

HOUSE BILL No. 2240

By General Government Budget Committee

2-5

1 AN ACT concerning taxation; relating to the board of tax appeals, small
2 claims and expedited hearing division, hearing officers; amending
3 K.S.A. 2014 Supp. 74-2433f and repealing the existing section.
4

5 *Be it enacted by the Legislature of the State of Kansas:*

6 Section 1. K.S.A. 2014 Supp. 74-2433f is hereby amended to read as
7 follows: 74-2433f. (a) There shall be a division of the state board of tax
8 appeals known as the small claims and expedited hearings division.
9 Hearing officers appointed by the chief hearing officer shall have authority
10 to hear and decide cases heard in the small claims and expedited hearings
11 division. ~~The chief hearing officer shall not appoint as a hearing officer~~
12 ~~any person employed by the board, including, but not limited to, any~~
13 ~~person employed by the board as an attorney.~~

14 (b) The small claims and expedited hearings division shall have
15 jurisdiction over hearing and deciding applications for the refund of
16 protested taxes under the provisions of K.S.A. 79-2005, and amendments
17 thereto, and hearing and deciding appeals from decisions rendered
18 pursuant to the provisions of K.S.A. 79-1448, and amendments thereto,
19 and of article 16 of chapter 79 of the Kansas Statutes Annotated, and
20 amendments thereto, with regard to single-family residential property. The
21 filing of an appeal with the small claims and expedited hearings division
22 shall be a prerequisite for filing an appeal with the state board of tax
23 appeals for appeals involving single-family residential property.

24 (c) At the election of the taxpayer, the small claims and expedited
25 hearings division shall have jurisdiction over: (1) Any appeal of a decision,
26 finding, order or ruling of the director of taxation, except an appeal,
27 finding, order or ruling relating to an assessment issued pursuant to K.S.A.
28 79-5201 et seq., and amendments thereto, in which the amount of tax in
29 controversy does not exceed \$15,000; (2) hearing and deciding
30 applications for the refund of protested taxes under the provisions of
31 K.S.A. 79-2005, and amendments thereto, where the value of the property,
32 other than property devoted to agricultural use, is less than \$3,000,000 as
33 reflected on the valuation notice; and (3) hearing and deciding appeals
34 from decisions rendered pursuant to the provisions of K.S.A. 79-1448, and
35 amendments thereto, and of article 16 of chapter 79 of the Kansas Statutes
36 Annotated, and amendments thereto, other than those relating to land

1 devoted to agricultural use, wherein the value of the property is less than
2 \$3,000,000 as reflected on the valuation notice.

3 (d) In accordance with the provisions of K.S.A. 74-2438, and
4 amendments thereto, any party may elect to appeal any application or
5 decision referenced in subsection (b) to the state board of tax appeals.
6 Except as provided in subsection (b) regarding single-family residential
7 property, the filing of an appeal with the small claims and expedited
8 hearings division shall not be a prerequisite for filing an appeal with the
9 state board of tax appeals under this section. Final decisions of the small
10 claims and expedited hearings division may be appealed to the state board
11 of tax appeals. An appeal of a decision of the small claims and expedited
12 hearings division to the state board of tax appeals shall be de novo. The
13 county bears the burden of proof in any appeal filed by the county
14 pursuant to this section.

15 (e) A taxpayer shall commence a proceeding in the small claims and
16 expedited hearings division by filing a notice of appeal in the form
17 prescribed by the rules of the state board of tax appeals which shall state
18 the nature of the taxpayer's claim. The notice of appeal may be signed by
19 the taxpayer, any person with an executed declaration of representative
20 form from the property valuation division of the department of revenue or
21 any person authorized to represent the taxpayer in subsection (f). Notice of
22 appeal shall be provided to the appropriate unit of government named in
23 the notice of appeal by the taxpayer. In any valuation appeal or tax protest
24 commenced pursuant to articles 14 and 20 of chapter 79 of the Kansas
25 Statutes Annotated, and amendments thereto, the hearing shall be
26 conducted in the county where the property is located or a county adjacent
27 thereto. In any appeal from a final determination by the secretary of
28 revenue, the hearing shall be conducted in the county in which the
29 taxpayer resides or a county adjacent thereto.

30 (f) The hearing in the small claims and expedited hearings division
31 shall be informal. The hearing officer may hear any testimony and receive
32 any evidence the hearing officer deems necessary or desirable for a just
33 determination of the case. A hearing officer shall have the authority to
34 administer oaths in all matters before the hearing officer. All testimony
35 shall be given under oath. A party may appear personally or may be
36 represented by an attorney, a certified public accountant, a certified
37 general appraiser, a tax representative or agent, a member of the taxpayer's
38 immediate family or an authorized employee of the taxpayer. A county or
39 unified government may be represented by the county appraiser, designee
40 of the county appraiser, county attorney or counselor or other
41 representatives so designated. No transcript of the proceedings shall be
42 kept.

43 (g) The hearing in the small claims and expedited hearings division

1 shall be conducted within 60 days after the appeal is filed in the small
2 claims and expedited hearings division unless such time period is waived
3 by the taxpayer. A decision shall be rendered by the hearing officer within
4 30 days after the hearing is concluded and, in cases arising from appeals
5 described by subsections (b) and (c)(2) and (3), shall be accompanied by a
6 written explanation of the reasoning upon which such decision is based.
7 Documents provided by a taxpayer or county or district appraiser shall be
8 returned to the taxpayer or the county or district appraiser by the hearing
9 officer and shall not become a part of the board's permanent records.
10 Documents provided to the hearing officer shall be confidential and may
11 not be disclosed, except as otherwise specifically provided.

12 (h) With regard to any matter properly submitted to the division
13 relating to the determination of valuation of property for taxation purposes,
14 it shall be the duty of the county appraiser to initiate the production of
15 evidence to demonstrate, by a preponderance of the evidence, the validity
16 and correctness of such determination. No presumption shall exist in favor
17 of the county appraiser with respect to the validity and correctness of such
18 determination. With regard to leased commercial and industrial property,
19 the burden of proof shall be on the taxpayer unless the taxpayer has
20 furnished the county or district appraiser, within 30 calendar days
21 following the informal meeting required by K.S.A. 79-1448, and
22 amendments thereto, or within 30 calendar days following the informal
23 meeting required by K.S.A. 79-2005, and amendments thereto, a complete
24 income and expense statement for the property for the three years next
25 preceding the year of appeal. Such income and expense statement shall be
26 in such format that is regularly maintained by the taxpayer in the ordinary
27 course of the taxpayer's business. If the taxpayer submits a single property
28 appraisal with an effective date of January 1 of the year appealed, the
29 burden of proof shall return to the county appraiser.

30 Sec. 2. K.S.A. 2014 Supp. 74-2433f is hereby repealed.

31 Sec. 3. This act shall take effect and be in force from and after its
32 publication in the statute book.