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2026
Personal Property
Summary

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2026 Personal Property Summary Changes

The following are notable changes in the 2026 summary:

New exemptions added for off-road vehicles, certain trailers, any marine equipment and watercraft

Other guide changes may consist of dates, page numbers, formatting, and additional language for clarification

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Introduction

This publication was written by the Property Valuation Division (PVD) in the Kansas Department of Revenue. It is intended to provide county appraisers and taxpayers with an overview of laws and procedures related to the taxation of personal property in Kansas. This publication is not all-inclusive. It refers to information contained in directives and valuation guidelines issued by the Division and Kansas statutes. This *Kansas Personal Property Summary* is not to be used or construed as the actual guide or directive for purposes of PVD Directive 19-048, K.S.A. 79-505, or K.S.A. 79-1456.

Detailed information for valuing personal property can be found on the Property Valuation Division (PVD) website at http://www.ksrevenue.gov/pvdindex.html Personal property valuation guides, assessment forms, information guides, and general information about the Division can be found on the website. Related sites, such as the Kansas Department of Revenue Policy Library, which include statutes, directives, and legislation, can also be accessed through the PVD website.

Frequently Asked Questions

Why is personal property taxed in Kansas?

Tax dollars are used by local government to provide funding for roads, parks, fire protection, police protection, health, and other services. Property taxes also fund public school districts.

What does the county appraiser do?

By law, the county appraiser is responsible for annually listing and appraising all taxable property within the jurisdiction in a uniform and equal manner. All property within the jurisdiction must be classified and valued according to Kansas law.

How does the county's appraisal affect taxes?

If a property value goes up, it does not necessarily mean the taxes will increase. Likewise, if a property value goes down or does not change, it does not automatically mean the taxes will decrease or remain the same. The amount of property taxes depends on the budgets set by local government, special assessments, and an amount distributed to public schools. Changes in property taxes are based in large part on how much the local government decides to spend on services each year. If values overall go up but local spending remains the same, the mill levy (tax rate) should be lower and therefore have little effect on the tax bill.

How is personal property appraised?

All personal property, except certain motor vehicles and commercial/industrial machinery and equipment, is appraised at its "market value" as of the first day of January each year. Market value is the amount of money a well-informed buyer would pay, and a well-informed seller would accept for property in an open and competitive market without any outside influence. Certain motor vehicles and commercial/industrial machinery and equipment are appraised using a value-based method; however, it is not "market value."

Do personal property values depreciate every year?

Personal property valued at market value does not necessarily depreciate each year. Market conditions, deterioration, improvements to the property, and other factors can affect the market value. Typically, personal property valued with a formula-driven value will depreciate each year, or until a minimum value is reached.

How does the county appraiser determine personal property values?

By law, the county appraiser must appraise all taxable personal property using publications and valuation guidelines prescribed by the State Property Valuation Division. The county may deviate from a prescribed value if it is "market-driven," in order to achieve market value. All deviations must be documented.

[K.S.A. 79-1456]

How does the county appraiser discover taxable personal property?

The owners of taxable personal property are required by law to list their property with the county appraiser. When the owner does not list taxable property, the appraiser must discover the property and place it on the appraisal roll. Methods the county can use to discover taxable property within their jurisdiction include accessing information from public records, viewing the property, and obtaining information from lessees and others that are required to list property they do not own, but have in their possession or control. Refer to the "Discovery of Personal Property" section in this guide for more information.

[K.S.A. 79-1411b]

When are taxpayers notified of the value of their personal property?

The personal property "notice of value" is sent to the property owner by May 1 each year. Failure to mail or receive the notice does not invalidate the classification or valuation.

[K.S.A. 79-1460]

What can property owners do if they believe their property value is too high?

There are two methods available for property owners to challenge or "appeal" their personal property values:

1. The property owner can appeal the "*notice of value*" by contacting the county appraiser's office by May 15th to schedule an informal meeting with an appraiser.

[K.S.A. 79-1448]

OR

2. The property owner can file a "*payment under protest*" with the county treasurer at the time the tax is paid. *If* all the tax is paid prior to December 20th, the protest may be filed no later than December 20th, or *if* the tax is paid from an escrow account or by a tax service, the protest may be filed by January 31st.

[K.S.A. 79-2005]

Note: A taxpayer cannot appeal the *"notice of value"* **and** pay the tax under protest for the same property for the same tax year.

[K.S.A. 79-2005(b)]

What takes place at the appeal hearing?

Before or during the informal hearing, the property owner should review the property record for accuracy of property information. The appraiser can demonstrate how the appraised value of the property was determined. Information and documentation to support what the owner believes the property is worth should be presented by the property owner. The appraiser will review and evaluate all information and documentation presented at the hearing. A "hearing result letter" with the appraiser's final determination of value will be mailed to the property owner. If not satisfied with the appraiser's final determination of value, the property owner may further appeal to the Kansas Board of Tax Appeals. [K.S.A. 79-1448; 79-2005]

How are personal property taxes calculated?

The *appraised value* of the property is multiplied by the *assessment rate* (*determined by the personal property subclass*) for the *assessed value*. The *assessed value* is then multiplied by the *mill levy* (*tax rate*) for the tax unit where the property has its tax situs on the assessment date (*generally where the property is located on January 1*). The resulting number is divided by 1,000 for the full year *property tax* amount.

