

SENATE BILL No. 119

By Committee on Assessment and Taxation

2-1

1 AN ACT concerning property taxation; relating to state board of tax
2 appeals orders and notices; service by electronic means; time to request
3 full and complete opinion; prohibiting valuation increases in certain
4 appeals; relating to the county appraiser eligibility list; requiring
5 notification when person no longer holds office of county appraiser;
6 complying with certain appraisal standards; amending K.S.A. 74-2426,
7 74-2433f, 79-505, 79-1448, 79-1609 and 79-2005 and K.S.A. 2020
8 Supp. 19-432 and repealing the existing sections.
9

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

11 Section 1. K.S.A. 2020 Supp. 19-432 is hereby amended to read as
12 follows: 19-432. (a) The director of property valuation shall maintain a
13 current list of persons eligible to be appointed to the office of appraiser.
14 Periodic issuance of this list shall constitute the official list of eligible
15 Kansas appraisers who are candidates for appointment. Inclusion on this
16 list shall be made dependent upon successful completion of a written
17 examination 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) *After notice and an opportunity to be heard in accordance with*
32 *the provisions of the Kansas administrative procedure act*, the director of
33 property valuation may remove any person from the list of persons eligible
34 to be appointed to the office of appraiser for any of the following acts or
35 omissions:

36 (A) Failing to meet the minimum qualifications established by this

1 section;

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

4 (C) entry of a final civil judgment against the person on grounds of
5 fraud, misrepresentation or deceit in the making of any appraisal of real or
6 personal property.

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

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

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

16 *(d) The board of county commissioners or governing body of any*
17 *unified government of each county shall immediately notify the director of*
18 *property valuation when a person no longer holds the office of county*
19 *appraiser for such county. The notification shall be made on a form*
20 *provided by the director. If the person no longer holds the office of county*
21 *appraiser before the expiration of a four-year term or the person does not*
22 *complete a four-year term, then the notification shall include the reason*
23 *therefor, unless otherwise precluded by law. The director shall make a*
24 *notation on any eligibility list record of the person when the person no*
25 *longer holds the office of county appraiser before the expiration of a four-*
26 *year term or the person does not complete a four-year term.*

27 Sec. 2. K.S.A. 74-2426 is hereby amended to read as follows: 74-
28 2426. (a) Orders of the state board of tax appeals on any appeal, in any
29 proceeding under the tax protest, tax grievance or tax exemption statutes
30 or in any other original proceeding before the board shall be rendered and
31 served in accordance with the provisions of the Kansas administrative
32 procedure act. Notwithstanding the provisions of K.S.A. 77-526(g), and
33 amendments thereto, a written summary decision shall be rendered by the
34 board and served within 14 days after the matter was fully submitted to the
35 board unless this period is waived or extended with the written consent of
36 all parties or for good cause shown. Any aggrieved party, within 14 21
37 days after service of receiving the board's decision, may request a full and
38 complete opinion be issued by the board in which the board explains its
39 decision. Except as provided in subsection (c)(4), this full opinion shall be
40 served by the board within 90 days of being requested. If the board has not
41 rendered a summary decision or a full and complete opinion within the
42 time periods described in this subsection, and such period has not been
43 waived by the parties nor can the board show good cause for the delay,

1 then the board shall refund any filing fees paid by the taxpayer. *Service of*
2 *orders, decisions and opinions shall be made in accordance with K.S.A.*
3 *77-531, and amendments thereto.*

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

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

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

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

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

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

26 (A) Any aggrieved party may file a petition for review of the board's
27 order in the court of appeals. For purposes of such an appeal, the board's
28 order shall become final only after the issuance of a full and complete
29 opinion pursuant to subsection (a).

30 (B) At the election of a taxpayer, any summary decision or full and
31 complete opinion of the board of tax appeals issued after June 30, 2014,
32 may be appealed by filing a petition for review in the district court. Any
33 appeal to the district court shall be a trial de novo. Notwithstanding K.S.A.
34 77-619, and amendments thereto, the trial de novo shall include an
35 evidentiary hearing at which issues of law and fact shall be determined
36 anew. District court review of orders issued by the board relating to the
37 valuation or assessment of property for ad valorem tax purposes or relating
38 to the tax protest shall be conducted by the court of the county in which
39 the property is located, or, if located in more than one county, the court of
40 any county in which any portion of the property is located.

41 (C) If a taxpayer requests review of a summary decision or full and
42 complete opinion in district court pursuant to subsection (c)(4)(B), the
43 taxpayer shall provide notice to the board as well as the parties. Upon

1 receipt of the notice, the board's jurisdiction shall terminate,
2 notwithstanding any prior request for a full and complete opinion under
3 subsection (a), and the board shall not issue such opinion.

