

## House Substitute for SENATE BILL No. 125

By Committee on Taxation

5-21

1 AN ACT concerning property taxation; relating to payment of delinquent  
2 or nondelinquent taxes, providing for county treasurers to establish a  
3 payment plan, allowing county treasurers to waive interest and  
4 penalties for late tax payments; abatement of property taxes for  
5 agricultural improvement, public grain warehouse and commercial real  
6 property destroyed or substantially destroyed by natural disaster;  
7 amending K.S.A. 79-1613, 79-2024, 79-2302 and 79-2303 and  
8 repealing the existing sections.  
9

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

11 Section 1. K.S.A. 79-1613 is hereby amended to read as follows: 79-  
12 1613. (a) (1) As used in this ~~section~~ subsection:

13 ~~(A)~~(A) "Destroyed or substantially destroyed" means damage of any  
14 origin sustained by a homestead as the direct result of: ~~(A)~~ (i) An  
15 earthquake, flood, tornado, fire or storm; or ~~(B)~~ (ii) an event or occurrence  
16 ~~which~~ that the governor of the state of Kansas has declared a disaster,  
17 whereby the cost of restoring the structure to its before-damaged condition  
18 would equal or exceed 50% of the market value of the structure before the  
19 damage occurred.

20 ~~(2)~~(B) "Homestead" means the dwelling, or any part thereof, whether  
21 owned or rented, ~~which~~ that is occupied as a residence by the household  
22 and so much of the land surrounding it, as defined as a home site for ad  
23 valorem tax purposes, and may consist of a part of a multi-dwelling or  
24 multi-purpose building and a part of the land upon which it is built or a  
25 manufactured home or mobile home and the land upon which it is situated.  
26 "Owned" includes a vendee in possession under a land contract, a life  
27 tenant, a beneficiary under a trust and one or more joint tenants or tenants  
28 in common.

29 ~~(3)~~ "Public or private buyout" means any buyout from a local, state or  
30 federal governmental entity or any non-governmental entity, including, but  
31 not limited to, an individual, foundation, trust, association, corporation,  
32 limited liability company or partnership.

33 ~~(b)~~(2) The owner of any homestead listed and assessed for property  
34 taxation purposes ~~which~~ that was destroyed or substantially destroyed due  
35 to an earthquake, flood, tornado, fire, storm, or other event or occurrence  
36 ~~which~~ that the governor of the state of Kansas has declared a disaster may

1 make application to the board of county commissioners of the county in  
2 which such property is located for the abatement of property taxes levied  
3 upon such homestead or for a credit against property taxes payable by such  
4 owner, as permitted by this section.

5 ~~(1)~~(A) If such homestead has been so destroyed or substantially  
6 destroyed after January 1 of a particular year but prior to August 15 of  
7 such year, the owner of such homestead may make application to such  
8 board of county commissioners for the abatement of property taxes levied  
9 upon such homestead, or if such property taxes have been paid or partially  
10 paid, may make application for the granting of a credit against property  
11 taxes payable by such owner during any or all of the next succeeding three  
12 taxable years.

13 ~~(2)~~(B) If such homestead has been so destroyed or substantially  
14 destroyed on or after August 15 of a particular year but prior to January 1  
15 of the next succeeding year, the owner of such homestead may make  
16 application to such board of county commissioners for the granting of a  
17 credit against property taxes payable by such owner during any or all of  
18 the next succeeding three taxable years.

19 (b) (1) *As used in this subsection:*

20 (A) *"Agricultural improvement" means a farm building or structure,*  
21 *including, but not limited to, a barn, shed, grain bin or outbuilding,*  
22 *utilized for the production of livestock or crops and listed and classified as*  
23 *an agricultural improvement for property taxation purposes.*

24 (B) *"Destroyed or substantially destroyed" means damage sustained*  
25 *by an agricultural improvement or commercial real property as the direct*  
26 *result of an earthquake, flood, tornado, fire, storm or other natural*  
27 *disaster event or occurrence that the governor of the state of Kansas has*  
28 *declared a disaster; whereby the cost of restoring the building or structure*  
29 *to its before-damaged condition would equal or exceed 50% of the market*  
30 *value of the building or structure before the damage occurred. For*  
31 *purposes of this subsection, such earthquake, flood, tornado, fire, storm or*  
32 *other natural disaster event or occurrence must be declared a disaster by*  
33 *the governor of the state of Kansas.*

34 (2) *The owner of any agricultural improvement or commercial real*  
35 *property that was destroyed or substantially destroyed may make*  
36 *application to the board of county commissioners of the county in which*  
37 *such property is located for the abatement of property taxes levied upon*  
38 *such agricultural improvement or commercial real property or for a credit*  
39 *against property taxes payable by such owner, as permitted by this section.*

40 (A) *If such agricultural improvement or commercial real property has*  
41 *been so destroyed or substantially destroyed after January 1 of a*  
42 *particular year but prior to August 15 of such year, the owner of such*  
43 *agricultural improvement or commercial real property may make*

1 application to such board of county commissioners for the abatement of  
2 property taxes levied upon such agricultural improvement or commercial  
3 real property, or if such property taxes have been paid or partially paid,  
4 may make application for the granting of a credit against property taxes  
5 payable by such owner during any or all of the next succeeding three  
6 taxable years.