Example: To calculate the property tax for personal property with an appraised value of $5,000:

Appr. Value x *Assess. Rate*	=*Assessed Value* x *Mill Levy*	÷ *1000*	= *Property Tax*
5000 x *30%	= 1,500 x **127.154	÷ 1000	= $190.73

* 30% is the *assessment rate* for property in the "motor vehicle" or "other" subclass of personal property.

** 127.154 is the 2024 statewide average *mill levy*. Contact the county clerk in the county where the property is taxed for the correct mill levy to use.

What is the mill levy?

The mill levy is the *tax rate* that is applied to the assessed value of the property when calculating the property tax. In general terms, the mill levy is computed by dividing the dollars needed for local services by the taxable assessed value in the service area. In addition, the Unified School Districts of Kansas levy 20 mills for the school general fund. Capital outlay and local option budgets are levied as necessary. After the local government budgets are published and meetings are completed in August of each year, the county clerk computes the final mill levies for each tax unit and certifies the tax roll to the county treasurer for collection.

Who is responsible for the taxes due on personal property that was sold or purchased during the year?

Generally, the personal property tax is the responsibility of the owner of record on the date of the assessment, typically January 1 of each year. [K.S.A. 79-309]

Are personal property taxes prorated?

Personal property is generally not prorated onto the tax roll when it is acquired or off the tax roll when disposed of. The *exceptions* are motor vehicles, other PP not elsewhere classified, and taxable personal property that becomes exempt during the tax year or exempt personal property that no longer qualifies for exemption.

[K.S.A. 79-306d; 79-306e & 32-1102; 79-345; 79-213; 79-214]

When are personal property taxes due?

The full amount or the first half tax payment for personal property assessed on the tax roll is due by December 20th of the tax year. The second half tax payment is due by May 10th of the following year. If the first half tax payment is not paid by December 20th, then the *full amount* becomes due immediately, and paying the second half by May 10th is no longer an option.

[K.S.A. 79-2004a]

Taxes for motor vehicles that are registered with a tag weight of 12,000 pounds or less and taxes for Kansas RV-titled recreational vehicles are due in full at time of registration or renewal. The property tax must be paid in order to register the vehicle.

[K.S.A.79-5107; 79-5119]

Whenever the aggregate amount of tax owed for tangible personal property by any taxpayer is less than $5, the tax is cancelled, and no personal property tax statement is issued. This applies only to the tax amount due, not the assessment or value of the personal property.

[K.S.A. 79-344]

Where can taxpayers find additional information about property taxation?

The county appraiser can answer taxpayers' questions concerning the classification and valuation of property. The county treasurer can answer questions about a tax bill or tax payment. The county clerk can answer questions regarding mill levies (tax rates) for taxing districts (tax units).

Valuation guides, assessment forms, statutes, county contacts, and other property tax-related information can be found on the Property Valuation Division (PVD) website at http://www.ksrevenue.gov/pvdindex.html.

Personal Property Classification and Assessment

Kansas law requires that property be taxed uniformly and equally as to class, and unless otherwise specified, valued based upon its market value as of January 1st. Article 11, Section 1 of the Kansas Constitution places real property and personal property into separate classes. Class 2 consists of tangible personal property. Tangible personal property is further classified into six subclasses and assessed at the following percentages of value.

Class/Subclass	Property Type	Assessment %
2.01	**Mobile/Manufactured Homes** used for residential purposes	**11.5%**
2.02	**Mineral leasehold interests**, *except* oil leasehold interests the average daily production from which is five barrels or less, and **natural gas leasehold interests** the average daily production from which is 100 mcf or less.	**30%,** **25%**
2.03	**Public Utility tangible personal property** including inventories thereof, *except* railroad personal property, including inventories thereof, which shall be assessed at the average rate all other commercial and industrial property is assessed.	**33%**
2.04	All categories of **Motor Vehicles** not defined and specifically valued and taxed pursuant to law enacted prior to *January 1, 1985. (*motor vehicles valued under K.S.A. 79-5100 Series)	**30%**
2.05	**Commercial and industrial machinery and equipment**, which, if its economic life is seven years or more, shall be valued at its retail cost when new less seven-year straight-line depreciation. Or which, if its economic life is less than seven years shall be valued at its retail cost when new less straight-line depreciation over its economic life, except that the value so obtained for such property, notwithstanding its economic life and as long as such property is being used, shall not be less than 20% of the retail cost when new of such property.	**25%**
2.06	**All other tangible personal property** not otherwise specifically classified.	**30%**
Watercraft	**Defined as;** any boat or vessel designed to be propelled by machinery, oars, paddles or wind action upon a sail for navigation on the water that cannot be exempted by other provisions of law. Each watercraft may include one trailer which is designed to launch, retrieve, transport and store such watercraft and any nonelectric motor or motors which are necessary to operate such watercraft on the water.	**EXEMPT**

Personal Property

What is personal property?

