

**HOUSE BILL No. 2002**

By Representative Fairchild

12-14

1 AN ACT concerning ~~the taxpayer notification costs fund~~ *property*  
2 *taxation; continuing in existence the relating to the revenue neutral*  
3 *rate; extending* reimbursement from the *taxpayer notification costs*  
4 *fund for printing and postage costs for county clerks* ~~beyond~~ *for*  
5 *calendar year* ~~2023~~ *2024; modifying and prescribing the contents of*  
6 *the revenue neutral rate public hearing notice; relating to valuation*  
7 *and appeals; providing two prior years' values on the annual*  
8 *valuation notice; allowing for filing of an appraisal by a certified*  
9 *residential real property appraiser for appeal purposes;*  
10 *{discontinuing the prohibition of paying taxes under protest after a*  
11 *valuation notice appeal;} accounting for adverse influences in the*  
12 *valuation of agricultural land; amending K.S.A. 79-1496 and K.S.A.*  
13 *2022 Supp. 79-1460, {79-2005,} 79-2988 and 79-2989 and repealing*  
14 *the existing* ~~section~~ *sections.*

15  
16 *Be it enacted by the Legislature of the State of Kansas:*

17 *New Section 1. Adverse influences not sufficiently accounted for in*  
18 *the agricultural use valuation formula for land devoted to agricultural*  
19 *use shall be addressed by the director of property valuation and the*  
20 *county appraiser. Adverse influences include, but are not limited to,*  
21 *canopy cover, salinity and alkalinity, water table fluctuation and newly*  
22 *constructed drainage and flood control areas. The county appraiser*  
23 *shall address canopy cover, salinity and alkalinity, water table*  
24 *fluctuation and newly constructed drainage and flood control areas as*  
25 *follows:*

26 *(a) For canopy cover, the county appraiser shall:*

27 *(1) View the parcel;*

28 *(2) delineate the area impacted on a map;*

29 *(3) determine the appropriate reduction from actual inspection and*  
30 *make the appropriate reduction as follows:*

31 *(A) 0 to 25% cover = no reduction;*

32 *(B) 25% to 50% cover = 20% reduction;*

33 *(C) 50% to 75% cover = 30% reduction; and*

34 *(D) 75% to 100% cover = 50% reduction; and*

- 1       (4) *establish an adverse influence file for the parcel;*
- 2       (b) *for salinity and alkalinity, the county appraiser shall:*
- 3       (1) *Request that the taxpayer provide soil analysis from a crop*
- 4 *consulting service;*
- 5       (2) *delineate the area impacted on a map;*
- 6       (3) *reduce the value as indicated by the report;*
- 7       (4) *establish an adverse influence file for the parcel; and*
- 8       (5) *notify the local United States department of agriculture natural*
- 9 *resources conservation service (NRCS) office of the change;*
- 10      (c) *for water table fluctuation, the county appraiser shall:*
- 11      (1) *Delineate the area impacted on a map;*
- 12      (2) *contact the local NRCS office and request verification;*
- 13      (3) *contact the division of property valuation for assistance;*
- 14      (4) *obtain a temporary influence amount from the division of*
- 15 *property valuation to use until the NRCS review is complete; and*
- 16      (5) *establish an adverse influence file for the parcel; and*
- 17      (d) *for newly constructed drainage and flood control areas, the*
- 18 *county appraiser shall:*
- 19      (1) *View the parcel;*
- 20      (2) *delineate the area impacted on a map;*
- 21      (3) *contact the division of property valuation for assistance;*
- 22      (4) *receive an adverse influence amount from the division of*
- 23 *property valuation after the division contacts the responsible agency;*
- 24 *and*
- 25      (5) *establish an adverse influence file for the parcel.*

