

As Amended by Senate Committee

Session of 2006

SENATE BILL No. 443

By Committee on Assessment and Taxation

1-25

10 AN ACT concerning property taxation; relating to exemptions; farm stor-
11 age and drying equipment and hay storage structures; amending K.S.A.
12 79-210 and K.S.A. 2005 Supp. 79-213 and repealing the existing
13 sections.

14
15 *Be it enacted by the Legislature of the State of Kansas:*

16 Section 1. K.S.A. 79-210 is hereby amended to read as follows: 79-
17 210. The owner or owners of all property which is exempt from the pay-
18 ment of property taxes under the laws of the state of Kansas for a specified
19 period of years, other than property exempt under K.S.A. **79-201d and**
20 ~~79-201g and 79-201d~~ **Second**, and amendments thereto, shall in each year
21 after approval thereof by the board of tax appeals claim such exemption
22 on or before March 1 of each year in which such exemption is claimed
23 in the manner hereinafter provided. All claims for exemption from the
24 payment of property taxes shall be made upon forms prescribed by the
25 director of property valuation and shall identify the property sought to
26 be exempt, state the basis for the exemption claimed and shall be filed
27 in the office of the assessing officer of the county in which such property
28 is located. The assessing officers of the several counties shall list and value
29 for assessment, all property located within the county for which no claim
30 for exemption has been filed in the manner hereinbefore provided. The
31 secretary of revenue shall adopt rules and regulations necessary to ad-
32 minister the provisions of this section. The provisions of this section shall
33 apply to property exempted pursuant to the provisions of section 13 of
34 article 11 of the Kansas constitution. The claim for exemption annually
35 filed by the owner of such property with the assessing officer shall include
36 a written statement, signed by the clerk of the city or county granting the
37 exemption, that the property continues to meet all the terms and condi-
38 tions established as a condition of granting the exemption.

39 Sec. 2. K.S.A. 2005 Supp. 79-213 is hereby amended to read as fol-
40 lows: 79-213. (a) Any property owner requesting an exemption from the
41 payment of ad valorem property taxes assessed, or to be assessed, against
42 their property shall be required to file an initial request for exemption,
43 on forms approved by the board of tax appeals and provided by the county

1 appraiser.

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

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

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

12 (e) The county appraiser, after making such written recommenda-
13 tion, shall file the request for exemption and the recommendations of the
14 county appraiser with the board of tax appeals.

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

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

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

40 (i) During the pendency of a request for exemption, no person, firm,
41 unincorporated association, company or corporation charged with real
42 estate or personal property taxes pursuant to K.S.A. 79-2004 and 79-
43 2004a, and amendments thereto, on the tax books in the hands of the

1 county treasurer shall be required to pay the tax from the date the request
2 is filed with the county appraiser until the expiration of 30 days after the
3 board issued its order thereon and the same becomes a final order. In
4 the event that taxes have been assessed against the subject property, no
5 interest shall accrue on any unpaid tax for the year or years in question
6 nor shall the unpaid tax be considered delinquent from the date the re-
7 quest is filed with the county appraiser until the expiration of 30 days
8 after the board issued its order thereon. In the event the board deter-
9 mines an application for exemption is without merit and filed in bad faith
10 to delay the due date of the tax, the tax shall be considered delinquent
11 as of the date the tax would have been due pursuant to K.S.A. 79-2004
12 and 79-2004a, and amendments thereto, and interest shall accrue as pre-
13 scribed therein.

14 (j) In the event the board grants the initial request for exemption,
15 the same shall be effective beginning with the date of first exempt use
16 except that, with respect to property the construction of which com-
17 menced not to exceed 24 months prior to the date of first exempt use,
18 the same shall be effective beginning with the date of commencement of
19 construction.

