

**{As Amended by House Committee of the Whole}**

*Session of 2016*

**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~~ <sup>( $\frac{1}{2}$ )</sup> 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~~ <sup>2/3</sup> 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~~ <sup>2/3</sup> vote of the members thereof is hereby further authorized to  
12 levy an annual tax ~~not exceeding one-half~~ <sup>(<sup>1</sup>/<sub>2</sub>)</sup> 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 <sup>8</sup>/<sub>8</sub><sup>ths</sup> 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 **{commercial}** real  
38 property has been reduced due to a final determination made pursuant to  
39 the valuation appeals process, ~~documented substantial and compelling~~  
40 ~~reasons exist therefor and are provided by the county appraiser such~~  
41 ~~property shall be appraised through the use of a market-based appraisal~~  
42 ~~from an independent third-party chosen and paid for by the county~~. **The**  
43 **county appraiser shall review the computer-assisted mass-appraisal of**

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

43 (b) For all taxable years commencing after December 31, 1999, there

1 shall be provided to each taxpayer, upon request, a guide to the property  
2 tax appeals process. The director of the division of property valuation shall  
3 devise and publish such guide, and shall provide sufficient copies thereof  
4 to all county appraisers. Such guide shall include but not be limited to: (1)  
5 A restatement of the law which pertains to the process and practice of  
6 property appraisal methodology, including the contents of K.S.A. 79-503a  
7 and 79-1460, and amendments thereto; (2) the procedures of the appeals  
8 process, including the order and burden of proof of each party and time  
9 frames required by law; and (3) such other information deemed necessary  
10 to educate and enable a taxpayer to properly and competently pursue an  
11 appraisal appeal.

12 (e) For purposes of this section:

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

16 (2) ~~the term "substantial addition or improvement to the property"~~  
17 ~~means the construction of any new structures or improvements on the~~  
18 ~~property or the renovation of any existing structures or improvements on~~  
19 ~~the property. The term "substantial addition or improvement to the~~  
20 ~~property" shall not include:~~

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

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

25 Sec. 27. K.S.A. 79-1460a is hereby amended to read as follows: 79-  
26 1460a. Annually, ~~at least five business days~~ prior to the mailing of change  
27 of valuation notices pursuant to K.S.A. 79-1460, and amendments thereto,  
28 the county or district appraiser shall cause to be published in the official  
29 county newspaper *or on the official county website* the results of the  
30 market study analysis as prescribed by the director of the division of  
31 property valuation of the department of revenue.

32 Sec. 28. K.S.A. 2015 Supp. 79-1476 is hereby amended to read as  
33 follows: 79-1476. The director of property valuation is hereby directed and  
34 empowered to administer and supervise a statewide program of reappraisal  
35 of all real property located within the state. Except as otherwise authorized  
36 by K.S.A. 19-428, and amendments thereto, each county shall comprise a  
37 separate appraisal district under such program, and the county appraiser  
38 shall have the duty of reappraising all of the real property in the county  
39 pursuant to guidelines and timetables prescribed by the director of  
40 property valuation and of updating the same on an annual basis. In the case  
41 of multi-county appraisal districts, the district appraiser shall have the duty  
42 of reappraising all of the real property in each of the counties comprising  
43 the district pursuant to such guidelines and timetables and of updating the

1 same on an annual basis. Commencing in 2000, every parcel of real  
2 property shall be actually viewed and inspected by the county or district  
3 appraiser once every six years. ~~Any county or district appraiser shall be  
4 deemed to be in compliance with the foregoing requirement in any year if  
5 17% or more of the parcels in such county or district are actually viewed  
6 and inspected.~~

7       Compilation of data for the initial preparation or updating of  
8 inventories for each parcel of real property and entry thereof into the state  
9 computer system as provided for in K.S.A. 79-1477, and amendments  
10 thereto, shall be completed not later than January 1, 1989. Whenever the  
11 director determines that reappraisal of all real property within a county is  
12 complete, notification thereof shall be given to the governor and to the  
13 state board of tax appeals.

