AN ACT concerning taxation; requiring county boards of tax appeals; amending K.S.A. 2018 Supp. 79-1448, 79-1609, 79-1611 and 79-2005 and repealing the existing sections.

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

New Section 1. (a) Each county shall create a seven-member county board of tax appeals by the passage of a resolution. The resolution shall provide for the appointment of such board by the board of county commissioners. Five members of such board shall have experience in one or more of the following areas: Property valuation of residential, commercial or industrial real estate; valuation of agricultural land; and banking. Two members shall be representatives of the general public.

(b) County board of tax appeals members shall serve four-year terms and shall be appointed by the board of county commissioners, which shall stagger the terms of the initial board, so that at least three members serve an initial term of two years. Members shall be compensated on a per diem basis in an amount set by the board of county commissioners.

(c) In each county, the county board of tax appeals shall have jurisdiction to hear appeals from decisions of the county appraiser, county hearing officer or panel regarding the classification of property or the valuation of property in such county pursuant to K.S.A. 79-1448 and 79-2005, and amendments thereto.

(d) Appeals to the county board of tax appeals shall be in writing and shall be filed with the county clerk within 30 days of the date that the final determination of the county appraiser was mailed to the taxpayer pursuant to K.S.A. 79-1448, and amendments thereto, in any county where a hearing officer or panel has not been appointed pursuant to K.S.A. 79-1611, and amendments thereto. An informal meeting with the county appraiser or the appraiser's designee shall be a condition precedent to an appeal to the county board of tax appeals.

(e) In any county where a hearing officer or panel has been appointed pursuant to K.S.A. 79-1611, and amendments thereto, an appeal from a final determination of the county appraiser pursuant to K.S.A. 79-1448, and amendments thereto, shall first be made to the hearing officer or panel as provided in K.S.A. 79-1606, and amendments thereto. A hearing with the hearing officer or panel shall be a condition precedent to an appeal to
the county board of tax appeals. Appeals to the county board of tax appeals shall be in writing and shall be filed with the county clerk within 30 days of the date that the decision of the hearing officer or panel was mailed to the taxpayer and the county appraiser.

(f) (1) The hearing before a county board of tax appeals shall be informal. A party may appear personally or may be represented by an attorney, a certified public accountant, a certified general appraiser, a tax representative or agent, a member of the taxpayer's immediate family or an authorized employee of the taxpayer. A county or unified government may be represented by the county appraiser, designee of the county appraiser, county attorney or counselor or other representatives so designated. No transcript of the proceedings shall be kept. Documents provided by a taxpayer or county or district appraiser shall be returned to the taxpayer or the county or district appraiser by the board and shall not become a part of the board's permanent records. Documents provided to the board shall be confidential and may not be disclosed, except as otherwise specifically provided. A decision shall be rendered by the board within 30 days after the hearing. The votes of four members shall be required for a decision to be issued by the board.

(2) The provision related to confidentiality in paragraph (1) shall expire on July 1, 2024, unless the legislature acts to reenact this provision in accordance with K.S.A. 45-229, and amendments thereto. The legislature shall review this provision prior to July 1, 2024.

(g) Any aggrieved party may appeal a decision of the county board of tax appeals to the small claims and expedited hearings division of the state board of tax appeals in accordance with K.S.A. 74-2433f, and amendments thereto, or the state board of tax appeals within 30 days of the date the decision was mailed to the taxpayer and county appraiser.

