

SESSION OF 2012

SUPPLEMENTAL NOTE ON SENATE BILL NO. 348

As Amended by Senate Committee on Local
Government

Brief*

SB 348, as amended, would make several changes to statutes regarding property taxes.

***Valuation of Leased Commercial and Industrial Property
(Sections 1, 3, and 6)***

The bill would amend certain requirements related to appeals of appraised values of leased commercial and industrial property. At hearings before the Court of Tax Appeals, current law places the burden of proof regarding the correctness of an appraisal with the taxpayer only for leased commercial and industrial property, unless that taxpayer has provided the county appraiser a complete income and expense statement for the three years preceding the year for which the appraisal is being appealed. The bill would shift that burden of proof to the county appraiser only if the taxpayer provided that income and expense information to the county appraiser at a required informal appeal meeting prior to a hearing with the Court.

Tax Situs of Boats (Section 2)

The bill would require any vessel required to be numbered by the Department of Wildlife, Parks, and Tourism that is located or stored outside of Kansas on January 1 of each year to be listed in the taxing district where the owner lived on January 1 of that year.

*Supplemental notes are prepared by the Legislative Research Department and do not express legislative intent. The supplemental note and fiscal note for this bill may be accessed on the Internet at <http://www.kslegislature.org>

Property Tax Notices Using Email (Section 4)

The bill would allow the county appraiser to send property valuation notices using electronic mail if the taxpayer provided an email address or included it in any personal property tax return.

Correcting Errors in Tax Records (Sections 5, 7, 8)

The bill would allow improvements on a property omitted from the tax roll to be added to the roll and, if tax should have been levied, taxed for the amount due for no more than two calendar years before the year in which the error was discovered.

The bill would expand the types of clerical errors resulting in understatement of value or taxes for which taxes would be due to include not just mathematical errors but also errors in the description or quantity of the real estate listed, errors placing improvements in the wrong tract or lot, and errors placing real or personal property in the wrong tax situs.

The bill would allow the Court of Tax Appeals to order an additional assessment, tax bill, or both after correction of any of the types of clerical errors listed above.

Background

A representative of the Kansas County Appraisers Association and the Johnson County appraiser testified in favor of the bill. An attorney with the Division of Property Valuation at the Department of Revenue provided neutral testimony and suggested clarifying amendments.

The Senate Committee on Local Government amended the bill as requested by the Division of Property Valuation.

According to the fiscal note prepared by the Division of

the Budget, the bill would have no fiscal effect on the Department of Revenue. The bill could have some small fiscal effect on the Court of Tax Appeals; however, the Court reported it hears few appeals regarding leased commercial and industrial property.