## SENATE BILL No. 8

## By Senator Steffen

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AN ACT concerning property taxation; relating to personal property; reducing penalties for the late filing of or the failure to file statements listing property for assessment and the discovery of escaped property; amending K.S.A. 79-332a, 79-1422 and 79-1427a and repealing the existing sections.

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

Section 1. K.S.A. 79-332a is hereby amended to read as follows: 79-332a. (a) Any person, corporation or association owning oil and gas leases or engaged in operating for oil or gas who fails to make and file a statement of assessment on or before April 1 shall be subject to a penalty as follows:

- The appraiser shall, after having ascertained the assessed value of the property of such taxpayer, add  $\frac{5\%}{2}$  2% thereto as a penalty for late filing if the failure is not for more than one month, with an additional 5% 2% for each additional month or fraction thereof during which such failure continues, not exceeding 25% 10% in the aggregate.
- (2) If the statement of assessment is filed more than one year from April 1, the appraiser shall, after having ascertained the assessed value of the property of such taxpayer, add 50% 12.5% thereto as a penalty for late filing. The county treasurer may not distribute any taxes assessed under this section and paid under protest by the taxpayer pursuant to K.S.A. 79-2005, and amendments thereto, until such time as the appeal is final.
- (b) For good cause shown the county appraiser may extend the time in which to make and file such statement. Such request for extension of time shall be in writing and shall be received by the county appraiser prior to the due date of the statement of assessment.
- (c) Whenever any person, corporation or association owning oil and gas leases or engaged in operating for oil or gas shall fail to make and deliver to the county appraiser of every county wherein the property to be assessed is located, a full and complete statement of assessment relative to such property as required by blank forms prepared or approved for the purpose by the director of property valuation to elicit the information necessary to fix the valuation of the property, the appraiser shall ascertain the assessed value of the property of such taxpayer, and shall add 50% 12.5% thereto as a penalty for failing to file such statement.

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(d) The state board of tax appeals shall have the authority to abate any penalty imposed under the provisions of this section and order the refund of the abated penalty, whenever excusable neglect on the part of the person, corporation or association required to make and file the statement of assessment is shown, or whenever the property for which a statement of assessment was not filed as required by law is repossessed, judicially or otherwise, by a secured creditor and such secured creditor pays the taxes and interest due

Sec. 2. K.S.A. 79-1422 is hereby amended to read as follows: 79-1422. (a) Any person required to file a statement listing property for assessment and taxation purposes under the provisions of this act who fails to make and file such statement on or before the date prescribed by K.S.A. 79-306, and amendments thereto, shall be subject to a penalty as follows:

The appraiser shall, after having ascertained the assessed value of the property of such taxpayer, add-5% 2% thereto as a penalty for late filing if the failure is not for more than one month, with an additional-5% 2% for each additional month or fraction thereof during which such failure continues, not exceeding 25% 10% in the aggregate.

For good cause shown the appraiser may extend the time in which to make and file such statement. Such request for extension of time must be in writing and shall state just and adequate reasons on which the request may be granted. The request must be received by the appraiser prior to the due date of the statement.

- (b) If, within one year following the date prescribed by K.S.A. 79-306, and amendments thereto, any person shall fail to make and file the statement listing property for assessment and taxation purposes or shall fail to make and file a full and complete statement listing property for such purposes, the appraiser shall proceed to ascertain the assessed value of the property of such taxpayer, and for this purpose the appraiser may examine under oath any person or persons whom the appraiser deems to have knowledge thereof. The appraiser shall, after having ascertained the assessed value of such property, add-50% 12.5% thereto as a penalty for failure to file such statement or for failure to file a full and complete statement.
- (c) The state board of tax appeals shall have the authority to abate any penalty imposed under the provisions of this section and order the refund of the abated penalty, whenever excusable neglect on the part of the person required to make and file the statement listing property for assessment and taxation purposes is shown, or whenever the property for which a statement of assessment was not filed as required by law is repossessed, judicially or otherwise, by a secured creditor and such secured creditor pays the taxes and interest due.
  - Sec. 3. K.S.A. 79-1427a is hereby amended to read as follows: 79-

