

**Senate Substitute for HOUSE BILL No. 2104**

By Committee on Assessment and Taxation

3-24

1 AN ACT concerning property taxation; relating to school district levies,  
2 authorizing continuation of the statewide levy for schools and the  
3 exemption of a portion of residential property from such levy,  
4 extending the due date for budget to state board of education when  
5 revenue neutral rate hearing is required; relating to the state board of  
6 tax appeals, orders and notices, service by electronic means, time to  
7 request full and complete opinion, judicial review, burden of proof in  
8 district court, appointments, extending the time a board member may  
9 continue to serve after member's term expires, authorizing appoint by  
10 the governor of a member pro tempore under certain conditions;  
11 relating to appeals, prohibiting valuation increases in certain appeals;  
12 relating to county appraisers, eligibility list, notification when person  
13 no longer holds office; appraisal standards; amending K.S.A. 72-5137,  
14 74-2426, 74-2433, 74-2433f, 79-201x, 79-505, 79-1448, 79-1609 and  
15 79-2005 and K.S.A. 2020 Supp. 19-432 and 72-5142 and repealing the  
16 existing sections.

17  
18 *Be it enacted by the Legislature of the State of Kansas:*

19 Section 1. K.S.A. 2020 Supp. 72-5142 is hereby amended to read as  
20 follows: 72-5142. (a) The board of education of each school district shall  
21 levy an ad valorem tax upon the taxable tangible property of the school  
22 district in the school years specified in subsection (b) for the purpose of:

23 (1) Financing that portion of the school district's general fund budget  
24 that is not financed from any other source provided by law;

25 (2) paying a portion of the costs of operating and maintaining public  
26 schools in partial fulfillment of the constitutional obligation of the  
27 legislature to finance the educational interests of the state; and

28 (3) with respect to any redevelopment school district established prior  
29 to July 1, 1997, pursuant to K.S.A. 12-1771, and amendments thereto,  
30 paying a portion of the principal and interest on bonds issued by cities  
31 under authority of K.S.A. 12-1774, and amendments thereto, for the  
32 financing of redevelopment projects upon property located within the  
33 school district.

34 (b) The tax required under subsection (a) shall be levied at a rate of  
35 20 mills in the school years ~~2019-2020~~ 2021-2022 and ~~2020-2021~~ 2022-  
36 2023.

1 (c) The proceeds from the tax levied by a district under authority of  
2 this section, except the proceeds of such tax levied for the purpose  
3 described in subsection (a)(3), shall be remitted to the state treasurer in  
4 accordance with the provisions of K.S.A. 75-4215, and amendments  
5 thereto. Upon receipt of each such remittance, the state treasurer shall  
6 deposit the entire amount in the state treasury to the credit of the state  
7 school district finance fund.

8 (d) No school district shall proceed under K.S.A. 79-1964, 79-1964a  
9 or 79-1964b, and amendments thereto.

10 Sec. 2. K.S.A. 79-201x is hereby amended to read as follows: 79-  
11 201x. For taxable years ~~2019~~ 2021 and ~~2020~~ 2022, the following described  
12 property, to the extent herein specified, shall be and is hereby exempt from  
13 the property tax levied pursuant to the provisions of K.S.A. 72-5142, and  
14 amendments thereto: Property used for residential purposes to the extent of  
15 \$20,000 of its appraised valuation.

16 Sec. 3. K.S.A. 72-5137 is hereby amended to read as follows: 72-  
17 5137. On or before October 10 of each school year, the clerk or  
18 superintendent of each school district shall certify under oath to the state  
19 board a report showing the total enrollment of the school district by grades  
20 maintained in the schools of the school district and such other reports as  
21 the state board may require. Each such report shall show postsecondary  
22 education enrollment, career technical education enrollment, special  
23 education enrollment, bilingual education enrollment, at-risk student  
24 enrollment and virtual school enrollment in such detail and form as is  
25 specified by the state board. Upon receipt of such reports, the state board  
26 shall examine the reports and if the state board finds any errors in any such  
27 report, the state board shall consult with the school district officer  
28 furnishing the report and make any necessary corrections in the report. On  
29 or before August 25 of each year, each such clerk or superintendent shall  
30 also certify to the state board a copy of the budget adopted by the school  
31 district, *except when a school district must conduct a public hearing to*  
32 *approve exceeding the revenue neutral rate under section 1 of 2021 Senate*  
33 *Bill No. 13, and amendments thereto, a copy of such budget shall be*  
34 *certified to the state board on or before September 20.*

35 Sec. 4. K.S.A. 2020 Supp. 19-432 is hereby amended to read as  
36 follows: 19-432. (a) The director of property valuation shall maintain a  
37 current list of persons eligible to be appointed to the office of appraiser.  
38 Periodic issuance of this list shall constitute the official list of eligible  
39 Kansas appraisers who are candidates for appointment. Inclusion on this  
40 list shall be made dependent upon successful completion of a written  
41 examination as adopted and administered by the director.

