

Senate Substitute for HOUSE BILL No. 2313

By Committee on Assessment and Taxation

5-3

1 AN ACT concerning taxation; relating to property taxation; establishing
2 the COVID-19 retail storefront property tax relief act to provide partial
3 refunds to certain businesses impacted by COVID-19-related
4 shutdowns and restrictions; relating to the reimbursement of property
5 taxes to certain property owners and operators resulting from a forced
6 shutdown or capacity limitation by the state, county, city or other
7 political subdivision of the state; allowing Kansas national guard and
8 reservist members who are in good standing to receive a property tax
9 exemption for up to two motor vehicles; authorizing continuation of the
10 statewide levy for schools and the exemption of a portion of residential
11 property from such levy; relating to the board of tax appeals and
12 authorizing appointment by the governor of a member pro tempore
13 when a vacancy on the board exists; directing a post audit study of
14 taxation and exemption issues relating to non-profit and governmental
15 entities competing against for-profit businesses; amending K.S.A. 74-
16 2433, as amended by section 5 of 2021 House Bill No. 2104, 79-201x
17 and 79-5107 and K.S.A. 2020 Supp. 72-5142 and repealing the existing
18 sections.

19
20 *Be it enacted by the Legislature of the State of Kansas:*

21 New Section 1. The provisions of sections 1 through 14, and
22 amendments thereto, shall be known and may be cited as the COVID-19
23 retail storefront property tax relief act. The purpose of this act shall be to
24 provide refunds to certain businesses impacted by COVID-19 related
25 shutdowns and restrictions during tax years 2020 and 2021 based on a
26 portion of property taxes accrued on retail storefront property.

27 New Sec. 2. As used in this act:

28 (a) "Act" means the COVID-19 retail storefront property tax relief
29 act.

30 (b) (1) "Claimant" means a for-profit business, regardless of legal
31 structure, who has filed a claim under the provisions of this act and who:

32 (A) Conducts a majority of its retail sales through customers'
33 physical, on-site presence at a retail storefront property;

34 (B) was in operation on or prior to July 1, 2019, and filed a 2019 tax
35 return;

36 (C) had at least \$10,000 but less than \$2,500,000 in annual revenues,

1 including gross sales and receipts, in 2019;

2 (D) received less gross revenue in 2020 or 2021, as applicable,
3 compared to 2019;

4 (E) was in active operations as of March 1, 2020; and

5 (F) has not received more than a total of \$150,000 in prior COVID-
6 19-related local, state or federal funding or any combination thereof.

7 (2) "Claimant" shall not include:

8 (A) Grocery stores and pharmacies;

9 (B) hardware stores and home improvement businesses;

10 (C) retail liquor stores;

11 (D) manufacturers and food processors;

12 (E) schools, such as pre-kindergarten, kindergarten through grade 12,
13 post-secondary, higher education, technical education and training;

14 (F) hospitals and healthcare providers, including, but not limited to,
15 physicians, surgeons, psychologists and psychoanalysts, but not including
16 personal services providers such as massage therapists and chiropractors;

17 (G) property management and real estate services, including owners
18 or operators of short-term rental properties;

19 (H) professional services, including, but not limited to, accounting,
20 insurance, legal, financial services and firms, information technology,
21 engineering and architecture;

22 (I) agriculture and aquaculture producers, including farms, ranches
23 and fisheries, but not including their retail storefronts used to conduct
24 retail sales to customers;

25 (J) hosts or operators of a vacation or short-term rental unit;

26 (K) passive businesses, investment companies and investors who file
27 a schedule E on their individual tax returns;

28 (L) financial businesses primarily engaged in the business of lending,
29 such as banks, finance companies and factoring companies;

30 (M) cable companies, telephone companies, utilities and other similar
31 businesses; and

32 (N) energy production, generation and distribution companies.

33 (3) When a retail storefront is occupied by two or more businesses
34 and more than one of the businesses is able to qualify as a claimant, the
35 businesses may determine between them as to whom the claimant will be.
36 If they are unable to agree, the matter shall be referred to the secretary of
37 revenue whose decision shall be final.