Personal property is "…every tangible thing which is the subject of ownership, not forming part or parcel of real property." [K.S.A. 79-102]

The distinguishing characteristic of personal property is the ability to move it without damage to itself or to the real property to which it may be attached. Personal property becomes real property only if it is affixed in such a way that it loses its original physical characteristics and cannot practically be restored to its original condition.

What personal property is taxable?

By law, *all* property in this state, **not expressly exempt**, is subject to taxation. Information regarding property tax exemptions can be found in the "Property Tax Exemption" section of this guide. [K.S.A. 79-101]

Who needs to list personal property for taxation?

Every person, association, company or corporation who owns or holds, subject to his or her control, any taxable personal property is required by law to list the property for assessment. Personal property is listed for assessment on a tangible personal property assessment form (rendition). A rendition must be filed if an initial filing has not been made or if there is a change to report regarding a previously filed rendition.

The Property Of:	**Is Listed By:**
A Ward	His or her guardian
A Minor	His or her father, if not living or unsound, then his or her mother, if neither are living, then by the person in charge of the property.
A Trust for the benefit of another	The Trustee
An Estate of a deceased person	The Executor or Administrator of the estate
Held in Receivership	the Receiver
A Corporation	A Designee of the corporation
A company or Firm	an Agent or Partner

If any person, association, company or corporation has in their possession or custody any taxable personal property belonging to others, it shall be their duty to list the property with the appraiser in the name of the owner of the property.

[K.S.A. 79-303]

Who must sign the personal property rendition?

By law, every person, association, company or corporation required to list property *must personally sign* the personal property rendition (assessment form). In addition, if a tax preparer completes the rendition, then the preparer must also sign the rendition to certify that the information is true and correct. [K.S.A. 79-306]

When and where does a taxpayer file a rendition?

Taxable personal property must be listed with the county appraiser on or before March 15th of each year in the county where the property has its tax situs **if they have not made an initial filing or there is a change to report regarding their personal property**. Examples of changes requiring filing include the acquisition/purchase of new personal property, the sale/removal of personal property currently on the tax roll and changes to the situs location or use of personal property currently on the tax roll. When March 15th falls on a day other than a regular business day, the rendition can be filed on the next following business day. Oil and gas renditions must be filed on or before April 1st of each year. The county appraiser may grant the taxpayer an extension to file *if* the taxpayer submits a request in writing to the appraiser on or before the March 15th or April 1st filing deadline, stating just and adequate reasons for the extension.

[K.S.A. 79-1422; 79-1457; 79-306; 79-332a; 60-206(e)]

As a general rule, all tangible personal property is listed in the taxing district where the property is located on the first day of January, *except for*:

(a) Tangible personal property owned by a Kansas resident that is stationed, located or stored on any municipal airport or airfield is listed and taxed in the taxing district where the owner resides. If the owner is not a resident of Kansas or the county in which the property is located, then the property is listed where it is located.

(b) Motor vehicles used by students while attending a university or college and owned by such students or another person are listed in the taxing district where the owner resided on January 1st.

(c) The tangible personal property of banks, bankers, brokers, merchants, insurance or other companies (except mutual fire insurance companies) is listed in the taxing district where their business is usually done.

(d) The tangible personal property of manufactories or mines is listed in the taxing district where the manufactories or mines are located.

(e) Personal property in transit is listed in the taxing district where the owner resides unless it is intended for a particular business, then, it is listed in the taxing district where the business is to be transacted.

Whenever property is removed from Kansas between November 1 and the following January 1, and then returned to Kansas prior to the following March 1, the property must still be listed unless the owner submits proof that the property was removed for a legitimate business purpose and was listed for taxation in another state. [K.S.A. 79-304]

Kansas Supreme Court cases related to K.S.A. 79-304:

In *Ray v. Board of County Comm'rs*, 173 Kan. 859 (1953), the court held that construction equipment which was located in Doniphan County on the assessment date was subject to tax in Doniphan County despite the fact the owner was a nonresident of the state.

In *V.S. DiCarlo Masonry Co. v. Higgins*, 178 Kan. 222 (1955), the court held that even though the vehicle owner registered and paid taxes in Missouri,

(1) it is not unconstitutional for more than one state to tax tangible personal property;

(2) the motor vehicles at issue had acquired a permanent and local situs in Johnson County for tax purposes; and

(3) Johnson County had the right to tax the property in return for the protection, maintenance, storage and benefits furnished to the motor vehicles while in Johnson County.

What happens when a taxpayer does not list taxable personal property with the county?

The county appraiser is required by law to apply a penalty to the assessed value of personal property that is not listed in a timely manner or that is not listed at all. County appraisers may grant an extension to file if a taxpayer submits a written request, on or before the March 15th deadline, which states just and adequate reasons for the extension. When an extension is granted and the taxpayer fails to file by the extended deadline, penalties are calculated from the March 15th deadline (April 1st for oil and gas renditions), not the date of the extended deadline.

[K.S.A. 79-1422; 79-1457]

By law, the Kansas Board of Tax Appeals *or* the county appraiser can abate, waive or refund penalties imposed by the county appraiser on personal property that was untimely filed or not filed at all. Taxpayers seeking relief from a filing penalty must file an "Application for Relief from a Tax Grievance" form with the county appraiser in the county where the penalty was incurred. The county appraiser will forward the application to the Board.