7 (B) If such agricultural improvement or commercial real property has  
8 been so destroyed or substantially destroyed on or after August 15 of a  
9 particular year but prior to January 1 of the next succeeding year, the  
10 owner of such agricultural improvement or commercial real property may  
11 make application to such board of county commissioners for the granting  
12 of a credit against property taxes payable by such owner during any or all  
13 of the next succeeding three taxable years.

14 (c) (1) As used in this subsection:

15 (A) "Destroyed or substantially destroyed" means damage sustained  
16 by a public grain warehouse as the direct result of an earthquake, flood,  
17 tornado, fire, storm or other natural disaster event or occurrence that the  
18 governor of the state of Kansas has declared a disaster, whereby the cost  
19 of restoring the building or structure to its before-damaged condition  
20 would equal or exceed 50% of the market value of the building or  
21 structure before the damage occurred. For purposes of this subsection,  
22 such earthquake, flood, tornado, fire, storm or other natural disaster event  
23 or occurrence must be declared a disaster by the governor of the state of  
24 Kansas.

25 (B) "Public grain warehouse" means any grain bin, head house,  
26 storage facility or other structure located at a public grain warehouse  
27 location licensed pursuant to K.S.A. 34-228, and amendments thereto, or  
28 the United States warehouse act, 7 U.S.C. § 241 et seq. and utilized for the  
29 storage or handling of grain that is classified as real property for ad  
30 valorem tax purposes.

31 (2) The owner of any public grain warehouse that was destroyed or  
32 substantially destroyed may make application to the board of county  
33 commissioners of the county in which such property is located for the  
34 abatement of property taxes levied upon such public grain warehouse or  
35 for a credit against property taxes payable by such owner, as permitted by  
36 this section.

37 (A) If such public grain warehouse has been so destroyed or  
38 substantially destroyed after January 1 of a particular year but prior to  
39 August 15 of such year, the owner of such public grain warehouse may  
40 make application to such board of county commissioners for the  
41 abatement of property taxes levied upon such public grain warehouse, or  
42 if such property taxes have been paid or partially paid, may make  
43 application for the granting of a credit against property taxes payable by

1 *such owner during any or all of the next succeeding three taxable years.*

2 *(B) If such public grain warehouse has been so destroyed or*  
3 *substantially destroyed on or after August 15 of a particular year but prior*  
4 *to January 1 of the next succeeding year, the owner of such public grain*  
5 *warehouse may make application to such board of county commissioners*  
6 *for the granting of a credit against property taxes payable by such owner*  
7 *during any or all of the next succeeding three taxable years.*

8 *(d) An application for relief as permitted by ~~subsection~~ subsections*  
9 *(a), (b) and (c) may be made for abatement of property taxes assessed but*  
10 *not yet paid, or for a grant of a credit for assessed property taxes paid or*  
11 *for both, as the case may be, and may be made on or before December 20*  
12 *of the year next succeeding the year for which such taxes have been*  
13 *assessed.*

14 ~~(d)~~*(e) Upon receipt of any such application, subject to budgetary*  
15 *restraints of the county or taxing subdivision arising from the event or*  
16 *occurrence declared a disaster by the governor, the board of county*  
17 *commissioners shall inquire into and make findings regarding, among*  
18 *other things, whether the property is a homestead, as defined in subsection*  
19 *(a), whether the homestead was destroyed or substantially destroyed, as*  
20 *defined in subsection (a), whether the property is a commercial real*  
21 *property or an agricultural improvement, as defined in subsection (b),*  
22 *whether the commercial real property or agricultural improvement was*  
23 *destroyed or substantially destroyed, as defined in subsection (b), whether*  
24 *the property is a public grain warehouse, as defined in subsection (c),*  
25 *whether the public grain warehouse was destroyed or substantially*  
26 *destroyed, as defined in subsection (c) and the assessed valuation thereof.*  
27 *If it is determined that an owner of such homestead, commercial real*  
28 *property, agricultural improvement or public grain warehouse is entitled*  
29 *to an abatement of all or any portion of the property taxes levied against*  
30 *such homestead, commercial real property, agricultural improvement or*  
31 *public grain warehouse or is entitled to a credit against property taxes*  
32 *payable by such owner in any or all of the next succeeding three years, the*  
33 *board may issue an order so providing. The board of county*  
34 *commissioners, at the option of the board, may provide the abatement of*  
35 *property taxes for any property or class of properties seeking such*  
36 *abatement.*

37 *(f) For any city, taxing unit located within a city, school district or*  
38 *community junior college district that has 25% or more of the total parcels*  
39 *of property damaged, such entity may object by passage of a resolution*  
40 *and retain its portion of the abated taxes. An entity may object by*  
41 *resolution within 14 days after notification by the county commission that*  
42 *the county has decided to abate such taxes. The entity's portion of property*  
43 *taxes shall be abated if the entity fails to object within 14 days.*

1       ~~(e)~~(g) The county clerk and county treasurer shall in each case of  
2 abatement or credit correct their records in accordance therewith and the  
3 county clerk shall notify the governing body of any taxing district affected  
4 thereby.