14       Valuations shall be established for each parcel of real property at its fair  
15 market value in money in accordance with the provisions of K.S.A. 79-  
16 503a, and amendments thereto.

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

41       The share of net income from land in the various land classes within  
42 each county or homogeneous region which is normally received by the  
43 landlord shall be used as the basis for determining agricultural income for



1 all land devoted to agricultural use except pasture or rangeland. The net  
2 income normally received by the landlord from such land shall be  
3 determined by deducting expenses normally incurred by the landlord from  
4 the share of the gross income normally received by the landlord. The net  
5 rental income normally received by the landlord from pasture or rangeland  
6 within each county or homogeneous region shall be used as the basis for  
7 determining agricultural income from such land. The net rental income  
8 from pasture and rangeland which is normally received by the landlord  
9 shall be determined by deducting expenses normally incurred from the  
10 gross income normally received by the landlord. Commodity prices, crop  
11 yields and pasture and rangeland rental rates and expenses shall be based  
12 on an average of the eight calendar years immediately preceding the  
13 calendar year which immediately precedes the year of valuation. Net  
14 income for every land class within each county or homogeneous region  
15 shall be capitalized at a rate determined to be the sum of the contract rate  
16 of interest on new federal land bank loans in Kansas on July 1 of each year  
17 averaged over a five-year period which includes the five years  
18 immediately preceding the calendar year which immediately precedes the  
19 year of valuation, plus a percentage not less than 0.75% nor more than  
20 2.75%, as determined by the director of property valuation, except that the  
21 capitalization rate calculated for property tax year 2003, and all such years  
22 thereafter, shall not be less than 11% nor more than 12%.

23 Based on the foregoing procedures the director of property valuation  
24 shall make an annual determination of the value of land within each of the  
25 various classes of land devoted to agricultural use within each county or  
26 homogeneous region and furnish the same to the several county appraisers  
27 who shall classify such land according to its current usage and apply the  
28 value applicable to such class of land according to the valuation schedules  
29 prepared and adopted by the director of property valuation under the  
30 provisions of this section.

31 It is the intent of the legislature that appraisal judgment and appraisal  
32 standards be followed and incorporated throughout the process of data  
33 collection and analysis and establishment of values pursuant to this  
34 section.

35 For the purpose of the foregoing provisions of this section the phrase  
36 "land devoted to agricultural use" shall mean and include land, regardless  
37 of whether it is located in the unincorporated area of the county or within  
38 the corporate limits of a city, which is devoted to the production of plants,  
39 animals or horticultural products, including, but not limited to: Forages;  
40 grains and feed crops; dairy animals and dairy products; poultry and  
41 poultry products; beef cattle, sheep, swine and horses; bees and apiary  
42 products; trees and forest products; fruits, nuts and berries; vegetables;  
43 nursery, floral, ornamental and greenhouse products. Land devoted to

1 agricultural use shall not include those lands which are used for  
2 recreational purposes, other than that land established as a controlled  
3 shooting area pursuant to K.S.A. 32-943, and amendments thereto, which  
4 shall be deemed to be land devoted to agricultural use, suburban  
5 residential acreages, rural home sites or farm home sites and yard plots  
6 whose primary function is for residential or recreational purposes even  
7 though such properties may produce or maintain some of those plants or  
8 animals listed in the foregoing definition. *If a parcel has land devoted to*  
9 *agricultural purposes and land used for suburban residential acreages,*  
10 *rural home sites or farm home sites, the county appraiser shall determine*  
11 *the amount of the parcel used for agricultural purposes and value and*  
12 *assess it accordingly as land devoted to agricultural purposes. The county*  
13 *appraiser shall then determine the amount of the remaining land used for*  
14 *such other purposes and value and assess that land according to its use.*

15 The term "expenses" shall mean those expenses typically incurred in  
16 producing the plants, animals and horticultural products described above  
17 including management fees, production costs, maintenance and  
18 depreciation of fences, irrigation wells, irrigation laterals and real estate  
19 taxes, but the term shall not include those expenses incurred in providing  
20 temporary or permanent buildings used in the production of such plants,  
21 animals and horticultural products.

