

## SENATE BILL No. 329

By Committee on Assessment and Taxation

1-14

1 AN ACT concerning property taxation; relating to valuation appeals;  
2 requiring the county appraiser to submit a single property appraisal  
3 report at the hearing before the regular division of the state board of tax  
4 appeals; amending K.S.A. 2025 Supp. 79-1496, 79-1609 and 79-2005  
5 and repealing the existing sections.  
6

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

8 Section 1. K.S.A. 2025 Supp. 79-1496 is hereby amended to read as  
9 follows: 79-1496. Within 60 days after the date the notice of informal  
10 meeting results or final determination is mailed to the taxpayer pursuant to  
11 K.S.A. 79-1448, and amendments thereto, any taxpayer aggrieved by the  
12 final determination of the county appraiser, who has not filed an appeal  
13 with the board of tax appeals pursuant to K.S.A. 74-2433f, 79-1448, 79-  
14 1609 or 79-1611, and amendments thereto, may file with the county  
15 appraiser a third-party fee simple appraisal performed by a Kansas  
16 certified general real property appraiser that reflects the value of the  
17 property as of January 1 for the same tax year being appealed. For  
18 determinations and appeals relating to residential property pursuant to this  
19 section, a taxpayer may file with the county appraiser a third-party fee  
20 simple appraisal performed by either a Kansas certified residential real  
21 property appraiser or a Kansas certified general real property appraiser that  
22 reflects the value of the property as of January 1 for the same tax year  
23 being appealed. Within 15 days after receipt of the appraisal, the county  
24 appraiser shall review and consider such appraisal in the determination of  
25 valuation or classification of the taxpayer's property and mail a  
26 supplemental notice of final determination. If the final determination is not  
27 in favor of the taxpayer, then the county appraiser shall notify the taxpayer  
28 that the county is required to perform its own, or commission, a fee simple  
29 single property appraisal. The county appraiser shall then have 90 days to  
30 furnish ~~that~~ *such* appraisal along with a new supplemental notice of  
31 determination and, if not in favor of the taxpayer, include an explanation  
32 of the reasons the county appraiser did not rely upon the taxpayer's fee  
33 simple single property appraisal. Whenever a taxpayer submits a fee  
34 simple single property appraisal, the burden of proof shall be on the county  
35 appraiser to dispute the value of that appraisal. Any taxpayer aggrieved by  
36 the final determination of the county appraiser may appeal to the state

1 board of tax appeals as provided in K.S.A. 79-1609, and amendments  
2 thereto, within 30 days subsequent to the date of mailing of the  
3 supplemental notice of final determination. *At any appeal hearing before*  
4 *the regular division of the state board of tax appeals relating to the*  
5 *determination of valuation of property for taxation purposes, the county*  
6 *appraiser shall submit a single property appraisal report.*

7 Sec. 2. K.S.A. 2025 Supp. 79-1609 is hereby amended to read as  
8 follows: 79-1609. Any person aggrieved by any order of the hearing  
9 officer or panel, or by the classification and appraisal of an independent  
10 appraiser, as provided in K.S.A. 79-5b03, and amendments thereto, may  
11 appeal to the state board of tax appeals by filing a written notice of appeal,  
12 on forms approved by the state board of tax appeals and provided by the  
13 county clerk for such purpose, stating the grounds thereof and a  
14 description of any comparable property or properties and the appraisal  
15 thereof upon which they rely as evidence of inequality of the appraisal of  
16 their property, if that be a ground of the appeal, with the state board of tax  
17 appeals and by filing a copy thereof with the county clerk within 30 days  
18 after the date of the order from which the appeal is taken. The notice of  
19 appeal may be signed by the taxpayer, any person with an executed  
20 declaration of representative form from the property valuation division of  
21 the department of revenue or any person authorized to represent the  
22 taxpayer in K.S.A. 74-2433f(f), and amendments thereto. A county or  
23 district appraiser may appeal to the state board of tax appeals from any  
24 order of the hearing officer or panel. *At any appeal hearing before the*  
25 *regular division of the state board of tax appeals relating to the*  
26 *determination of valuation of property for taxation purposes, the county*  
27 *appraiser shall submit a single property appraisal report.* With regard to  
28 any matter properly submitted to the board relating to the determination of  
29 valuation of residential property or real property used for commercial and  
30 industrial purposes for taxation purposes, it shall be the duty of the county  
31 appraiser to initiate the production of evidence to demonstrate, by a  
32 preponderance of the evidence, the validity and correctness of such  
33 determination. With regard to leased commercial and industrial property,  
34 the burden of proof shall be on the taxpayer unless, within 30 calendar  
35 days following the informal meeting required by K.S.A. 79-1448, and  
36 amendments thereto, the taxpayer furnished to the county or district  
37 appraiser a complete income and expense statement for the property for  
38 the three years next preceding the year of appeal. Such income and  
39 expense statement shall be in such format that is regularly maintained by  
40 the taxpayer in the ordinary course of the taxpayer's business. If the  
41 taxpayer submits a single property appraisal with an effective date of  
42 January 1 of the year appealed, the burden of proof shall return to the  
43 county appraiser. With regard to any matter properly submitted to the

1 board relating to the determination of valuation of property for taxation  
2 purposes, the board shall not increase the appraised valuation of the  
3 property to an amount greater than the final determination of appraised  
4 value by the county appraiser from which the taxpayer appealed.