Sec. 2. K.S.A. 2018 Supp. 79-1448 is hereby amended to read as follows: 79-1448. (a) Any taxpayer may complain or appeal to the county appraiser from the classification or appraisal of the taxpayer's property by giving notice to the county appraiser within 30 days subsequent to the date of mailing of the valuation notice required by K.S.A. 79-1460, and amendments thereto, for real property, and on or before May 15 for personal property. The county appraiser or the appraiser's designee shall arrange to hold an informal meeting with the aggrieved taxpayer with reference to the property in question. At such meeting it shall be the duty of the county appraiser or the county appraiser's designee to initiate production of evidence to substantiate the valuation of such property, including, a summary of the reasons that the valuation of the property has been increased over the previous year, any assumptions used by the county appraiser to determine the value of the property and a description of the individual property characteristics, property specific valuation records and
conclusions. The taxpayer shall be provided with the opportunity to review the data sheets applicable to the valuation approach utilized for the subject property. The county appraiser shall take into account any evidence provided by the taxpayer which relates to the amount of deferred maintenance and depreciation for the property. In any appeal from the appraisal of leased commercial and industrial property, the county or district appraiser's appraised value shall be presumed to be valid and correct and may only be rebutted by a preponderance of the evidence, unless the property owner furnishes the county or district appraiser a complete income and expense statement for the property for the three years next preceding the year of appeal within 30 calendar days following the informal meeting. In any appeal from the reclassification of property that was classified as land devoted to agricultural use for the preceding year, the taxpayer's classification of the property as land devoted to agricultural use shall be presumed to be valid and correct if the taxpayer provides an executed lease agreement or other documentation demonstrating a commitment to use the property for agricultural use, if no other actual use is evident. The county appraiser may extend the time in which the taxpayer may informally appeal from the classification or appraisal of the taxpayer's property for just and adequate reasons. Except as provided in K.S.A. 79-1404, and amendments thereto, no informal meeting regarding real property shall be scheduled to take place after May 15, nor shall a final determination be given by the appraiser after May 20. Any final determination shall be accompanied by a written explanation of the reasoning upon which such determination is based when such determination is not in favor of the taxpayer. Any taxpayer who is aggrieved by the final determination of the county appraiser may appeal to the hearing officer or panel appointed pursuant to K.S.A. 79-1611, and amendments thereto, and such hearing officer, or panel, for just cause shown and recorded, is authorized to change the classification or valuation of specific tracts or individual items of real or personal property in the same manner provided for in K.S.A. 79-1606, and amendments thereto. In lieu of appealing to a hearing officer or panel appointed pursuant to K.S.A. 79-1611, and amendments thereto,

(b) Any taxpayer aggrieved by the final determination of the county appraiser or hearing officer or panel appointed pursuant to K.S.A. 79-1611, and amendments thereto, shall appeal such decisions to the county board of tax appeals in the county where the property is located, as provided in section 1, and amendments thereto.

(c) Any party aggrieved by a decision of the county board of tax appeals, except with regard to land devoted to agricultural use, wherein the value of the property, is less than $3,000,000, as reflected on the valuation notice, or the property constitutes single family residential
property, may appeal to the small claims and expedited hearings division of the state board of tax appeals within the time period prescribed by K.S.A. 79-1606 section 1, and amendments thereto.

(d) Any taxpayer party who is aggrieved by the final determination of a hearing officer or panel may appeal to the state board of tax appeals as provided in K.S.A. 79-1609, and amendments thereto county board of tax appeals in the county where the property is located. An informal meeting with the county appraiser or the appraiser's designee shall be a condition precedent to an appeal to the county or district hearing panel.

Sec. 3. K.S.A. 2018 Supp. 79-2005 is hereby amended to read as follows: 79-2005. (a) Any taxpayer, before protesting the payment of such taxpayer's taxes, shall be required, either at the time of paying such taxes, or, if the whole or part of the taxes are paid prior to December 20, no later than December 20, or, with respect to taxes paid in whole or in part in an amount equal to at least 1/2 of such taxes on or before December 20 by an escrow or tax service agent, no later than January 31 of the next year, to file a written statement with the county treasurer, on forms approved by the state board of tax appeals and provided by the county treasurer, clearly stating the grounds on which the whole or any part of such taxes are protested and citing any law, statute or facts on which such taxpayer relies in protesting the whole or any part of such taxes. When the grounds of such protest is an assessment of taxes made pursuant to K.S.A. 79-332a and 79-1427a, and amendments thereto, the county treasurer may not distribute the taxes paid under protest until such time as the appeal is final. When the grounds of such protest is that the valuation or assessment of the property upon which the taxes are levied is illegal or void, the county treasurer shall forward a copy of the written statement of protest to the county appraiser who shall within 15 days of the receipt thereof, schedule an informal meeting with the taxpayer or such taxpayer's agent or attorney with reference to the property in question. At the informal meeting, it shall be the duty of the county appraiser or the county appraiser's designee to initiate production of evidence to substantiate the valuation of such property, including a summary of the reasons that the valuation of the property has been increased over the preceding year, any assumptions used by the county appraiser to determine the value of the property and a description of the individual property characteristics, property specific valuation records and conclusions. The taxpayer shall be provided with the opportunity to review the data sheets applicable to the valuation approach utilized for the subject property. The county appraiser shall take into account any evidence provided by the taxpayer which relates to the amount of deferred maintenance and depreciation of the property. The county appraiser shall review the appraisal of the taxpayer's property with the taxpayer or such taxpayer's agent or attorney and may change the
valuation of the taxpayer's property, if in the county appraiser's opinion a
change in the valuation of the taxpayer's property is required to assure that
the taxpayer's property is valued according to law, and shall, within 15
business days thereof, notify the taxpayer in the event the valuation of the
taxpayer's property is changed, in writing of the results of the meeting. In
the event the valuation of the taxpayer's property is changed and such
change requires a refund of taxes and interest thereon, the county treasurer
shall process the refund in the manner provided by subsection (l).