[K.S.A. 79-1422]

Note: By law, motor vehicles, and other PP not elsewhere classified can be prorated on to and off of the tax roll when they are acquired or sold during the tax year. Filing penalties are applied only to those motor vehicles that are owned as of the January 1 assessment date**.**

Late Filing Penalties:

[2% - 10%] [K.S.A. 79-1422]

If **within one year following the March 15th filing deadline**, a taxpayer files a list or an additional list of taxable personal property, the county appraiser *must* apply a late filing penalty to the assessed value of the property. The late filing penalty is applied *only* to that portion of the property that is filed after the March 15th deadline. The penalty for late filing is 2% per month up to a maximum of 10%. Late filing penalties are applied as follows:

Date Rendition Filed	**Penalty**
March 16 through April 15	2%
April 16 through May 15	4%
May 16 through June 15	6%
June 16 through July 15	8%
July 16 through March 14 of the following year	10%

Failure to File Penalties:

[12.5%] [K.S.A. 79-1422]

If **within one year following the March 15th filing deadline**, the county discovers a taxpayer failed to file a list or failed to file a *complete* list of taxable personal property, the county appraiser *must* determine the assessed value of the property and apply a 12.5% penalty for failure to file. When the taxpayer fails to file a *complete* list of the property, the penalty is applied *only* to the omitted or underreported property.

If the county discovers taxable personal property that was omitted from the *appraisal* roll after June 15th of the current tax year (the date the appraiser certifies the appraisal roll to the county clerk), but prior to March 15th of the following tax year, the *county clerk must* place the property on the *assessment* roll as an added tax and apply a 12.5% penalty to the assessed value. [K.S.A. 79-1427a]

If a failure-to-file penalty is applied to the value of taxable personal property and the taxpayer later files a list of the personal property *within one year of March 15th*, the failure-to-file penalty is no longer applicable, and the appropriate *late filing* penalty is applied to the assessed value of the personal property which is now filed late.

Escaped Penalties:

[12.5%] [K.S.A. 79-1427a]

If the county discovers taxable personal property that was omitted from the *appraisal* roll or underreported for whatever reason, **one year after the March 15th filing deadline**, the property shall be considered to have "*escaped*" taxation. The county appraiser *must* determine the assessed value of the "*escaped*" property and apply a 12.5% penalty to the assessed value. The *"escaped appraisal"* shall include any personal property that was subject to taxation in any of the two years prior to January 1 of the calendar year in which the property is discovered. The *"discovery date"* for "*escaped*" property is the date the property is placed on the tax roll and a tax bill is sent to the owner.

How is personal property valued and assessed?

The Kansas Constitution places personal property into Class 2, which is further divided into six subclasses. A brief description of each personal property subclass and the manner in which it is valued and assessed for property taxation is outlined below. Guidelines for valuing personal property can be found on the Property Valuation website. The *Personal Property Valuation Guide* provides the guidelines for valuing mobile/manufactured homes, motor vehicles, commercial/industrial machinery and equipment, and other tangible personal property. The *Kansas Oil & Gas Appraisal Guide* provides the guidelines for valuing oil and gas property. Information pertaining to the valuation of state appraised railroads and public utilities can be found on the PVD website under "Public Utilities".

2.01 Mobile/Manufactured Homes used for residential purposes:

Mobile and manufactured homes are built on a permanent chassis and designed to be used as a dwelling, with or without a permanent foundation. Kansas law states that all mobile and manufactured homes are considered personal property *unless*:

1) The title to the home is in the same name of the person (or spouse of the person) who holds title to the land the home is located on,

AND

2) The home is on a permanent foundation.

Mobile and manufactured homes that are used for residential purposes are valued at their fair market value as of January 1 and assessed at a rate of 11.5%. Homes classified in the Mobile/Manufactured Homes subclass are not prorated onto or off of the tax toll.

2.02 Mineral Leasehold Interests (Oil & Gas):

For purposes of taxation, oil and gas leases, oil and gas wells, all casing, tubing and other equipment and materials used in operating oil and gas wells are considered personal property. Oil and gas interests are valued at market value and assessed at 30%, *except* leasehold interests with an average daily production of five barrels or less and natural gas leasehold interests with an average daily production of 100 mcf or less, which are assessed at 25%.

2.03 Public Utilities:

The Kansas Department of Revenue, Property Valuation Division, appraises property owned by public utilities and railroads. Qualifying property is valued based upon the fair market value of 'unit" and it is assessed at 33%.

2.04 Motor Vehicles:

Kansas law defines a motor vehicle as "every self-propelled device in which any person or property may be transported or drawn upon a public highway…" The manner in which a motor vehicle is registered generally determines how it is appraised for property tax purposes. Motor vehicle values can be prorated according to provisions in the Kansas statutes, *except for* state assessed and rental excise taxed motor vehicles.

[K.S.A. 8-126(w); 79-306d; 79-5107]

Tax-Roll motor vehicles are *registered* with a tag weight of 24,000 pounds or more or *titled* as a non-highway vehicle. The property tax value of the vehicle is the fair market value, which can be adjusted if the vehicle is damaged. The assessment rate for tax-roll motor vehicles is 30%. The property taxes are paid in arrears for the calendar year.