26       Sec. 2. *K.S.A. 2022 Supp. 79-1460 is hereby amended to read as*  
27 *follows: 79-1460. (a) (1) The county appraiser shall notify each taxpayer*  
28 *in the county annually on or before March 1 for real property and May*  
29 *1 for personal property, by mail directed to the taxpayer's last known*  
30 *address, of the classification and appraised valuation of the taxpayer's*  
31 *property, except that, the valuation for all real property shall not be*  
32 *increased unless the record of the latest physical inspection was*  
33 *reviewed by the county or district appraiser, and documentation exists to*  
34 *support such increase in valuation in compliance with the directives and*  
35 *specifications of the director of property valuation, and such record and*  
36 *documentation is available to the affected taxpayer. The valuation for all*  
37 *real property also shall not be increased solely as the result of normal*  
38 *repair, replacement or maintenance of existing structures, equipment or*  
39 *improvements on the property.* ~~For purposes of this section, "normal~~  
40 ~~repair, replacement or maintenance" does not include new construction as~~  
41 ~~defined in this section.~~ *For the next two taxable years following the*  
42 *taxable year that the valuation for commercial real property has been*  
43 *reduced due to a final determination made pursuant to the valuation*

1 *appeals process, the county appraiser shall review the computer-assisted*  
2 *mass-appraisal of the property and if, the valuation in either of those*  
3 *two years exceeds the value of the previous year by more than 5%,*  
4 *excluding new construction, change in use or change in classification,*  
5 *the county appraiser shall either:*

6 ~~(+)~~(A) *Adjust the valuation of the property based on the information*  
7 *provided in the previous appeal; or*

8 ~~(-)~~(B) *order an independent fee simple appraisal of the property to*  
9 *be performed by a Kansas certified real property appraiser. As used in*  
10 *this section, "new construction" means the construction of any new*  
11 *structure or improvements or the remodeling or renovation of any existing*  
12 *structures or improvements on real property.*

13 (2) *When the valuation for real property has been reduced due to a*  
14 *final determination made pursuant to the valuation appeals process for*  
15 *the prior year, and the county appraiser has already certified the*  
16 *appraisal rolls for the current year to the county clerk pursuant to*  
17 *K.S.A. 79-1466, and amendments thereto, the county appraiser may*  
18 *amend the appraisal rolls and certify the changes to the county clerk to*  
19 *implement the provisions of this subsection and reduce the valuation of*  
20 *the real property to the prior year's final determination, except that such*  
21 *changes shall not be made after October 31 of the current year. For the*  
22 *purposes of this section and in the case of real property, the term*  
23 *"taxpayer" shall be deemed to be the person in ownership of the property*  
24 *as indicated on the records of the office of register of deeds or county clerk*  
25 *and, in the case where the real property or improvement thereon is the*  
26 *subject of a lease agreement, such term shall also be deemed to include the*  
27 *lessee of such property if the lease agreement has been recorded or filed in*  
28 *the office of the register of deeds. Such notice*

29 (b) (1) *The notice provided under subsection (a) shall specify:*

30 (A) ~~Separately both for the previous and current two tax years and~~  
31 *the current tax year, the appraised and assessed values for each property*  
32 *class identified on the parcel. Such notice shall also contain;*

33 (B) *the uniform parcel identification number prescribed by the*  
34 *director of property valuation. Such notice shall also contain; and*

35 (C) *a statement of the taxpayer's right to appeal, the procedure to*  
36 *be followed in making such appeal and the availability without charge of*  
37 *the guide devised pursuant to subsection ~~(b)~~ (e).*

38 (2) *Such notice may, and if the board of county commissioners so*  
39 *require, shall provide the parcel identification number, address and the*  
40 *sale date and amount of any or all sales utilized in the determination of*  
41 *appraised value of residential real property.*

42 (c) *In any year in which no change in appraised valuation of any*  
43 *real property from its appraised valuation in the next preceding year is*

1 *determined, an alternative form of notification which has been approved*  
2 *by the director of property valuation may be utilized by a county.*

3 *(d) Failure to timely mail or receive such notice shall in no way*  
4 *invalidate the classification or appraised valuation as changed. The*  
5 *secretary of revenue shall adopt rules and regulations necessary to*  
6 *implement the provisions of this section.*