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

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

38 ~~Sec. 30. {29.}~~ K.S.A. 2015 Supp. 79-2004 is hereby amended to read  
39 as follows: 79-2004. (a) Except as provided by K.S.A. 79-4521, and  
40 amendments thereto, any person charged with real property taxes on the  
41 tax books in the hands of the county treasurer may pay, at such person's  
42 option, the full amount thereof on or before December 20 of each year, or  
43 1/2 thereof on or before December 20 and the remaining 1/2 on or before

1 May 10 next ensuing. If the full amount of the real property taxes listed  
2 upon any tax statement is \$10 or less the entire amount of such tax shall be  
3 due and payable on or before December 20.

4 In case the first half of the real property taxes remains unpaid after  
5 December 20, the first half of the tax shall draw interest at the rate  
6 prescribed by K.S.A. 79-2968, and amendments thereto, *plus five*  
7 *percentage points* per annum and may be paid at any time prior to May 10  
8 following by paying  $\frac{1}{2}$  of the tax together with interest at such rate from  
9 December 20 to date of payment. Subject to the provisions of subsection  
10 (d), all real property taxes of the preceding year and accrued interest  
11 thereon which remain due and unpaid on May 11 shall accrue interest at  
12 the rate prescribed by K.S.A. 79-2968, and amendments thereto, *plus five*  
13 *percentage points* per annum from May 10 until paid, or until the real  
14 property is sold for taxes by foreclosure as provided by law. Except as  
15 provided by subsection (c), all interest herein provided shall be credited to  
16 the county general fund, and whenever any such interest is paid the county  
17 treasurer shall enter the amount of interest so paid on the tax rolls in the  
18 proper column and account for such sum.

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

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

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

34 ~~Sec. 31.~~ **{30.}** K.S.A. 2015 Supp. 79-2005 is hereby amended to read  
35 as follows: 79-2005. (a) Any taxpayer, before protesting the payment of  
36 such taxpayer's taxes, shall be required, either at the time of paying such  
37 taxes, or, if the whole or part of the taxes are paid prior to December 20,  
38 no later than December 20, or, with respect to taxes paid in whole or in  
39 part in an amount equal to at least  $\frac{1}{2}$  of such taxes on or before December  
40 20 by an escrow or tax service agent, no later than January 31 of the next  
41 year, to file a written statement with the county treasurer, on forms  
42 approved by the state board of tax appeals and provided by the county  
43 treasurer, clearly stating the grounds on which the whole or any part of

1 such taxes are protested and citing any law, statute or facts on which such  
2 taxpayer relies in protesting the whole or any part of such taxes. When the  
3 grounds of such protest is an assessment of taxes made pursuant to K.S.A.  
4 79-332a and 79-1427a, and amendments thereto, the county treasurer may  
5 not distribute the taxes paid under protest until such time as the appeal is  
6 final. When the grounds of such protest is that the valuation or assessment  
7 of the property upon which the taxes are levied is illegal or void, the  
8 county treasurer shall forward a copy of the written statement of protest to  
9 the county appraiser who shall within 15 days of the receipt thereof,  
10 schedule an informal meeting with the taxpayer or such taxpayer's agent or  
11 attorney with reference to the property in question. *At the informal*  
12 *meeting, it shall be the duty of the county appraiser or the county*  
13 *appraiser's designee to initiate production of evidence to substantiate the*  
14 *valuation of such property, including a summary of the reasons that the*  
15 *valuation of the property has been increased over the preceding year, any*  
16 *assumptions used by the county appraiser to determine the value of the*  
17 *property and a description of the individual property characteristics,*  
18 *property specific valuation records and conclusions. The taxpayer shall be*  
19 *provided with the opportunity to review the data sheets applicable to the*  
20 *valuation approach utilized for the subject property. The county appraiser*  
21 *shall take into account any evidence provided by the taxpayer which*  
22 *relates to the amount of deferred maintenance and depreciation of the*  
23 *property. The county appraiser shall review the appraisal of the taxpayer's*  
24 *property with the taxpayer or such taxpayer's agent or attorney and may*  
25 *change the valuation of the taxpayer's property, if in the county appraiser's*  
26 *opinion a change in the valuation of the taxpayer's property is required to*  
27 *assure that the taxpayer's property is valued according to law, and shall,*  
28 *within 15 business days thereof, notify the taxpayer in the event the*  
29 *valuation of the taxpayer's property is changed, in writing of the results of*  
30 *the meeting. In the event the valuation of the taxpayer's property is*  
31 *changed and such change requires a refund of taxes and interest thereon,*  
32 *the county treasurer shall process the refund in the manner provided by*  
33 *subsection (l).*