5 Sec. 3. K.S.A. 2025 Supp. 79-2005 is hereby amended to read as  
6 follows: 79-2005. (a) Any taxpayer, before protesting the payment of such  
7 taxpayer's taxes, shall be required, either at the time of paying such taxes,  
8 or, if the whole or part of the taxes are paid prior to December 20, ~~no~~ not  
9 later than December 20, or, with respect to taxes paid in whole or in part in  
10 an amount equal to at least  $\frac{1}{2}$  of such taxes on or before December 20 by  
11 an escrow or tax service agent, ~~no~~ not later than January 31 of the next  
12 year, to file a written statement with the county treasurer, on forms  
13 approved by the state board of tax appeals and provided by the county  
14 treasurer, clearly stating the grounds on which the whole or any part of  
15 such taxes are protested and citing any law, statute or facts on which such  
16 taxpayer relies in protesting the whole or any part of such taxes. When the  
17 grounds of such protest is an assessment of taxes made pursuant to K.S.A.  
18 79-332a and 79-1427a, and amendments thereto, the county treasurer may  
19 not distribute the taxes paid under protest until such time as the appeal is  
20 final. When the grounds of such protest is that the valuation or assessment  
21 of the property upon which the taxes are levied is illegal or void, the  
22 county treasurer shall forward a copy of the written statement of protest to  
23 the county appraiser, who shall within 15 days of the receipt thereof,  
24 schedule an informal meeting with the taxpayer or such taxpayer's agent or  
25 attorney with reference to the property in question. At the informal  
26 meeting, it shall be the duty of the county appraiser or the county  
27 appraiser's designee to initiate production of evidence to substantiate the  
28 valuation of such property, including a summary of the reasons that the  
29 valuation of the property has been increased over the preceding year, any  
30 assumptions used by the county appraiser to determine the value of the  
31 property and a description of the individual property characteristics,  
32 property specific valuation records and conclusions. The taxpayer shall be  
33 provided with the opportunity to review the data sheets applicable to the  
34 valuation approach utilized for the subject property. The county appraiser  
35 shall take into account any evidence provided by the taxpayer ~~which~~ that  
36 relates to the amount of deferred maintenance and depreciation of the  
37 property. The county appraiser shall review the appraisal of the taxpayer's  
38 property with the taxpayer or such taxpayer's agent or attorney and may  
39 change the valuation of the taxpayer's property, if in the county appraiser's  
40 opinion a change in the valuation of the taxpayer's property is required to  
41 assure that the taxpayer's property is valued according to law, and shall,  
42 within 15 business days thereof, notify the taxpayer in the event the  
43 valuation of the taxpayer's property is changed, in writing of the results of

1 the meeting. The county appraiser shall not increase the appraised  
2 valuation of the property as a result of the informal meeting. In the event  
3 the valuation of the taxpayer's property is changed and such change  
4 requires a refund of taxes and interest thereon, the county treasurer shall  
5 process the refund in the manner provided by subsection (l).

6 (b) No protest appealing the valuation or assessment of property shall  
7 be filed pertaining to any year's valuation or assessment when an appeal of  
8 such valuation or assessment was commenced pursuant to K.S.A. 79-1448,  
9 and amendments thereto, nor shall the second half payment of taxes be  
10 protested when the first half payment of taxes has been protested.  
11 Notwithstanding the foregoing, this provision shall not prevent any  
12 subsequent owner from protesting taxes levied for the year in which such  
13 property was acquired, nor shall it prevent any taxpayer from protesting  
14 taxes when the valuation or assessment of such taxpayer's property has  
15 been changed pursuant to an order of the director of property valuation.

16 (c) A protest shall not be necessary to protect the right to a refund of  
17 taxes in the event a refund is required because the final resolution of an  
18 appeal commenced pursuant to K.S.A. 79-1448, and amendments thereto,  
19 occurs after the final date prescribed for the protest of taxes.

20 (d) If the grounds of such protest shall be that the valuation or  
21 assessment of the property upon which the taxes so protested are levied is  
22 illegal or void, such statement shall further state the exact amount of  
23 valuation or assessment ~~which~~ that the taxpayer admits to be valid and the  
24 exact portion of such taxes ~~which~~ that is being protested.