7 ~~*(b) For all taxable years commencing after December 31, 1999,*~~

8 *(e) There shall be provided to each taxpayer, upon request, a guide*  
9 *to the property tax appeals process. The director of the division of*  
10 *property valuation shall devise and publish such guide; and shall*  
11 *provide sufficient copies thereof to all county appraisers. Such guide*  
12 *shall include, but not be limited to:*

13 *(1) A restatement of the law which pertains to the process and*  
14 *practice of property appraisal methodology, including the contents of*  
15 *K.S.A. 79-503a and 79-1460, and amendments thereto;*

16 *(2) the procedures of the appeals process, including the order and*  
17 *burden of proof of each party and time frames required by law; and*

18 *(3) such other information deemed necessary to educate and enable*  
19 *a taxpayer to properly and competently pursue an appraisal appeal.*

20 *(f) As used in this section:*

21 *(1) "New construction" means the construction of any new structure*  
22 *or improvements or the remodeling or renovation of any existing*  
23 *structures or improvements on real property.*

24 *(2) "Normal repair, replacement or maintenance" does not include*  
25 *new construction.*

26 *(3) "Taxpayer" means the person in ownership of the property as*  
27 *indicated on the records of the office of register of deeds or county clerk*  
28 *and includes the lessee of such property if the lease agreement has been*  
29 *recorded or filed in the office of the register of deeds and the real property*  
30 *or improvement thereon is subject of a lease agreement.*

31 **Sec. 3. K.S.A. 79-1496 is hereby amended to read as follows: 79-**  
32 **1496. Within 60 days after the date the notice of informal meeting**  
33 **results or final determination is mailed to the taxpayer pursuant to**  
34 **K.S.A. 79-1448, and amendments thereto, any taxpayer aggrieved by the**  
35 **final determination of the county appraiser, who has not filed an appeal**  
36 **with the board of tax appeals pursuant to K.S.A. 74-2433f, 79-1448, 79-**  
37 **1609 or 79-1611, and amendments thereto, may file with the county**  
38 **appraiser a third-party fee simple appraisal performed by a Kansas**  
39 **certified general real property appraiser that reflects the value of the**  
40 **property as of January 1 for the same tax year being appealed. For**  
41 **determinations and appeals relating to residential property pursuant to**  
42 **this section, a taxpayer may file with the county appraiser a third-party fee**  
43 **simple appraisal performed by either a Kansas certified residential real**

1 *property appraiser or a Kansas certified general real property appraiser*  
2 *that reflects the value of the property as of January 1 for the same tax year*  
3 *being appealed. Within 15 days after receipt of the appraisal, the county*  
4 *appraiser shall review and consider such appraisal in the determination*  
5 *of valuation or classification of the taxpayer's property and mail a*  
6 *supplemental notice of final determination. If the final determination is*  
7 *not in favor of the taxpayer then the county appraiser shall notify the*  
8 *taxpayer that the county is required to perform its own, or commission a*  
9 *fee simple single property appraisal. The county appraiser shall then*  
10 *have 90 days to furnish that appraisal along with a new supplemental*  
11 *notice of determination and if not in favor of the taxpayer include an*  
12 *explanation of the reasons the county appraiser did not rely upon the*  
13 *taxpayer's fee simple single property appraisal. Whenever a taxpayer*  
14 *submits a fee simple single property appraisal the burden of proof shall*  
15 *be on the county appraiser to dispute the value of that appraisal. Any*  
16 *taxpayer aggrieved by the final determination of the county appraiser*  
17 *may appeal to the state board of tax appeals as provided in K.S.A. 79-*  
18 *1609, and amendments thereto, within 30 days subsequent to the date of*  
19 *mailing of the supplemental notice of final determination.*