38 (c) "Gross rent" means the rental paid at arm's length solely for the
39 right of occupancy of a retail storefront paid to a landlord, as expressly set
40 out in the rental agreement, exclusive of charges for any utilities, services,
41 furniture and furnishings or personal property appliances furnished by the
42 landlord as a part of the rental agreement, whether or not expressly set out
43 in the rental agreement. Whenever the director of taxation finds that the

1 landlord and tenant have not dealt with each other at arm's length and that
2 the gross rent charge was excessive, the director may adjust the gross rent
3 to a reasonable amount for the purpose of the claim.

4 (d) "Property taxes accrued" means property taxes, exclusive of
5 special assessments, delinquent interest and charges for service, levied on
6 a claimant's retail storefront in 2020 or 2021, as applicable, by the state of
7 Kansas and the political and taxing subdivisions of the state. When a retail
8 storefront is owned by two or more persons or entities as joint tenants or
9 tenants in common and one or more of the persons or entities is not a part
10 of claimant's business, "property taxes accrued" is that part of property
11 taxes levied on the retail storefront that reflects the ownership percentage
12 of the claimant's business. For purposes of this act, property taxes are
13 "levied" when the tax roll is delivered to the local treasurer with the
14 treasurer's warrant for collection. When a claimant owns its retail
15 storefront part of a calendar year, "property taxes accrued" means only
16 taxes levied on the retail storefront when both owned and occupied as a
17 retail storefront by the claimant's business at the time of the levy,
18 multiplied by the percentage of 12 months that the property was owned
19 and occupied by the business as its retail storefront in the year. When a
20 business owns and occupies two or more different retail storefronts in the
21 same calendar year, property taxes accrued shall be the sum of the taxes
22 allocable to those several properties while occupied by the business as its
23 retail storefront during the year. Whenever a retail storefront is an integral
24 part of a larger unit such as a multi-purpose or multi-retail storefront
25 building, property taxes accrued shall be that percentage of the total
26 property taxes accrued as the value of the retail storefront is of the total
27 value. For the purpose of this act, the word "unit" refers to that parcel of
28 property covered by a single tax statement of which the retail storefront is
29 a part.

30 (e) "Rent constituting property taxes accrued" means 15% of the
31 gross rent actually paid in cash or its equivalent in 2020 or 2021, as
32 applicable, by a claimant solely for the right of occupancy of a retail
33 storefront on which ad valorem property taxes were levied in full for that
34 year. When a claimant occupies two or more different retail storefronts in
35 the same calendar year, rent constituting property taxes accrued shall be
36 computed by adding the rent constituting property taxes accrued for each
37 property rented by the claimant while occupied by the claimant as its retail
38 storefront during the year.

39 (f) "Retail storefront" means the real property in this state, whether
40 owned or rented, that is occupied by the claimant's business and where the
41 claimant conducts retail sales through customers' physical, on-site
42 presence. "Retail storefront" may consist of a part of a multi-purpose or
43 multi-retail storefront building. "Owned" includes a vendee in possession

1 under a land contract, a life tenant, a beneficiary under a trust and one or
2 more joint tenants or tenants in common.

3 New Sec. 3. (a) For tax years 2020 and 2021, a claimant shall be
4 eligible for a claim for refund under this act if the claimant's eligible
5 business operated at the retail storefront was operationally shut down or
6 restricted by a COVID-19-related order or action imposed by the state, a
7 local unit of government or a local health officer, including, but not limited to,
8 to, by an executive order issued by the governor pursuant to K.S.A. 48-
9 925, and amendments thereto, or any action taken by a local unit of
10 government related to a state of disaster emergency declared pursuant to
11 K.S.A. 48-924, and amendments thereto, or a state of local disaster
12 emergency declared pursuant to K.S.A. 48-932, and amendments thereto.

13 (b) The amount of refund under this act shall be equal to 33% of the
14 COVID-19 qualifying sum. The COVID-19 qualifying sum shall be the
15 sum of the COVID-19 ordered shutdown days gross rebate amount
16 calculated pursuant to subsection (c) and the COVID-19 ordered restricted
17 operations days gross rebate amount calculated pursuant to subsection (d).

