

SESSION OF 1999

**EXPLANATORY NOTE ON SENATE BILL NO. 78**

Conference Committee Report

**Brief\***

S.B. 78 contains a variety of provisions relating to property taxation and valuation. This bill would do the following:

- Exempt from property taxes certain natural gas distribution systems primarily used for irrigation of farm land which are owned by small nonprofit utilities.
- Expressly exclude from the statutory definition of public utility found in K.S.A. 79-5a01 natural gas distribution systems owned and operated by nonprofit public utilities which are operated predominately for the purpose of providing fuel for irrigation of land devoted to agricultural use.
- Increase from 50 to 100 the maximum number of customers who may be served by a nonprofit utility. (Determination of this maximum threshold would not take into account any customers added due to sales or transfers of property or rights in tenancy. This provision would also include shareholders in the statutory list of owners of a nonprofit public utility.)
- Require county appraisers to send notice of classification and appraisal to lessees as well as property owners when the lease agreement has been recorded or filed with the register of deeds.
- Shift the order and burden of proof from the taxpayer to the county appraiser for appeals from valuation of property used for commercial and industrial purposes when certain expense and income information is received by the appraiser. This provision would expand protections which are already

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\*Supplemental notes are prepared by the Legislative Research Department and do not express legislative intent. The supplemental note and fiscal note for this bill may be accessed on the Internet at [http://www.ink.org/public/legislative/bill\\_search.html](http://www.ink.org/public/legislative/bill_search.html).

available to residential property owners to include real property used for commercial and industrial purposes.

- Allow the register of deeds to record any plat if all back taxes and at least the first half of all current year real estate taxes have been paid when the plat is presented for recording between December 20, when the tax is initially due, and June 20 of the next year. Under current law, taxes must be paid in full (both halves) before a plat may be recorded and this is problematic for taxpayers who pay their property taxes in two installments as permitted by statute.
- Repeal four obsolete statutes pertaining to withholding and remittance of federal taxes by all employers including state and local governments. (These statutes were enacted in 1943 and federal law now governs the withholding and remittance of these taxes.)
- Provide clean-up legislation to expressly allow the small claims division of SBOTA to have jurisdiction over original valuation appeals in those counties without a hearing officer or panel.
- Amend a section of current law that permits the disclosure of oil and gas production statistics to county appraisers and to other state agencies which administer and collect conservation or other taxes and fees imposed on or measured by mineral production.

## **Background**

The Conference Committee agreed to retain House amendments to the bill adding the provisions for notice to lessees (subject matter of H.B. 2180), shift of the burden of proof for commercial and industrial property (subject matter of H.B. 2020), recording of plats if at least the first half of all real estate taxes have been paid under certain circumstances (subject matter of S.B. 335), repeal of the obsolete statutes pertaining to withholding and remittance of federal taxes by all employers (subject matter of H.B. 2526), clean-up legislation to expressly allow the small claims division of SBOTA to have jurisdiction over original valuation appeals in counties without a hearing officer or panel, and expansion of the number of customers who may be served by a nonprofit utility (subject matter of H.B. 2272).

The Conference Committee also agreed to add the provision which would permit the disclosure of certain oil and gas production statistics to county appraisers and to other state agencies which administer and collect conservation or other taxes and fees imposed on or measured by mineral production (subject matter of H.B. 348).