20 *{Sec. 4. K.S.A. 2022 Supp. 79-2005 is hereby amended to read as*  
21 *follows: 79-2005. (a) Any taxpayer, before protesting the payment of*  
22 *such taxpayer's taxes, shall be required, either at the time of paying such*  
23 *taxes, or, if the whole or part of the taxes are paid prior to December 20,*  
24 *no later than December 20, or, with respect to taxes paid in whole or in*  
25 *part in an amount equal to at least 1/2 of such taxes on or before*  
26 *December 20 by an escrow or tax service agent, no later than January*  
27 *31 of the next year, to file a written statement with the county treasurer,*  
28 *on forms approved by the state board of tax appeals and provided by the*  
29 *county treasurer, clearly stating the grounds on which the whole or any*  
30 *part of such taxes are protested and citing any law, statute or facts on*  
31 *which such taxpayer relies in protesting the whole or any part of such*  
32 *taxes. When the grounds of such protest is an assessment of taxes made*  
33 *pursuant to K.S.A. 79-332a and 79-1427a, and amendments thereto, the*  
34 *county treasurer may not distribute the taxes paid under protest until*  
35 *such time as the appeal is final. When the grounds of such protest is that*  
36 *the valuation or assessment of the property upon which the taxes are*  
37 *levied is illegal or void, the county treasurer shall forward a copy of the*  
38 *written statement of protest to the county appraiser who shall within 15*  
39 *days of the receipt thereof, schedule an informal meeting with the*  
40 *taxpayer or such taxpayer's agent or attorney with reference to the*  
41 *property in question. At the informal meeting, it shall be the duty of the*  
42 *county appraiser or the county appraiser's designee to initiate*  
43 *production of evidence to substantiate the valuation of such property,*

1 *including a summary of the reasons that the valuation of the property*  
2 *has been increased over the preceding year, any assumptions used by the*  
3 *county appraiser to determine the value of the property and a description*  
4 *of the individual property characteristics, property specific valuation*  
5 *records and conclusions. The taxpayer shall be provided with the*  
6 *opportunity to review the data sheets applicable to the valuation*  
7 *approach utilized for the subject property. The county appraiser shall*  
8 *take into account any evidence provided by the taxpayer which relates to*  
9 *the amount of deferred maintenance and depreciation of the property.*  
10 *The county appraiser shall review the appraisal of the taxpayer's*  
11 *property with the taxpayer or such taxpayer's agent or attorney and may*  
12 *change the valuation of the taxpayer's property, if in the county*  
13 *appraiser's opinion a change in the valuation of the taxpayer's property*  
14 *is required to assure that the taxpayer's property is valued according to*  
15 *law, and shall, within 15 business days thereof, notify the taxpayer in the*  
16 *event the valuation of the taxpayer's property is changed, in writing of*  
17 *the results of the meeting. The county appraiser shall not increase the*  
18 *appraised valuation of the property as a result of the informal meeting.*  
19 *In the event the valuation of the taxpayer's property is changed and such*  
20 *change requires a refund of taxes and interest thereon, the county*  
21 *treasurer shall process the refund in the manner provided by subsection*  
22 *(l).*

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

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

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

43 *(e) If the grounds of such protest shall be that any tax levy, or any*

1 *part thereof, is illegal, such statement shall further state the exact*  
2 *portion of such tax which is being protested.*

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

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

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

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

1 *for the property. In any appeal from the reclassification of property that*  
2 *was classified as land devoted to agricultural use for the preceding year,*  
3 *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*  
7 *no other actual use is evident. With regard to any matter properly*  
8 *submitted to the board relating to the determination of valuation of*  
9 *property for taxation purposes, the board shall not increase the*  
10 *appraised valuation of the property to an amount greater than the*  
11 *appraised value reflected in the notification of the results of the informal*  
12 *meeting with the county appraiser from which the taxpayer appealed.*

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

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

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

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

43 *(m) Whenever, by reason of the refund of taxes previously received*



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

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

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

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

19 *Sec. 4. {5.} K.S.A. 2022 Supp. 79-2988 is hereby amended to read as*  
20 *follows: 79-2988. (a) On or before June 15 each year, the county clerk*  
21 *shall calculate the revenue neutral rate for each taxing subdivision and*  
22 *include such revenue neutral rate on the notice of the estimated assessed*  
23 *valuation provided to each taxing subdivision for budget purposes. The*  
24 *director of accounts and reports shall modify the prescribed budget*  
25 *information form to show the revenue neutral rate.*

