taxes are
34 protested and citing any law, statute or facts on which such taxpayer relies
35 in protesting the whole or any part of such taxes. When the grounds of
36 such protest is an assessment of taxes made pursuant to K.S.A. 79-332a
37 and 79-1427a, and amendments thereto, the county treasurer may not
38 distribute the taxes paid under protest until such time as the appeal is final.
39 When the grounds of such protest is that the valuation or assessment of the
40 property upon which the taxes are levied is illegal or void, the county
41 treasurer shall forward a copy of the written statement of protest to the
42 county appraiser who shall within 15 days of the receipt thereof, schedule
43 an informal meeting with the taxpayer or such taxpayer's agent or attorney

1 with reference to the property in question. *At the informal meeting, it shall*
2 *be the duty of the county appraiser or the county appraiser's designee to*
3 *initiate production of evidence to substantiate the valuation of such*
4 *property, including a summary of the reasons that the valuation of the*
5 *property has been increased over the preceding year; any assumptions*
6 *used by the county appraiser to determine the value of the property and a*
7 *description of the individual property characteristics, property specific*
8 *valuation records and conclusions. The taxpayer shall be provided with*
9 *the opportunity to review the data sheets applicable to the valuation*
10 *approach utilized for the subject property. The county appraiser shall take*
11 *into account any evidence provided by the taxpayer which relates to the*
12 *amount of deferred maintenance and depreciation of the property.* The
13 county appraiser shall review the appraisal of the taxpayer's property with
14 the taxpayer or such taxpayer's agent or attorney and may change the
15 valuation of the taxpayer's property, if in the county appraiser's opinion a
16 change in the valuation of the taxpayer's property is required to assure that
17 the taxpayer's property is valued according to law, and shall, within 15
18 business days thereof, notify the taxpayer in the event the valuation of the
19 taxpayer's property is changed, in writing of the results of the meeting. In
20 the event the valuation of the taxpayer's property is changed and such
21 change requires a refund of taxes and interest thereon, the county treasurer
22 shall process the refund in the manner provided by subsection (l).

23 (b) No protest appealing the valuation or assessment of property shall
24 be filed pertaining to any year's valuation or assessment when an appeal of
25 such valuation or assessment was commenced pursuant to K.S.A. 79-1448,
26 and amendments thereto, nor shall the second half payment of taxes be
27 protested when the first half payment of taxes has been protested.
28 Notwithstanding the foregoing, this provision shall not prevent any
29 subsequent owner from protesting taxes levied for the year in which such
30 property was acquired, nor shall it prevent any taxpayer from protesting
31 taxes when the valuation or assessment of such taxpayer's property has
32 been changed pursuant to an order of the director of property valuation.

33 (c) A protest shall not be necessary to protect the right to a refund of
34 taxes in the event a refund is required because the final resolution of an
35 appeal commenced pursuant to K.S.A. 79-1448, and amendments thereto,
36 occurs after the final date prescribed for the protest of taxes.

37 (d) If the grounds of such protest shall be that the valuation or
38 assessment of the property upon which the taxes so protested are levied is
39 illegal or void, such statement shall further state the exact amount of
40 valuation or assessment which the taxpayer admits to be valid and the
41 exact portion of such taxes which is being protested.

42 (e) If the grounds of such protest shall be that any tax levy, or any
43 part thereof, is illegal, such statement shall further state the exact portion

1 of such tax which is being protested.

2 (f) Upon the filing of a written statement of protest, the grounds of
3 which shall be that any tax levied, or any part thereof, is illegal, the county
4 treasurer shall mail a copy of such written statement of protest to the state
5 board of tax appeals and the governing body of the taxing district making
6 the levy being protested.

7 (g) Within 30 days after notification of the results of the informal
8 meeting with the county appraiser pursuant to subsection (a), the
9 protesting taxpayer may, if aggrieved by the results of the informal
10 meeting with the county appraiser, appeal such results to the state board of
11 tax appeals.