5       ~~(f)~~(h) The provisions of this section shall be applicable to all taxable  
6 years commencing after December 31, ~~2014~~ 2018, and all taxable years  
7 thereafter.

8       Sec. 2. K.S.A. 79-2024 is hereby amended to read as follows: 79-  
9 2024. Notwithstanding any other provision of law to the contrary, the  
10 county treasurer of every county may accept partial payment ~~of or~~  
11 *establish a payment plan for delinquent or nondelinquent* real property tax  
12 or personal property tax in accordance with payment guidelines  
13 established therefor by the county treasurer. Nothing in this section shall  
14 be construed to modify any consequences of untimely payment, *except for*  
15 *second half payments due on May 10, 2020, the county treasurer of every*  
16 *county may waive interest or penalty, or both, for any taxpayer not*  
17 *delinquent on prior tax payments, if all tax due for the 2019 tax year is*  
18 *paid on or before August 10, 2020, nor shall the unpaid tax be considered*  
19 *delinquent during this period.*

20       Sec. 3. K.S.A. 79-2302 is hereby amended to read as follows: 79-  
21 2302. (a) *Except as provided in subsection (b), between July 1 and July 10*  
22 *of each year, the county treasurer shall prepare a list of all real estate*  
23 *subject to sale, describing the real estate in the same manner as described*  
24 *of record in the office of the county clerk or the register of deeds of the*  
25 *county in which the real estate is located. The county treasurer also shall*  
26 *prepare an accompanying notice stating that the county treasurer will sell*  
27 *the real estate described in the list to the county for the amount of the*  
28 *delinquent taxes and legal charges due on the real estate and that the sale*  
29 *will be on or after the first Tuesday of September following publication of*  
30 *the notice under K.S.A. 79-2303, and amendments thereto. The list shall*  
31 *show the names of the owners of the real estate, as shown of record in the*  
32 *office of the county clerk or the register of deeds of the county in which*  
33 *the real estate is located, the description and address, if available, of each*  
34 *tract or parcel of land and the total of the amount of unpaid taxes upon*  
35 *each tract or parcel. If any county treasurer at any time discovers that any*  
36 *tract or lot of real estate has not been put on the list of delinquent taxes and*  
37 *not sold for any preceding year, the treasurer shall be required to place the*  
38 *omitted tract or lot on the list of delinquent taxes for the current year, and*  
39 *sell the tract or lot as directed by this act in other cases.*

40       (b) *For tax year 2019, between August 11, 2020, and August 21,*  
41 *2020, the county treasurer shall prepare such list of all real estate subject*  
42 *to sale that lists all real estate for which the 2019 taxes have not been paid*  
43 *in full on or before August 10, 2020.*

1       Sec. 4. K.S.A. 79-2303 is hereby amended to read as follows: 79-  
2 2303. (a) The county treasurer shall cause the notice and list prepared  
3 under K.S.A. 79-2302, and amendments thereto, to be published in the  
4 official county newspaper or in a newspaper of general circulation in the  
5 county in accordance with the provisions of K.S.A. 64-101, and  
6 amendments thereto. *Except as provided in subsection (b)*, the notice and  
7 list shall be submitted to the newspaper on or before August 1 of each year  
8 and shall be published once each week for three consecutive weeks  
9 immediately prior to the week when the day of sale will occur. The county  
10 treasurer also shall cause a copy of the list and notice to be posted in some  
11 conspicuous place in the county treasurer's office. The cost of publication  
12 of the notice and list shall be paid from the general fund of the county, and  
13 a \$15 fee for each tract or lot shall be added to the tax due for the tract or  
14 lot as part of the costs of collection. The fee shall be collected in the  
15 manner provided for the collection of the unpaid taxes.

16       ***(b) With respect to tax year 2019, the notice and list shall be***  
17 ***submitted to the newspaper on or before September 1, 2020, and shall be***  
18 ***published once each week for three consecutive weeks immediately prior***  
19 ***to the week when the day of sale will occur. The county treasurer shall***  
20 ***advertise and sell such real estate on or before the fourth Monday of***  
21 ***October 2020, and such advertisement and sale shall conform in all***  
22 ***respects to the provisions of this act and shall be as binding and valid***  
23 ***as if such sale had been made on the first Tuesday of September.***

24       Sec. 5. K.S.A. 79-1613, 79-2024, 79-2302 and 79-2303 are hereby  
25 repealed.

26       Sec. 6. This act shall take effect and be in force from and after its  
27 publication in the statute book.