

**79-911a. Ad valorem tax basis; complaints as to rate; hearing; cost deposit; notice; testimony; refunds; valuation of cars as unit.** It is hereby declared to be the intention of the legislature that the tax herein imposed to be not greater than the amount of tax such organizations would pay if their cars were taxed on an ad valorem basis, including any value inuring to such cars by reason of being a part of a going concern. No tax other than as provided in this act shall be assessed against the property of any such organization except in cases where any such organization shall make complaint in writing to the director on or before June 1 of the year in which the tax herein imposed is assessed, claiming that it is taxed at too great a rate hereunder. The organization filing such complaint shall at the time complaint is filed deposit with the director the sum of \$25 to cover the estimated cost of the hearing, which deposit shall be refunded by the director if it shall be determined at such hearing that the taxes assessed against the complainant should be lowered.

Upon the filing of such complaint and the making of such cost deposit, the director shall conduct a hearing in accordance with the provisions of the Kansas administrative procedure act and shall give written notice of such hearing to the complainant at least 30 days before the date set for such hearing. Upon the hearing of any such complaint the director shall take testimony to determine whether the taxes herein imposed are greater than the general ad valorem tax for all purposes would be on the cars of such organization subject to taxation in Kansas, if taxed on an ad valorem basis. In such cases the director shall have the power, and it shall be the director's duty, to lower or raise the rates herein imposed to conform to the facts disclosed at said hearing.

If the director modifies a finding as to the amount of tax due, the director shall refund the excess amount paid by issuing to the claimant a voucher to the director of accounts and reports for the refund found to be due. Upon receipt of such voucher properly executed and endorsed, the director of accounts and reports shall issue a warrant to the state treasurer for the payment to the claimant out of the car company tax fund created by this act. In order to determine the amount of tax such organization would pay, the director may value all cars of any organization as a unit and allocate to Kansas that proportion of the total value which the Kansas car mileage bears to the total car mileage of the cars of any such company during the 12-month period ending December 31, of the preceding year and may then apply to such value, so ascertained, the average ad valorem tax rate applied to property throughout the state for that fiscal year.

**History:** L. 1943, ch. 289, § 5; L. 1988, ch. 356, § 317; July 1, 1989.