34 (b) No protest appealing the valuation or assessment of property shall  
35 be filed pertaining to any year's valuation or assessment when an appeal of  
36 such valuation or assessment was commenced pursuant to K.S.A. 79-1448,  
37 and amendments thereto, nor shall the second half payment of taxes be  
38 protested when the first half payment of taxes has been protested.  
39 Notwithstanding the foregoing, this provision shall not prevent any  
40 subsequent owner from protesting taxes levied for the year in which such  
41 property was acquired, nor shall it prevent any taxpayer from protesting  
42 taxes when the valuation or assessment of such taxpayer's property has  
43 been changed pursuant to an order of the director of property valuation.

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

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

10 (e) If the grounds of such protest shall be that any tax levy, or any  
11 part thereof, is illegal, such statement shall further state the exact portion  
12 of such tax which is being protested.

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

18 (g) Within 30 days after notification of the results of the informal  
19 meeting with the county appraiser pursuant to subsection (a), the  
20 protesting taxpayer may, if aggrieved by the results of the informal  
21 meeting with the county appraiser, appeal such results to the state board of  
22 tax appeals.

23 (h) After examination of the copy of the written statement of protest  
24 and a copy of the written notification of the results of the informal meeting  
25 with the county appraiser in cases where the grounds of such protest is that  
26 the valuation or assessment of the property upon which the taxes are levied  
27 is illegal or void, the board shall conduct a hearing in accordance with the  
28 provisions of the Kansas administrative procedure act, unless waived by  
29 the interested parties in writing. If the grounds of such protest is that the  
30 valuation or assessment of the property is illegal or void the board shall  
31 notify the county appraiser thereof.

32 (i) In the event of a hearing, the same shall be originally set not later  
33 than 90 days after the filing of the copy of the written statement of protest  
34 and a copy, when applicable, of the written notification of the results of the  
35 informal meeting with the county appraiser with the board. With regard to  
36 any matter properly submitted to the board relating to the determination of  
37 valuation of residential property or real property used for commercial and  
38 industrial purposes for taxation purposes, it shall be the duty of the county  
39 appraiser to initiate the production of evidence to demonstrate, by a  
40 preponderance of the evidence, the validity and correctness of such  
41 determination except that no such duty shall accrue to the county or  
42 district appraiser with regard to leased commercial and industrial property  
43 unless the property owner has furnished to the county or district appraiser

1 a complete income and expense statement for the property for the three  
2 years next preceding the year of appeal. No presumption shall exist in  
3 favor of the county appraiser with respect to the validity and correctness of  
4 such determination. In all instances where the board sets a request for  
5 hearing and requires the representation of the county by its attorney or  
6 counselor at such hearing, the county shall be represented by its county  
7 attorney or counselor. *The board shall take into account any evidence*  
8 *provided by the taxpayer which relates to the amount of deferred*  
9 *maintenance and depreciation for the property. In any appeal from the*  
10 *reclassification of property that was classified as land devoted to*  
11 *agricultural use for the preceding year, the taxpayer's classification of the*  
12 *property as land devoted to agricultural use shall be presumed to be valid*  
13 *and correct if the taxpayer provides an executed lease agreement or other*  
14 *documentation demonstrating a commitment to use the property for*  
15 *agricultural use, if no other actual use is evident.*

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

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

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

43 (2) No interest shall be allowed pursuant to paragraph (1) in any case

1 where the tax paid under protest was inclusive of delinquent taxes.

