

## SENATE BILL No. 29

By Committee on Assessment and Taxation

1-13

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1 AN ACT concerning property taxation; relating to exemptions; allowing  
2 county appraisers to exempt certain federal property without order of  
3 the board of tax appeals; amending K.S.A. 2016 Supp. 79-213 and  
4 repealing the existing section.  
5

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

7 Section 1. K.S.A. 2016 Supp. 79-213 is hereby amended to read as  
8 follows: 79-213. (a) Any property owner requesting an exemption from the  
9 payment of ad valorem property taxes assessed, or to be assessed, against  
10 their property shall be required to file an initial request for exemption, on  
11 forms approved by the state board of tax appeals and provided by the  
12 county appraiser.

13 (b) The initial exemption request shall identify the property for which  
14 the exemption is requested and state, in detail, the legal and factual basis  
15 for the exemption claimed.

16 (c) The request for exemption shall be filed with the county appraiser  
17 of the county where such property is principally located.

18 (d) After a review of the exemption request, and after a preliminary  
19 examination of the facts as alleged, the county appraiser shall recommend  
20 that the exemption request either be granted or denied, and, if necessary,  
21 that a hearing be held. If a denial is recommended, a statement of the  
22 controlling facts and law relied upon shall be included on the form.

23 (e) The county appraiser, after making such written recommendation,  
24 shall file the request for exemption and the recommendations of the county  
25 appraiser with the state board of tax appeals. With regard to a request for  
26 exemption from property tax pursuant to the provisions of K.S.A. 79-201g  
27 and 82a-409, and amendments thereto, not filed with the board of tax  
28 appeals by the county appraiser on or before the effective date of this act,  
29 if the county appraiser recommends the exemption request be granted, the  
30 exemption shall be provided in the amount recommended by the county  
31 appraiser and the county appraiser shall not file the request for exemption  
32 and recommendations of the county appraiser with the state board of tax  
33 appeals. The county clerk or county assessor shall annually make such  
34 adjustment in the taxes levied against the real property as the owner may  
35 be entitled to receive under the provisions of K.S.A. 79-201g, and  
36 amendments thereto, as recommended by the county appraiser, beginning

1 with the first period, following the date of issue of the certificate of  
2 completion on which taxes are regularly levied, and during the years  
3 which the landowner is entitled to such adjustment.

4 (f) Upon receipt of the request for exemption, the board shall docket  
5 the same and notify the applicant and the county appraiser of such fact.

6 (g) After examination of the request for exemption and the county  
7 appraiser's recommendation related thereto, the board may fix a time and  
8 place for hearing, and shall notify the applicant and the county appraiser of  
9 the time and place so fixed. A request for exemption pursuant to: (1)  
10 Section 13 of article 11 of the constitution of the state of Kansas; or (2)  
11 K.S.A. 79-201a *Second*, and amendments thereto, for property constructed  
12 or purchased, in whole or in part, with the proceeds of revenue bonds  
13 under the authority of K.S.A. 12-1740 to 12-1749, inclusive, and  
14 amendments thereto, prepared in accordance with instructions and  
15 assistance which shall be provided by the department of commerce, shall  
16 be deemed approved unless scheduled for hearing within 30 days after the  
17 date of receipt of all required information and data relating to the request  
18 for exemption, and such hearing shall be conducted within 90 days after  
19 such date. Such time periods shall be determined without regard to any  
20 extension or continuance allowed to either party to such request. In any  
21 case where a party to such request for exemption requests a hearing  
22 thereon, the same shall be granted. Hearings shall be conducted in  
23 accordance with the provisions of the Kansas administrative procedure act.  
24 In all instances where the board sets a request for exemption for hearing,  
25 the county shall be represented by its county attorney or county counselor.

26 (h) Except as otherwise provided by subsection (g), in the event of a  
27 hearing, the same shall be originally set not later than 90 days after the  
28 filing of the request for exemption with the board.

29 (i) During the pendency of a request for exemption, no person, firm,  
30 unincorporated association, company or corporation charged with real  
31 estate or personal property taxes pursuant to K.S.A. 79-2004 and 79-  
32 2004a, and amendments thereto, on the tax books in the hands of the  
33 county treasurer shall be required to pay the tax from the date the request  
34 is filed with the county appraiser until the expiration of 30 days after the  
35 board issued its order thereon and the same becomes a final order. In the  
36 event that taxes have been assessed against the subject property, no interest  
37 shall accrue on any unpaid tax for the year or years in question nor shall  
38 the unpaid tax be considered delinquent from the date the request is filed  
39 with the county appraiser until the expiration of 30 days after the board  
40 issued its order thereon. In the event the board determines an application  
41 for exemption is without merit and filed in bad faith to delay the due date  
42 of the tax, the tax shall be considered delinquent as of the date the tax  
43 would have been due pursuant to K.S.A. 79-2004 and 79-2004a, and

1 amendments thereto, and interest shall accrue as prescribed therein.

2 (j) In the event the board grants the initial request for exemption, the  
3 same shall be effective beginning with the date of first exempt use except  
4 that, with respect to property the construction of which commenced not to  
5 exceed 24 months prior to the date of first exempt use, the same shall be  
6 effective beginning with the date of commencement of construction.

