

Substitute for HOUSE BILL No. 2230

By Committee on Taxation

4-4

1 AN ACT concerning property taxation; relating to exemptions; property
2 owned by a redevelopment authority and located in a redevelopment
3 district within a former federal enclave; ***allowing county appraisers to***
4 ***exempt certain property without order from the board of tax appeals;***
5 ***{time limitations for filing request for exemption for certain***
6 ***qualifying pipeline property;}*** ***amending K.S.A. 2016 Supp. 79-213***
7 ***and repealing the existing section.***
8

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

10 *New* Section 1. (a) The following described property, to the extent
11 herein specified, shall be exempt from all property taxes levied under the
12 laws of the state of Kansas: All buildings, together with the land upon
13 which the buildings are located, and all tangible personal property
14 associated therewith, owned by a redevelopment authority established as a
15 body corporate and politic pursuant to K.S.A. 19-4901 et seq., and
16 amendments thereto, that is located in a redevelopment district within a
17 former federal enclave and is leased to a business and thereafter used
18 exclusively for the purpose of: (1) Manufacturing articles of commerce;
19 (2) conducting research and development; or (3) processing and storing
20 goods or commodities that are sold or traded in interstate commerce.

21 (b) In accordance with K.S.A. 19-4904, and amendments thereto, a
22 redevelopment authority may file a request for exemption under the
23 provisions of this section pursuant to K.S.A. 79-213, and amendments
24 thereto, only with approval of the board of county commissioners by
25 resolution.

26 (c) An exemption from ad valorem taxes granted pursuant to
27 subsection (a) shall be in effect for not more than 10 calendar years after
28 the calendar year in which the business commences its operations or the
29 calendar year in which the expansion of an existing business is completed,
30 as the case may be.

31 (d) This section is adopted pursuant to section 13(d) of article 11 of
32 the constitution of the state of Kansas, and shall be part of and
33 supplemental to article 2 of chapter 79 of the Kansas Statutes Annotated,
34 and amendments thereto.

1 *Sec. 2. K.S.A. 2016 Supp. 79-213 is hereby amended to read as*
2 *follows: 79-213. (a) Any property owner requesting an exemption from*
3 *the payment of ad valorem property taxes assessed, or to be assessed,*
4 *against their property shall be required to file an initial request for*
5 *exemption, on forms approved by the state board of tax appeals and*
6 *provided by the county appraiser.*

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

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

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

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

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

39 *(g) After examination of the request for exemption and the county*
40 *appraiser's recommendation related thereto, the board may fix a time*
41 *and place for hearing, and shall notify the applicant and the county*
42 *appraiser of the time and place so fixed. A request for exemption*
43 *pursuant to: (1) Section 13 of article 11 of the constitution of the state of*

1 *Kansas; or (2) K.S.A. 79-201a Second, and amendments thereto, for*
2 *property constructed or purchased, in whole or in part, with the proceeds*
3 *of revenue bonds under the authority of K.S.A. 12-1740~~to~~ through 12-*
4 *1749, inclusive, and amendments thereto, prepared in accordance with*
5 *instructions and assistance which shall be provided by the department of*
6 *commerce, shall be deemed approved unless scheduled for hearing*
7 *within 30 days after the date of receipt of all required information and*
8 *data relating to the request for exemption, and such hearing shall be*
9 *conducted within 90 days after such date. Such time periods shall be*
10 *determined without regard to any extension or continuance allowed to*
11 *either party to such request. In any case where a party to such request*
12 *for exemption requests a hearing thereon, the same shall be granted.*
13 *Hearings shall be conducted in accordance with the provisions of the*
14 *Kansas administrative procedure act. In all instances where the board*
15 *sets a request for exemption for hearing, the county shall be represented*
16 *by its county attorney or county counselor.*

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

20 *(i) During the pendency of a request for exemption, no person,*
21 *firm, unincorporated association, company or corporation charged with*
22 *real estate or personal property taxes pursuant to K.S.A. 79-2004 and*
23 *79-2004a, and amendments thereto, on the tax books in the hands of the*
24 *county treasurer shall be required to pay the tax from the date the*
25 *request is filed with the county appraiser until the expiration of 30 days*
26 *after the board issued its order thereon and the same becomes a final*
27 *order. In the event that taxes have been assessed against the subject*
28 *property, no interest shall accrue on any unpaid tax for the year or years*
29 *in question nor shall the unpaid tax be considered delinquent from the*
30 *date the request is filed with the county appraiser until the expiration of*
31 *30 days after the board issued its order thereon. In the event the board*
32 *determines an application for exemption is without merit and filed in*
33 *bad faith to delay the due date of the tax, the tax shall be considered*
34 *delinquent as of the date the tax would have been due pursuant to K.S.A.*
35 *79-2004 and 79-2004a, and amendments thereto, and interest shall*
36 *accrue as prescribed therein.*

