AN ACT concerning property taxation; relating to exemptions; allowing county appraisers to exempt certain property without order from the board of tax appeals; amending K.S.A. 2016 Supp. 79-213 and repealing the existing section.

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

Section 1. K.S.A. 2016 Supp. 79-213 is hereby amended to read as follows: 79-213. (a) Any property owner requesting an exemption from the payment of ad valorem property taxes assessed, or to be assessed, against their property shall be required to file an initial request for exemption, on forms approved by the state board of tax appeals and provided by the county appraiser.

(b) The initial exemption request shall identify the property for which the exemption is requested and state, in detail, the legal and factual basis for the exemption claimed.

(c) The request for exemption shall be filed with the county appraiser of the county where such property is principally located.

(d) After a review of the exemption request, and after a preliminary examination of the facts as alleged, the county appraiser shall recommend that the exemption request either be granted or denied, and, if necessary, that a hearing be held. If a denial is recommended, a statement of the controlling facts and law relied upon shall be included on the form.

(e) The county appraiser, after making such written recommendation, shall file the request for exemption and the recommendations of the county appraiser with the state board of tax appeals. With regard to a request for exemption from property tax pursuant to the provisions of K.S.A. 79-201g and 82a-409, and amendments thereto, not filed with the board of tax appeals by the county appraiser on or before the effective date of this act, if the county appraiser recommends the exemption request be granted, the exemption shall be provided in the amount recommended by the county appraiser and the county appraiser shall not file the request for exemption and recommendations of the county appraiser with the state board of tax appeals. The county clerk or county assessor shall annually make such adjustment in the taxes levied against the real property as the owner may be entitled to receive under the provisions of K.S.A. 79-201g, and amendments thereto, as recommended by the county appraiser, beginning
with the first period, following the date of issue of the certificate of
completion on which taxes are regularly levied, and during the years
which the landowner is entitled to such adjustment.

(f) Upon receipt of the request for exemption, the board shall docket
the same and notify the applicant and the county appraiser of such fact.

(g) After examination of the request for exemption and the county
appraiser's recommendation related thereto, the board may fix a time and
place for hearing, and shall notify the applicant and the county appraiser of
the time and place so fixed. A request for exemption pursuant to: (1)
Section 13 of article 11 of the constitution of the state of Kansas; or (2)
K.S.A. 79-201a Second, and amendments thereto, for property constructed
or purchased, in whole or in part, with the proceeds of revenue bonds
under the authority of K.S.A. 12-1740 to through 12-1749, inclusive, and
amendments thereto, prepared in accordance with instructions and
assistance which shall be provided by the department of commerce, shall
be deemed approved unless scheduled for hearing within 30 days after the
date of receipt of all required information and data relating to the request
for exemption, and such hearing shall be conducted within 90 days after
such date. Such time periods shall be determined without regard to any
extension or continuance allowed to either party to such request. In any
case where a party to such request for exemption requests a hearing
thereon, the same shall be granted. Hearings shall be conducted in
accordance with the provisions of the Kansas administrative procedure act.

In all instances where the board sets a request for exemption for hearing,
the county shall be represented by its county attorney or county counselor.

(h) Except as otherwise provided by subsection (g), in the event of a
hearing, the same shall be originally set not later than 90 days after the
filing of the request for exemption with the board.

(i) During the pendency of a request for exemption, no person, firm,
unincorporated association, company or corporation charged with real
estate or personal property taxes pursuant to K.S.A. 79-2004 and 79-
2004a, and amendments thereto, on the tax books in the hands of the
county treasurer shall be required to pay the tax from the date the request
is filed with the county appraiser until the expiration of 30 days after the
board issued its order thereon and the same becomes a final order. In the
event that taxes have been assessed against the subject property, no interest
shall accrue on any unpaid tax for the year or years in question nor shall
the unpaid tax be considered delinquent from the date the request is filed
with the county appraiser until the expiration of 30 days after the board
issued its order thereon. In the event the board determines an application
for exemption is without merit and filed in bad faith to delay the due date
of the tax, the tax shall be considered delinquent as of the date the tax
would have been due pursuant to K.S.A. 79-2004 and 79-2004a, and
amendments thereto, and interest shall accrue as prescribed therein.

(j) In the event the board grants the initial request for exemption, the same shall be effective beginning with the date of first exempt use except that, with respect to property the construction of which commenced not to exceed 24 months prior to the date of first exempt use, the same shall be effective beginning with the date of commencement of construction.

