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300 SW TENTH AVENUE ■ SUITE 24-E ■ TOPEKA, KS 66612 ■ (785) 296-2321

MEMORANDUM

To: Madam Chair and Members of the Committee on Assessment and Taxation
From: Amelia Kovar-Donohue, Assistant Revisor
Date: March 7, 2019
Subject: Senate Bill No. 201

Summary

Senate Bill No. 201 amends K.S.A. 79-201g to establish a 20-year property tax exemption for certain land associated with a dam or reservoir and subject to a mitigation easement.

In 2015, 2014 Supp. K.S.A. 2-1904 was amended to authorize the Kansas department of agriculture division of conservation to take actions necessary to restore, establish, enhance and protect natural resources with conservation easements for the purpose of compensatory mitigation required under section 404 of the federal clean water act including acquiring conservation easements, as defined in K.S.A. 58-3810, and amendments thereto, on behalf of watershed districts for the purpose of protecting compensatory mitigation sites. L. 2015, ch. 58, §1.

K.S.A. 79-201g currently provides a 10-year or 20-year property tax exemption for certain real property contiguous to and part of the same tract of land upon which a dam or reservoir has been constructed. Specifically, subsection (b) provides a 20-year exemption for certain real property when the owner donates to the state, its agencies or subdivisions an easement or right-of-way for the erection or maintenance of such dam or reservoir. Upon completion, the landowner applies to the chief engineer of the division of water resources for a certification of completion of the dam or reservoir that includes a description of the land donated and the county appraiser calculates the exemption in an amount equal to twice the assessed value of the land donated, excluding land higher than the top of the dam.

New subsection (c) establishes a 20-year property tax exemption for real property subject to a donated conservation easement associated with a watershed dam or reservoir described in subsection (b) for the purpose of compensatory mitigation required under section 404 of the federal clean water act held by the Kansas department of agriculture division of conservation on behalf of any watershed district pursuant to K.S.A. 2-1904 in an amount equal to twice the assessed value of the land subject to the conservation easement that is not exempt pursuant to subsection (b).

The provisions would apply to tax years commencing after December 31, 2018.