

## 2020 Kansas Statutes

**79-5a04. Same; valuation of real and personal property.** The director of property valuation shall annually determine the fair market value of public utility property, both real and personal, tangible and intangible, of every public utility as defined in subsection (a) of K.S.A. 79-5a01 and amendments thereto.

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 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.

The division of property valuation in determining the fair market value of public utility property shall, where practicable, determine the unit valuation, allocated to Kansas, and in doing so shall use generally accepted appraisal procedures developed through the appraisal process and may consider, including but not by way of exclusion, the following factors:

- (a) Original cost.
- (b) Original cost less depreciation or reproduction cost less depreciation, or both, or replacement cost new less depreciation, except that where either method is used proper allowance and deduction shall be made for functional or economic obsolescence and for operation of nonprofitable facilities which necessitate regulatory body approval to eliminate.
- (c) The market or actual value of all outstanding capital stock and debt.
- (d) The utility operating income, capitalized in the manner and at such rate or rates as shall be just and reasonable.
- (e) Such other information or evidence as to value as may be obtained that will enable the property valuation department to determine the fair market value of the property of such public utility.

The fair market value of affiliated properties separately assessed, or the nonoperating properties of such companies, or both, shall be ascertained and determined as nearly as possible and deducted from the total unit value of the properties of such companies if such properties are included in the unit value. Except for the property of any entity enumerated in subsection (b) of K.S.A. 79-5a01 and amendments thereto, and insofar as it is practicable to do so, the same method of evaluating the properties of the companies separately assessed or nonoperating properties, or both, shall be used as was used in determining the unit value of such companies. All property of any entity enumerated in subsection (b) of K.S.A. 79-5a01 and amendments thereto, shall be valued by the county or district appraiser in the same manner as provided by law for the valuation of the same type or class of property in the county.

**History:** L. 1969, ch. 434, § 4; L. 1971, ch. 295, § 1; L. 1973, ch. 390, § 1; L. 1981, ch. 375, § 2; L. 1982, ch. 395, §2; L. 1983, ch. 314, § 2; July 1.