

**SENATE BILL No. 486**

By Committee on Assessment and Taxation

3-5

1 AN ACT concerning property taxation; relating to tax payments;  
2 establishing the assessed valuation increase deferral program; providing  
3 a payment plan for certain increases in property taxes.  
4

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

6 Section 1. (a) The provisions of this section shall be known and may  
7 be cited as the assessed valuation increase deferral program. The purpose  
8 of this program is to provide a payment plan for a portion of increased ad  
9 valorem property taxes when taxpayers experience certain extraordinary  
10 increases in valuation and taxation on property. The assessed valuation  
11 increase deferral program shall be applicable to all tax years commencing  
12 after December 31, 2020.

13 (b) In order to be eligible for the assessed valuation increase deferral  
14 program payment plan, the property shall meet all of the following  
15 requirements:

16 (1) The property shall have had no material or meaningful changes to  
17 its property characteristics, no new construction or improvements and no  
18 changes in use during the calendar year immediately preceding January 1  
19 of the tax year at issue;

20 (2) the assessed valuation of the property for the tax year at issue  
21 increased by more than 40% in excess of its assessed valuation for the  
22 previous year;

23 (3) the appraised valuation of the property as reflected on the  
24 valuation notice for the tax year at issue does not exceed \$10,000,000; and

25 (4) the total ad valorem property tax for the tax year at issue for the  
26 property exceeds its total ad valorem property tax for the previous year by  
27 more than 40%.

28 (c) In addition to the requirements of subsection (b), for a taxpayer to  
29 be eligible for the payment plan for the tax year at issue, the taxpayer shall  
30 pay to the county treasurer at least an amount equal to 140% of the  
31 previous year's property tax on or before December 20 of the tax year at  
32 issue, or  $\frac{1}{2}$  thereof on or before December 20 and the remaining  $\frac{1}{2}$  on or  
33 before May 10 next ensuing, to be applied toward the property tax due for  
34 the tax year at issue.

35 (d) If all the requirements of subsections (b) and (c) are satisfied, then  
36 the remainder of the property tax due for the tax year at issue shall be

1 deferred and allowed to be paid over the course of the next four years. At  
2 least  $\frac{1}{4}$  of the remaining property tax due as of May 11 next ensuing shall  
3 be paid to the county treasurer on or before each December 20 of the four  
4 years immediately following the tax year at issue. Notwithstanding the  
5 provisions of K.S.A. 79-2004 and 79-2004a, and amendments thereto, no  
6 interest shall accrue on such deferred taxes so long as payments are timely  
7 and properly made to the county treasurer pursuant to the provisions of  
8 this section. Notwithstanding any provisions to the contrary, taxes properly  
9 deferred under the program shall not be considered delinquent.

10 (e) An eligible taxpayer shall file an application with the county  
11 treasurer on or before December 10 of the tax year at issue in order to  
12 participate in the program. The county treasurer shall determine eligibility  
13 and calculate the payments due.

14 (f) If the taxpayer sells or transfers the property before all the  
15 deferred tax is paid or the taxpayer fails to timely make any  $\frac{1}{4}$  payment on  
16 or before December 20, then the payment plan ceases, the deferred tax  
17 shall be due immediately and interest shall accrue at the rate as prescribed  
18 in K.S.A. 79-2004 or 79-2004a, and amendments thereto, until the tax is  
19 paid.

20 (g) (1) With respect to property that may be eligible for the assessed  
21 valuation increase deferral program, the notice of valuation mailed  
22 pursuant to K.S.A. 79-1460, and amendments thereto, shall include a  
23 notice explaining that the taxpayer may be eligible for the assessed  
24 valuation increase deferral program and how to contact the county  
25 treasurer for information about the program.

26 (2) With respect to property that may be eligible for the assessed  
27 valuation increase deferral program, the county treasurer shall include with  
28 the property tax statement a notice explaining that the taxpayer may be  
29 eligible for the assessed valuation increase deferral program, how to  
30 contact the county treasurer for information about the program and the  
31 deadline for applications.

32 (3) The county treasurer is authorized to adjust accordingly any  
33 unpaid tax amounts remaining in the payment plan when an assessed  
34 valuation of a property is changed by a final determination of the valuation  
35 appeals process or the payment under protest process.

36 (h) The county treasurer or the governing body of any taxing  
37 subdivision within a county may request the pooled money investment  
38 board to make a loan to such county or taxing subdivision as provided in  
39 this subsection. The pooled money investment board is authorized and  
40 directed to loan to such county or taxing subdivision sufficient funds to  
41 enable the county or taxing subdivision to account for the deferral of tax  
42 payments pursuant to this program. The pooled money investment board is  
43 authorized and directed to use any moneys in the operating accounts,

1 investment accounts or other investments of the state of Kansas to provide  
2 the funds for such loan. Upon certification to the pooled money investment  
3 board by the county treasurer or governing body of the amount of each  
4 loan authorized pursuant to this subsection, the pooled money investment  
5 board shall transfer each such amount certified by the county treasurer or  
6 governing body from the state bank account or accounts prescribed in this  
7 subsection to the county treasurer or the governing body, who shall deposit  
8 such amount in the treasury of such county or taxing subdivision. Any  
9 such loan authorized pursuant to this subsection shall be repaid within four  
10 years.

11 Sec. 2. This act shall take effect and be in force from and after its  
12 publication in the statute book.