18 (c) The COVID-19 ordered shutdown days gross rebate amount shall
19 be the amount of the claimant's property taxes accrued or rent constituting
20 property taxes accrued for the tax year divided by the applicable factor set
21 forth in the following schedule:

22		Divide property taxes accrued or rent constituting property
23	Number of ordered	
24	taxes	
25	shutdown days	accrued by:
26	91 or more	3
27	61 to 90	4
28	31 to 60	6
29	1 to 30	12

30 (d) The COVID-19 ordered restricted operations days gross rebate
31 amount shall be the amount of the claimant's property taxes accrued or rent
32 constituting property taxes accrued for the tax year divided by the
33 applicable factor set forth in the following schedule:

34		Divide property taxes accrued or rent constituting property
35	Number of ordered	
36	taxes	
37	restricted operations days	accrued by:
38	211 or more	2
39	181 to 210	2.289
40	151 to 180	2.667
41	121 to 150	3.2
42	91 to 120	4
43	61 to 90	5.333

1 31 to 60

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2 1 to 30

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3 (e) For purposes of subsections (c) and (d), an eligible calendar day
4 may be counted only once as either an ordered shutdown day or an ordered
5 restricted operations day.

6 (f) A claimant with a qualifying business at a retail storefront that
7 ceased operations after March 1, 2020, and before January 1, 2021, is
8 eligible for a rebate only for tax year 2020.

9 (g) The maximum amount of a refund that may be claimed by a
10 claimant in any single tax year pursuant to this act shall be \$7,500.

11 New Sec. 4. A claimant may claim property tax relief under this act
12 with respect to property taxes accrued or rent constituting property taxes
13 accrued and, after audit by the director of taxation with respect to this act,
14 the allowable amount of such claim shall be paid, except as otherwise
15 provided in section 9, and amendments thereto, to the claimant from the
16 income tax refund fund. Such payment shall be made upon warrants of the
17 director of accounts and reports pursuant to vouchers approved by the
18 director of taxation or by any person designated by the claimant, but no
19 warrant issued shall be drawn in an amount of less than \$5. No interest
20 shall be allowed on any payment made to a claimant pursuant to this act.

21 New Sec. 5. Only one claimant per retail storefront per year shall be
22 entitled to relief under this act.

23 New Sec. 6. For tax years 2020 and 2021, no claim shall be paid or
24 allowed unless such claim is filed with and in the possession of the
25 department of revenue on or before April 15, 2022, except that the director
26 of taxation may extend the time for filing any claim or accept a claim filed
27 after the filing deadline when good cause exists, if the claim has been filed
28 within four years of the deadline.

29 New Sec. 7. (a) In administering this act, the director of taxation shall
30 make available suitable forms with instructions for claimants.

31 (b) The secretary of revenue is hereby authorized to adopt such rules
32 and regulations as may be necessary for the administration of the
33 provisions of this act.

34 New Sec. 8. (a) Every claimant under this act shall provide to the
35 director of taxation, in support of a claim, reasonable proof of eligibility
36 for the refund.

37 (b) Every claimant who is a retail storefront owner, or whose claim is
38 based wholly or partly upon retail storefront ownership at some time
39 during the calendar year, shall supply to the director of taxation, in support
40 of a claim, the amount of property taxes levied upon the property claimed
41 as a retail storefront and a statement that the property taxes accrued used
42 for purposes of this act have been or will be paid by the claimant. Upon
43 request by the director, such claimant shall provide a copy of the statement

1 of property taxes levied upon the property claimed as a retail storefront.

2 (c) Every claimant who is a retail storefront renter, or whose claim is
3 based wholly or partly upon retail storefront rental at some time during the
4 calendar year, shall supply to the division, in support of a claim, a
5 statement prescribed by the director certifying the amount of gross rent
6 paid and that ad valorem property taxes were levied in full for that year on
7 the property, all or a part of which was rented by the claimant.

8 (d) The information required to be furnished under subsection (b) or
9 (c) shall be in addition to that required under subsection (a).