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1 1427a. (a) If, the county appraiser discovers, after the tax roll has been 2 certified to the county clerk, that any tangible personal property subject to 3 taxation has been omitted from the tax rolls, the county clerk shall place 4 such property on the tax roll as an added tax, or if, after one year from the 5 date prescribed by K.S.A. 79-306, and amendments thereto, for the listing 6 of tangible personal property, the county appraiser discovers that any 7 tangible personal property-which that was subject to taxation in any year 8 or years within two years next preceding January 1 of the calendar year in 9 which it was discovered has not been listed or has been underreported for 10 whatever reason, such property shall be deemed to have escaped taxation. In the case of property-which that has not been listed, it shall be the duty 11 12 of the county appraiser to list and appraise such property and, for an added tax, add penalties as prescribed in K.S.A. 79-1422, and amendments 13 14 thereto, and which that shall be designated on the appraisal roll as an 15 added appraisal for that year. In the case of property-which that has 16 escaped taxation, it shall be the duty of the county appraiser to list and 17 appraise such property and add-50% 12.5% thereto as a penalty for 18 escaping taxation for each such year during which such property was not 19 listed, and it shall be designated on the appraisal roll as "escaped 20 appraisal" for each such preceding year or years. In the case of property 21 which that has been listed but underreported, it shall be the duty of the 22 county appraiser to list and appraise the underreported portion of such 23 property and add 50% 12.5% thereto as a penalty for escaping taxation for 24 each such year during which such property was underreported, and it shall be designated on the appraisal roll as "escaped appraisal" for each such 25 26 preceding year or years. The county clerk, upon receipt of the valuation for 27 such property in either of the aforementioned cases, shall place such 28 property on the tax rolls and compute the amount of tax due based upon the mill levy for the year or years in which such tax should have been 29 30 levied, and shall certify such amount to the county treasurer as an added or 31 escaped appraisal. The amount of such tax shall be due immediately and 32 payable within 45 days after the issuance of an additional or escaped 33 property tax bill by the county treasurer. The county treasurer may not 34 distribute any taxes assessed under this section and paid under protest by 35 the taxpayer pursuant to K.S.A. 79-2005, and amendments thereto, until 36 such time as the appeal is final. No interest shall be imposed unless the tax 37 remains unpaid after such 45-day period. Taxes levied pursuant to this 38 section-which that remain unpaid after such 45-day period shall be deemed 39 delinquent and the county treasurer shall collect and distribute such tax in 40 the same manner as prescribed by law for the collection and distribution of 41 other taxes levied upon property which that are delinquent. If the owner of 42 such property is deceased, taxes charged as herein provided shall be levied 43 against the estate of such deceased person for only two calendar years

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preceding death and shall be paid by the legal representative or representatives of such estate. In the event that such escaped appraisal is due to any willful or clerical error of the county appraiser, such property shall be appraised at its fair market value and no penalty shall be added.

- (b) A taxpayer with a grievance as to any penalty applied pursuant to the provisions of this section, may appeal to the state board of tax appeals on forms prepared by the state board of tax appeals and provided by the county appraiser. The state board of tax appeals shall have the authority to abate any penalty imposed under the provisions of this section and order the refund of the abated penalty, whenever excusable neglect on the part of the person required to make and file the statement listing property for assessment and taxation purposes is shown, or whenever the property which that has been deemed to have escaped taxation is repossessed, judicially or otherwise, by a secured creditor and such creditor pays the taxes and interest due. No interest shall be assessed during the pendency of this appeal.
- (c) The provisions of this section shall apply to any tangible personal property discovered during the calendar years 1982, 1983, 1984 and any year thereafter to have escaped appraisal and taxation during any such year or any year within two years next preceding any such year.
- Sec. 4. K.S.A. 79-332a, 79-1422 and 79-1427a are hereby repealed.
- Sec. 5. This act shall take effect and be in force from and after its publication in the statute book.