4 (d) If review of an order of the state board of tax appeals to the court
5 of appeals relating to excise, income or estate taxes, is sought by a person
6 other than the director of taxation, such person shall give bond for costs at
7 the time the petition is filed. The bond shall be in the amount of 125% of
8 the amount of taxes assessed or a lesser amount approved by the court of
9 appeals and shall be conditioned on the petitioner's prosecution of the
10 review without delay and payment of all costs assessed against the
11 petitioner.

12 (e) *Notwithstanding any provisions of K.S.A. 77-531, and*
13 *amendments thereto, to the contrary, the state board of tax appeals shall*
14 *serve an order or notice upon the party and the party's attorney of record,*
15 *if any, by transmitting a copy of the order or notice to the person by*
16 *electronic means, if such person requested and consented to service by*
17 *electronic means. For purposes of this subsection, service by electronic*
18 *means is complete upon transmission.*

19 Sec. 3. K.S.A. 74-2433f is hereby amended to read as follows: 74-
20 2433f. (a) There shall be a division of the state board of tax appeals known
21 as the small claims and expedited hearings division. Hearing officers
22 appointed by the chief hearing officer shall have authority to hear and
23 decide cases heard in the small claims and expedited hearings division.

24 (b) The small claims and expedited hearings division shall have
25 jurisdiction over hearing and deciding applications for the refund of
26 protested taxes under the provisions of K.S.A. 79-2005, and amendments
27 thereto, and hearing and deciding appeals from decisions rendered
28 pursuant to the provisions of K.S.A. 79-1448, and amendments thereto,
29 and of article 16 of chapter 79 of the Kansas Statutes Annotated, and
30 amendments thereto, with regard to single-family residential property. The
31 filing of an appeal with the small claims and expedited hearings division
32 shall be a prerequisite for filing an appeal with the state board of tax
33 appeals for appeals involving single-family residential property.

34 (c) At the election of the taxpayer, the small claims and expedited
35 hearings division shall have jurisdiction over: (1) Any appeal of a decision,
36 finding, order or ruling of the director of taxation, except an appeal,
37 finding, order or ruling relating to an assessment issued pursuant to K.S.A.
38 79-5201 et seq., and amendments thereto, in which the amount of tax in
39 controversy does not exceed \$15,000; (2) hearing and deciding
40 applications for the refund of protested taxes under the provisions of
41 K.S.A. 79-2005, and amendments thereto, where the value of the property,
42 other than property devoted to agricultural use, is less than \$3,000,000 as
43 reflected on the valuation notice; and (3) hearing and deciding appeals

1 from decisions rendered pursuant to the provisions of K.S.A. 79-1448, and
2 amendments thereto, and of article 16 of chapter 79 of the Kansas Statutes
3 Annotated, and amendments thereto, other than those relating to land
4 devoted to agricultural use, wherein the value of the property is less than
5 \$3,000,000 as reflected on the valuation notice.

6 (d) In accordance with the provisions of K.S.A. 74-2438, and
7 amendments thereto, any party may elect to appeal any application or
8 decision referenced in subsection (b) to the state board of tax appeals.
9 Except as provided in subsection (b) regarding single-family residential
10 property, the filing of an appeal with the small claims and expedited
11 hearings division shall not be a prerequisite for filing an appeal with the
12 state board of tax appeals under this section. Final decisions of the small
13 claims and expedited hearings division may be appealed to the state board
14 of tax appeals. An appeal of a decision of the small claims and expedited
15 hearings division to the state board of tax appeals shall be de novo. The
16 county bears the burden of proof in any appeal filed by the county
17 pursuant to this section. *With regard to any matter properly submitted to*
18 *the board relating to the determination of valuation of property for*
19 *taxation purposes pursuant to this subsection, the board shall not increase*
20 *the appraised valuation of the property to an amount greater than the final*
21 *determination of appraised value by the county appraiser from which the*
22 *taxpayer appealed to the small claims and expedited hearings division.*

23 (e) A taxpayer shall commence a proceeding in the small claims and
24 expedited hearings division by filing a notice of appeal in the form
25 prescribed by the rules of the state board of tax appeals which shall state
26 the nature of the taxpayer's claim. The notice of appeal may be signed by
27 the taxpayer, any person with an executed declaration of representative
28 form from the property valuation division of the department of revenue or
29 any person authorized to represent the taxpayer in subsection (f). Notice of
30 appeal shall be provided to the appropriate unit of government named in
31 the notice of appeal by the taxpayer. In any valuation appeal or tax protest
32 commenced pursuant to articles 14 and 20 of chapter 79 of the Kansas
33 Statutes Annotated, and amendments thereto, the hearing shall be
34 conducted in the county where the property is located or a county adjacent
35 thereto. In any appeal from a final determination by the secretary of
36 revenue, the hearing shall be conducted in the county in which the
37 taxpayer resides or a county adjacent thereto.