10 New Sec. 9. (a) The amount of any claim otherwise payable under
11 this act may be applied by the director of taxation against any liability
12 outstanding on the books of the department of revenue against the claimant
13 in the year that the claim relates.

14 (b) If there are delinquent property taxes for tax year 2020 or 2021 on
15 a retail storefront owned by the claimant, the refund shall be paid to the
16 county treasurer of the county in which such retail storefront is located and
17 applied to such delinquent property taxes.

18 New Sec. 10. If there are delinquent property taxes for a tax year
19 commencing prior to January 1, 2020, on a retail storefront owned by the
20 claimant, the claimant shall not be eligible for the refund pursuant to this
21 act for such retail storefront.

22 New Sec. 11. In any case in which it is determined that a claim is or
23 was excessive and was filed with fraudulent intent, the claim shall be
24 disallowed in full, and, if the claim has been paid, the amount paid may be
25 recovered by assessment as income taxes are assessed, and such
26 assessment shall bear interest from the date of payment or credit of the
27 claim, until recovered, at the rate of 1% per month. The claimant in such
28 case and any person who assisted in the preparation or filing of such
29 excessive claim or supplied information upon which such excessive claim
30 was prepared, with fraudulent intent, shall be guilty of a class B
31 misdemeanor. In any case in which it is determined that a claim is or was
32 excessive and was negligently prepared, 10% of the corrected claim shall
33 be disallowed, and, if the claim has been paid, the proper portion of any
34 amount paid shall be similarly recovered by assessment as income taxes
35 are assessed, and such assessment shall bear interest at the rate of 1% per
36 month from the date of payment until recovered. In any case in which it is
37 determined that a claim is or was excessive due to the fact that the
38 claimant neglected to include certain income received during the year, the
39 claim shall be corrected and the excess disallowed, and, if the claim has
40 been paid, the proper portion of any amount paid shall be similarly
41 recovered by assessment as income taxes are assessed.

42 New Sec. 12. A claim shall be disallowed if the director of taxation
43 finds that the claimant received title to such claimant's retail storefront

1 primarily for the purpose of receiving benefits under this act.

2 New Sec. 13. Each county shall pay to the state an amount equal to
3 33% of the refund claims paid pursuant to this act for eligible property
4 located in such county. A county may expend moneys from the county
5 general fund to pay the state pursuant to this section.

6 New Sec. 14. To the extent applicable, the provisions of K.S.A. 79-
7 3226, and amendments thereto, shall apply to claims for refunds allowable
8 pursuant to this act that may become in dispute.

9 New Sec. 15. (a) The owner of any building listed and assessed for
10 property taxation purposes as real property that maintains a business on the
11 property that was shut down or limited in any capacity from conducting
12 operations by the state, county, city or other political subdivision of the
13 state pursuant to an executive order issued by the governor pursuant to
14 K.S.A. 48-925, and amendments thereto, or any action taken by a county,
15 city or other political subdivision of the state related to a state of disaster
16 emergency declared pursuant to K.S.A. 48-924, and amendments thereto,
17 or state of local disaster emergency declared pursuant to K.S.A. 48-932,
18 and amendments thereto, may make application to the board of county
19 commissioners of the county in which such property is located for the
20 reimbursement of the property taxes levied upon such property during the
21 shutdown or capacity limitation. The county treasurer shall reimburse from
22 the county general fund any owner who makes an application or operator
23 that joins in an application that is determined to be valid for the period of
24 time that the shutdown or capacity limitation remained in effect. For
25 shutdowns, the reimbursement shall be calculated as a $\frac{1}{365}$ amount of the
26 total ad valorem real property taxes levied by the state, county and all
27 other taxing subdivisions due for the property for the year multiplied by
28 the number of calendar days the shutdown was in effect. For capacity
29 limitations, the reimbursement shall be calculated as a $\frac{1}{365}$ amount of the
30 total ad valorem real property taxes levied by the state, county and all
31 other taxing subdivisions due for the property for the year multiplied by
32 the percentage of the capacity limitation and further multiplied by the
33 number of calendar days the capacity limitation was in effect.