2 (m) Whenever, by reason of the refund of taxes previously received  
3 or the reduction of taxes levied but not received as a result of decreases in  
4 assessed valuation, it will be impossible to pay for imperative functions for  
5 the current budget year, the governing body of the taxing district affected  
6 may issue no-fund warrants in the amount necessary. Such warrants shall  
7 conform to the requirements prescribed by K.S.A. 79-2940, and  
8 amendments thereto, except they shall not bear the notation required by  
9 such section and may be issued without the approval of the state board of  
10 tax appeals. The governing body of such taxing district shall make a tax  
11 levy at the time fixed for the certification of tax levies to the county clerk  
12 next following the issuance of such warrants sufficient to pay such  
13 warrants and the interest thereon. All such tax levies shall be in addition to  
14 all other levies authorized by law.

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

1 subsection shall be repaid within four years. The county or taxing  
2 subdivision shall make not more than four equal annual tax levies at the  
3 time fixed for the certification of tax levies to the county clerk following  
4 the making of such loan sufficient to pay such loan within the time period  
5 required under such loan. All such tax levies shall be in addition to all  
6 other levies authorized by law.

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

12 (p) This statute shall not apply to the valuation and assessment of  
13 property assessed by the director of property valuation and it shall not be  
14 necessary for any owner of state assessed property, who has an appeal  
15 pending before the state board of tax appeals, to protest the payment of  
16 taxes under this statute solely for the purpose of protecting the right to a  
17 refund of taxes paid under protest should that owner be successful in that  
18 appeal.

19 Sec. ~~32~~ {31.} K.S.A. 79-2011 is hereby amended to read as follows:  
20 79-2011. Upon the receipt of the certification of claims allowed as  
21 provided in K.S.A. 79-2010, *and amendments thereto*, the county treasurer  
22 shall carefully check ~~said~~ the claims against the delinquent *real and*  
23 personal property tax of the current year and for seven ~~(7)~~ years preceding  
24 the current year, and within two ~~(2)~~ days of the receipt of ~~said~~ the list of  
25 claims as provided for in ~~said~~ K.S.A. 79-2010, ~~said and amendments~~  
26 *thereto, the* county treasurer shall certify to the board of county  
27 commissioners and the county attorney a list of all claimants whose claims  
28 are allowed, and whose *real or* personal property tax is delinquent, setting  
29 forth the name of the claimant and the amount of tax together with any  
30 penalties or interest due, and setting forth the year or years for which ~~said~~  
31 *the* tax was levied. Although the name of the claimant as appearing upon  
32 the claim filed is not the same as appearing upon the tax roll, if it is known  
33 that ~~they are~~ *such claimant is* one and the same, ~~said~~ the claim shall be  
34 handled in the same manner as though the ~~names were~~ *name was* identical  
35 on the claim and the tax roll.

36 Sec. ~~33~~ {32.} K.S.A. 2015 Supp. 79-2026 is hereby amended to read  
37 as follows: 79-2026. Whenever personal property in this state is  
38 abandoned or repossessed after it is assessed and before the taxes are paid,  
39 the owner or lessee of any real property upon which such property was  
40 situated at the time of abandonment or repossession shall ~~not be liable for~~  
41 ~~such taxes where~~ *acquire such property free of any tax lien for unpaid*  
42 *taxes that may otherwise exist if* lawful title to such property is acquired by  
43 such landowner or lessee within 12 months of the time such property is



1 deemed abandoned or within 12 months of the time legal proceedings are  
2 commenced to effect a repossession. *Any lien for unpaid taxes shall be*  
3 *extinguished for any such personal property acquired by the landowner or*  
4 *lessee as set forth herein. In no circumstances shall the landowner or*  
5 *lessee be liable for any taxes owned prior to the date the personal*  
6 *property is acquired by such landowner or lessee.*

