

3
4 **SENATE BILL No. 92**

5
6 By Committee on Assessment and Taxation

7
8 1-23

9
10 AN ACT relating to property taxation; concerning the determination of
11 fair market value; amending K.S.A. 79-503a and repealing the existing
12 section.

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

15 Section 1. K.S.A. 79-503a is hereby amended to read as follows: 79-
16 503a. "Fair market value" means the amount in terms of money that a
17 well informed buyer is justified in paying and a well informed seller is
18 justified in accepting for property in an open and competitive market,
19 assuming that the parties are acting without undue compulsion. *In the*
20 *determination of fair market value of any real property which is burdened*
21 *by any special assessment, the sales value thereof, and the sales value of*
22 *any comparable real property so burdened, shall not include the present*
23 *value of any such special assessment*, **the value of any special assess-**
24 **ment shall not be considered**. For the purposes of this definition it
25 will be assumed that consummation of a sale occurs as of January 1.

26 Sales in and of themselves shall not be the sole criteria of fair market
27 value but shall be used in connection with cost, income and other factors
28 including but not by way of exclusion:

- 29 (a) The proper classification of lands and improvements;
30 (b) the size thereof;
31 (c) the effect of location on value;
32 (d) depreciation, including physical deterioration or functional, eco-
33 nomic or social obsolescence;
34 (e) cost of reproduction of improvements;
35 (f) productivity;
36 (g) earning capacity as indicated by lease price, by capitalization of
37 net income or by absorption or sell-out period;
38 (h) rental or reasonable rental values;
39 (i) sale value on open market with due allowance to abnormal infla-
40 tionary factors influencing such values;
41 (j) restrictions imposed upon the use of real estate by local governing
42 bodies, including zoning and planning boards or commissions; and
43 (k) comparison with values of other property of known or recognized

1 value. The assessment-sales ratio study shall not be used as an appraisal
2 for appraisal purposes.

3 The appraisal process utilized in the valuation of all real and tangible
4 personal property for ad valorem tax purposes shall conform to generally
5 accepted appraisal procedures which are adaptable to mass appraisal and
6 consistent with the definition of fair market value unless otherwise spec-
7 ified by law.

8 Sec. 2. K.S.A. 79-503a is hereby repealed.

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

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