34 (b) If the owner is the operator of the business on the property that
35 was shut down or limited in any capacity from conducting operations, the
36 owner shall be entitled to 100% of such reimbursement amount. If the
37 owner is not the operator of such business that was shut down or limited in
38 any capacity from conducting operations: (1) The owner shall disclose and
39 attest to the identity of the operator of such business on the application
40 form; (2) the owner shall be entitled to 50% of such reimbursement
41 amount; (3) the operator of such business shall be entitled to 50% of such
42 reimbursement amount if such operator joins in the owner's application;
43 and (4) such operator that joins in the owner's application may elect to

1 assign such operator's share of the reimbursement amount to the owner to
2 be credited against any delinquent rent due to the owner.

3 (c) If the state, a city or other political subdivision of the state was the
4 governmental entity that shut down or limited the capacity of the business
5 resulting in a reimbursement to an owner or operator pursuant to this
6 section, such governmental entity that shut down or limited the capacity of
7 the business shall reimburse the county for the cost of such
8 reimbursement.

9 (d) The provisions of this section shall be applicable on and after
10 January 1, 2022.

11 New Sec. 16. The legislative post audit committee shall direct the
12 legislative division of post audit to conduct a study of the economic impact
13 of taxation and exemption issues relating to non-profit organizations and
14 governmental entities competing against for-profit businesses. The study
15 shall be conducted during calendar year 2021, and the final study report
16 shall be submitted to the legislature on or before January 15, 2022.

17 Sec. 17. K.S.A. 2020 Supp. 72-5142 is hereby amended to read as
18 follows: 72-5142. (a) The board of education of each school district shall
19 levy an ad valorem tax upon the taxable tangible property of the school
20 district in the school years specified in subsection (b) for the purpose of:

21 (1) Financing that portion of the school district's general fund budget
22 that is not financed from any other source provided by law;

23 (2) paying a portion of the costs of operating and maintaining public
24 schools in partial fulfillment of the constitutional obligation of the
25 legislature to finance the educational interests of the state; and

26 (3) with respect to any redevelopment school district established prior
27 to July 1, 1997, pursuant to K.S.A. 12-1771, and amendments thereto,
28 paying a portion of the principal and interest on bonds issued by cities
29 under authority of K.S.A. 12-1774, and amendments thereto, for the
30 financing of redevelopment projects upon property located within the
31 school district.

32 (b) The tax required under subsection (a) shall be levied at a rate of
33 20 mills in the school years ~~2019-2020~~ 2021-2022 and ~~2020-2021~~ 2022-
34 2023.

35 (c) The proceeds from the tax levied by a district under authority of
36 this section, except the proceeds of such tax levied for the purpose
37 described in subsection (a)(3), shall be remitted to the state treasurer in
38 accordance with the provisions of K.S.A. 75-4215, and amendments
39 thereto. Upon receipt of each such remittance, the state treasurer shall
40 deposit the entire amount in the state treasury to the credit of the state
41 school district finance fund.

42 (d) No school district shall proceed under K.S.A. 79-1964, 79-1964a
43 or 79-1964b, and amendments thereto.