42 (b) The director of property valuation shall be required to conduct  
43 training courses annually for the purpose of training appraisal candidates.

1 These courses shall be designed to prepare students to successfully  
2 complete the written examinations required for eligible Kansas appraiser  
3 status.

4 (c) Once certified, an eligible Kansas appraiser may retain that status  
5 only through successful completion of additional appraisal courses at  
6 intervals as determined by the director of property valuation. The director  
7 shall be required to conduct training courses annually for the purpose of  
8 providing the additional curriculum required for retention of Kansas  
9 appraiser status. The director may accept recognized appraisal courses as  
10 an alternative to courses conducted by the director's office to fulfill this  
11 requirement for the maintenance of eligible Kansas appraiser status.

12 (1) *After notice and an opportunity to be heard in accordance with*  
13 *the provisions of the Kansas administrative procedure act*, the director of  
14 property valuation may remove any person from the list of persons eligible  
15 to be appointed to the office of appraiser for any of the following acts or  
16 omissions:

17 (A) Failing to meet the minimum qualifications established by this  
18 section;

19 (B) a plea of guilty or nolo contendere to, or conviction of: (i) Any  
20 crime involving moral turpitude; or (ii) any felony charge; or

21 (C) entry of a final civil judgment against the person on grounds of  
22 fraud, misrepresentation or deceit in the making of any appraisal of real or  
23 personal property.

24 (2) Any person removed from the list of persons eligible to be  
25 appointed to the office of county appraiser under the provisions of this  
26 section shall immediately forfeit the office of county or district appraiser.

27 (3) An appeal may be taken to the state board of tax appeals from any  
28 final action of the director of property valuation under the provisions of  
29 this section pursuant to K.S.A. 74-2438, and amendments thereto.

30 (4) The director of property valuation may relist a person as an  
31 eligible county appraiser upon a showing of mitigating circumstances,  
32 restitution or expungement.

33 (d) *The board of county commissioners or governing body of any*  
34 *unified government of each county shall immediately notify the director of*  
35 *property valuation when a person no longer holds the office of county*  
36 *appraiser for such county. The notification shall be made on a form*  
37 *provided by the director. If the person no longer holds the office of county*  
38 *appraiser before the expiration of a four-year term or the person does not*  
39 *complete a four-year term, then the notification shall include the reason*  
40 *therefor, unless otherwise precluded by law. The director shall make a*  
41 *notation on any eligibility list record of the person when the person no*  
42 *longer holds the office of county appraiser before the expiration of a four-*  
43 *year term or the person does not complete a four-year term.*

1       Sec. 5. K.S.A. 74-2426 is hereby amended to read as follows: 74-  
2 2426. (a) Orders of the state board of tax appeals on any appeal, in any  
3 proceeding under the tax protest, tax grievance or tax exemption statutes  
4 or in any other original proceeding before the board shall be rendered and  
5 served in accordance with the provisions of the Kansas administrative  
6 procedure act. Notwithstanding the provisions of K.S.A. 77-526(g), and  
7 amendments thereto, a written summary decision shall be rendered by the  
8 board and served within 14 days after the matter was fully submitted to the  
9 board unless this period is waived or extended with the written consent of  
10 all parties or for good cause shown. Any aggrieved party, within ~~14~~ 21  
11 days *after service* of ~~receiving~~ the board's decision, may request a full and  
12 complete opinion be issued by the board in which the board explains its  
13 decision. Except as provided in subsection (c)(4), this full opinion shall be  
14 served by the board within 90 days of being requested. If the board has not  
15 rendered a summary decision or a full and complete opinion within the  
16 time periods described in this subsection, and such period has not been  
17 waived by the parties nor can the board show good cause for the delay,  
18 then the board shall refund any filing fees paid by the taxpayer. *Service of*  
19 *orders, decisions and opinions shall be made in accordance with K.S.A.*  
20 *77-531, and amendments thereto.*

21       (b) Final orders of the board shall be subject to review pursuant to  
22 subsection (c) except that the aggrieved party may first file a petition for  
23 reconsideration of a full and complete opinion with the board in  
24 accordance with the provisions of K.S.A. 77-529, and amendments  
25 thereto.

26       (c) Any action of the board pursuant to this section is subject to  
27 review in accordance with the Kansas judicial review act, except that:

28       (1) The parties to the action for judicial review shall be the same  
29 parties as appeared before the board in the administrative proceedings  
30 before the board. The board shall not be a party to any action for judicial  
31 review of an action of the board.