[K.S.A. 79-306d]

Other categories of motor vehicles, *which are not classified within the "Motor Vehicle" subclass for purposes of personal property taxation in Kansas, are:*

Taxed-When-Tagged motor vehicles are *registered* with a tag weight of 12,000 lbs. or less. The property tax value of the vehicle is a formula-driven value, which is not adjusted for condition, mileage, etc. The assessment rate for taxed-when-tagged motor vehicles is 20%. The property taxes, which are calculated through the state Motor Vehicle Registration System (MOVRS) in the county treasurer's office, must be paid when the vehicle is registered. [K.S.A. 79-5100 series]

16M/20M motor vehicles have a gross vehicle weight which is more than 12,000 lbs. but less than 20,001 lbs. The property tax value of the vehicle is a formula-driven value, which is not adjusted for condition, mileage, etc. The assessment rate for 16M/20M motor vehicles is 20%. The property taxes are paid in arrears for the calendar year. [K.S.A. 79-5105a]

RV-Titled Recreational Vehicles include motor homes, campers and travel trailers, which meet the statutory requirements for registering the vehicle with a Kansas RV-Title. The property tax value of the RV-titled vehicle is based upon the age and weight of the vehicle. The property taxes, which are calculated through the state Motor Vehicle Registration System (MOVRS) in the county treasurer's office, must be paid when the vehicle is registered. [K.S.A. 79-5118 – 79-5121]

State-Assessed vehicles include motor vehicles that belong to a railroad or public utility. State-assessed railroad and utility property is reported to the Property Valuation Division (PVD) in the Kansas Department of Revenue. [K.S.A. 79-5a01]

Rental Excise Taxes are paid in-lieu-of property taxes by rental companies that lease certain vehicles for periods not exceeding 28 days. The rental excise tax is 3 ½ % of the gross receipts received from the rental or lease of qualifying vehicles. Qualifying vehicles are reported to the Kansas Department of Revenue. [K.S.A. 79-5117]

Commercial Fee Vehicles are paid for any self-propelled or towed motor vehicle engaged in commerce, is used to transport property or passengers, and has a gross weight or gross combination weight of 10,001 pounds or more. The commercial vehicle fee is collected at time of registration to the IRP/IFTA locations and covers the power unit and any trailers towed by the power unit and/or any beds, bodies, or boxes on the power unit. Farm and personal vehicles are not included. [K.S.A. 8-143]

Exempt motor vehicles must have been granted an exemption from personal property taxation in Kansas by the appropriate granting authority. For more information on property tax exemptions refer to the "Property Tax Exemptions" section.

2.05 Commercial/Industrial Machinery and Equipment:

Generally speaking, commercial and industrial machinery and equipment is any taxable tangible personal property that is used to produce income or is depreciated or expensed for IRS purposes, except state assessed property and motor vehicles.

Personal property in the "Commercial" subclass is not valued at market value; rather its value is based upon a formula laid out in the Kansas Constitution and in K.S.A. 79-1439 and it is assessed at a rate of 25%. Commercial and industrial machinery and equipment is *generally* not pro-rated onto or off of the tax-roll.

2.06 All Other Personal Property Not Elsewhere Classified:

Personal property that cannot be classified into any of the previous five constitutional subclasses of personal property is classified as Other Personal Property Not Elsewhere Classified ("Other"). Personal property in this subclass is appraised at market value as of January 1 and assessed at 30%. *Beginning on January 1, 2023*, Kansas law provides for the proration of all property in the "Other" subclass. [K.S.A. 79-345]

Property that may qualify for classification in the Other Personal Property Not Elsewhere Classified ("Other") subclass includes, but is not limited to:

- **Aircraft:** airplanes, helicopters, hot air balloons, ultra-lights, drones, etc.
- **Truck Campers and Travel Trailers:** that do not meet the statutory definition of a "recreational vehicle" and are not "RV-Titled."
- **Tiny Homes –** 0 – 500 sq ft when determined to be personal property
- **Trailers (non-commercial with GVW > 15k lbs):** utility trailers, motorcycle/snowmobile trailers, horse/livestock trailers, and any other trailer that is not used for any commercial purpose and has a gross weight of over 15,000 pounds.
- **Truck Beds (non-commercial):** beds on "chassis cab" motor vehicles that are not used for any commercial purpose, *regardless* of how the vehicle is registered.
- **Machinery & Equipment** which is no longer being "used" for the production of income. Machinery and equipment in the "Other" subclass may qualify for the $1500 exemption for commercial equipment.

Watercraft:

Watercraft is no longer appraised at market value as of January 1 and assessed at 5%. On and after January 1, 2026, K.S.A. 79-5501 exempts all watercraft, from all property or ad valorem taxes. This includes any boat or vessel designed to be propelled by machinery, oars, paddles, or wind action upon a sail for navigation on the water that cannot be exempted by other provisions of law. The exemption also includes with watercraft one trailer which is designed to launch, retrieve, transport, and store such watercraft and any nonelectric motor or motors which are necessary to operate such watercraft on the water. Any watercraft designed to be propelled through water by human power alone shall be exempt from all property taxes. [K.S.A. 79-5501]

Note: K.S.A. 79-267 exempts any marine equipment including boat motors and watercraft trailers designed to launch, retrieve, transport, and store watercraft.