1 Sec. 18. K.S.A. 74-2433, as amended by section 5 of 2021 House Bill
2 No. 2104, is hereby amended to read as follows: 74-2433. (a) There is
3 hereby created a state board of tax appeals, referred to in this act as the
4 board. The board shall be composed of three members who shall be
5 appointed by the governor, subject to confirmation by the senate as
6 provided in K.S.A. 75-4315b, and amendments thereto. For members
7 appointed after June 30, 2014, one of such members shall have been
8 regularly admitted to practice law in the state of Kansas and for a period of
9 at least five years, have engaged in the active practice of law as a lawyer,
10 judge of a court of record or any other court in this state; one of such
11 members shall have engaged in active practice as a certified public
12 accountant for a period of at least five years and one such member shall be
13 a licensed certified general real property appraiser. In addition, the
14 governor shall also appoint a chief hearing officer, subject to confirmation
15 by the senate as provided in K.S.A. 75-4315b, and amendments thereto,
16 who, in addition to other duties prescribed by this act, shall serve as a
17 member pro tempore of the board. No successor shall be appointed for any
18 judge of the court of tax appeals appointed before July 1, 2014. Such
19 persons shall continue to serve as members on the board of tax appeals
20 until their terms expire. Except as provided by K.S.A. 46-2601, and
21 amendments thereto, no person appointed to the board, including the chief
22 hearing officer, shall exercise any power, duty or function as a member of
23 the board until confirmed by the senate. Not more than two members of
24 the board shall be of the same political party. Members of the board,
25 including the chief hearing officer, shall be residents of the state. Subject
26 to the provisions of K.S.A. 75-4315c, and amendments thereto, no more
27 than one member shall be appointed from any one of the congressional
28 districts of Kansas unless, after having exercised due diligence, the
29 governor is unable to find a qualified replacement within 90 days after any
30 vacancy on the board occurs. The members of the board, including the
31 chief hearing officer, shall be selected with special reference to training
32 and experience for duties imposed by this act and shall be individuals with
33 legal, tax, accounting or appraisal training and experience. State board of
34 tax appeals members shall be subject to the supreme court rules of judicial
35 conduct applicable to all judges of the district court. The board shall be
36 bound by the doctrine of stare decisis limited to published decisions of an
37 appellate court. Members of the board, including the chief hearing officer,
38 shall hold office for terms of four years. A member may continue to serve
39 for a period of 180 days after the expiration of the member's term, or until
40 a successor has been appointed and confirmed, whichever is shorter.
41 Except as otherwise provided, such terms of office shall expire on January
42 15 of the last year of such term. If a vacancy occurs on the board, or in the
43 position for chief hearing officer, the governor shall appoint a successor to

1 fill the vacancy for the unexpired term. Nothing in this section shall be
2 construed to prohibit the governor from reappointing any member of the
3 board, including the chief hearing officer, for additional four-year terms.
4 The governor shall select one of its members to serve as chairperson. The
5 votes of two members shall be required for any final order to be issued by
6 the board. Meetings may be called by the chairperson and shall be called
7 on request of a majority of the members of the board and when otherwise
8 prescribed by statute.

9 (b) Any member appointed to the state board of tax appeals and the
10 chief hearing officer may be removed by the governor for cause, after
11 public hearing conducted in accordance with the provisions of the Kansas
12 administrative procedure act.

13 (c) The state board of tax appeals shall appoint, subject to approval
14 by the governor, an executive director of the board, to serve at the pleasure
15 of the board. The executive director shall: (1) Be in the unclassified
16 service under the Kansas civil service act; (2) devote full time to the
17 executive director's assigned duties; (3) receive such compensation as
18 determined by the board, subject to the limitations of appropriations
19 thereof; and (4) have familiarity with the tax appeals process sufficient to
20 fulfill the duties of the office of executive director. The executive director
21 shall perform such other duties as directed by the board.

22 (d) Appeals decided by the state board of tax appeals shall be made
23 available to the public and shall be published by the board on the board's
24 website within 30 days after the decision has been rendered. The board
25 shall also publish a monthly report that includes all appeals decided that
26 month as well as all appeals which have not yet been decided and are
27 beyond the time limitations as set forth in K.S.A. 74-2426, and
28 amendments thereto. Such report shall be made available to the public and
29 transmitted by the board to the members of the Kansas legislature.

30 (e) After appointment, members of the state board of tax appeals that
31 are not otherwise a state certified general real property appraiser shall
32 complete the following course requirements: (1) A tested appraisal course
33 of not less than 30 clock hours of instruction consisting of the
34 fundamentals of real property appraisal with an emphasis on the cost and
35 sales approaches to value; (2) a tested appraisal course of not less than 30
36 clock hours of instruction consisting of the fundamentals of real property
37 appraisal with an emphasis on the income approach to value; (3) a tested
38 appraisal course of not less than 30 clock hours of instruction with an
39 emphasis on mass appraisal; (4) an appraisal course with an emphasis on
40 Kansas property tax laws; (5) an appraisal course on the techniques and
41 procedures for the valuation of state assessed properties with an emphasis
42 on unit valuation; and (6) a tested appraisal course on the techniques and
43 procedures for the valuation of land devoted to agricultural use pursuant to

1 K.S.A. 79-1476, and amendments thereto. Such courses shall be courses
2 approved by the Kansas real estate appraisal board pursuant to K.S.A. 58-
3 4105, and amendments thereto. Any member appointed to the board who is
4 a certified real property appraiser shall only be required to take such
5 educational courses as are required to maintain the appraisal license. The
6 executive director shall adopt rules and regulations prescribing a timetable
7 for the completion of the course requirements and prescribing continued
8 education requirements for members of the board.