32       (2) There is no right to review of any order issued by the board in a  
33 no-fund warrant proceeding pursuant to K.S.A. 12-110a, 12-1662 et seq.,  
34 19-2752a, 79-2938, 79-2939 and 79-2951, and amendments thereto, and  
35 statutes of a similar character.

36       (3) In addition to the cost of the preparation of the transcript, the  
37 appellant shall pay to the state board of tax appeals the other costs of  
38 certifying the record to the reviewing court. Such payment shall be made  
39 prior to the transmission of the agency record to the reviewing court.

40       (4) Appeal of an order of the board shall be to the court of appeals as  
41 provided in subsection (c)(4)(A), unless a taxpayer who is a party to the  
42 order requests review in district court pursuant to subsection (c)(4)(B).

43       (A) Any aggrieved party may file a petition for review of the board's

1 order in the court of appeals. For purposes of such an appeal, the board's  
2 order shall become final only after the issuance of a full and complete  
3 opinion pursuant to subsection (a).

4 (B) At the election of a taxpayer, any summary decision or full and  
5 complete opinion of the board of tax appeals issued after June 30, 2014,  
6 may be appealed by filing a petition for review in the district court. Any  
7 appeal to the district court shall be a trial de novo. Notwithstanding K.S.A.  
8 77-619, and amendments thereto, the trial de novo shall include an  
9 evidentiary hearing at which issues of law and fact shall be determined  
10 anew. *With regard to any matter properly submitted to the district court*  
11 *relating to the determination of valuation of residential property or real*  
12 *property used for commercial and industrial purposes for taxation*  
13 *purposes or the determination of classification of property for assessment*  
14 *purposes, the county appraiser shall have the duty to initiate the*  
15 *production of evidence to demonstrate, by a preponderance of the*  
16 *evidence, the validity and correctness of such determination. District court*  
17 *review of orders issued by the board relating to the valuation or*  
18 *assessment of property for ad valorem tax purposes or relating to the tax*  
19 *protest shall be conducted by the court of the county in which the property*  
20 *is located, or, if located in more than one county, the court of any county in*  
21 *which any portion of the property is located.*

22 (C) If a taxpayer requests review of a summary decision or full and  
23 complete opinion in district court pursuant to subsection (c)(4)(B), the  
24 taxpayer shall provide notice to the board as well as the parties. Upon  
25 receipt of the notice, the board's jurisdiction shall terminate,  
26 notwithstanding any prior request for a full and complete opinion under  
27 subsection (a), and the board shall not issue such opinion.

28 (d) If review of an order of the state board of tax appeals to the court  
29 of appeals relating to excise, income or estate taxes, is sought by a person  
30 other than the director of taxation, such person shall give bond for costs at  
31 the time the petition is filed. The bond shall be in the amount of 125% of  
32 the amount of taxes assessed or a lesser amount approved by the court of  
33 appeals and shall be conditioned on the petitioner's prosecution of the  
34 review without delay and payment of all costs assessed against the  
35 petitioner.

36 (e) *Notwithstanding any provisions of K.S.A. 77-531, and*  
37 *amendments thereto, to the contrary, the state board of tax appeals shall*  
38 *serve an order or notice upon the party and the party's attorney of record,*  
39 *if any, by transmitting a copy of the order or notice to the person by*  
40 *electronic means, if such person requested and consented to service by*  
41 *electronic means. For purposes of this subsection, service by electronic*  
42 *means is complete upon transmission.*