12 (h) After examination of the copy of the written statement of protest
13 and a copy of the written notification of the results of the informal meeting
14 with the county appraiser in cases where the grounds of such protest is that
15 the valuation or assessment of the property upon which the taxes are levied
16 is illegal or void, the board shall conduct a hearing in accordance with the
17 provisions of the Kansas administrative procedure act, unless waived by
18 the interested parties in writing. If the grounds of such protest is that the
19 valuation or assessment of the property is illegal or void the board shall
20 notify the county appraiser thereof.

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

1 *property as land devoted to agricultural use shall be presumed to be valid*
2 *and correct if the taxpayer provides an executed lease agreement or other*
3 *documentation demonstrating a commitment to use the property for*
4 *agricultural use, if no other actual use is evident.*

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

9 (k) If a protesting taxpayer fails to file a copy of the written statement
10 of protest and a copy, when applicable, of the written notification of the
11 results of the informal meeting with the county appraiser with the board
12 within the time limit prescribed, such protest shall become null and void
13 and of no effect whatsoever.

14 (l) (1) In the event the board orders that a refund be made pursuant to
15 this section or the provisions of K.S.A. 79-1609, and amendments thereto,
16 or a court of competent jurisdiction orders that a refund be made, and no
17 appeal is taken from such order, or in the event a change in valuation
18 which results in a refund pursuant to subsection (a), the county treasurer
19 shall, as soon thereafter as reasonably practicable, refund to the taxpayer
20 such protested taxes and, with respect to protests or appeals commenced
21 by K.S.A. 79-2968, and amendments thereto, interest computed at the rate prescribed
22 by K.S.A. 79-2968, and amendments thereto, minus two percentage points,
23 per annum from the date of payment of such taxes from tax moneys
24 collected but not distributed. Upon making such refund, the county
25 treasurer shall charge the fund or funds having received such protested
26 taxes, except that, with respect to that portion of any such refund
27 attributable to interest the county treasurer shall charge the county general
28 fund. In the event that the state board of tax appeals or a court of
29 competent jurisdiction finds that any time delay in making its decision is
30 unreasonable and is attributable to the taxpayer, it may order that no
31 interest or only a portion thereof be added to such refund of taxes.

32 (2) No interest shall be allowed pursuant to paragraph (1) in any case
33 where the tax paid under protest was inclusive of delinquent taxes.

34 (m) Whenever, by reason of the refund of taxes previously received
35 or the reduction of taxes levied but not received as a result of decreases in
36 assessed valuation, it will be impossible to pay for imperative functions for
37 the current budget year, the governing body of the taxing district affected
38 may issue no-fund warrants in the amount necessary. Such warrants shall
39 conform to the requirements prescribed by K.S.A. 79-2940, and
40 amendments thereto, except they shall not bear the notation required by
41 such section and may be issued without the approval of the state board of
42 tax appeals. The governing body of such taxing district shall make a tax
43 levy at the time fixed for the certification of tax levies to the county clerk

1 next following the issuance of such warrants sufficient to pay such
2 warrants and the interest thereon. All such tax levies shall be in addition to
3 all other levies authorized by law.

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

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

1 (p) This statute shall not apply to the valuation and assessment of
2 property assessed by the director of property valuation and it shall not be
3 necessary for any owner of state assessed property, who has an appeal
4 pending before the state board of tax appeals, to protest the payment of
5 taxes under this statute solely for the purpose of protecting the right to a
6 refund of taxes paid under protest should that owner be successful in that
7 appeal.