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

43 *(k) In conjunction with its authority to grant exemptions, the board*

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

7 *(l) The provisions of this section shall not apply to: (1) Farm*
8 *machinery and equipment exempted from ad valorem taxation by K.S.A.*
9 *79-201j, and amendments thereto; (2) personal property exempted from*
10 *ad valorem taxation by K.S.A. 79-215, and amendments thereto; (3)*
11 *wearing apparel, household goods and personal effects exempted from*
12 *ad valorem taxation by K.S.A. 79-201c, and amendments thereto; (4)*
13 *livestock; (5) all property exempted from ad valorem taxation by K.S.A.*
14 *79-201d, and amendments thereto; (6) merchants' and manufacturers'*
15 *inventories exempted from ad valorem taxation by K.S.A. 79-201m, and*
16 *amendments thereto; (7) grain exempted from ad valorem taxation by*
17 *K.S.A. 79-201n, and amendments thereto; (8) property exempted from*
18 *ad valorem taxation by K.S.A. 79-201a Seventeenth, and amendments*
19 *thereto, including all property previously acquired by the secretary of*
20 *transportation or a predecessor in interest, which is used in the*
21 *administration, construction, maintenance or operation of the state*
22 *system of highways. The secretary of transportation shall at the time of*
23 *acquisition of property notify the county appraiser in the county in*
24 *which the property is located that the acquisition occurred and provide a*
25 *legal description of the property acquired; (9) property exempted from*
26 *ad valorem taxation by K.S.A. 79-201a Ninth, and amendments thereto,*
27 *including all property previously acquired by the Kansas turnpike*
28 *authority which is used in the administration, construction, maintenance*
29 *or operation of the Kansas turnpike. The Kansas turnpike authority*
30 *shall at the time of acquisition of property notify the county appraiser in*
31 *the county in which the property is located that the acquisition occurred*
32 *and provide a legal description of the property acquired; (10)*
33 *aquaculture machinery and equipment exempted from ad valorem*
34 *taxation by K.S.A. 79-201j, and amendments thereto. As used in this*
35 *section, "aquaculture" has the same meaning ascribed thereto by K.S.A.*
36 *47-1901, and amendments thereto; (11) Christmas tree machinery and*
37 *equipment exempted from ad valorem taxation by K.S.A. 79-201j, and*
38 *amendments thereto; (12) property used exclusively by the state or any*
39 *municipality or political subdivision of the state for right-of-way*
40 *purposes. The state agency or the governing body of the municipality or*
41 *political subdivision shall at the time of acquisition of property for right-*
42 *of-way purposes notify the county appraiser in the county in which the*
43 *property is located that the acquisition occurred and provide a legal*

1 *description of the property acquired; (13) machinery, equipment,*
2 *materials and supplies exempted from ad valorem taxation by K.S.A. 79-*
3 *201w, and amendments thereto; (14) vehicles owned by the state or by*
4 *any political or taxing subdivision thereof and used exclusively for*
5 *governmental purposes; (15) property used for residential purposes*
6 *which is exempted pursuant to K.S.A. 79-201x, and amendments thereto,*
7 *from the property tax levied pursuant to K.S.A. 2016 Supp. 72-6470, and*
8 *amendments thereto; (16) from and after July 1, 1998, vehicles which*
9 *are owned by an organization having as one of its purposes the*
10 *assistance by the provision of transit services to the elderly and to*
11 *disabled persons and which are exempted pursuant to K.S.A. 79-201*
12 *Ninth, and amendments thereto; (17) from and after July 1, 1998, motor*
13 *vehicles exempted from taxation by K.S.A. 79-5107(e), and amendments*
14 *thereto; (18) commercial and industrial machinery and equipment*
15 *exempted from property or ad valorem taxation by K.S.A. 2016 Supp. 79-*
16 *223, and amendments thereto; (19) telecommunications machinery and*
17 *equipment and railroad machinery and equipment exempted from*
18 *property or ad valorem taxation by K.S.A. 2016 Supp. 79-224, and*
19 *amendments thereto; and (20) property exempted from property or ad*
20 *valorem taxation by K.S.A. 2016 Supp. 79-234, and amendments thereto;*
21 *(21) recreational vehicles exempted from property or ad valorem taxation*
22 *by K.S.A. 79-5121(e), and amendments thereto; (22) property acquired by*
23 *a land bank exempt from property or ad valorem taxation pursuant to*
24 *K.S.A. 2016 Supp. 12-5909 or K.S.A. 19-26,111, and amendments thereto;*
25 *and (23) property belonging exclusively to the United States and exempted*
26 *from ad valorem taxation by K.S.A. 79-201a First, and amendments*
27 *thereto, except that the provisions of this subsection (l)(23) shall not apply*
28 *to any such property that the congress of the United States has expressly*
29 *declared to be subject to state and local taxation.*

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

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

36 *{(o) No exemption authorized by K.S.A. 79-227, and amendments*
37 *thereto, of property from the payment of ad valorem property taxes*
38 *assessed shall be granted unless the requesting property owner files an*
39 *initial request for exemption pursuant to this section within two years of*
40 *the date in which construction of a new qualifying pipeline property*
41 *began. The provisions of this subsection shall be applicable to all*
42 *requests for exemptions filed in accordance with subsection (a) after*
43 *June 30, 2017.}*

1 ***Sec. 3. K.S.A. 2016 Supp. 79-213 is hereby repealed.***

2 ~~Sec. 4.~~ This act shall take effect and be in force from and after its
3 publication in the Kansas register.