

**SENATE BILL No. 410**

By Committee on Assessment and Taxation

2-18

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1 AN ACT concerning property taxation; relating to exemptions for certain  
2 donations of property to the state; amending K.S.A. 2013 Supp. 79-213  
3 and repealing the existing section.  
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5 *Be it enacted by the Legislature of the State of Kansas:*

6 Section 1. K.S.A. 2013 Supp. 79-213 is hereby amended to read as  
7 follows: 79-213. (a) Any property owner requesting an exemption from the  
8 payment of ad valorem property taxes assessed, or to be assessed, against  
9 their property shall be required to file an initial request for exemption, on  
10 forms approved by the state court of tax appeals and provided by the  
11 county appraiser.

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

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

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

22 (e) The county appraiser, after making such written recommendation,  
23 shall file the request for exemption and the recommendations of the county  
24 appraiser with the state court of tax appeals. *Except with regard to a*  
25 *request for exemption from property tax pursuant to the provisions of*  
26 *K.S.A. 79-201g, and amendments thereto, the county appraiser shall file*  
27 *the request for exemption and recommendations with the county*  
28 *commission. If the county commission determines the request for*  
29 *exemption should be granted, the exemption shall be provided in the*  
30 *amount determined by the county commission. The county clerk or county*  
31 *assessor shall annually make such adjustment in the taxes levied against*  
32 *the land as the owner may be entitled to receive under the provisions of*  
33 *K.S.A. 79-201g, and amendments thereto, as determined by the county*  
34 *commission, beginning with the first period, following the date of issue of*  
35 *the certificate of completion on which taxes are regularly levied, and*  
36 *during the years which the landowner is entitled to such adjustment. An*

1 *appeal may be taken from the determination of the county commission to*  
2 *the court of tax appeals within 30 days of the county commission's*  
3 *determination.*

4 (f) Upon receipt of the request for exemption *or appeal from the*  
5 *determination of the county commission*, the court shall docket the same  
6 and notify the applicant and the county appraiser of such fact, *and in the*  
7 *case of an appeal from a determination of the county commission*, shall  
8 *also notify the county commission.*

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

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

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

1 the unpaid tax be considered delinquent from the date the request is filed  
2 with the county appraiser until the expiration of 30 days after the court  
3 issued its order thereon. In the event the court determines an application  
4 for exemption is without merit and filed in bad faith to delay the due date  
5 of the tax, the tax shall be considered delinquent as of the date the tax  
6 would have been due pursuant to K.S.A. 79-2004 and 79-2004a, and  
7 amendments thereto, and interest shall accrue as prescribed therein.

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

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

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

1 acquisition occurred and provide a legal description of the property  
2 acquired; (10) aquaculture machinery and equipment exempted from ad  
3 valorem taxation by K.S.A. 79-201j, and amendments thereto. As used in  
4 this section, "aquaculture" has the same meaning ascribed thereto by  
5 K.S.A. 47-1901, and amendments thereto; (11) Christmas tree machinery  
6 and equipment exempted from ad valorem taxation by K.S.A. 79-201j, and  
7 amendments thereto; (12) property used exclusively by the state or any  
8 municipality or political subdivision of the state for right-of-way purposes.  
9 The state agency or the governing body of the municipality or political  
10 subdivision shall at the time of acquisition of property for right-of-way  
11 purposes notify the county appraiser in the county in which the property is  
12 located that the acquisition occurred and provide a legal description of the  
13 property acquired; (13) machinery, equipment, materials and supplies  
14 exempted from ad valorem taxation by K.S.A. 79-201w, and amendments  
15 thereto; (14) vehicles owned by the state or by any political or taxing  
16 subdivision thereof and used exclusively for governmental purposes; (15)  
17 property used for residential purposes which is exempted pursuant to  
18 K.S.A. 79-201x from the property tax levied pursuant to K.S.A. 72-6431,  
19 and amendments thereto; (16) from and after July 1, 1998, vehicles which  
20 are owned by an organization having as one of its purposes the assistance  
21 by the provision of transit services to the elderly and to disabled persons  
22 and which are exempted pursuant to K.S.A. 79-201 *Ninth*; (17) from and  
23 after July 1, 1998, motor vehicles exempted from taxation by subsection  
24 (e) of K.S.A. 79-5107, and amendments thereto; (18) commercial and  
25 industrial machinery and equipment exempted from property or ad  
26 valorem taxation by K.S.A. 2013 Supp. 79-223, and amendments thereto;  
27 (19) telecommunications machinery and equipment and railroad  
28 machinery and equipment exempted from property or ad valorem taxation  
29 by K.S.A. 2013 Supp. 79-224, and amendments thereto; and (20) property  
30 exempted from property or ad valorem taxation by K.S.A. 2013 Supp. 79-  
31 234, and amendments thereto.

32 (m) The provisions of this section shall apply to property exempt  
33 pursuant to the provisions of section 13 of article 11 of the Kansas  
34 constitution.

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

38 Sec. 2. K.S.A. 2013 Supp. 79-213 is hereby repealed.

39 Sec. 3. This act shall take effect and be in force from and after its  
40 publication in the Kansas register.