25 (e) If the grounds of such protest shall be that any tax levy, or any  
26 part thereof, is illegal, such statement shall further state the exact portion  
27 of such tax ~~which~~ that is being protested.

28 (f) Upon the filing of a written statement of protest, the grounds of  
29 which shall be that any tax levied, or any part thereof, is illegal, the county  
30 treasurer shall mail a copy of such written statement of protest to the state  
31 board of tax appeals and the governing body of the taxing district making  
32 the levy being protested.

33 (g) Within 30 days after notification of the results of the informal  
34 meeting with the county appraiser pursuant to subsection (a), the  
35 protesting taxpayer may, if aggrieved by the results of the informal  
36 meeting with the county appraiser, appeal such results to the state board of  
37 tax appeals.

38 (h) After examination of the copy of the written statement of protest  
39 and a copy of the written notification of the results of the informal meeting  
40 with the county appraiser in cases where the grounds of such protest is that  
41 the valuation or assessment of the property upon which the taxes are levied  
42 is illegal or void, the board shall conduct a hearing in accordance with the  
43 provisions of the Kansas administrative procedure act, unless waived by

1 the interested parties in writing. If the grounds of such protest is that the  
2 valuation or assessment of the property is illegal or void, the board shall  
3 notify the county appraiser thereof.

4 (i) In the event of a hearing, the ~~same~~ hearing shall be originally set  
5 not later than 90 days after the filing of the copy of the written statement  
6 of protest and a copy, when applicable, of the written notification of the  
7 results of the informal meeting with the county appraiser with the board.  
8 With regard to any matter properly submitted to the board relating to the  
9 determination of valuation of residential property or real property used for  
10 commercial and industrial purposes for taxation purposes, it shall be the  
11 duty of the county appraiser to initiate the production of evidence to  
12 demonstrate, by a preponderance of the evidence, the validity and  
13 correctness of such determination, except that no such duty shall accrue to  
14 the county or district appraiser with regard to leased commercial and  
15 industrial property unless the property owner has furnished to the county  
16 or district appraiser a complete income and expense statement for the  
17 property for the three years next preceding the year of appeal. No  
18 presumption shall exist in favor of the county appraiser with respect to the  
19 validity and correctness of such determination. In all instances where the  
20 board sets a request for hearing and requires the representation of the  
21 county by its attorney or counselor at such hearing, the county shall be  
22 represented by its county attorney or counselor. *At any appeal hearing*  
23 *before the regular division of the state board of tax appeals relating to the*  
24 *determination of valuation of property for taxation purposes, the county*  
25 *appraiser shall submit a single property appraisal report.* The board shall  
26 take into account any evidence provided by the taxpayer ~~which~~ that relates  
27 to the amount of deferred maintenance and depreciation for the property.  
28 In any appeal from the reclassification of property that was classified as  
29 land devoted to agricultural use for the preceding year, the taxpayer's  
30 classification of the property as land devoted to agricultural use shall be  
31 presumed to be valid and correct if the taxpayer provides an executed lease  
32 agreement or other documentation demonstrating a commitment to use the  
33 property for agricultural use, if no other actual use is evident. With regard  
34 to any matter properly submitted to the board relating to the determination  
35 of valuation of property for taxation purposes, the board shall not increase  
36 the appraised valuation of the property to an amount greater than the  
37 appraised value reflected in the notification of the results of the informal  
38 meeting with the county appraiser from which the taxpayer appealed.

39 (j) When a determination is made as to the merits of the tax protest,  
40 the board shall render and serve its order thereon. The county treasurer  
41 shall notify all affected taxing districts of the amount by which tax  
42 revenues will be reduced as a result of a refund.

43 (k) If a protesting taxpayer fails to file a copy of the written statement

1 of protest and a copy, when applicable, of the written notification of the  
2 results of the informal meeting with the county appraiser with the board  
3 within the time limit prescribed, such protest shall become null and void  
4 and of no effect whatsoever.

5 (l) (1) In the event *that* the board orders that a refund be made  
6 pursuant to this section or the provisions of K.S.A. 79-1609, and  
7 amendments thereto, or a court of competent jurisdiction orders that a  
8 refund be made, and no appeal is taken from such order, or in the event a  
9 change in valuation ~~which~~ *that* results in a refund pursuant to subsection  
10 (a), the county treasurer shall, as soon thereafter as reasonably practicable,  
11 refund to the taxpayer such protested taxes and, with respect to protests or  
12 appeals commenced after the effective date of this act, interest computed at  
13 the rate prescribed by K.S.A. 79-2968, and amendments thereto, minus  
14 two percentage points, per annum from the date of payment of such taxes  
15 from tax moneys collected but not distributed. Upon making such refund,  
16 the county treasurer shall charge the fund or funds having received such  
17 protested taxes, except that, with respect to that portion of any such refund  
18 attributable to interest, the county treasurer shall charge the county general  
19 fund. In the event that the state board of tax appeals or a court of  
20 competent jurisdiction finds that any time delay in making its decision is  
21 unreasonable and is attributable to the taxpayer, ~~if such board or court~~ may  
22 order that no interest or only a portion thereof be added to such refund of  
23 taxes.

