

HOUSE BILL No. 2440

By Committee on Taxation

Requested by Representative A. Smith on behalf of the Kansas County Appraiser
Association Oil and Gas Committee

1-14

1 AN ACT concerning property taxation; relating to exemptions; excluding
2 owners of oil leases from having to file request for exemption with the
3 board of tax appeals; amending K.S.A. 2025 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. 2025 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 *July 1, 2014*, if the county appraiser recommends the exemption request be
30 granted, the exemption shall be provided in the amount recommended by
31 the county appraiser and the county appraiser shall not file the request for
32 exemption and recommendations of the county appraiser with the state
33 board of tax appeals. The county clerk or county assessor shall annually
34 make such adjustment in the taxes levied against the real property as the

1 owner may be entitled to receive under the provisions of K.S.A. 79-201g,
2 and amendments thereto, as recommended by the county appraiser,
3 beginning with the first period, following the date of issue of the certificate
4 of completion on which taxes are regularly levied, and during the years
5 which the landowner is entitled to such adjustment.

6 (f) Upon receipt of the request for exemption, the board shall docket
7 the ~~same~~ *request for exemption* and notify the applicant and the county
8 appraiser of such fact.

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

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

32 (i) During the pendency of a request for exemption, no person, firm,
33 unincorporated association, company or corporation charged with real
34 estate or personal property taxes pursuant to K.S.A. 79-2004 and 79-
35 2004a, and amendments thereto, on the tax books in the hands of the
36 county treasurer shall be required to pay the tax from the date the request
37 is filed with the county appraiser until the expiration of 30 days after the
38 board issued its order thereon and the same becomes a final order. In the
39 event that taxes have been assessed against the subject property, no interest
40 shall accrue on any unpaid tax for the year or years in question nor shall
41 the unpaid tax be considered delinquent from the date the request is filed
42 with the county appraiser until the expiration of 30 days after the board
43 issued its order thereon. In the event the board determines an application

1 for exemption is without merit and filed in bad faith to delay the due date
2 of the tax, the tax shall be considered delinquent as of the date the tax
3 would have been due pursuant to K.S.A. 79-2004 and 79-2004a, and
4 amendments thereto, and interest shall accrue as prescribed therein.

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

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

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

1 valorem taxation by K.S.A. 79-201j, and amendments thereto. As used in
2 this section, "aquaculture" has the same meaning ascribed thereto by
3 K.S.A. 47-1901, and amendments thereto; (11) Christmas tree machinery
4 and equipment exempted from ad valorem taxation by K.S.A. 79-201j, and
5 amendments thereto; (12) property used exclusively by the state or any
6 municipality or political subdivision of the state for right-of-way purposes.
7 The state agency or the governing body of the municipality or political
8 subdivision shall at the time of acquisition of property for right-of-way
9 purposes notify the county appraiser in the county in which the property is
10 located that the acquisition occurred and provide a legal description of the
11 property acquired; (13) machinery, equipment, materials and supplies
12 exempted from ad valorem taxation by K.S.A. 79-201w, and amendments
13 thereto; (14) vehicles owned by the state or by any political or taxing
14 subdivision thereof and used exclusively for governmental purposes; (15)
15 property used for residential purposes which is exempted pursuant to
16 K.S.A. 79-201x, and amendments thereto, from the property tax levied
17 pursuant to K.S.A. 72-5142, and amendments thereto; (16) from and after
18 July 1, 1998, vehicles which are owned by an organization having as one
19 of its purposes the assistance by the provision of transit services to the
20 elderly and to disabled persons and which are exempted pursuant to
21 K.S.A. 79-201 *Ninth*, and amendments thereto; (17) from and after July 1,
22 1998, motor vehicles exempted from taxation by K.S.A. 79-5107(e), and
23 amendments thereto; (18) commercial and industrial machinery and
24 equipment exempted from property or ad valorem taxation by K.S.A. 79-
25 223, and amendments thereto; (19) telecommunications machinery and
26 equipment and railroad machinery and equipment exempted from property
27 or ad valorem taxation by K.S.A. 79-224, and amendments thereto; (20)
28 property exempted from property or ad valorem taxation by K.S.A. 79-
29 234, and amendments thereto; (21) recreational vehicles exempted from
30 property or ad valorem taxation by K.S.A. 79-5121(e), and amendments
31 thereto; (22) property acquired by a land bank exempt from property or ad
32 valorem taxation pursuant to K.S.A. 12-5909 or K.S.A. 19-26,111, and
33 amendments thereto; (23) property belonging exclusively to the United
34 States and exempted from ad valorem taxation by K.S.A. 79-201a *First*,
35 and amendments thereto, except that the provisions of this subsection (l)
36 (23) shall not apply to any such property that the congress of the United
37 States has expressly declared to be subject to state and local taxation; (24)
38 watercraft exempted from property or ad valorem taxation by K.S.A. 79-
39 5501, and amendments thereto; and (25) property exempted from property
40 or ad valorem taxation by K.S.A. 2025 Supp. 79-267, and amendments
41 thereto; and (26) oil leases exempted from property or ad valorem taxation
42 by K.S.A. 79-201t, and amendments thereto.

43 (m) The provisions of this section shall apply to property exempt

1 pursuant to the provisions of section 13 of article 11 of the constitution of
2 the state of Kansas.

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

6 (o) No exemption authorized by K.S.A. 79-227, and amendments
7 thereto, of property from the payment of ad valorem property taxes
8 assessed shall be granted unless the requesting property owner files an
9 initial request for exemption pursuant to this section within two years of
10 the date in which construction of a new qualifying pipeline property
11 began. The provisions of this subsection shall be applicable to all requests
12 for exemptions filed in accordance with subsection (a) after June 30, 2017.

13 Sec. 2. K.S.A. 2025 Supp. 79-213 is hereby repealed.

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