26 *(b) No tax rate in excess of the revenue neutral rate shall be levied*  
27 *by the governing body of any taxing subdivision unless a resolution or*  
28 *ordinance has been approved by the governing body according to the*  
29 *following procedure:*

30 *(1) At least 10 days in advance of the public hearing, the governing*  
31 *body shall publish notice of its proposed intent to exceed the revenue*  
32 *neutral rate by publishing notice:—(A) on the website of the governing*  
33 *body, if the governing body maintains a website; and*

34 *(B)—in a weekly or daily newspaper of the county having a general*  
35 *circulation therein. The notice shall include, but not be limited to, its*  
36 *proposed tax rate, its revenue neutral rate and the date, time and*  
37 *location of the public hearing.*

38 *(2) On or before July 20, the governing body shall notify the county*  
39 *clerk of its proposed intent to exceed the revenue neutral rate and*  
40 *provide the date, time and location of the public hearing and its*  
41 *proposed tax rate. For all tax years commencing after December 31,*  
42 *2021, the county clerk shall notify each taxpayer with property in the*  
43 *taxing subdivision, by mail directed to the taxpayer's last known address,*

1 *of the proposed intent to exceed the revenue neutral rate at least 10 days*  
 2 *in advance of the public hearing. Alternatively, the county clerk may*  
 3 *transmit the notice to the taxpayer by electronic means at least 10 days*  
 4 *in advance of the public hearing, if such taxpayer and county clerk have*  
 5 *consented in writing to service by electronic means. The county clerk*  
 6 *shall consolidate the required information for all taxing subdivisions*  
 7 *relevant to the taxpayer's property on one notice. The notice shall be in a*  
 8 *format prescribed by the director of accounts and reports. The notice*  
 9 *shall include, but not be limited to:*

10 (A) ~~The revenue neutral rate of each taxing subdivision relevant to~~  
 11 ~~the taxpayer's property;~~

12 (B) ~~the proposed property tax revenue needed to fund the proposed~~  
 13 ~~budget of the taxing subdivision, if the taxing subdivision notified the~~  
 14 ~~county clerk of its proposed intent to exceed its revenue neutral rate;~~

15 (C) ~~the proposed tax rate based upon the proposed budget and the~~  
 16 ~~current year's total assessed valuation of the taxing subdivision, if the~~  
 17 ~~taxing subdivision notified the county clerk of its proposed intent to~~  
 18 ~~exceed its revenue neutral rate;~~

19 (D) ~~the percentage by which the proposed tax rate exceeds the~~  
 20 ~~revenue neutral rate;~~

21 (E) ~~the tax rate and property tax of each taxing subdivision on the~~  
 22 ~~taxpayer's property from the previous year's tax statement;~~

23 (F) ~~the appraised value and assessed value of the taxpayer's property~~  
 24 ~~for the current year;~~

25 (G) ~~the estimates of the tax for the current tax year on the taxpayer's~~  
 26 ~~property based on the revenue neutral rate of each taxing subdivision and~~  
 27 ~~any proposed tax rates that exceed the revenue neutral rates;~~

28 (H) ~~the difference between the estimates of tax based on the proposed~~  
 29 ~~tax rate and the revenue neutral rate on the taxpayer's property described in~~  
 30 ~~subparagraph (G) for any taxing subdivision that has a proposed tax rate~~  
 31 ~~that exceeds its revenue neutral rate; and~~

32 (I) ~~the date, time and location of the public hearing of the taxing~~  
 33 ~~subdivision, if the taxing subdivision notified the county clerk of its~~  
 34 ~~proposed intent to exceed its revenue neutral rate~~*The following heading:*

35 *"NOTICE OF PROPOSED PROPERTY TAX INCREASE AND*  
 36 *PUBLIC HEARINGS*

37 *[Current year] [County name] County Revenue Neutral Rate Notice*

38 *This is NOT a bill. Do not remit payment. ";*

39 *(B) the following statement:*

40 *"This notice contains estimates of the tax on your property and*  
 41 *proposed property tax increases. THE ACTUAL TAX ON YOUR*  
 42 *PROPERTY MAY INCREASE OR DECREASE FROM THESE*  
 43 *ESTIMATES. Governing bodies of taxing subdivisions must vote in order*