8 Sec. 32. K.S.A. 79-2011 is hereby amended to read as follows: 79-
9 2011. Upon the receipt of the certification of claims allowed as provided in
10 K.S.A. 79-2010, *and amendments thereto*, the county treasurer shall
11 carefully check ~~said~~ the claims against the delinquent *real and* personal
12 property tax of the current year and for seven ~~(7)~~ years preceding the
13 current year, and within two ~~(2)~~ days of the receipt of ~~said~~ the list of
14 claims as provided for in ~~said~~ K.S.A. 79-2010, ~~said~~ *and amendments*
15 *thereto*, the county treasurer shall certify to the board of county
16 commissioners and the county attorney a list of all claimants whose claims
17 are allowed, and whose *real or* personal property tax is delinquent, setting
18 forth the name of the claimant and the amount of tax together with any
19 penalties or interest due, and setting forth the year or years for which ~~said~~
20 *the* tax was levied. Although the name of the claimant as appearing upon
21 the claim filed is not the same as appearing upon the tax roll, if it is known
22 that ~~they are such claimant is~~ one and the same, ~~said~~ the claim shall be
23 handled in the same manner as though the ~~names were~~ *name was* identical
24 on the claim and the tax roll.

25 Sec. 33. K.S.A. 2015 Supp. 79-2026 is hereby amended to read as
26 follows: 79-2026. Whenever personal property in this state is abandoned
27 or repossessed after it is assessed and before the taxes are paid, the owner
28 or lessee of any real property upon which such property was situated at the
29 time of abandonment or repossession shall ~~not be liable for such taxes~~
30 ~~where~~ *acquire such property free of any tax lien for unpaid taxes that may*
31 *otherwise exist if* lawful title to such property is acquired by such
32 landowner or lessee within 12 months of the time such property is deemed
33 abandoned or within 12 months of the time legal proceedings are
34 commenced to effect a repossession. *Any lien for unpaid taxes shall be*
35 *extinguished for any such personal property acquired by the landowner or*
36 *lessee as set forth herein. In no circumstances shall the landowner or*
37 *lessee be liable for any taxes owned prior to the date the personal*
38 *property is acquired by such landowner or lessee.*

39 Sec. 34. On and after January 1, 2017, K.S.A. 80-1520 is hereby
40 amended to read as follows: 80-1520. The governing body of any fire
41 district operating under the provisions of this act ~~other than fire districts~~
42 ~~located in counties having a population of more than sixty thousand~~
43 ~~(60,000) and not more than one hundred thousand (100,000) shall have the~~

1 power to levy a tax of not to exceed five (5) mills and the governing body
2 of fire districts in counties having a population of not less than sixty
3 thousand (60,000) and not more than one hundred thousand (100,000)
4 shall have the power to *may* levy a tax not to exceed six (6) mills. Such
5 taxes shall be levied upon all property, real and personal, having a tax situs
6 in the district and the proceeds thereof shall be used only for the purpose
7 of paying the expenses of operating and maintaining a fire department and
8 other legal expenses of the fire district which tax levy shall be in addition
9 to all other tax levies authorized or limited by law: ~~Provided, That~~. No
10 other levies for fire department purposes shall be made on such property.

11 The governing body of any fire district all of the territory of which is
12 located within a county which has been designated an urban area in
13 accordance with the provisions of K.S.A. 19-2654, *and amendments*
14 *thereto*, may levy a tax each year of not to exceed seven and one-half (~~7~~
15 ~~1/2~~) mills upon the taxable tangible property of the district for the purpose
16 of paying the expenses of operating and maintaining a fire department and
17 other legal expenses of the fire district, which tax levy shall be in addition
18 to all other tax levies authorized or limited by law: ~~Provided, That~~. No
19 other tax levy for fire department purposes shall be made on such property.