43 Sec. 6. K.S.A. 74-2433 is hereby amended to read as follows: 74-

1 2433. (a) There is hereby created a state board of tax appeals, referred to in  
2 this act as the board. The board shall be composed of three members who  
3 shall be appointed by the governor, subject to confirmation by the senate  
4 as provided in K.S.A. 75-4315b, and amendments thereto. For members  
5 appointed after June 30, 2014, one of such members shall have been  
6 regularly admitted to practice law in the state of Kansas and for a period of  
7 at least five years, have engaged in the active practice of law as a lawyer,  
8 judge of a court of record or any other court in this state; one of such  
9 members shall have engaged in active practice as a certified public  
10 accountant for a period of at least five years and one such member shall be  
11 a licensed certified general real property appraiser. In addition, the  
12 governor shall also appoint a chief hearing officer, subject to confirmation  
13 by the senate as provided in K.S.A. 75-4315b, and amendments thereto,  
14 who, in addition to other duties prescribed by this act, shall serve as a  
15 member pro tempore of the board. No successor shall be appointed for any  
16 judge of the court of tax appeals appointed before July 1, 2014. Such  
17 persons shall continue to serve as members on the board of tax appeals  
18 until their terms expire. Except as provided by K.S.A. 46-2601, and  
19 amendments thereto, no person appointed to the board, including the chief  
20 hearing officer, shall exercise any power, duty or function as a member of  
21 the board until confirmed by the senate. Not more than two members of  
22 the board shall be of the same political party. Members of the board,  
23 including the chief hearing officer, shall be residents of the state. Subject  
24 to the provisions of K.S.A. 75-4315c, and amendments thereto, no more  
25 than one member shall be appointed from any one of the congressional  
26 districts of Kansas unless, after having exercised due diligence, the  
27 governor is unable to find a qualified replacement within 90 days after any  
28 vacancy on the board occurs. The members of the board, including the  
29 chief hearing officer, shall be selected with special reference to training  
30 and experience for duties imposed by this act and shall be individuals with  
31 legal, tax, accounting or appraisal training and experience. State board of  
32 tax appeals members shall be subject to the supreme court rules of judicial  
33 conduct applicable to all judges of the district court. The board shall be  
34 bound by the doctrine of stare decisis limited to published decisions of an  
35 appellate court. Members of the board, including the chief hearing officer,  
36 shall hold office for terms of four years. A member may continue to serve  
37 for a period of ~~90~~ 180 days after the expiration of the member's term, or  
38 until a successor has been appointed and confirmed, whichever is shorter.  
39 Except as otherwise provided, such terms of office shall expire on January  
40 15 of the last year of such term. If a vacancy occurs on the board, or in the  
41 position for chief hearing officer, the governor shall appoint a successor to  
42 fill the vacancy for the unexpired term. Nothing in this section shall be  
43 construed to prohibit the governor from reappointing any member of the

1 board, including the chief hearing officer, for additional four-year terms.  
2 The governor shall select one of its members to serve as chairperson. The  
3 votes of two members shall be required for any final order to be issued by  
4 the board. Meetings may be called by the chairperson and shall be called  
5 on request of a majority of the members of the board and when otherwise  
6 prescribed by statute.

7 (b) Any member appointed to the state board of tax appeals and the  
8 chief hearing officer may be removed by the governor for cause, after  
9 public hearing conducted in accordance with the provisions of the Kansas  
10 administrative procedure act.

11 (c) The state board of tax appeals shall appoint, subject to approval  
12 by the governor, an executive director of the board, to serve at the pleasure  
13 of the board. The executive director shall: (1) Be in the unclassified  
14 service under the Kansas civil service act; (2) devote full time to the  
15 executive director's assigned duties; (3) receive such compensation as  
16 determined by the board, subject to the limitations of appropriations  
17 thereof; and (4) have familiarity with the tax appeals process sufficient to  
18 fulfill the duties of the office of executive director. The executive director  
19 shall perform such other duties as directed by the board.

20 (d) Appeals decided by the state board of tax appeals shall be made  
21 available to the public and shall be published by the board on the board's  
22 website within 30 days after the decision has been rendered. The board  
23 shall also publish a monthly report that includes all appeals decided that  
24 month as well as all appeals which have not yet been decided and are  
25 beyond the time limitations as set forth in K.S.A. 74-2426, and  
26 amendments thereto. Such report shall be made available to the public and  
27 transmitted by the board to the members of the Kansas legislature.

28 (e) After appointment, members of the state board of tax appeals that  
29 are not otherwise a state certified general real property appraiser shall  
30 complete the following course requirements: (1) A tested appraisal course  
31 of not less than 30 clock hours of instruction consisting of the  
32 fundamentals of real property appraisal with an emphasis on the cost and  
33 sales approaches to value; (2) a tested appraisal course of not less than 30  
34 clock hours of instruction consisting of the fundamentals of real property  
35 appraisal with an emphasis on the income approach to value; (3) a tested  
36 appraisal course of not less than 30 clock hours of instruction with an  
37 emphasis on mass appraisal; (4) an appraisal course with an emphasis on  
38 Kansas property tax laws; (5) an appraisal course on the techniques and  
39 procedures for the valuation of state assessed properties with an emphasis  
40 on unit valuation; and (6) a tested appraisal course on the techniques and  
41 procedures for the valuation of land devoted to agricultural use pursuant to  
42 K.S.A. 79-1476, and amendments thereto. Any member appointed to the  
43 board who is a certified real property appraiser shall only be required to

1 take such educational courses as are required to maintain the appraisal  
2 license. The executive director shall adopt rules and regulations  
3 prescribing a timetable for the completion of the course requirements and  
4 prescribing continued education requirements for members of the board.

5 (f) The state board of tax appeals shall have no capacity or power to  
6 sue or be sued.

7 (g) It is the intent of the legislature that proceedings in front of the  
8 board of tax appeals be conducted in a fair and impartial manner and that  
9 all taxpayers are entitled to a neutral interpretation of the tax laws of the  
10 state of Kansas. The provisions of the tax laws of this state shall be applied  
11 impartially to both taxpayers and taxing districts in cases before the board.  
12 Valuation appeals before the board shall be decided upon a determination  
13 of the fair market value of the fee simple of the property. Nothing in this  
14 section shall prohibit a property owner, during a property valuation appeal  
15 before the board, from raising arguments regarding classification. Cases  
16 before the board shall not be decided upon arguments concerning the  
17 shifting of the tax burden or upon any revenue loss or gain which may be  
18 experienced by the taxing district.