7 Sec. ~~34.~~ {33.} On and after January 1, 2017, K.S.A. 80-1520 is  
8 hereby amended to read as follows: 80-1520. The governing body of any  
9 fire district operating under the provisions of this act ~~other than fire~~  
10 ~~districts located in counties having a population of more than sixty~~  
11 ~~thousand (60,000) and not more than one hundred thousand (100,000)~~  
12 ~~shall have the power to levy a tax of not to exceed five (5) mills and the~~  
13 ~~governing body of fire districts in counties having a population of not less~~  
14 ~~than sixty thousand (60,000) and not more than one hundred thousand~~  
15 ~~(100,000) shall have the power to may levy a tax not to exceed six (6)~~  
16 ~~mills. Such taxes shall be levied upon all property, real and personal,~~  
17 ~~having a tax situs in the district and the proceeds thereof shall be used only~~  
18 ~~for the purpose of paying the expenses of operating and maintaining a fire~~  
19 ~~department and other legal expenses of the fire district which tax levy shall~~  
20 ~~be in addition to all other tax levies authorized or limited by law—~~  
21 ~~Provided, That.~~ No other levies for fire department purposes shall be made  
22 on such property.

23 The governing body of any fire district all of the territory of which is  
24 located within a county which has been designated an urban area in  
25 accordance with the provisions of K.S.A. 19-2654, *and amendments*  
26 *thereto*, may levy a tax ~~each year of not to exceed seven and one-half (7~~  
27 ~~1/2) mills upon the taxable tangible property of the district for the purpose~~  
28 ~~of paying the expenses of operating and maintaining a fire department and~~  
29 ~~other legal expenses of the fire district, which tax levy shall be in addition~~  
30 ~~to all other tax levies authorized or limited by law—Provided, That.~~ No  
31 other tax levy for fire department purposes shall be made on such property.

32 No such increase in the tax levy authorized by this section shall be  
33 made under the provisions of this section until a resolution authorizing  
34 such increased levy is adopted by the township board and published once  
35 each week for two ~~(2)~~ consecutive weeks in the official county paper of  
36 the county in which such township is located. Whereupon, such levy may  
37 be made unless a petition in opposition thereto signed by not less than ~~five~~  
38 ~~percent (5%)~~ 5% of the qualified electors of the fire district, as determined  
39 by the vote for secretary of state at the last preceding general election, is  
40 filed with the county election officer within ~~sixty (60)~~ 60 days following  
41 the last publication of the resolution of the board. In the event such a  
42 petition is filed, it shall be the duty of the county election officer to submit  
43 the question to the voters of the fire district at an election called for such

1 purpose or at the next general election. If no petition is filed, or if the  
2 question is submitted on a question submitted ballot and those voting on  
3 the question shall vote in favor of such tax levy, the township board is  
4 authorized and empowered to make such tax levy.

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

9 Sec. ~~35.~~ {34.} On and after January 1, 2017, K.S.A. 80-1548 is  
10 hereby amended to read as follows: 80-1548. Upon the consolidation of  
11 any such areas the board of county commissioners shall appoint a  
12 governing body composed of seven members who shall represent, as  
13 nearly as may be possible, the geographical areas in such consolidated  
14 area. Members of the governing body first appointed shall be appointed as  
15 follows: Two for a term of one year; two for a term of two years; and three  
16 for a term of three years. Thereafter all members shall be appointed for a  
17 term of three years. All vacancies on such board shall be filled by  
18 appointment for the remainder of the unexpired term. Members of the  
19 governing body shall receive no compensation for their services but shall  
20 be allowed their actual expenses incurred in the performance of their  
21 official duties.

22 Within ~~thirty (30)~~ 30 days after the governing body is appointed and  
23 annually thereafter the governing body shall meet and organize by the  
24 election from its membership of a chairperson, vice-chairperson and a  
25 secretary and treasurer. The secretary and treasurer shall each give a  
26 corporate surety bond, conditioned for the faithful performance of duty  
27 and accounting for all money coming into their hands by virtue of such  
28 position. Such bonds shall be approved and be in an amount fixed by the  
29 governing body.

