

HOUSE BILL No. 2206

By Committee on Taxation

2-5

AN ACT concerning property taxation; concerning determination of fair market value; special assessments; amending K.S.A. 79-503a and repealing the existing section.

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

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

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

- (a) The proper classification of lands and improvements;
- (b) the size thereof;
- (c) the effect of location on value;
- (d) depreciation, including physical deterioration or functional, economic or social obsolescence;
- (e) cost of reproduction of improvements;
- (f) productivity;
- (g) earning capacity as indicated by lease price, by capitalization of net income or by absorption or sell-out period;
- (h) rental or reasonable rental values;
- (i) sale value on open market with due allowance to abnormal inflationary factors influencing such values;
- (j) restrictions imposed upon the use of real estate by local governing bodies, including zoning and planning boards or commissions; and
- (k) comparison with values of other property of known or recognized value. The assessment-sales ratio study shall not be used as an appraisal for appraisal purposes.

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

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 K.S.A. 79-503a is hereby repealed.

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

9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43