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

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

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

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

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

(g) Within 30 days after notification of the results of the informal
meeting with the county appraiser pursuant to subsection (a), the
protesting taxpayer may, if aggrieved by the results of the informal
meeting with the county appraiser, appeal such results to the county board
of tax appeals. If aggrieved by the decision of the county board of tax
appeals, an appeal may be made to the state board of tax appeals within
30 days as provided in section 1, and amendments thereto.

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

(i) In the event of a hearing, the same shall be originally set not later
than 90 days after the filing of the copy of the written statement of protest
and a copy, when applicable, of the written notification of the results of the
informal meeting with the county appraiser with the board. With regard to
any matter properly submitted to the board relating to the determination of
valuation of residential property or real property used for commercial and
industrial purposes for taxation purposes, it shall be the duty of the county
appraiser to initiate the production of evidence to demonstrate, by a
preponderance of the evidence, the validity and correctness of such
determination except that no such duty shall accrue to the county or
district appraiser with regard to leased commercial and industrial property
unless the property owner has furnished to the county or district appraiser
a complete income and expense statement for the property for the three
years next preceding the year of appeal. No presumption shall exist in
favor of the county appraiser with respect to the validity and correctness of
such determination. In all instances where the board sets a request for
hearing and requires the representation of the county by its attorney or
counselor at such hearing, the county shall be represented by its county
attorney or counselor. The board shall take into account any evidence
provided by the taxpayer which relates to the amount of deferred
maintenance and depreciation for the property. In any appeal from the
reclassification of property that was classified as land devoted to
agricultural use for the preceding year, the taxpayer's classification of the
property as land devoted to agricultural use shall be presumed to be valid
and correct if the taxpayer provides an executed lease agreement or other
documentation demonstrating a commitment to use the property for
agricultural use, if no other actual use is evident.

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

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

(l) (1) In the event the board orders that a refund be made pursuant to this section or the provisions of K.S.A. 79-1609, and amendments thereto, or a court of competent jurisdiction orders that a refund be made, and no appeal is taken from such order, or in the event a change in valuation which results in a refund pursuant to subsection (a), the county treasurer shall, as soon thereafter as reasonably practicable, refund to the taxpayer such protested taxes and, with respect to protests or appeals commenced after the effective date of this act, interest computed at the rate prescribed by K.S.A. 79-2968, and amendments thereto, minus two percentage points, per annum from the date of payment of such taxes from tax moneys collected but not distributed. Upon making such refund, the county treasurer shall charge the fund or funds having received such protested taxes, except that, with respect to that portion of any such refund attributable to interest the county treasurer shall charge the county general fund. In the event that the state board of tax appeals or a court of competent jurisdiction finds that any time delay in making its decision is unreasonable and is attributable to the taxpayer, it may order that no interest or only a portion thereof be added to such refund of taxes.

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

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

(n) Whenever a taxpayer appeals to the board of tax appeals pursuant to the provisions of K.S.A. 79-1609, and amendments thereto, or pays taxes under protest related to one property whereby the assessed valuation of such property exceeds 5% of the total county assessed valuation of all property located within such county and the taxpayer receives a refund of such taxes paid under protest or a refund made pursuant to the provisions of K.S.A. 79-1609, and amendments thereto, the county treasurer or the governing body of any taxing subdivision within a county may request the pooled money investment board to make a loan to such county or taxing
subdivision as provided in this section. The pooled money investment board is authorized and directed to loan to such county or taxing subdivision sufficient funds to enable the county or taxing subdivision to refund such taxes to the taxpayer. The pooled money investment board is authorized and directed to use any moneys in the operating accounts, investment accounts or other investments of the state of Kansas to provide the funds for such loan. Each loan shall bear interest at a rate equal to the net earnings rate of the pooled money investment portfolio at the time of the making of such loan. The total aggregate amount of loans under this program shall not exceed $50,000,000 of unencumbered funds pursuant to article 42 of chapter 75 of the Kansas Statutes Annotated, and amendments thereto. Such loan shall not be deemed to be an indebtedness or debt of the state of Kansas within the meaning of section 6 of article 11 of the constitution of the state of Kansas. Upon certification to the pooled money investment board by the county treasurer or governing body of the amount of each loan authorized pursuant to this subsection, the pooled money investment board shall transfer each such amount certified by the county treasurer or governing body from the state bank account or accounts prescribed in this subsection to the county treasurer who shall deposit such amount in the county treasury. Any such loan authorized pursuant to this subsection shall be repaid within four years. The county or taxing subdivision shall make not more than four equal annual tax levies at the time fixed for the certification of tax levies to the county clerk following the making of such loan sufficient to pay such loan within the time period required under such loan. All such tax levies shall be in addition to all other levies authorized by law.