1 *to exceed the Revenue Neutral Rate to increase the total property taxes*  
2 *collected. Governing bodies will vote at public hearings at the dates, times*  
3 *and locations listed. Taxpayers may attend and comment at the hearings.*  
4 *Property tax statements will be issued after mill rates are finalized and*  
5 *taxes are calculated.";*

6 *(C) the appraised value and assessed value of the taxpayer's property*  
7 *for the current year and the previous year;*

8 *(D) the amount of property tax of each taxing subdivision on the*  
9 *taxpayer's property from the previous year's tax statement in a column*  
10 *titled: "[Previous year] Tax";*

11 *(E) the estimated amount of property tax for the current year of each*  
12 *taxing subdivision on the taxpayer's property based on the revenue neutral*  
13 *rate of each taxing subdivision in a column titled: "[Current year] Tax at*  
14 *Revenue Neutral Rate";*

15 *(F) the estimated amount of property tax for the current year of each*  
16 *taxing subdivision on the taxpayer's property based on either: (i) The*  
17 *revenue neutral rate for a taxing subdivision that does not intend to*  
18 *exceed its revenue neutral rate; or (ii) the proposed tax rate provided by*  
19 *the taxing subdivision, if the taxing subdivision notified the county clerk of*  
20 *its proposed intent to exceed its revenue neutral rate in a column titled:*  
21 *"[Current year] Maximum Tax";*

22 *(G) the difference between the amount of the current year's maximum*  
23 *tax and the previous year's tax, reflected in dollars and a percentage, for*  
24 *each taxing subdivision in a column titled: "[Current year] Maximum Tax*  
25 *Exceeding [Previous year] Tax";*

26 *(H) the date, time and location of the public hearing of each taxing*  
27 *subdivision that notified the county clerk of its proposed intent to exceed*  
28 *its revenue neutral rate in a column titled: "Date, Time and Location of*  
29 *Public Hearing"; and*

30 *(I) for each taxing subdivision public hearing listed pursuant to*  
31 *subparagraph (H), the difference between the current year's maximum tax*  
32 *and the estimated amount of property tax based on the revenue neutral*  
33 *rate of such taxing subdivision in a column titled: "[Current year]*  
34 *Maximum Tax Exceeding Tax at Revenue Neutral Rate".*

35 ***Although the state of Kansas is not a taxing subdivision for purposes***  
36 ***of this section, the notice shall include***~~a statement of the statutory mill~~  
37 ~~levies imposed by the state~~ ***the previous year's tax amount and the***  
38 ***estimate of the tax for the current year on the taxpayer's property based***  
39 ***on***~~such~~ ***the statutory mill levies.***

40 ***(3) The public hearing to consider exceeding the revenue neutral***  
41 ***rate shall be held not sooner than August 20 and not later than***  
42 ***September 20. The governing body shall provide interested taxpayers***  
43 ***desiring to be heard an opportunity to present oral testimony within***

1 *reasonable time limits and without unreasonable restriction on the*  
2 *number of individuals allowed to make public comment. The public*  
3 *hearing may be conducted in conjunction with the proposed budget*  
4 *hearing pursuant to K.S.A. 79-2929, and amendments thereto, if the*  
5 *governing body otherwise complies with all requirements of this section.*  
6 *Nothing in this section shall be construed to prohibit additional public*  
7 *hearings that provide additional opportunities to present testimony or*  
8 *public comment prior to the public hearing required by this section.*

