

HOUSE BILL No. 2516

By Committee on Taxation

2-13

9 AN ACT concerning property taxation; relating to fair market value;
10 amending K.S.A. 2006 Supp. 79-503a and repealing the existing
11 section.

12

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

14 Section 1. K.S.A. 2006 Supp. 79-503a is hereby amended to read as
15 follows: 79-503a. "Fair market value" means the amount in terms of
16 money that a well informed buyer is justified in paying and a well in-
17 formed seller is justified in accepting for property in an open and com-
18 petitive market, assuming that the parties are acting without undue com-
19 pulsion. In the determination of fair market value of any real property
20 which is subject to any special assessment, such value shall not be deter-
21 mined by adding the present value of the special assessment to the sales
22 price. For the purposes of this definition it will be assumed that consum-
23 mation of a sale occurs as of January 1.

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

- 27 (a) The proper classification of lands and improvements;
28 (b) the size thereof;
29 (c) the effect of location on value;
30 (d) depreciation, including physical deterioration or functional, eco-
31 nomic or social obsolescence;
32 (e) cost of reproduction of improvements;
33 (f) productivity;
34 (g) earning capacity as indicated by lease price, by capitalization of
35 net income or by absorption or sell-out period;
36 (h) rental or reasonable rental values;
37 (i) sale value on open market with due allowance to abnormal infla-
38 tionary factors influencing such values;
39 (j) restrictions imposed upon the use of real estate by local governing
40 bodies, including zoning and planning boards or commissions; and
41 (k) comparison with values of other property of known or recognized
42 value. The assessment-sales ratio study shall not be used as an appraisal
43 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~~ *uniform standards of professional appraisal practice*
4 *procedures as promulgated by the appraisal standards board of the ap-*
5 *praisal foundation as authorized by federal law* which are adaptable to
6 mass appraisal and consistent with the definition of fair market value
7 unless otherwise specified by law.
8 Sec. 2. K.S.A. 2006 Supp. 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.