9 (f) The state board of tax appeals shall have no capacity or power to
10 sue or be sued.

11 (g) It is the intent of the legislature that proceedings in front of the
12 board of tax appeals be conducted in a fair and impartial manner and that
13 all taxpayers are entitled to a neutral interpretation of the tax laws of the
14 state of Kansas. The provisions of the tax laws of this state shall be applied
15 impartially to both taxpayers and taxing districts in cases before the board.
16 Valuation appeals before the board shall be decided upon a determination
17 of the fair market value of the fee simple of the property. Nothing in this
18 section shall prohibit a property owner, during a property valuation appeal
19 before the board, from raising arguments regarding classification. Cases
20 before the board shall not be decided upon arguments concerning the
21 shifting of the tax burden or upon any revenue loss or gain which may be
22 experienced by the taxing district.

23 (h) Notwithstanding any provisions of subsection (a) to the contrary,
24 the governor may appoint a former member in good standing of the board
25 of tax appeals to serve as a member pro tempore of the board for a period
26 not to exceed one year when, after having exercised due diligence, ~~more~~
27 ~~than one~~ a vacancy on the board exists. Such member pro tempore may
28 exercise any power, duty or function as is necessary to serve as a member
29 of the board. Such member pro tempore shall serve at the pleasure of the
30 governor and receive compensation for each day of actual attendance or
31 work as a member based on a proration of the annual salary provided in
32 K.S.A. 74-2434, and amendments thereto. The provisions of this
33 subsection shall expire on June 30, 2023.

34 Sec. 19. K.S.A. 79-201x is hereby amended to read as follows: 79-
35 201x. For taxable years ~~2019~~ 2021 and ~~2020~~ 2022, the following described
36 property, to the extent herein specified, shall be and is hereby exempt from
37 the property tax levied pursuant to the provisions of K.S.A. 72-5142, and
38 amendments thereto: Property used for residential purposes to the extent of
39 \$20,000 of its appraised valuation.

40 Sec. 20. On and after January 1, 2022, K.S.A. 79-5107 is hereby
41 amended to read as follows: 79-5107. (a) Except as provided in subsection
42 (e), the tax imposed by this act upon any motor vehicle, other than a motor
43 vehicle ~~which~~ that replaces a motor vehicle previously registered and

1 taxed in this state and to which registration plates are transferred, ~~which~~
2 *that* has been acquired, or brought into the state, or for any other reason
3 becomes subject to registration after the owner's regular annual motor
4 vehicle registration date, shall become due and payable at the time such
5 motor vehicle becomes subject to registration under the laws of this state
6 and the amount of tax to be paid by the owner for the remainder of the tax
7 year shall be an amount ~~which~~ *that* is equal to $\frac{1}{12}$ of the tax ~~which~~ *that*
8 would have been due upon such motor vehicle for the full registration year,
9 multiplied by the number of full calendar months remaining in the
10 registration year of the owner of such vehicle. Such tax shall be paid at the
11 time of the registration of such motor vehicle.

12 (b) Except as provided in subsection (e), the tax upon a motor
13 vehicle, ~~which~~ *that* replaces a motor vehicle previously registered and
14 taxed in this state and to which registration plates are transferred, ~~which~~
15 *that* is registered at any time other than the annual registration date
16 prescribed by law for the registration of such motor vehicle, shall be in an
17 amount equal to the amount by which: (1) One-twelfth of the tax ~~which~~
18 *that* would have been due upon such replacement motor vehicle for the full
19 registration year multiplied by the number of full calendar months
20 remaining in the registration year for such motor vehicle, exceeds (2) one-
21 twelfth of the tax ~~which~~ *that* would have been due for the full registration
22 year upon the motor vehicle replaced multiplied by the number of full
23 calendar months remaining in such registration year. Such tax shall be paid
24 at the time of registration of such replacement vehicle.