20 (k) In conjunction with its authority to grant exemptions, the board
21 shall have the authority to abate all unpaid taxes that have accrued from
22 and since the effective date of the exemption. In the event that taxes have
23 been paid during the period where the subject property has been deter-
24 mined to be exempt, the board shall have the authority to order a refund
25 of taxes for the year immediately preceding the year in which the ex-
26 emption application is filed in accordance with subsection (a).

27 (l) The provisions of this section shall not apply to: (1) Farm machin-
28 ery and equipment exempted from ad valorem taxation by K.S.A. 79-201j,
29 and amendments thereto; (2) personal property exempted from ad valo-
30 rem taxation by K.S.A. 79-215, and amendments thereto; (3) wearing
31 apparel, household goods and personal effects exempted from ad valorem
32 taxation by K.S.A. 79-201c, and amendments thereto; (4) livestock; (5)
33 ~~hay and silage~~ *all property* exempted from ad valorem taxation by K.S.A.
34 79-201d, and amendments thereto; (6) merchants' and manufacturers'
35 inventories exempted from ad valorem taxation by K.S.A. 79-201m and
36 amendments thereto; (7) grain exempted from ad valorem taxation by
37 K.S.A. 79-201n, and amendments thereto; (8) property exempted from
38 ad valorem taxation by K.S.A. 79-201a *Seventeenth* and amendments
39 thereto, including all property previously acquired by the secretary of
40 transportation or a predecessor in interest, which is used in the admin-
41 istration, construction, maintenance or operation of the state system of
42 highways. The secretary of transportation shall at the time of acquisition
43 of property notify the county appraiser in the county in which the prop-

1 erty is located that the acquisition occurred and provide a legal description
2 of the property acquired; (9) property exempted from ad valorem taxation
3 by K.S.A. 79-201a *Ninth*, and amendments thereto, including all property
4 previously acquired by the Kansas turnpike authority which is used in the
5 administration, construction, maintenance or operation of the Kansas
6 turnpike. The Kansas turnpike authority shall at the time of acquisition
7 of property notify the county appraiser in the county in which the prop-
8 erty is located that the acquisition occurred and provide a legal description
9 of the property acquired; (10) aquaculture machinery and equipment ex-
10 empted from ad valorem taxation by K.S.A. 79-201j, and amendments
11 thereto. As used in this section, “aquaculture” has the same meaning
12 ascribed thereto by K.S.A. 47-1901, and amendments thereto; (11)
13 Christmas tree machinery and equipment exempted from ad valorem
14 taxation by K.S.A. 79-201j, and amendments thereto; (12) property used
15 exclusively by the state or any municipality or political subdivision of the
16 state for right-of-way purposes. The state agency or the governing body
17 of the municipality or political subdivision shall at the time of acquisition
18 of property for right-of-way purposes notify the county appraiser in the
19 county in which the property is located that the acquisition occurred and
20 provide a legal description of the property acquired; (13) machinery,
21 equipment, materials and supplies exempted from ad valorem taxation by
22 K.S.A. 79-201w, and amendments thereto; (14) vehicles owned by the
23 state or by any political or taxing subdivision thereof and used exclusively
24 for governmental purposes; (15) property used for residential purposes
25 which is exempted pursuant to K.S.A. 79-201x from the property tax lev-
26 ied pursuant to K.S.A. 72-6431, and amendments thereto; (16) from and
27 after July 1, 1998, vehicles which are owned by an organization having as
28 one of its purposes the assistance by the provision of transit services to
29 the elderly and to disabled persons and which are exempted pursuant to
30 K.S.A. 79-201 *Ninth*; and (17) from and after July 1, 1998, motor vehicles
31 exempted from taxation by subsection (e) of K.S.A. 79-5107, and amend-
32 ments thereto.

33 (m) The provisions of this section shall apply to property exempt pur-
34 suant to the provisions of section 13 of article 11 of the Kansas
35 constitution.

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

39 Sec. 3. K.S.A. 79-210 and K.S.A. 2005 Supp. 79-213 are hereby
40 repealed.

41 Sec. 4. This act shall take effect and be in force from and after its
42 publication in the statute book.