19 (h) *Notwithstanding any provisions of subsection (a) to the contrary,*  
20 *the governor may appoint a former member in good standing of the board*  
21 *of tax appeals to serve as a member pro tempore of the board for a period*  
22 *not to exceed one year when, after having exercised due diligence, more*  
23 *than one vacancy on the board exists. Such member pro tempore may*  
24 *exercise any power, duty or function as is necessary to serve as a member*  
25 *of the board. Such member pro tempore shall serve at the pleasure of the*  
26 *governor and receive compensation for each day of actual attendance or*  
27 *work as a member based on a proration of the annual salary provided in*  
28 *K.S.A. 74-2434, and amendments thereto. The provisions of this subsection*  
29 *shall expire on June 30, 2023.*

30 Sec. 7. K.S.A. 74-2433f is hereby amended to read as follows: 74-  
31 2433f. (a) There shall be a division of the state board of tax appeals known  
32 as the small claims and expedited hearings division. Hearing officers  
33 appointed by the chief hearing officer shall have authority to hear and  
34 decide cases heard in the small claims and expedited hearings division.

35 (b) The small claims and expedited hearings division shall have  
36 jurisdiction over hearing and deciding applications for the refund of  
37 protested taxes under the provisions of K.S.A. 79-2005, and amendments  
38 thereto, and hearing and deciding appeals from decisions rendered  
39 pursuant to the provisions of K.S.A. 79-1448, and amendments thereto,  
40 and of article 16 of chapter 79 of the Kansas Statutes Annotated, and  
41 amendments thereto, with regard to single-family residential property. The  
42 filing of an appeal with the small claims and expedited hearings division  
43 shall be a prerequisite for filing an appeal with the state board of tax



1 appeals for appeals involving single-family residential property.

2 (c) At the election of the taxpayer, the small claims and expedited  
3 hearings division shall have jurisdiction over: (1) Any appeal of a decision,  
4 finding, order or ruling of the director of taxation, except an appeal,  
5 finding, order or ruling relating to an assessment issued pursuant to K.S.A.  
6 79-5201 et seq., and amendments thereto, in which the amount of tax in  
7 controversy does not exceed \$15,000; (2) hearing and deciding  
8 applications for the refund of protested taxes under the provisions of  
9 K.S.A. 79-2005, and amendments thereto, where the value of the property,  
10 other than property devoted to agricultural use, is less than \$3,000,000 as  
11 reflected on the valuation notice; and (3) hearing and deciding appeals  
12 from decisions rendered pursuant to the provisions of K.S.A. 79-1448, and  
13 amendments thereto, and of article 16 of chapter 79 of the Kansas Statutes  
14 Annotated, and amendments thereto, other than those relating to land  
15 devoted to agricultural use, wherein the value of the property is less than  
16 \$3,000,000 as reflected on the valuation notice.

17 (d) In accordance with the provisions of K.S.A. 74-2438, and  
18 amendments thereto, any party may elect to appeal any application or  
19 decision referenced in subsection (b) to the state board of tax appeals.  
20 Except as provided in subsection (b) regarding single-family residential  
21 property, the filing of an appeal with the small claims and expedited  
22 hearings division shall not be a prerequisite for filing an appeal with the  
23 state board of tax appeals under this section. Final decisions of the small  
24 claims and expedited hearings division may be appealed to the state board  
25 of tax appeals. An appeal of a decision of the small claims and expedited  
26 hearings division to the state board of tax appeals shall be de novo. The  
27 county bears the burden of proof in any appeal filed by the county  
28 pursuant to this section. *With regard to any matter properly submitted to*  
29 *the board relating to the determination of valuation of property for*  
30 *taxation purposes pursuant to this subsection, the board shall not increase*  
31 *the appraised valuation of the property to an amount greater than the final*  
32 *determination of appraised value by the county appraiser from which the*  
33 *taxpayer appealed to the small claims and expedited hearings division.*

34 (e) A taxpayer shall commence a proceeding in the small claims and  
35 expedited hearings division by filing a notice of appeal in the form  
36 prescribed by the rules of the state board of tax appeals which shall state  
37 the nature of the taxpayer's claim. The notice of appeal may be signed by  
38 the taxpayer, any person with an executed declaration of representative  
39 form from the property valuation division of the department of revenue or  
40 any person authorized to represent the taxpayer in subsection (f). Notice of  
41 appeal shall be provided to the appropriate unit of government named in  
42 the notice of appeal by the taxpayer. In any valuation appeal or tax protest  
43 commenced pursuant to articles 14 and 20 of chapter 79 of the Kansas

1 Statutes Annotated, and amendments thereto, the hearing shall be  
2 conducted in the county where the property is located or a county adjacent  
3 thereto. In any appeal from a final determination by the secretary of  
4 revenue, the hearing shall be conducted in the county in which the  
5 taxpayer resides or a county adjacent thereto.