9 *(4) A majority vote of the governing body, by the adoption of a*  
10 *resolution or ordinance to approve exceeding the revenue neutral rate,*  
11 *shall be required prior to adoption of a proposed budget that will result*  
12 *in a tax rate in excess of the revenue neutral rate. Such vote of the*  
13 *governing body shall be conducted at the public hearing after the*  
14 *governing body has heard from interested taxpayers and shall be a roll*  
15 *call vote. If the governing body approves exceeding the revenue neutral*  
16 *rate, the governing body shall not adopt a budget that results in a tax*  
17 *rate in excess of its proposed tax rate as stated in the notice provided*  
18 *pursuant to this section. A copy of the resolution or ordinance to approve*  
19 *exceeding the revenue neutral rate and a certified copy of any roll call*  
20 *vote reporting, at a minimum, the name and vote of each member of the*  
21 *governing body related to exceeding the revenue neutral rate, whether*  
22 *approved or not, shall be included with the adopted budget, budget*  
23 *certificate and other budget forms filed with the county clerk and the*  
24 *director of accounts and reports and shall be published on the website of*  
25 *the department of administration.*

26 *(c) (1) Any governing body subject to the provisions of this section*  
27 *that does not comply with subsection (b) shall refund to taxpayers any*  
28 *property taxes over-collected based on the amount of the levy that was in*  
29 *excess of the revenue neutral rate.*

30 *(2) Any taxpayer of the taxing subdivision that is the subject of the*  
31 *complaint or such taxpayer's duly authorized representative may file a*  
32 *complaint with the state board of tax appeals by filing a written*  
33 *complaint, on a form prescribed by the board, that contains the facts that*  
34 *the complaining party believes show that a governing body of a taxing*  
35 *subdivision did not comply with the provisions of subsection (b) and that*  
36 *a reduction or refund of taxes is appropriate. The complaining party*  
37 *shall provide a copy of such complaint to the governing body of the*  
38 *taxing subdivision making the levy that is the subject of the complaint.*  
39 *Notwithstanding K.S.A. 74-2438a, and amendments thereto, no filing fee*  
40 *shall be charged by the executive director of the state board of tax*  
41 *appeals for a complaint filed pursuant to this paragraph. The governing*  
42 *body of the taxing subdivision making the levy that is the subject of the*  
43 *complaint shall be a party to the proceeding. Notice of any summary*

1 *proceeding or hearing shall be served upon such governing body, the*  
2 *county clerk, the director of accounts and reports and the complaining*  
3 *party. It shall be the duty of the governing body to initiate the production*  
4 *of evidence to demonstrate, by a preponderance of the evidence, the*  
5 *validity of such levy. If upon a summary proceeding or hearing, it shall*  
6 *be made to appear to the satisfaction of the board that the governing*  
7 *body of the taxing subdivision did not comply with subsection (b), the*  
8 *state board of tax appeals shall order such governing body to refund to*  
9 *taxpayers the amount of property taxes over collected or reduce the taxes*  
10 *levied, if uncollected. The provisions of this paragraph shall not be*  
11 *construed as prohibiting any other remedies available under the law.*

12 *(d) On and after January 1, 2022, in the event that the 20 mills*  
13 *levied by a school district pursuant to K.S.A. 72-5142, and amendments*  
14 *thereto, increases the property tax revenue generated for the purpose of*  
15 *calculating the revenue neutral rate from the previous tax year and such*  
16 *amount of increase in revenue generated from the 20 mills is the only*  
17 *reason the school district would exceed the total property tax revenue*  
18 *from the prior year, the school district shall be deemed to not have*  
19 *exceeded the revenue neutral rate in levying a tax rate in excess of the*  
20 *revenue neutral rate to take into account the increase in revenue from*  
21 *only the 20 mills.*

22 *(e) (1) Notwithstanding any other provision of law to the contrary,*  
23 *if the governing body of a taxing subdivision must conduct a public*  
24 *hearing to approve exceeding the revenue neutral rate under this*  
25 *section, the governing body of the taxing subdivision shall certify, on or*  
26 *before October 1, to the proper county clerk the amount of ad valorem*  
27 *tax to be levied.*

28 *(2) If a governing body of a taxing subdivision did not comply with*  
29 *the provisions of subsection (b) and certifies to the county clerk an*  
30 *amount of ad valorem tax to be levied that would result in a tax rate in*  
31 *excess of its revenue neutral rate, the county clerk shall reduce the ad*  
32 *valorem tax to be levied to the amount resulting from such taxing*  
33 *subdivision's revenue neutral rate.*