Sailboards are exempt from personal property taxation pursuant to K.S.A. 79-201c.

Discovery of Personal Property

The county appraiser has the duty to appraise *all* tangible personal property in the county. Notwithstanding the fact that there are statutes which require taxpayers to list tangible personal property for assessment, the county appraiser *also* has the duty to list and appraise all tangible personal property in the county owned by, held, or in possession of a business. Discovery of personal property is often contingent on initially identifying the owner of the property. [K.S.A. 79-1411b]

Whenever taxpayers fail to list their personal property with the county appraiser or the county appraiser is of the opinion the list filed by the taxpayer is inadequate or does not truly represent the property, the county appraiser has the duty to investigate, identify, list and value the property. The appraiser must list the property in the name of the owner and notify the owner of the assessment within five days of determining the appraised value. The county appraiser may request the county attorney, district attorney, or county counselor to subpoena and examine under oath any person or persons, records, or documents it is reasonable to believe would be useful in determining the value of property located in the county. [K.S.A. 79-1461]

It is important to investigate the list filed by a taxpayer when the appraiser believes the list is inadequate or does not truly represent the property being appraised. A good discovery process can promote accurate reporting and avoid penalties; assure uniform and equal treatment; and assure that all taxable personal property is placed on the tax roll to fulfill the statutory duties imposed upon the county appraiser.

Sources the county appraiser can use to discover taxable property or identify its owner are:

- Previous assessment records
- Real property field appraiser records
- State and local sales tax permits
- Property transfer documents/Bill of Sale
- Classified Advertisements
- City directories
- Income tax returns
- Title and registration applications
- FAA Aircraft Registrations
- Mobile/Manufactured Home Court Lists
- Ks. Dept. of Wildlife, Parks, & Tourism Boat Registrations
- Physical inspection of the property
- Previous Audits
- City and county business licenses
- Business listings from the news media
- Telephone directories
- Accounting records
- Public records (trade name records, Corporation charters, partnership articles)
- Permits

The county appraiser also has the duty to deliver a document to the county clerk on or before June 15th of each year certifying that the personal property appraisals constitute the complete personal property roll, *except* for personal property under investigation, or personal property that has escaped appraisal. [K.S.A. 79-1467]

Personal Property Calendar

January 1 Assessment date for the tax roll. [K.S.A. 79-301; 79-1455]

March 1 Deadline for IRB/Economic Development property owners to file the Annual Claim for Exemption Form with the county appraiser. [K.S.A. 79-210]

March 15 Deadline for taxpayers to report taxable personal property (except for oil and gas property) owned or in their possession on January 1 to avoid late filing penalties. This report or rendition must be signed by the owner or authorized agent of the property and submitted to the county appraiser's office. *A rendition must only be filed if an initial filing has not been made or there is a change to report regarding a previously filed rendition.* [K.S.A. 79-306]

April 1 Deadline for taxpayers to report oil and gas properties owned or engaged in operation of as of January 1 to avoid late filing penalties. This report, or rendition, must be signed by the owner or authorized agent of the property and submitted to the county appraiser's office. [K.S.A. 79-332a]

May 1 Deadline for the county appraiser to notify taxpayers of the valuation and classification of personal property (including oil and gas). [K.S.A. 79-1460]

May 15 Deadline for taxpayers to schedule an appeal of the valuation or the classification of personal property (including oil and gas). [K.S.A. 79-1448]

June 1 Deadline for appraiser to certify personal property assessment roll to the county clerk. [K.S.A. 79-1467]

Dec. 1 Deadline for county treasurers to mail tax statements. [K.S.A. 79-2001]

Dec. 20 Deadline for full or first half property taxes to be paid to the county treasurer to avoid penalties or interest. [K.S.A. 79-2004a]

May 10 Following year-Deadline for second half property taxes to be paid to the county to avoid penalties or interest. [K.S.A. 79-2004a]

Property Tax Exemptions

According to Kansas law, all property in this state, real and personal, **not expressly exempt** shall be subject to taxation. With the exception of the property covered under K.S.A. 79-213(l), the owner of the property *must* file an application for exemption with the State Board of Tax Appeals in order to obtain exemption from property taxes. The county appraiser may exempt the property covered in K.S.A. 79-213(l) *unless* there is reason to doubt whether the property qualifies for exemption. When the appraiser is in doubt, the property *must* be placed on the tax roll and the owner must apply for exemption with the State Board of Tax Appeals, as directed in PVD Directive 92-025.

[K.S.A. 79-101]

Property Tax Exemption Application:

An application for exemption form must be filed with the Kansas Board of Tax Appeals (BOTA) whenever:

A. The exemption requires an order from BOTA before the county appraiser can remove the property from the tax roll. This applies to all exemptions except those listed in K.S.A. 79-213(l).
B. The county appraiser finds that the ownership or use of a property currently exempt by BOTA has changed.
C. The county appraiser has reason to doubt whether property covered under K.S.A. 79-213(l) qualifies for exemption.