38 (f) The hearing in the small claims and expedited hearings division
39 shall be informal. The hearing officer may hear any testimony and receive
40 any evidence the hearing officer deems necessary or desirable for a just
41 determination of the case. A hearing officer shall have the authority to
42 administer oaths in all matters before the hearing officer. All testimony
43 shall be given under oath. A party may appear personally or may be

1 represented by an attorney, a certified public accountant, a certified general
2 appraiser, a tax representative or agent, a member of the taxpayer's
3 immediate family or an authorized employee of the taxpayer. A county or
4 unified government may be represented by the county appraiser, designee
5 of the county appraiser, county attorney or counselor or other
6 representatives so designated. No transcript of the proceedings shall be
7 kept.

8 (g) The hearing in the small claims and expedited hearings division
9 shall be conducted within 60 days after the appeal is filed in the small
10 claims and expedited hearings division unless such time period is waived
11 by the taxpayer. A decision shall be rendered by the hearing officer within
12 30 days after the hearing is concluded and, in cases arising from appeals
13 described by subsections (b) and (c)(2) and (3), shall be accompanied by a
14 written explanation of the reasoning upon which such decision is based.
15 Documents provided by a taxpayer or county or district appraiser shall be
16 returned to the taxpayer or the county or district appraiser by the hearing
17 officer and shall not become a part of the board's permanent records.
18 Documents provided to the hearing officer shall be confidential and may
19 not be disclosed, except as otherwise specifically provided.

20 (h) With regard to any matter properly submitted to the division
21 relating to the determination of valuation of property for taxation purposes,
22 it shall be the duty of the county appraiser to initiate the production of
23 evidence to demonstrate, by a preponderance of the evidence, the validity
24 and correctness of such determination. No presumption shall exist in favor
25 of the county appraiser with respect to the validity and correctness of such
26 determination. With regard to leased commercial and industrial property,
27 the burden of proof shall be on the taxpayer unless the taxpayer has
28 furnished the county or district appraiser, within 30 calendar days
29 following the informal meeting required by K.S.A. 79-1448, and
30 amendments thereto, or within 30 calendar days following the informal
31 meeting required by K.S.A. 79-2005, and amendments thereto, a complete
32 income and expense statement for the property for the three years next
33 preceding the year of appeal. Such income and expense statement shall be
34 in such format that is regularly maintained by the taxpayer in the ordinary
35 course of the taxpayer's business. If the taxpayer submits a single property
36 appraisal with an effective date of January 1 of the year appealed, the
37 burden of proof shall return to the county appraiser. *With regard to any
38 matter properly submitted to the division relating to the determination of
39 valuation of property for taxation purposes, the hearing officer shall not
40 increase the appraised valuation of the property to an amount greater than
41 the final determination of appraised value by the county appraiser from
42 which the taxpayer appealed.*

43 Sec. 4. K.S.A. 79-505 is hereby amended to read as follows: 79-505.

1 (a) The director of property valuation shall adopt ~~rules and regulations or~~
2 appraiser directives prescribing appropriate standards for the performance
3 of appraisals in connection with ad valorem taxation in this state. Such
4 ~~rules and regulations or~~ appraiser directives shall require, at a minimum:

5 (1) That all appraisals be performed in ~~accordance with generally~~
6 ~~accepted appraisal standards as evidenced by the appraisal standards~~
7 *compliance with the uniform standards of professional appraisal practice,*
8 *commonly referred to as "USPAP,"* promulgated by the appraisal standards
9 board of the appraisal foundation; and

10 (2) that such appraisals shall be written appraisals.

