

Office of Revisor of Statutes

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MEMORANDUM

To: Senate Tax Committee
From: Scott Wells, Senior Assistant Revisor
Date: April 1, 2014
Subject: House Sub for SB 231

Throughout the entire bill:

- The court of tax appeals is renamed to the board of tax appeals; judges are renamed members.

Section 1 (Pgs 1 - 3):

- Board required to issue a summary decision within 14 days of matter being fully submitted. Full opinion may be requested by aggrieved party and must be submitted by the board w/in 90 days of that request.
- Filing fees refunded when board has not rendered a decision within required time period and board cannot show good cause for the delay.
- Appellant given choice of appealing to district court or court of appeals for any final order issued after May 2, 2012, including matters pending before the court of appeals as of July 1, 2014. District court review is a trial de novo.
- Review by district court to be in county where subject property is located.
- Requirement for giving a bond in the amount of 125% of taxes assessed or lesser as approved by reviewing court has been eliminated.

Section 2 (Pgs 2 - 5):

- For members appointed after June 30, 2014, one board member required to be a licensed certified general real property appraiser.
- Member of board may continue to serve for a maximum of up to 90 days after term has expired.
- Appeals decided by the board shall be made public and published on the board's website within 30 days of having been rendered.
- Board required to issue a monthly report to the Kansas legislature of all appeals decided that month and how many remain undecided and beyond the required time limits. Such report shall be made available to the public.
- Legislative intent clause states that proceedings in front of the board are to be conducted in a fair and impartial manner and that all taxpayers entitled to neutral interpretation of the state's tax laws.

Section 3 (Pgs 3 - 8):

- Employees of the board not allowed to serve as hearing officers in small claims division.
- Maximum limit of property value to be allowed in small claims division is raised from \$2,000,000 to \$3,000,000.
- Any county that appeals to the regular board from the small claims division bears the burden of proof.
- A notice of appeals filed by a taxpayer to the small claims division may be signed by an attorney, a certified public accountant, a certified general appraiser, a tax representative or agent, a member of the taxpayer's immediate family or an authorized employee of the taxpayer.
- With regard to leased commercial and industrial property, burden of proof is on the taxpayer unless the taxpayer provides the county or district appraiser a complete income and expense statement for the three previous years. The income and expense statement shall be in a form that is regularly maintained by the taxpayer in ordinary course of business.
- If taxpayer submits single property appraisal dated January 1 of year of the appeal, the burden of proof shall return to the county appraiser.

Section 4 (Pg 8):

- Salaries of members and chief hearing officer appointed after June 30, 2014 shall be equal to an administrative law judge. When member or chief hearing officer completes educational requirements, salary is increased to \$2,465 less than salary paid by the state to a district court judge designated as chief judge.

Section 5 (Pgs 8 - 9):

- Board is prohibited from determining who may sign appeals forms, who may represent taxpayers in matters before the court, what constitutes the unauthorized practice of law, and whether or not a contingent fee agreement is a violation of public policy.
- Board is also prohibited from interfering with efforts between counties and taxpayers to reach a settlement or agreement.

Section 6 (Pgs 9 - 10):

- Any appraisal made by a county or district appraiser must be released to the taxpayer through the discovery process.
- If the taxpayer presents a property-specific appraisal conducted by a certified general appraiser with effective date of January 1 of year of appeal which shows subject property valuation less than that determined by mass appraisal, then property-specific appraisal shall be accepted into evidence.

Section 7 (Pgs 10 - 11):

- Filing fees shall not be charged to the following:
 - a taxpayer who has filed a previous appeal which has not been decided in required time limits under KSA 74-2426;
 - single-family residential appeals;
 - the appeal of a not-for-profit organization if the organization's property valuation does not exceed \$100,000;
 - or any municipality or political subdivision of the state.

Section 8 (Pgs 11 - 12):

- Requirement that a request for reconsideration be filed before seeking judicial review has been eliminated.

Section 9 (Pg 12):

- Removed requirement that appraisals be performed in accordance with standards in effect on march 1, 1992.

Section 10 (Pgs 12 - 13):

- Increased the maximum property value for appeals to small claims division of the board from \$2,000,000 to \$3,000,000.

Section 11 (Pgs 13 - 15)

- Prevents changes in property valuation for next 2 taxable years after valuation has been reduced to final determination made pursuant to appeals process.
- Defines substantial and compelling reasons.

Section 12 (Pgs 15 - 16):

- A notice of appeals filed by a taxpayer to the small claims division may be signed by anyone with declaration of representative form from PVD, an attorney, a certified public accountant, a certified general appraiser, a tax representative or agent, a member of the taxpayer's immediate family or an authorized employee of the taxpayer.
- With regard to leased commercial and industrial property, burden of proof is on the taxpayer unless the taxpayer provides the county or district appraiser a complete income and expense statement for the three previous years. The income and expense statement shall be in a form that is regularly maintained by the taxpayer in ordinary course of business.
- If taxpayer submits single property appraisal dated January 1 of year of the appeal, the burden of proof shall return to the county appraiser.

Section 13 (Pgs 16 - 17):

- Lowered interest rate on real property taxes unpaid to the rate prescribed by K.S.A. 79-2968.

Section 14 (Pgs 17 - 18):

- Lowered interest rate on personal property taxes unpaid to the rate prescribed by K.S.A. 79-2968.

Section 15 through 129 (Pg 18 through the end):

- Amending sections to reflect name change from court to board.