Application forms designed by BOTA are available at the county appraiser's office or they can be found on the BOTA website. The three exemption application forms available are.

1. The General application for exemption form.
2. The Industrial Revenue Bond application for exemption form.
3. The Economic Development application for exemption form.

In addition to the general application for exemption form, there are several "Addition to Exemption Application" forms which must be completed when filing for the following exemptions:

1. Aircraft [K.S.A. 79-220 or 79-201k]
2. Motor vehicles owned by military personnel [K.S.A. 79-5107(e) or 79-5121(e)]
3. All other motor vehicles [various statutes]
4. Property of not-for-profit, humanitarian organizations [K.S.A. 79-201 Ninth]
5. Property of not-for-profit, parsonage [K.S.A. 79-201 Seventh
6. Property of not-for-profit [K.S.A. 79-201b
   - hospitals
   - adult care
   - low income housing
7. Watershed dam or reservoir [K.S.A. 79-201g]
8. Low producing oil lease [K.S.A. 79-201t]
9. Community housing development [K.S.A. 79-201z]

What is the typical exemption procedure?

The *owner of the property* must file the appropriate application form and any applicable supplemental forms with the county appraiser in the county where the property is located. All other related documentation should also be provided. For example, a taxpayer may include a letter that provides a more detailed explanation, relevant forms such as an I.R.C. §501(c)(3) certificate or a cost-benefit analysis, or photographs of the property at issue. [K.S.A. 79-213]

The county appraiser reviews the application, makes a recommendation and adds any comments to the appropriate section of the application. All information added by the county should be shared with the taxpayer. The county appraiser then forwards the completed application and other documents to the Kansas Board of Tax Appeals (BOTA). Upon receiving the application, BOTA may issue an order based upon the information submitted, or they may request additional information from the county or the applicant, or the matter may be set for hearing.

The Board bases its decisions on the information and documentation that is submitted with the application or that is requested by mail. Therefore, it is important that all relevant documentation and comments are included with the application. Useful documents may include copies of deeds, titles, assessment forms or letters showing the county's

attempt(s) to get information from the taxpayer, etc. Comprehensive information will assist BOTA in making good, informed decisions about the property at issue.

The Board of Tax Appeals may abate unpaid taxes that have accrued since the effective date of the exemption. In the event taxes have been paid on property that is granted an exemption, **the Board's authority to order a refund of taxes is limited to the year immediately preceding, the year in which the exemption application is filed with the county appraiser.** [K.S.A. 79-213(k)]

The taxpayer is *generally* not required to pay the property tax from the date the application for exemption is filed with the county appraiser, until 30 days after the Board issues its final order. ***Except that*** any motor vehicle that is registered and tagged pursuant to K.S.A. 79-5101 et. seq. must have the property taxes paid at the same time as the motor vehicle is registered. Consequently, any owner of a tax and tag motor vehicle who must apply to the Board for the exemption **must be sure to file an exemption application at each subsequent registration until a final decision is issued**. ***Note:*** Make sure that ***each application is sent to the Board*** and that the prior application is referenced on each subsequent filing. This will assure that the Board has the authority to issue a refund for all relevant years should it rule in the property owner's favor.

[K.S.A. 79-5101 series; 79-213(j)]

The county or the taxpayer has the right to request a hearing before the Board of Tax Appeals, and the Board must grant the hearing. Whenever the Board sets an exemption hearing, the county attorney or county counselor must represent the county appraiser. Once the Board renders its decision, either party can request the Board reconsider its decision and must do so to further appeal the BOTA order.

[K.S.A. 79-213(g); 77-529]

Either party can seek judicial review of the Board's decision on the exemption, *provided* a request for reconsideration was made pursuant to K.S.A. 77-529. All reviews of BOTA orders on exemptions are held in the Kansas Court of Appeals.

[K.S.A. 74-2426]

Note: The property owner is required by law to notify the county appraiser within 30 days whenever exempt property ceases to be used for the purpose for which the exemption was granted. If the owner fails to report to the county appraiser when property that was exempt from taxation no longer qualifies for the exemption granted, the same penalties for late filing or failing to file set forth in K.S.A. 79-1422 are applicable.

[K.S.A. 79-214]

Summary of the exemption process:

1. The *owner of the property* must submit the completed application and applicable attachments to the county appraiser in the county where the property is located. The taxes and interest on the property are put "on hold" pending a final Kansas Board of Tax Appeals (BOTA) decision, *except for* taxed when tagged motor vehicle taxes that must be paid in order to register the vehicle. An exemption application should be filed at each subsequent registration period until the matter is resolved. ***Note:*** BOTA was also given the authority to charge a filing fee effective September 1, 2003. The filing fee memo and fee schedule are available on the BOTA website @ https://www.kansas.gov/bota/Filing_Fees/. Questions concerning the filing fees may be directed to the Kansas Board of Tax Appeals (BOTA).

   [K.S.A. 79-5101 series; 79-213; 74-2438a; K.A.R. 94-2-21]

2. The county appraiser reviews the application, adds any recommendations or comments and forwards the completed application and attachments to the Kansas Board of Tax Appeals (BOTA). ***Note:*** The applicant has a right to see any information submitted to the Board with the application.