6 (f) The hearing in the small claims and expedited hearings division  
7 shall be informal. The hearing officer may hear any testimony and receive  
8 any evidence the hearing officer deems necessary or desirable for a just  
9 determination of the case. A hearing officer shall have the authority to  
10 administer oaths in all matters before the hearing officer. All testimony  
11 shall be given under oath. A party may appear personally or may be  
12 represented by an attorney, a certified public accountant, a certified general  
13 appraiser, a tax representative or agent, a member of the taxpayer's  
14 immediate family or an authorized employee of the taxpayer. A county or  
15 unified government may be represented by the county appraiser, designee  
16 of the county appraiser, county attorney or counselor or other  
17 representatives so designated. No transcript of the proceedings shall be  
18 kept.

19 (g) The hearing in the small claims and expedited hearings division  
20 shall be conducted within 60 days after the appeal is filed in the small  
21 claims and expedited hearings division unless such time period is waived  
22 by the taxpayer. A decision shall be rendered by the hearing officer within  
23 30 days after the hearing is concluded and, in cases arising from appeals  
24 described by subsections (b) and (c)(2) and (3), shall be accompanied by a  
25 written explanation of the reasoning upon which such decision is based.  
26 Documents provided by a taxpayer or county or district appraiser shall be  
27 returned to the taxpayer or the county or district appraiser by the hearing  
28 officer and shall not become a part of the board's permanent records.  
29 Documents provided to the hearing officer shall be confidential and may  
30 not be disclosed, except as otherwise specifically provided.

31 (h) With regard to any matter properly submitted to the division  
32 relating to the determination of valuation of property for taxation purposes,  
33 it shall be the duty of the county appraiser to initiate the production of  
34 evidence to demonstrate, by a preponderance of the evidence, the validity  
35 and correctness of such determination. No presumption shall exist in favor  
36 of the county appraiser with respect to the validity and correctness of such  
37 determination. With regard to leased commercial and industrial property,  
38 the burden of proof shall be on the taxpayer unless the taxpayer has  
39 furnished the county or district appraiser, within 30 calendar days  
40 following the informal meeting required by K.S.A. 79-1448, and  
41 amendments thereto, or within 30 calendar days following the informal  
42 meeting required by K.S.A. 79-2005, and amendments thereto, a complete  
43 income and expense statement for the property for the three years next

1 preceding the year of appeal. Such income and expense statement shall be  
2 in such format that is regularly maintained by the taxpayer in the ordinary  
3 course of the taxpayer's business. If the taxpayer submits a single property  
4 appraisal with an effective date of January 1 of the year appealed, the  
5 burden of proof shall return to the county appraiser. *With regard to any*  
6 *matter properly submitted to the division relating to the determination of*  
7 *valuation of property for taxation purposes, the hearing officer shall not*  
8 *increase the appraised valuation of the property to an amount greater than*  
9 *the final determination of appraised value by the county appraiser from*  
10 *which the taxpayer appealed.*

11 Sec. 8. K.S.A. 79-505 is hereby amended to read as follows: 79-505.

12 (a) The director of property valuation shall adopt ~~rules and regulations or~~  
13 appraiser directives prescribing appropriate standards for the performance  
14 of appraisals in connection with ad valorem taxation in this state. Such  
15 ~~rules and regulations or~~ appraiser directives shall require, at a minimum:

16 (1) That all appraisals be performed in ~~accordance with generally~~  
17 ~~accepted appraisal standards as evidenced by the appraisal standards~~  
18 *compliance with the uniform standards of professional appraisal practice,*  
19 *commonly referred to as "USPAP," promulgated by the appraisal standards*  
20 *board of the appraisal foundation; and*

21 (2) that such appraisals shall be written appraisals.