25 (c) Whenever the tax imposed under this act has been paid upon any
26 motor vehicle and title to such vehicle is transferred and no replacement
27 vehicle is substituted therefor such taxpayer shall be entitled to a refund in
28 an amount equal to $\frac{1}{12}$ of the tax due upon such motor vehicle for the full
29 registration year, multiplied by the number of full calendar months
30 remaining in such registration year. Whenever the tax imposed under this
31 act upon any replacement motor vehicle for the remainder of the
32 registration year is less than the tax paid on the motor vehicle replaced for
33 the remainder of such registration year, the taxpayer shall be entitled to a
34 refund in the amount ~~by which~~ *that* the tax paid upon the vehicle replaced
35 exceeds the tax due upon the replacement vehicle. All refunds shall be paid
36 by the county treasurer from the moneys received from taxes upon motor
37 vehicles imposed by this act ~~which~~ *that* have not been distributed. No
38 refund shall be made under the authority of this subsection for a sum less
39 than \$5.

40 (d) Whenever the tax imposed under this act has been paid upon any
41 motor vehicle and the owner thereof has established residence in another
42 state during such vehicle's registration year, such owner shall be entitled to
43 a refund of such taxes in an amount equal to $\frac{1}{12}$ of the tax paid upon such

1 motor vehicle for the full registration year, multiplied by the number of
2 full calendar months remaining in such registration year after the month of
3 establishing residence in another state. No such refund shall be allowed
4 unless ~~and until~~ the owner submits ~~to the county treasurer~~ evidence of a
5 valid driver's license and motor vehicle registration in another state; *to the*
6 *county treasurer* and surrenders the Kansas license plate. All refunds shall
7 be paid by the county treasurer from the moneys received from taxes upon
8 motor vehicles ~~which~~ *that* have not been distributed. No refund shall be
9 made for a sum less than \$5.

10 (e) (1) No tax shall be levied under the provisions of this act upon not
11 more than two motor vehicles ~~which~~ *that* are owned by a resident
12 individual *who is*:

13 (A) ~~Who is~~ In the full-time military service of the United States, is
14 absent from this state solely by reason of military orders on the date of
15 such individual's application for registration and such motor vehicles are
16 maintained by such individual outside of this state;

17 (B) ~~who is~~ a member of the military service of the United States and
18 is mobilized or deployed on the date of such individual's application for
19 registration; ~~or~~

20 (C) ~~who is~~ a full-time member of the military service of the United
21 States, and is stationed in Kansas; ~~or who is a full-time active guard and~~
22 ~~reservist~~

23 (D) *a current member in good standing* of the Kansas army or air
24 national guard or a ~~Kansas~~ unit of the reserve forces of the United States
25 ~~under authority of title 10 or title 32 of the U.S. code, and is stationed or~~
26 ~~assigned in Kansas military.~~

27 (2) The owner of a motor vehicle not subject to tax pursuant to the
28 provisions of ~~subsection (e) paragraph~~ (1) who has paid the tax levied
29 under the provisions of K.S.A. 79-5101, and amendments thereto, may
30 apply for a refund with the county treasurer not later than one year from
31 the effective date of this act. The county treasurer shall refund any such
32 taxes previously paid by such owner of a motor vehicle.

33 (3) The provisions of this subsection shall be applicable ~~on and~~ after
34 December 31, ~~2013~~ 2021.

35 Sec. 21. K.S.A. 74-2433, as amended by section 5 of 2021 House Bill
36 No. 2104, and 79-201x and K.S.A. 2020 Supp. 72-5142 are hereby
37 repealed.

38 Sec. 22. On and after January 1, 2022, K.S.A. 79-5107 is hereby
39 repealed.

40 Sec. 23. This act shall take effect and be in force from and after its
41 publication in the statute book.