7 (k) In conjunction with its authority to grant exemptions, the board  
8 shall have the authority to abate all unpaid taxes that have accrued from  
9 and since the effective date of the exemption. In the event that taxes have  
10 been paid during the period where the subject property has been  
11 determined to be exempt, the board shall have the authority to order a  
12 refund of taxes for the year immediately preceding the year in which the  
13 exemption application is filed in accordance with subsection (a).

14 (l) The provisions of this section shall not apply to: (1) Farm  
15 machinery and equipment exempted from ad valorem taxation by K.S.A.  
16 79-201j, and amendments thereto; (2) personal property exempted from ad  
17 valorem taxation by K.S.A. 79-215, and amendments thereto; (3) wearing  
18 apparel, household goods and personal effects exempted from ad valorem  
19 taxation by K.S.A. 79-201c, and amendments thereto; (4) livestock; (5) all  
20 property exempted from ad valorem taxation by K.S.A. 79-201d, and  
21 amendments thereto; (6) merchants' and manufacturers' inventories  
22 exempted from ad valorem taxation by K.S.A. 79-201m, and amendments  
23 thereto; (7) grain exempted from ad valorem taxation by K.S.A. 79-201n,  
24 and amendments thereto; (8) property exempted from ad valorem taxation  
25 by K.S.A. 79-201a *Seventeenth*, and amendments thereto, including all  
26 property previously acquired by the secretary of transportation or a  
27 predecessor in interest, which is used in the administration, construction,  
28 maintenance or operation of the state system of highways. The secretary of  
29 transportation shall at the time of acquisition of property notify the county  
30 appraiser in the county in which the property is located that the acquisition  
31 occurred and provide a legal description of the property acquired; (9)  
32 property exempted from ad valorem taxation by K.S.A. 79-201a *Ninth*,  
33 and amendments thereto, including all property previously acquired by the  
34 Kansas turnpike authority which is used in the administration,  
35 construction, maintenance or operation of the Kansas turnpike. The Kansas  
36 turnpike authority shall at the time of acquisition of property notify the  
37 county appraiser in the county in which the property is located that the  
38 acquisition occurred and provide a legal description of the property  
39 acquired; (10) aquaculture machinery and equipment exempted from ad  
40 valorem taxation by K.S.A. 79-201j, and amendments thereto. As used in  
41 this section, "aquaculture" has the same meaning ascribed thereto by  
42 K.S.A. 47-1901, and amendments thereto; (11) Christmas tree machinery  
43 and equipment exempted from ad valorem taxation by K.S.A. 79-201j, and

1 amendments thereto; (12) property used exclusively by the state or any  
2 municipality or political subdivision of the state for right-of-way purposes.  
3 The state agency or the governing body of the municipality or political  
4 subdivision shall at the time of acquisition of property for right-of-way  
5 purposes notify the county appraiser in the county in which the property is  
6 located that the acquisition occurred and provide a legal description of the  
7 property acquired; (13) machinery, equipment, materials and supplies  
8 exempted from ad valorem taxation by K.S.A. 79-201w, and amendments  
9 thereto; (14) vehicles owned by the state or by any political or taxing  
10 subdivision thereof and used exclusively for governmental purposes; (15)  
11 property used for residential purposes which is exempted pursuant to  
12 K.S.A. 79-201x, and amendments thereto, from the property tax levied  
13 pursuant to K.S.A. Supp. 2016 72-6470, and amendments thereto; (16)  
14 from and after July 1, 1998, vehicles which are owned by an organization  
15 having as one of its purposes the assistance by the provision of transit  
16 services to the elderly and to disabled persons and which are exempted  
17 pursuant to K.S.A. 79-201 *Ninth*, and amendments thereto; (17) from and  
18 after July 1, 1998, motor vehicles exempted from taxation by K.S.A. 79-  
19 5107(e), and amendments thereto; (18) commercial and industrial  
20 machinery and equipment exempted from property or ad valorem taxation  
21 by K.S.A. 2016 Supp. 79-223, and amendments thereto; (19)  
22 telecommunications machinery and equipment and railroad machinery and  
23 equipment exempted from property or ad valorem taxation by K.S.A. 2016  
24 Supp. 79-224, and amendments thereto; ~~and~~ (20) property exempted from  
25 property or ad valorem taxation by K.S.A. 2016 Supp. 79-234, and  
26 amendments thereto; *and (21) property belonging exclusively to the*  
27 *United States and exempted from ad valorem taxation by K.S.A. 79-201a*  
28 *First, and amendments thereto, except that the provisions of this*  
29 *subsection (l)(21) shall not apply to any such property which the congress*  
30 *of the United States has expressly declared to be subject to state and local*  
31 *taxation.*

32 (m) The provisions of this section shall apply to property exempt  
33 pursuant to the provisions of section 13 of article 11 of the constitution of  
34 the state of Kansas.

35 (n) The provisions of subsection (k) as amended by this act shall be  
36 applicable to all exemption applications filed in accordance with  
37 subsection (a) after December 31, 2001.

38 Sec. 2. K.S.A. 2016 Supp. 79-213 is hereby repealed.

39 Sec. 3. This act shall take effect and be in force from and after its  
40 publication in the statute book.