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

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

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

4 **{New Sec. 35. In any county which exceeds the statewide average,**  
5 **the director of property valuation shall be required to perform, or to**  
6 **contract with an independent third party to perform, a market-based**  
7 **appraisal of no less than 1% of the commercial properties appraised**  
8 **by the computer- assisted mass-appraisal system within the county as**  
9 **a verification of the accuracy of such system. The properties shall be**  
10 **selected at random from commercial property and represent a**  
11 **reasonable cross-section of use and value across the state. The**  
12 **property owner shall be allowed the opportunity to meet with the**  
13 **appraiser in order to offer pertinent data and insight on the issues that**  
14 **would affect the value of the property. This appraisal will not be an**  
15 **official appraisal of the property and will be used for the purposes of**  
16 **quality assurance of the mass-appraisal system. If the independent**  
17 **appraisal reveals a statistical deviation greater than 5% on more than**  
18 **25% of the audited properties, then the director will perform**  
19 **additional audits in those counties and require corrective action**  
20 **necessary to ensure a fair and accurate appraisal.**

21 **New Sec. 36. Within 60 days after the date the notice of informal**  
22 **meeting results or final determination is mailed to the taxpayer**  
23 **pursuant to K.S.A. 79-1448, and amendments thereto, any taxpayer**  
24 **aggrieved by the final determination of the county appraiser, who has**  
25 **not filed an appeal with the board of tax appeals pursuant to K.S.A.**  
26 **2015 Supp. 74-2433f, K.S.A. 79-1448 or K.S.A. 79-1609 and K.S.A. 79-**  
27 **1611, and amendments thereto, may file with the county appraiser a**  
28 **third-party fee simple appraisal performed by a Kansas certified**  
29 **general real property appraiser that reflects the value of the property**  
30 **as of January 1 for the same tax year being appealed. Within 15 days**  
31 **after receipt of the appraisal, the county appraiser shall mail a revised**  
32 **notice reflecting the opinion of value of the third-party fee simple**  
33 **appraisal performed by a Kansas certified general real property**  
34 **appraiser. Within 15 days after the date of mailing the revised notice,**  
35 **the county appraiser may file a notice of appeal in writing with the**  
36 **board of tax appeals if the county appraiser does not agree with the**  
37 **appraisal and shall provide a copy of the notice of appeal to the**  
38 **taxpayer. The board of tax appeals shall have the authority to hear**  
39 **the appeal by the county appraiser. The burden of proof shall be on**  
40 **the county appraiser.**

41 **New Sec. 37. In those counties which fail to meet the minimum**  
42 **requirements for substantial appraisal compliance, the director of**  
43 **property valuation shall present the most recent results of the ratio**

1 **study, including the results of any audits to such board of county**  
2 **commissioners in an open meeting. As a part of such presentation, the**  
3 **director shall present a summary of the number of valuation appeals**  
4 **that were filed in that county and the outcomes of those protests that**  
5 **resulted in reduced valuations of property.}**

6 Sec. ~~36~~. {38.} On and after January 1, 2017, K.S.A. 3-114, 12-1688,  
7 19-3557, 19-3617, 19-3622, 27-322, 27-333, 80-1520, 80-1548 and K.S.A.  
8 2015 Supp. 12-1927, 12-1928, 12-1936 and 27-323 are hereby repealed.

9 Sec. ~~37~~. {39.} K.S.A. 19-432, 79-504, 79-1412a, 79-1456, 79-1460a,  
10 ~~79-1490~~ and 79-2011 and K.S.A. 2015 Supp. 74-2426, 74-2433, 74-2438,  
11 77-618, 79-331, 79-425a, 79-503a, 79-1439, 79-1448, 79-1460, 79-1476,  
12 79-2004, 79-2005 and 79-2026 are hereby repealed.

13 Sec. ~~38~~. {40.} This act shall take effect and be in force from and after  
14 its publication in the statute book.