AN ACT concerning property taxation; relating to severed mineral rights; exemptions; amending K.S.A. 79-420 and repealing the existing section.

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

Section 1. K.S.A. 79-420 is hereby amended to read as follows: 79-420. Whenever the fee to the surface of any tract, parcel or lot of land is in any person or persons, natural or artificial, and the right or title to any minerals therein is in another or in others, such mineral interest, unless otherwise exempted from property taxation by the board of county commissioners under the provisions of section 2, and amendments thereto, shall be listed and the market value, if any, determined separately from the fee of such land, in separate entries and descriptions. Such land and such mineral interest shall be separately taxed to the owners thereof respectively. In determining the market value, if any, of any such mineral interest, the appraiser shall consider every proper factor, including, but not limited to, the size of the particular mineral interest, the fractional share of such interest and the number of fractional shares in existence for such interest. The register of deeds shall furnish to the county clerk where such mineral interest exists and are a matter of record, a certified description of all such interest. When such reserves or leases are not recorded within 90 days after execution, they shall become void if not listed for taxation.

New Sec. 2. (a) The board of county commissioners, in its sole discretion, may grant an exemption from ad valorem taxation for such severed mineral interests as described in K.S.A. 79-420, and amendments thereto. If granted, such mineral interests shall be exempt from ad valorem taxation for one tax year.

(b) Prior to the granting of such exemption, the board shall:

(1) Weigh the costs and benefits of the exemption, including its effect on state and local revenues; and

(2) conduct a public hearing on the granting of such exemption. Notice of the public hearing shall be published at least once every seven days prior to the hearing in the official city or county newspaper, as the case requires, and shall indicate the purpose, time and place thereof. In addition to such publication notice, the city or county clerk, as the case requires, shall notify in writing the governing body of the city or county
and unified school district within which the property proposed for
exemption is located.

Sec. 3. K.S.A. 79-420 is hereby repealed.

Sec. 4. This act shall take effect and be in force from and after its
publication in the statute book.