(k) In conjunction with its authority to grant exemptions, the board shall have the authority to abate all unpaid taxes that have accrued from and since the effective date of the exemption. In the event that taxes have been paid during the period where the subject property has been determined to be exempt, the board shall have the authority to order a refund of taxes for the year immediately preceding the year in which the exemption application is filed in accordance with subsection (a).

(l) The provisions of this section shall not apply to: (1) Farm machinery and equipment exempted from ad valorem taxation by K.S.A. 79-201j, and amendments thereto; (2) personal property exempted from ad valorem taxation by K.S.A. 79-215, and amendments thereto; (3) wearing apparel, household goods and personal effects exempted from ad valorem taxation by K.S.A. 79-201c, and amendments thereto; (4) livestock; (5) all property exempted from ad valorem taxation by K.S.A. 79-201d, and amendments thereto; (6) merchants' and manufacturers' inventories exempted from ad valorem taxation by K.S.A. 79-201m, and amendments thereto; (7) grain exempted from ad valorem taxation by K.S.A. 79-201n, and amendments thereto; (8) property exempted from ad valorem taxation by K.S.A. 79-201a Seventeenth, and amendments thereto, including all property previously acquired by the secretary of transportation or a predecessor in interest, which is used in the administration, construction, maintenance or operation of the state system of highways. The secretary of transportation shall at the time of acquisition of property notify the county appraiser in the county in which the property is located that the acquisition occurred and provide a legal description of the property acquired; (9) property exempted from ad valorem taxation by K.S.A. 79-201a Ninth, and amendments thereto, including all property previously acquired by the Kansas turnpike authority which is used in the administration, construction, maintenance or operation of the Kansas turnpike. The Kansas turnpike authority shall at the time of acquisition of property notify the county appraiser in the county in which the property is located that the acquisition occurred and provide a legal description of the property acquired; (10) aquaculture machinery and equipment exempted from ad valorem taxation by K.S.A. 79-201j, and amendments thereto. As used in this section, "aquaculture" has the same meaning ascribed thereto by K.S.A. 47-1901, and amendments thereto; (11) Christmas tree machinery and equipment exempted from ad valorem taxation by K.S.A. 79-201j, and
amendments thereto; (12) property used exclusively by the state or any
municipality or political subdivision of the state for right-of-way purposes.
The state agency or the governing body of the municipality or political
subdivision shall at the time of acquisition of property for right-of-way
purposes notify the county appraiser in the county in which the property is
located that the acquisition occurred and provide a legal description of the
property acquired; (13) machinery, equipment, materials and supplies
exempted from ad valorem taxation by K.S.A. 79-201w, and amendments
thereto; (14) vehicles owned by the state or by any political or taxing
subdivision thereof and used exclusively for governmental purposes; (15)
property used for residential purposes which is exempted pursuant to
K.S.A. 79-201x, and amendments thereto, from the property tax levied
pursuant to K.S.A. 2016 Supp. 72-6470, and amendments thereto; (16)
from and after July 1, 1998, vehicles which are owned by an organization
having as one of its purposes the assistance by the provision of transit
services to the elderly and to disabled persons and which are exempted
pursuant to K.S.A. 79-201 Ninth, and amendments thereto; (17) from and
after July 1, 1998, motor vehicles exempted from taxation by K.S.A. 79-
5107(e), and amendments thereto; (18) commercial and industrial
machinery and equipment exempted from property or ad valorem taxation
by K.S.A. 2016 Supp. 79-223, and amendments thereto; (19)
telecommunications machinery and equipment and railroad machinery and
equipment exempted from property or ad valorem taxation by K.S.A. 2016
Supp. 79-224, and amendments thereto; and (20) property exempted from
property or ad valorem taxation by K.S.A. 2016 Supp. 79-234, and
amendments thereto; (21) recreational vehicles exempted from property or
ad valorem taxation by K.S.A. 79-5121(e), and amendments thereto; and
(22) property acquired by a land bank exempt from property or ad valorem
taxation pursuant to K.S.A. 2016 Supp. 12-5909 or K.S.A. 19-26,111, and
amendments thereto.

(m) The provisions of this section shall apply to property exempt
pursuant to the provisions of section 13 of article 11 of the constitution of
the state of Kansas.

(n) The provisions of subsection (k) as amended by this act shall be
applicable to all exemption applications filed in accordance with
subsection (a) after December 31, 2001.

Sec. 2. K.S.A. 2016 Supp. 79-213 is hereby repealed.

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