11 (b) The director of property valuation ~~or a county appraiser~~ may
12 require compliance with additional standards if a determination is made in
13 writing that such additional standards are required in order to properly
14 carry out statutory responsibilities *and such additional standards do not*
15 *conflict with the uniform standards of professional appraisal practice,*
16 *commonly referred to as "USPAP," promulgated by the appraisal*
17 *standards board of the appraisal foundation.*

18 Sec. 5. K.S.A. 79-1448 is hereby amended to read as follows: 79-
19 1448. Any taxpayer may complain or appeal to the county appraiser from
20 the classification or appraisal of the taxpayer's property by giving notice to
21 the county appraiser within 30 days subsequent to the date of mailing of
22 the valuation notice required by K.S.A. 79-1460, and amendments thereto,
23 for real property, and on or before May 15 for personal property. The
24 county appraiser or the appraiser's designee shall arrange to hold an
25 informal meeting with the aggrieved taxpayer with reference to the
26 property in question. At such meeting it shall be the duty of the county
27 appraiser or the county appraiser's designee to initiate production of
28 evidence to substantiate the valuation of such property, including, a
29 summary of the reasons that the valuation of the property has been
30 increased over the previous year, any assumptions used by the county
31 appraiser to determine the value of the property and a description of the
32 individual property characteristics, property specific valuation records and
33 conclusions. The taxpayer shall be provided with the opportunity to review
34 the data sheets applicable to the valuation approach utilized for the subject
35 property. The county appraiser shall take into account any evidence
36 provided by the taxpayer which relates to the amount of deferred
37 maintenance and depreciation for the property. In any appeal from the
38 appraisal of leased commercial and industrial property, the county or
39 district appraiser's appraised value shall be presumed to be valid and
40 correct and may only be rebutted by a preponderance of the evidence,
41 unless the property owner furnishes the county or district appraiser a
42 complete income and expense statement for the property for the three
43 years next preceding the year of appeal within 30 calendar days following

1 the informal meeting. In any appeal from the reclassification of property
2 that was classified as land devoted to agricultural use for the preceding
3 year, the taxpayer's classification of the property as land devoted to
4 agricultural use shall be presumed to be valid and correct if the taxpayer
5 provides an executed lease agreement or other documentation
6 demonstrating a commitment to use the property for agricultural use, if no
7 other actual use is evident. The county appraiser may extend the time in
8 which the taxpayer may informally appeal from the classification or
9 appraisal of the taxpayer's property for just and adequate reasons. Except
10 as provided in K.S.A. 79-1404, and amendments thereto, no informal
11 meeting regarding real property shall be scheduled to take place after May
12 15, nor shall a final determination be given by the appraiser after May 20.
13 Any final determination shall be accompanied by a written explanation of
14 the reasoning upon which such determination is based when such
15 determination is not in favor of the taxpayer. *The county appraiser shall*
16 *not increase the appraised valuation of the property as a result of the*
17 *informal meeting.* Any taxpayer who is aggrieved by the final
18 determination of the county appraiser may appeal to the hearing officer or
19 panel appointed pursuant to K.S.A. 79-1611, and amendments thereto, and
20 such hearing officer, or panel, for just cause shown and recorded, is
21 authorized to change the classification or valuation of specific tracts or
22 individual items of real or personal property in the same manner provided
23 for in K.S.A. 79-1606, and amendments thereto. In lieu of appealing to a
24 hearing officer or panel appointed pursuant to K.S.A. 79-1611, and
25 amendments thereto, any taxpayer aggrieved by the final determination of
26 the county appraiser, except with regard to land devoted to agricultural
27 use, wherein the value of the property, is less than \$3,000,000, as reflected
28 on the valuation notice, or the property constitutes single family residential
29 property, may appeal to the small claims and expedited hearings division
30 of the state board of tax appeals within the time period prescribed by
31 K.S.A. 79-1606, and amendments thereto. Any taxpayer who is aggrieved
32 by the final determination of a hearing officer or panel may appeal to the
33 state board of tax appeals as provided in K.S.A. 79-1609, and amendments
34 thereto. An informal meeting with the county appraiser or the appraiser's
35 designee shall be a condition precedent to an appeal to the county or
36 district hearing panel.

37 Sec. 6. K.S.A. 79-1609 is hereby amended to read as follows: 79-
38 1609. Any person aggrieved by any order of the hearing officer or panel,
39 or by the classification and appraisal of an independent appraiser, as
40 provided in K.S.A. 79-5b03, and amendments thereto, may appeal to the
41 state board of tax appeals by filing a written notice of appeal, on forms
42 approved by the state board of tax appeals and provided by the county
43 clerk for such purpose, stating the grounds thereof and a description of any