22 (b) The director of property valuation ~~or a county appraiser~~ may  
23 require compliance with additional standards if a determination is made in  
24 writing that such additional standards are required in order to properly  
25 carry out statutory responsibilities *and such additional standards do not*  
26 *conflict with the uniform standards of professional appraisal practice,*  
27 *commonly referred to as "USPAP," promulgated by the appraisal*  
28 *standards board of the appraisal foundation.*

29 Sec. 9. K.S.A. 79-1448 is hereby amended to read as follows: 79-

30 1448. Any taxpayer may complain or appeal to the county appraiser from  
31 the classification or appraisal of the taxpayer's property by giving notice to  
32 the county appraiser within 30 days subsequent to the date of mailing of  
33 the valuation notice required by K.S.A. 79-1460, and amendments thereto,  
34 for real property, and on or before May 15 for personal property. The  
35 county appraiser or the appraiser's designee shall arrange to hold an  
36 informal meeting with the aggrieved taxpayer with reference to the  
37 property in question. At such meeting it shall be the duty of the county  
38 appraiser or the county appraiser's designee to initiate production of  
39 evidence to substantiate the valuation of such property, including, a  
40 summary of the reasons that the valuation of the property has been  
41 increased over the previous year, any assumptions used by the county  
42 appraiser to determine the value of the property and a description of the  
43 individual property characteristics, property specific valuation records and

1 conclusions. The taxpayer shall be provided with the opportunity to review  
2 the data sheets applicable to the valuation approach utilized for the subject  
3 property. The county appraiser shall take into account any evidence  
4 provided by the taxpayer which relates to the amount of deferred  
5 maintenance and depreciation for the property. In any appeal from the  
6 appraisal of leased commercial and industrial property, the county or  
7 district appraiser's appraised value shall be presumed to be valid and  
8 correct and may only be rebutted by a preponderance of the evidence,  
9 unless the property owner furnishes the county or district appraiser a  
10 complete income and expense statement for the property for the three  
11 years next preceding the year of appeal within 30 calendar days following  
12 the informal meeting. In any appeal from the reclassification of property  
13 that was classified as land devoted to agricultural use for the preceding  
14 year, the taxpayer's classification of the property as land devoted to  
15 agricultural use shall be presumed to be valid and correct if the taxpayer  
16 provides an executed lease agreement or other documentation  
17 demonstrating a commitment to use the property for agricultural use, if no  
18 other actual use is evident. The county appraiser may extend the time in  
19 which the taxpayer may informally appeal from the classification or  
20 appraisal of the taxpayer's property for just and adequate reasons. Except  
21 as provided in K.S.A. 79-1404, and amendments thereto, no informal  
22 meeting regarding real property shall be scheduled to take place after May  
23 15, nor shall a final determination be given by the appraiser after May 20.  
24 Any final determination shall be accompanied by a written explanation of  
25 the reasoning upon which such determination is based when such  
26 determination is not in favor of the taxpayer. *The county appraiser shall*  
27 *not increase the appraised valuation of the property as a result of the*  
28 *informal meeting.* Any taxpayer who is aggrieved by the final  
29 determination of the county appraiser may appeal to the hearing officer or  
30 panel appointed pursuant to K.S.A. 79-1611, and amendments thereto, and  
31 such hearing officer, or panel, for just cause shown and recorded, is  
32 authorized to change the classification or valuation of specific tracts or  
33 individual items of real or personal property in the same manner provided  
34 for in K.S.A. 79-1606, and amendments thereto. In lieu of appealing to a  
35 hearing officer or panel appointed pursuant to K.S.A. 79-1611, and  
36 amendments thereto, any taxpayer aggrieved by the final determination of  
37 the county appraiser, except with regard to land devoted to agricultural  
38 use, wherein the value of the property, is less than \$3,000,000, as reflected  
39 on the valuation notice, or the property constitutes single family residential  
40 property, may appeal to the small claims and expedited hearings division  
41 of the state board of tax appeals within the time period prescribed by  
42 K.S.A. 79-1606, and amendments thereto. Any taxpayer who is aggrieved  
43 by the final determination of a hearing officer or panel may appeal to the

1 state board of tax appeals as provided in K.S.A. 79-1609, and amendments  
2 thereto. An informal meeting with the county appraiser or the appraiser's  
3 designee shall be a condition precedent to an appeal to the county or  
4 district hearing panel.

