

SENATE BILL No. 319

By Committee on Assessment and Taxation

1-14

1 AN ACT concerning property taxation; relating to residential and
2 commercial and industrial real property; providing for a rebate when a
3 qualifying property sells in a qualifying sale for a fair market value sale
4 price that is less than 97% of the county's appraised value.
5

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

7 Section 1. (a) The owner of any qualifying property who sold such
8 property in a qualifying sale for a fair market value sale price that is less
9 than 97% of the county's appraised value of such property for the tax year
10 in which the sale occurred may make application for a rebate in an amount
11 equal to the excess property taxes levied upon such property as permitted
12 by this section.

13 (b) The application shall be made on or before December 20 of the
14 year immediately following the year in which the qualifying sale occurred
15 to the county appraiser of the county where such property is located and on
16 forms approved by the director of property valuation. In the same
17 application, such owner applicant may also make application for rebates
18 for preceding tax years if the fair market value sale price is less than the
19 county's appraised value of such qualifying property for each such
20 preceding tax year. Rebates shall be limited to the tax year in which the
21 sale occurred and the immediately preceding four tax years.

22 (c) (1) Except as otherwise provided in paragraphs (2) and (3), the
23 rebate amount for the tax year for which a rebate is sought shall be
24 computed by deducting the total amount of property tax that would have
25 been assessed if the fair market value sale price had been such qualifying
26 property's appraised value for such tax year from the total amount of
27 property tax levied and paid by the owner for such tax year.

28 (2) In the event that any property owner received a homestead
29 property tax refund pursuant to K.S.A. 79-4501 et seq., and amendments
30 thereto, the selective assistance for effective senior relief (SAFESR) credit
31 pursuant to K.S.A. 79-32,263, and amendments thereto, or any other
32 property tax rebate, refund or credit for such property for the tax year for
33 which a rebate under this section is sought, any and all amounts rebated,
34 refunded or credited shall be excluded from the total amount of property
35 tax levied and paid by the owner for such year for purposes of the rebate
36 calculation. In the event that the tax levied and paid by the owner less any

1 amounts rebated, refunded or credited exceeds the tax amount calculated
2 based on the fair market value sale price, then no rebate shall be provided
3 for such tax year under this section.

4 (3) In the event that the applicant as the seller only paid a prorated
5 amount of property tax for the tax year in which the subject qualifying sale
6 occurs, the amount of rebate for the tax year in which the qualifying sale
7 occurs shall be prorated accordingly.

8 (d) (1) In order to be eligible for a rebate pursuant to this section, the
9 owner of the qualifying property is required to have been an owner of
10 record as of each valuation date at issue and through to the date of the
11 qualifying sale.

12 (2) Only one owner of the qualifying property per qualifying sale per
13 tax year shall be eligible for a rebate pursuant to this section. Not more
14 than one rebate per property per tax year shall be allowed under this
15 section.

16 (3) If there are delinquent property taxes on the qualifying property,
17 the rebate shall be paid to the county treasurer of the county in which such
18 property is located and applied first to the oldest of such delinquent
19 property taxes and applied forward to the most recent delinquent property
20 taxes.

21 (4) An application shall be denied if the applicant intentionally
22 altered the property or accepted less than fair market value for the purpose
23 of receiving a rebate under this section.

24 (e) (1) The county appraiser shall review and consider the
25 application, supporting documentation, county appraisals and other
26 relevant records and issue a written decision. In the event the applicant is
27 aggrieved by the decision, the applicant may appeal the decision to the
28 state board of tax appeals within 30 days after the date of mailing or
29 service of the decision.

30 (2) Upon a final decision of the county appraiser, the state board of
31 tax appeals or a court of competent jurisdiction granting a rebate pursuant
32 to this section and if no appeal is taken from such decision, the county
33 treasurer shall, as soon thereafter as reasonably practicable, provide the
34 rebate to the applicant. Upon making the rebate, the county treasurer shall
35 charge the fund or funds having received the original property taxes and
36 notify all affected taxing districts. Moneys from such funds may be used
37 for the purposes of this section.

38 (f) As used in this section:

39 (1) "Property tax" means ad valorem property tax. "Property tax"
40 does not include special assessments.

41 (2) (A) "Qualifying property" means real property that at the time of
42 qualifying sale:

43 (i) Was used for residential purposes or commercial and industrial

1 purposes and classified within subclass (1) or (6) of class 1 of section 1 of
2 article 11 of the constitution of the state of Kansas;

3 (ii) remained in the same subclass as compared to the relevant
4 valuation date; and

5 (iii) remained in substantially the same condition or was in a superior
6 condition as compared to the relevant valuation date.

7 (B) "Qualifying property" does not include property that:

8 (i) Has a decrease in the square footage of the parcel, any buildings or
9 any other structures since the relevant valuation date;

10 (ii) has been destroyed or partially destroyed by a natural disaster or
11 any other cause; or

12 (iii) is experiencing severe neglect by the owner or any other person
13 or entity since the relevant valuation date.

13 (3) "Qualifying sale" means a sale of the property in fee simple
14 between a well-informed buyer and a well-informed seller in an open and
15 competitive market in which the parties are unrelated and acting without
16 undue compulsion.

17 (4) "Relevant valuation date" or "valuation date at issue" means the
18 January 1 valuation date of the tax year for which the owner seeks a
19 rebate.

20 (g) The provisions of this section shall take effect for qualifying sales
21 of qualifying property occurring on or after July 1, 2026.

22 Sec. 2. This act shall take effect and be in force from and after its
23 publication in the statute book.