1 comparable property or properties and the appraisal thereof upon which
2 they rely as evidence of inequality of the appraisal of their property, if that
3 be a ground of the appeal, with the state board of tax appeals and by filing
4 a copy thereof with the county clerk within 30 days after the date of the
5 order from which the appeal is taken. The notice of appeal may be signed
6 by the taxpayer, any person with an executed declaration of representative
7 form from the property valuation division of the department of revenue or
8 any person authorized to represent the taxpayer in K.S.A. 74-2433f(f), and
9 amendments thereto. A county or district appraiser may appeal to the state
10 board of tax appeals from any order of the hearing officer or panel. With
11 regard to any matter properly submitted to the board relating to the
12 determination of valuation of residential property or real property used for
13 commercial and industrial purposes for taxation purposes, it shall be the
14 duty of the county appraiser to initiate the production of evidence to
15 demonstrate, by a preponderance of the evidence, the validity and
16 correctness of such determination. With regard to leased commercial and
17 industrial property, the burden of proof shall be on the taxpayer unless,
18 within 30 calendar days following the informal meeting required by
19 K.S.A. 79-1448, and amendments thereto, the taxpayer furnished to the
20 county or district appraiser a complete income and expense statement for
21 the property for the three years next preceding the year of appeal. Such
22 income and expense statement shall be in such format that is regularly
23 maintained by the taxpayer in the ordinary course of the taxpayer's
24 business. If the taxpayer submits a single property appraisal with an
25 effective date of January 1 of the year appealed, the burden of proof shall
26 return to the county appraiser. *With regard to any matter properly*
27 *submitted to the board relating to the determination of valuation of*
28 *property for taxation purposes, the board shall not increase the appraised*
29 *valuation of the property to an amount greater than the final*
30 *determination of appraised value by the county appraiser from which the*
31 *taxpayer appealed.*

32 Sec. 7. K.S.A. 79-2005 is hereby amended to read as follows: 79-
33 2005. (a) Any taxpayer, before protesting the payment of such taxpayer's
34 taxes, shall be required, either at the time of paying such taxes, or, if the
35 whole or part of the taxes are paid prior to December 20, no later than
36 December 20, or, with respect to taxes paid in whole or in part in an
37 amount equal to at least $\frac{1}{2}$ of such taxes on or before December 20 by an
38 escrow or tax service agent, no later than January 31 of the next year, to
39 file a written statement with the county treasurer, on forms approved by
40 the state board of tax appeals and provided by the county treasurer, clearly
41 stating the grounds on which the whole or any part of such taxes are
42 protested and citing any law, statute or facts on which such taxpayer relies
43 in protesting the whole or any part of such taxes. When the grounds of

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

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

43 (c) A protest shall not be necessary to protect the right to a refund of

1 taxes in the event a refund is required because the final resolution of an
2 appeal commenced pursuant to K.S.A. 79-1448, and amendments thereto,
3 occurs after the final date prescribed for the protest of taxes.

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

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

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

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

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

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

1 years next preceding the year of appeal. No presumption shall exist in
2 favor of the county appraiser with respect to the validity and correctness of
3 such determination. In all instances where the board sets a request for
4 hearing and requires the representation of the county by its attorney or
5 counselor at such hearing, the county shall be represented by its county
6 attorney or counselor. The board shall take into account any evidence
7 provided by the taxpayer which relates to the amount of deferred
8 maintenance and depreciation for the property. In any appeal from the
9 reclassification of property that was classified as land devoted to
10 agricultural use for the preceding year, the taxpayer's classification of the
11 property as land devoted to agricultural use shall be presumed to be valid
12 and correct if the taxpayer provides an executed lease agreement or other
13 documentation demonstrating a commitment to use the property for
14 agricultural use, if no other actual use is evident. *With regard to any*
15 *matter properly submitted to the board relating to the determination of*
16 *valuation of property for taxation purposes, the board shall not increase*
17 *the appraised valuation of the property to an amount greater than the*
18 *appraised value reflected in the notification of the results of the informal*
19 *meeting with the county appraiser from which the taxpayer appealed.*

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

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

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

1 competent jurisdiction finds that any time delay in making its decision is
2 unreasonable and is attributable to the taxpayer, it may order that no
3 interest or only a portion thereof be added to such refund of taxes.

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

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

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

1 investment board shall transfer each such amount certified by the county
2 treasurer or governing body from the state bank account or accounts
3 prescribed in this subsection to the county treasurer who shall deposit such
4 amount in the county treasury. Any such loan authorized pursuant to this
5 subsection shall be repaid within four years. The county or taxing
6 subdivision shall make not more than four equal annual tax levies at the
7 time fixed for the certification of tax levies to the county clerk following
8 the making of such loan sufficient to pay such loan within the time period
9 required under such loan. All such tax levies shall be in addition to all
10 other levies authorized by law.

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

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

23 Sec. 8. K.S.A. 74-2426, 74-2433f, 79-505, 79-1448, 79-1609 and 79-
24 2005 and K.S.A. 2020 Supp. 19-432 are hereby repealed.

25 Sec. 9. This act shall take effect and be in force from and after its
26 publication in the statute book.