34 *(f) As used in this section:*

35 *(1) "Taxing subdivision" means any political subdivision of the*  
36 *state that levies an ad valorem tax on property.*

37 *(2) "Revenue neutral rate" means the tax rate for the current tax*  
38 *year that would generate the same property tax revenue as levied the*  
39 *previous tax year using the current tax year's total assessed valuation.*  
40 *To calculate the revenue neutral rate, the county clerk shall divide the*  
41 *property tax revenue for such taxing subdivision levied for the previous*  
42 *tax year by the total of all taxable assessed valuation in such taxing*  
43 *subdivision for the current tax year, and then multiply the quotient by*

1 *1,000 to express the rate in mills. The revenue neutral rate shall be*  
2 *expressed to the third decimal place.*

3 *(g) In the event that a county clerk incurred costs of printing and*  
4 *postage that were not reimbursed pursuant to K.S.A. 2022 Supp. 79-*  
5 *2989, and amendments thereto, such county clerk may seek*  
6 *reimbursement from all taxing subdivisions required to send the notice.*  
7 *Such costs shall be shared proportionately by all taxing subdivisions that*  
8 *were included on the same notice based on the total property tax levied*  
9 *by each taxing subdivision. Payment of such costs shall be due to the*  
10 *county clerk by December 31.*

11 *(h) The department of administration or the director of accounts*  
12 *and reports shall make copies of adopted budgets, budget certificates,*  
13 *other budget documents and revenue neutral rate documents available*  
14 *to the public on the department of administration's website on a*  
15 *permanently accessible web page that may be accessed via a conspicuous*  
16 *link to that web page placed on the front page of the department's*  
17 *website. The department of administration or the director of accounts*  
18 *and reports shall also make the following information for each tax year*  
19 *available on such website:*

20 *(1) A list of taxing subdivisions by county;*

21 *(2) whether each taxing subdivision conducted a hearing to*  
22 *consider exceeding its revenue neutral rate;*

23 *(3) the revenue neutral rate of each taxing subdivision;*

24 *(4) the tax rate resulting from the adopted budget of each taxing*  
25 *subdivision; and*

26 *(5) the percent change between the revenue neutral rate and the tax*  
27 *rate for each taxing subdivision.*

28 Section 1, Sec. 5, {6.} K.S.A. 2022 Supp. 79-2989 is hereby amended  
29 to read as follows: 79-2989. (a) ~~For calendar years 2022 and 2023,~~ **For**  
30 **calendar years 2023 and 2024,** if a county clerk has printing or postage  
31 costs pursuant to K.S.A. 2022 Supp. 79-2988, and amendments thereto,  
32 the county clerk shall notify and provide documentation of such costs to  
33 the secretary of revenue. The secretary of revenue shall certify the amount  
34 of moneys attributable to such costs and shall transmit a copy of such  
35 certification to the director of accounts and reports. Upon such receipt of  
36 such certification, the director of accounts and reports shall transfer an  
37 amount of moneys equal to such certified amount from the state general  
38 fund to the taxpayer notification costs fund of the department of revenue.  
39 The secretary of revenue shall transmit a copy of each such certification to  
40 the director of legislative research and the director of the budget.

41 (b) There is hereby established in the state treasury the taxpayer  
42 notification costs fund that shall be administered by the secretary of  
43 revenue. All expenditures from the taxpayer notification costs fund shall

1 be for the purpose of paying county printing and postage costs pursuant to  
2 K.S.A. 2022 Supp. 79-2988, and amendments thereto. All expenditures  
3 from such fund shall be made in accordance with appropriations acts upon  
4 warrants of the director of accounts and reports issued pursuant to  
5 vouchers approved by the secretary of revenue or the secretary's designee.

6 Sec. ~~2-6~~ {7.} ***K.S.A. 79-1496 and K.S.A. 2022 Supp. 79-1460, {79-***  
7 ***2005, }79-2988 and 79-2989*** ~~is~~ ***are*** hereby repealed.

8 Sec. ~~3-7~~ {8.} This act shall take effect and be in force from and after  
9 its publication in the ~~statute book~~ ***Kansas register***.