5 Sec. 10. K.S.A. 79-1609 is hereby amended to read as follows: 79-  
6 1609. Any person aggrieved by any order of the hearing officer or panel,  
7 or by the classification and appraisal of an independent appraiser, as  
8 provided in K.S.A. 79-5b03, and amendments thereto, may appeal to the  
9 state board of tax appeals by filing a written notice of appeal, on forms  
10 approved by the state board of tax appeals and provided by the county  
11 clerk for such purpose, stating the grounds thereof and a description of any  
12 comparable property or properties and the appraisal thereof upon which  
13 they rely as evidence of inequality of the appraisal of their property, if that  
14 be a ground of the appeal, with the state board of tax appeals and by filing  
15 a copy thereof with the county clerk within 30 days after the date of the  
16 order from which the appeal is taken. The notice of appeal may be signed  
17 by the taxpayer, any person with an executed declaration of representative  
18 form from the property valuation division of the department of revenue or  
19 any person authorized to represent the taxpayer in K.S.A. 74-2433f(f), and  
20 amendments thereto. A county or district appraiser may appeal to the state  
21 board of tax appeals from any order of the hearing officer or panel. With  
22 regard to any matter properly submitted to the board relating to the  
23 determination of valuation of residential property or real property used for  
24 commercial and industrial purposes for taxation purposes, it shall be the  
25 duty of the county appraiser to initiate the production of evidence to  
26 demonstrate, by a preponderance of the evidence, the validity and  
27 correctness of such determination. With regard to leased commercial and  
28 industrial property, the burden of proof shall be on the taxpayer unless,  
29 within 30 calendar days following the informal meeting required by  
30 K.S.A. 79-1448, and amendments thereto, the taxpayer furnished to the  
31 county or district appraiser a complete income and expense statement for  
32 the property for the three years next preceding the year of appeal. Such  
33 income and expense statement shall be in such format that is regularly  
34 maintained by the taxpayer in the ordinary course of the taxpayer's  
35 business. If the taxpayer submits a single property appraisal with an  
36 effective date of January 1 of the year appealed, the burden of proof shall  
37 return to the county appraiser. *With regard to any matter properly*  
38 *submitted to the board relating to the determination of valuation of*  
39 *property for taxation purposes, the board shall not increase the appraised*  
40 *valuation of the property to an amount greater than the final*  
41 *determination of appraised value by the county appraiser from which the*  
42 *taxpayer appealed.*

43 Sec. 11. K.S.A. 79-2005 is hereby amended to read as follows: 79-

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

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

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

15 (d) If the grounds of such protest shall be that the valuation or  
16 assessment of the property upon which the taxes so protested are levied is  
17 illegal or void, such statement shall further state the exact amount of  
18 valuation or assessment which the taxpayer admits to be valid and the  
19 exact portion of such taxes which is being protested.

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

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

28 (g) Within 30 days after notification of the results of the informal  
29 meeting with the county appraiser pursuant to subsection (a), the  
30 protesting taxpayer may, if aggrieved by the results of the informal  
31 meeting with the county appraiser, appeal such results to the state board of  
32 tax appeals.

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

42 (i) In the event of a hearing, the same shall be originally set not later  
43 than 90 days after the filing of the copy of the written statement of protest

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

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

35 (k) If a protesting taxpayer fails to file a copy of the written statement  
36 of protest and a copy, when applicable, of the written notification of the  
37 results of the informal meeting with the county appraiser with the board  
38 within the time limit prescribed, such protest shall become null and void  
39 and of no effect whatsoever.

40 (l) (1) In the event the board orders that a refund be made pursuant to  
41 this section or the provisions of K.S.A. 79-1609, and amendments thereto,  
42 or a court of competent jurisdiction orders that a refund be made, and no  
43 appeal is taken from such order, or in the event a change in valuation



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

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

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

30 (n) Whenever a taxpayer appeals to the board of tax appeals pursuant  
31 to the provisions of K.S.A. 79-1609, and amendments thereto, or pays  
32 taxes under protest related to one property whereby the assessed valuation  
33 of such property exceeds 5% of the total county assessed valuation of all  
34 property located within such county and the taxpayer receives a refund of  
35 such taxes paid under protest or a refund made pursuant to the provisions  
36 of K.S.A. 79-1609, and amendments thereto, the county treasurer or the  
37 governing body of any taxing subdivision within a county may request the  
38 pooled money investment board to make a loan to such county or taxing  
39 subdivision as provided in this section. The pooled money investment  
40 board is authorized and directed to loan to such county or taxing  
41 subdivision sufficient funds to enable the county or taxing subdivision to  
42 refund such taxes to the taxpayer. The pooled money investment board is  
43 authorized and directed to use any moneys in the operating accounts,

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

22 (o) The county treasurer shall disburse to the proper funds all portions  
23 of taxes paid under protest and shall maintain a record of all portions of  
24 such taxes which are so protested and shall notify the governing body of  
25 the taxing district levying such taxes thereof and the director of accounts  
26 and reports if any tax protested was levied by the state.

27 (p) This statute shall not apply to the valuation and assessment of  
28 property assessed by the director of property valuation and it shall not be  
29 necessary for any owner of state assessed property, who has an appeal  
30 pending before the state board of tax appeals, to protest the payment of  
31 taxes under this statute solely for the purpose of protecting the right to a  
32 refund of taxes paid under protest should that owner be successful in that  
33 appeal.

34 Sec. 12. K.S.A. 72-5137, 74-2426, 74-2433, 74-2433f, 79-201x, 79-  
35 505, 79-1448, 79-1609 and 79-2005 and K.S.A. 2020 Supp. 19-432 and  
36 72-5142 are hereby repealed.

37 Sec. 13. This act shall take effect and be in force from and after its  
38 publication in the statute book.