20 No such increase in the tax levy authorized by this section shall be
21 made under the provisions of this section until a resolution authorizing
22 such increased levy is adopted by the township board and published once
23 each week for two (~~2~~) consecutive weeks in the official county paper of
24 the county in which such township is located. Whereupon, such levy may
25 be made unless a petition in opposition thereto signed by not less than ~~five~~
26 ~~percent (5%)~~ 5% of the qualified electors of the fire district, as determined
27 by the vote for secretary of state at the last preceding general election, is
28 filed with the county election officer within ~~sixty (60)~~ 60 days following
29 the last publication of the resolution of the board. In the event such a
30 petition is filed, it shall be the duty of the county election officer to submit
31 the question to the voters of the fire district at an election called for such
32 purpose or at the next general election. If no petition is filed, or if the
33 question is submitted on a question submitted ballot and those voting on
34 the question shall vote in favor of such tax levy, the township board is
35 authorized and empowered to make such tax levy.

36 *Before levying any tax authorized by this section, a fire district whose*
37 *governing body has been appointed by the county commissioner of the*
38 *district in which such fire district is located shall submit the proposed levy*
39 *to the governing body of the county for review and approval thereof.*

40 Sec. 35. On and after January 1, 2017, K.S.A. 80-1548 is hereby
41 amended to read as follows: 80-1548. Upon the consolidation of any such
42 areas the board of county commissioners shall appoint a governing body
43 composed of seven members who shall represent, as nearly as may be

1 possible, the geographical areas in such consolidated area. Members of the
2 governing body first appointed shall be appointed as follows: Two for a
3 term of one year; two for a term of two years; and three for a term of three
4 years. Thereafter all members shall be appointed for a term of three years.
5 All vacancies on such board shall be filled by appointment for the
6 remainder of the unexpired term. Members of the governing body shall
7 receive no compensation for their services but shall be allowed their actual
8 expenses incurred in the performance of their official duties.

9 Within ~~thirty (30)~~ 30 days after the governing body is appointed and
10 annually thereafter the governing body shall meet and organize by the
11 election from its membership of a chairperson, vice-chairperson and a
12 secretary and treasurer. The secretary and treasurer shall each give a
13 corporate surety bond, conditioned for the faithful performance of duty
14 and accounting for all money coming into their hands by virtue of such
15 position. Such bonds shall be approved and be in an amount fixed by the
16 governing body.

17 The governing body of such consolidated district ~~shall have authority to~~
18 *may* levy taxes and special assessments as provided by law, ~~to enter into~~
19 ~~contracts, to acquire by lease or purchase and to operate and maintain fire~~
20 ~~fighting equipment, and to acquire or construct buildings to house the~~
21 ~~same and to do all things necessary to effectuate the purposes of this act~~
22 ~~except that no tax or special assessment shall be levied by such governing~~
23 ~~body without first having been submitted to and having been approved by~~
24 ~~the board of county commissioners. In addition to the powers provided for~~
25 ~~in this section, the governing body shall have any powers granted to a fire~~
26 ~~district under K.S.A. 80-1514a, and amendments thereto.~~

27 The governing body of such consolidated district is authorized to make
28 an annual levy of taxes upon the taxable property located within the
29 consolidated fire district in an amount approved by the board of county
30 commissioners ~~but not to exceed seven mills.~~

31 The governing body of any district shall also have the authority to issue
32 general obligation bonds and no-fund warrants under the provisions of
33 K.S.A. 80-1514b, *and amendments thereto.*

34 Sec. 36. On and after January 1, 2017, K.S.A. 3-114, 12-1688, 19-
35 3557, 19-3617, 19-3622, 27-322, 27-333, 80-1520, 80-1548 and K.S.A.
36 2015 Supp. 12-1927, 12-1928, 12-1936 and 27-323 are hereby repealed.

37 Sec. 37. K.S.A. 19-432, 79-504, 79-1412a, 79-1456, 79-1460a, 79-
38 1490 and 79-2011 and K.S.A. 2015 Supp. 74-2426, 74-2433, 74-2438, 77-
39 618, 79-331, 79-425a, 79-503a, 79-1439, 79-1448, 79-1460, 79-1476, 79-
40 2004, 79-2005 and 79-2026 are hereby repealed.

41 Sec. 38. This act shall take effect and be in force from and after its
42 publication in the statute book.