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

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

Sec. 4. K.S.A. 2018 Supp. 79-1609 is hereby amended to read as follows: 79-1609. Any person aggrieved by any order of the hearing officer or panel county board of tax appeals as provided in section 1, and amendments thereto, or by the classification and appraisal of an independent appraiser, as provided in K.S.A. 2018 Supp. 79-5b03, and
amendments thereto, may appeal to the state board of tax appeals by filing
a written notice of appeal, on forms approved by the state board of tax
appeals and provided by the county clerk for such purpose, stating the
grounds thereof and a description of any comparable property or properties
and the appraisal thereof upon which they rely as evidence of inequality of
the appraisal of their property, if that be a ground of the appeal, with the
state board of tax appeals and by filing a copy thereof with the county
clerk within 30 days after the date of the order from which the appeal is
taken. The notice of appeal may be signed by the taxpayer, any person
with an executed declaration of representative form from the property
valuation division of the department of revenue or any person authorized
to represent the taxpayer in K.S.A. 74-2433f(f), and amendments thereto.
A county or district appraiser may appeal to the state board of tax appeals
from any order of the hearing officer or panel county board of tax appeals.
With regard to any matter properly submitted to the board relating to the
determination of valuation of residential property or real property used for
commercial and industrial purposes for taxation purposes, it shall be the
duty of the county appraiser to initiate the production of evidence to
demonstrate, by a preponderance of the evidence, the validity and
correctness of such determination. With regard to leased commercial and
industrial property, the burden of proof shall be on the taxpayer unless,
within 30 calendar days following the informal meeting required by
K.S.A. 79-1448, and amendments thereto, the taxpayer furnished to the
county or district appraiser a complete income and expense statement for
the property for the three years next preceding the year of appeal. Such
income and expense statement shall be in such format that is regularly
maintained by the taxpayer in the ordinary course of the taxpayer's
business. If the taxpayer submits a single property appraisal with an
effective date of January 1 of the year appealed, the burden of proof shall
return to the county appraiser.

Sec. 5. K.S.A. 2018 Supp. 79-1611 is hereby amended to read as
follows: 79-1611. The board of county commissioners of each county may
appoint at least one hearing officer or county hearing panel of not fewer
than three individuals to hear and determine appeals from the final
determination of classification and appraised valuation of real or personal
property by the county appraiser. The board of county commissioners, with
the approval of the director of property valuation, may unite with the board
of county commissioners of one or more counties to form a district for the
purpose of appointing at least one hearing officer or district hearing panel
of not fewer than three individuals. In any county wherein a hearing
officer or county or district hearing panel is not appointed pursuant to this
section any appeal from the final determination of the county appraiser
shall be filed directly with the state county board of tax appeals as
The board of county commissioners shall fix the salary to be paid the hearing officer or each member of the county hearing panel. In the case of a district hearing officer or district hearing panel, the salary to be paid shall be fixed by joint resolution by the boards of county commissioners published in the official county newspaper of each county. The board of county commissioners of each county is hereby authorized to levy a tax upon all taxable tangible property in the county in an amount necessary to pay all costs incurred in complying with this section and K.S.A. 79-1494, and amendments thereto.

No person may serve as a hearing officer or on a county or district hearing panel who is not qualified by virtue of experience and training in the field of property appraisal and property tax administration, such qualifications to be determined by the director of property valuation who shall prescribe guidelines governing the duties of the hearing officers or county and district hearing panels. Each hearing officer and member of a county or district hearing panel shall attend and complete a training program conducted by the director of property valuation or the director's designee. Any person who has performed an appraisal of any property the appraised valuation of which is appealed to a hearing officer or the county or district hearing panel shall not hear such appeal and may not participate in any deliberations on such appeal. The board of county commissioners, or individual members thereof, may serve as a hearing officer or as members of the county or district hearing panel provided they meet the foregoing requirements.

Whenever the director of property valuation shall conclude that any person appointed as a hearing officer or to a county or district hearing panel has failed or neglected to discharge such person's duties as required by law and that the interest of the public will be promoted by the removal of such person, the director of property valuation shall issue an order suspending or terminating such person as a hearing officer or member of the hearing panel in the same manner and subject to the same conditions provided in subsection (b) of K.S.A. 19-431(b), and amendments thereto.

The provisions of this section shall apply to all taxable years commencing after December 31, 1997.


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