24 (2) No interest shall be allowed pursuant to paragraph (1) in any case  
25 where the tax paid under protest was inclusive of delinquent taxes.

26 (m) Whenever, by reason of the refund of taxes previously received  
27 or the reduction of taxes levied but not received as a result of decreases in  
28 assessed valuation, it will be impossible to pay for imperative functions for  
29 the current budget year, the governing body of the taxing district affected  
30 may issue no-fund warrants in the amount necessary. Such warrants shall  
31 conform to the requirements prescribed by K.S.A. 79-2940, and  
32 amendments thereto, except ~~they~~ *that such warrants* shall not bear the  
33 notation required by such section and may be issued without the approval  
34 of the state board of tax appeals. The governing body of such taxing  
35 district shall make a tax levy at the time fixed for the certification of tax  
36 levies to the county clerk next following the issuance of such warrants  
37 sufficient to pay such warrants and the interest thereon. All such tax levies  
38 shall be in addition to all other levies authorized by law.

39 (n) Whenever a taxpayer appeals to the board of tax appeals pursuant  
40 to the provisions of K.S.A. 79-1609, and amendments thereto, or pays  
41 taxes under protest related to one property whereby the assessed valuation  
42 of such property exceeds 5% of the total county assessed valuation of all  
43 property located within such county and the taxpayer receives a refund of

1 such taxes paid under protest or a refund made pursuant to the provisions  
2 of K.S.A. 79-1609, and amendments thereto, the county treasurer or the  
3 governing body of any taxing subdivision within a county may request the  
4 pooled money investment board to make a loan to such county or taxing  
5 subdivision as provided in this section. The pooled money investment  
6 board is authorized and directed to loan to such county or taxing  
7 subdivision sufficient funds to enable the county or taxing subdivision to  
8 refund such taxes to the taxpayer. The pooled money investment board is  
9 authorized and directed to use any moneys in the operating accounts,  
10 investment accounts or other investments of the state of Kansas to provide  
11 the funds for such loan. Each loan shall bear interest at a rate equal to the  
12 net earnings rate of the pooled money investment portfolio at the time of  
13 the making of such loan. The total aggregate amount of loans under this  
14 program shall not exceed \$50,000,000 of unencumbered funds pursuant to  
15 article 42 of chapter 75 of the Kansas Statutes Annotated, and amendments  
16 thereto. Such loan shall not be deemed to be an indebtedness or debt of the  
17 state of Kansas within the meaning of section 6 of article 11 of the  
18 constitution of the state of Kansas. Upon certification to the pooled money  
19 investment board by the county treasurer or governing body of the amount  
20 of each loan authorized pursuant to this subsection, the pooled money  
21 investment board shall transfer each such amount certified by the county  
22 treasurer or governing body from the state bank account or accounts  
23 prescribed in this subsection to the county treasurer, who shall deposit  
24 such amount in the county treasury. Any such loan authorized pursuant to  
25 this subsection shall be repaid within four years. The county or taxing  
26 subdivision shall make not more than four equal annual tax levies at the  
27 time fixed for the certification of tax levies to the county clerk following  
28 the making of such loan sufficient to pay such loan within the time period  
29 required under such loan. All such tax levies shall be in addition to all  
30 other levies authorized by law.

31 (o) The county treasurer shall disburse to the proper funds all portions  
32 of taxes paid under protest ~~and shall~~, maintain a record of all portions of  
33 such taxes ~~which~~ *that* are so protested and ~~shall~~ notify the governing body  
34 of the taxing district levying such taxes thereof and the director of  
35 accounts and reports if any tax protested was levied by the state.

36 (p) This statute shall not apply to the valuation and assessment of  
37 property assessed by the director of property valuation, and it shall not be  
38 necessary for any owner of state assessed property, who has an appeal  
39 pending before the state board of tax appeals, to protest the payment of  
40 taxes under this statute solely for the purpose of protecting the right to a  
41 refund of taxes paid under protest should ~~that~~ *such* owner be successful in  
42 ~~that~~ *such* appeal.

43 Sec. 4. K.S.A. 2025 Supp. 79-1496, 79-1609 and 79-2005 are hereby

1 repealed.

2       Sec. 5. This act shall take effect and be in force from and after its  
3 publication in the statute book.