

Proposed Amendments to HB 2285

Section 1. The director of property valuation shall value, classify and assess complex industrial properties. The director shall adopt rules and regulations identifying the types of property to be assessed as complex industrial property. Such rules and regulations shall include the types of industrial processes which are conducted on the property in order to be considered complex industrial property.

Sec. 2. Every taxpayer with property described in section 1, and amendments thereto, which is located in this state, through such owner, officer or agent having control of its affairs, before March 15 each year, shall make a return in writing to the director of property valuation on forms prescribed by the director showing all the information that the director shall require and deem necessary for the valuation, classification and assessment of such property. If any taxpayer shall fail to provide the information as required, the director of property valuation shall advise the attorney general of such noncompliance and the attorney general shall proceed against such taxpayer to enforce compliance.

Sec. 3. (a) The director of property valuation shall seasonably value, classify and assess property described in section 1, and amendments thereto, both real and personal, identified on an appraisal cycle to enable all such property to be valued at fair market value before January 1, 2018. Thereafter, the director shall annually determine the fair market value of the property and shall keep a complete record of how such valuations were determined. The director is authorized to make any investigations and findings to properly arrive at the fair market value of the property of each of the commercial properties to be appraised. Any taxpayer or representative shall upon request of the director furnish any records or files of such commercial material to such investigation. Any taxpayer or representative who shall furnish false information shall be guilty of perjury.

(b) (1) As used in this section, "fair market value" means the amount in terms of money that a well-informed buyer is justified in paying and a well-informed seller is justified in accepting for

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property in an open and competitive market, assuming that the parties are acting without undue compulsion. For the purposes of this definition, it shall be assumed that consummation of a sale occurs as of January 1.

(2) In order to determine the fair market value of the property described in section 1, and amendments thereto, where applicable, the director shall assess whether improvements constitute real or personal property for taxation purposes. In order to make such determination, the director shall consider the following factors:

- (A) Annexation to the realty;
- (B) adaptation to the use or purpose of that part of the realty to which it is connected; and
- (C) the intention of the party making the annexation to make the item a permanent annexation to the real property.

Sec. 4. (a) Before the valuation, classification and assessment of any property described in section 1, and amendments thereto, is finally determined, the director shall send each taxpayer a statement of the valuation, classification and assessment of such property. The determination contained in such statement shall not require an adjudicative proceeding under the Kansas administrative procedure act. The statement shall inform the taxpayer of the right to an informal conference as provided in this section. The failure to request an informal conference shall not preclude any appeal under K.S.A. 74-2438, and amendments thereto. If the taxpayer has any objection to the statement as issued, the taxpayer shall, within 15 days of the date of mailing of such statement, notify the director in writing of such objection. Within 30 days of the date of receipt by the director of such written objection, the director shall hold an informal conference with the taxpayer and shall issue a written finding, ruling, order, decision or other final action that shall become effective for purposes of the appeal as provided by K.S.A. 74-2438, and amendments thereto, three days following the mailing of a copy thereof to the taxpayer. Informal conferences held pursuant to this section may be conducted by the director or the director's designee. The rules of evidence shall not apply to an informal conference

and no record shall be made, except at the request and expense of the director or the complex industrial business owner.

(b) At any time before certification of the assessed valuation to the counties, the director may correct any valuation that will make it more just and equal.

Sec. 5. The assessed values of property described in section 1, and amendments thereto, shall be certified to the county clerk of each county wherein the property is located, on or before June 15 of each year. The county clerk shall include such assessed values in the applicable taxing districts with all other assessed valuation in those taxing districts and on or before July 1 notify the appropriate officials of each taxing district with the county of the assessed valuation estimates to be utilized in the preparation of budgets for ad valorem tax purposes. If in any year the county clerk has not received the applicable valuation from the director, the county clerk shall use the applicable assessed valuation of the preceding year as an estimate for such notification.

Sec. 6. The secretary of revenue is hereby authorized and empowered to promulgate all necessary rules and regulations deemed necessary to enforce the provisions of this act.

Sec. 7. This act shall take effect and be in force from and after its publication in the statute book.