3. The Board reviews the application and either sets the matter for a hearing or decides the exemption based on the documents presented. Additional information may be requested from the county or the applicant. Either party (county or taxpayer) has the right to request a hearing before the Board, and the hearing must be granted. *Note:* The county attorney or county counselor must represent the county appraiser whenever there is an exemption hearing.

4. If the Board grants the exemption and the Board order becomes final, the county appraiser may remove the property from the tax roll as specified in the order. ***Note:*** Whenever exempt property ceases to be used for the exempt purpose, the owner is required by law to notify the county appraiser within 30 days of the change.

   [K.S.A. 79-214]

When is a taxpayer <u>not</u> required to file for exemption?

By law, *only certain property is specifically <u>excluded</u> from having to apply* to the Board of Tax Appeals for the exemption. The following is a list of those exemptions for which the property owner **is not required to make application to the Board of Tax Appeals** pursuant to K.S.A. 79-213(l) <u>unless the appraiser is in doubt</u>. Whenever the county appraiser is in doubt as to whether property qualifies for exemption, the property *must* be placed on the tax roll, and the property owner must apply for exemption through the Board of Tax Appeals. [K.S.A. 79-213(l); PVD Directive 92-025]

Statute Listing

Statute	Description
K.S.A. 79-201c *Second*	All household goods and personal effects, including pick-up truck shells or toppers, sailboards, and wearing apparel which are not used for the production of income. Household goods and personal effects shall not be considered as being used for the production of income when they are used in the home for registered or licensed day care operations. Beginning 7/01/04, includes household goods and personal effects used for bed and breakfast home purposes as defined in K.S.A. 79-1439.
K.S.A. 79-201d	Hay and silage, farm storage & drying equipment, hay & cellulose storage structures.
K.S.A. 79-201j	Farm machinery and equipment, including aquaculture equipment; Christmas tree farm equipment; feedlots; nurseries; and natural gas distribution systems owned and operated by a nonprofit public utility described by K.S.A. 66-104c, predominantly for the purpose of providing fuel for the irrigation of land devoted to agricultural use.
K.S.A. 79-201m	Merchant's and manufacturer's inventory
K.S.A. 79-201n	Grain
K.S.A. 79-201w	Business machinery, equipment, material and supplies with a retail cost *when new* of $1500 or less per item.
K.S.A. 79-201 *Ninth*	Vehicles owned by an exempt 501(c)(3) not-for-profit organization used to provide transportation for the elderly and disabled as one of their services. (Includes coordinated transit districts)
K.S.A. 79-201a *Second*	Property used exclusively by the state or any municipality or political subdivision for right-of-way purposes
K.S.A. 79-201a *Second*	Vehicles owned by the state or any political or taxing subdivision and used exclusively for governmental purposes
K.S.A. 79-201a *Ninth*	Property acquired and used by the Kansas Turnpike Authority.
K.S.A. 79-201a *Seventeenth*	Property acquired for the State of Kansas by the Secretary of Transportation used in the administration, construction, maintenance or operation of the state system of highways.
K.S.A. 79-215	Personal property held for sale or display at and in connection with a fair, exposition, trade show, auction, bazaar, flea market or convention.

Statute	Description
K.S.A. 79-223 & K.S.A. 79-224	All, commercial and industrial, telecommunication, & railroad, machinery & equipment acquired by qualified purchase or lease made or entered into after June 30, 2006.
K.S.A. 79-234	Personal property classified in subclass (6) of class 2 with a purchase price of $750 or less.. [K.S.A. 2014 Supp. 79-5501]
K.S.A. 79-5107(e)	No more than two motor vehicles owned by a Kansas resident military person when the military person is *"activated & deployed" or in good standing* on the date of application for registration of the vehicle(s).
K.S.A. 79-267	Any off-road vehicle that is not operated upon any highway. Any motorized bicycle, electric-assisted bicycle, electric-assisted scooter, electric personal assistive mobility device and motorized wheelchair as such terms are defined in K.S.A. 8-126. Any trailer having a gross weight of 15,000 pounds or less that is used for personal use and not for the production of income. Any marine equipment.
K.S.A. 79-5501	All watercraft.
Service Members Civil Relief Act	Personal property not used in a trade or business, that is owned by a non-resident military person stationed in Kansas due to military orders.
Ks. Constitution	Livestock.

Exemption for Industrial Revenue Bond-Funded Property (IRB):

Cities and counties may issue industrial revenue bonds to attract new businesses or to encourage business expansion. The bonds may be used for purchasing, acquiring, constructing, reconstructing, improving, equipping, furnishing, repairing, enlarging or remodeling facilities for agricultural, commercial, hospital, industrial, natural resources, recreational development and manufacturing purposes.

[K.S.A. 12-1741; 12-1741b]

Property may be exempt to the extent that it is constructed or purchased with the proceeds from the industrial revenue bonds for up to 10 years after the calendar year in which the bonds were issued. Only the value of that portion of the property financed by the bonds qualifies for the exemption. If the taxpayer fails to pay all taxes levied on that portion of the property which is not exempt, the exemption terminates, and the entire property is subject to sale in the manner prescribed by K.S.A. 79-2301 *et seq*.

[K.S.A. 79-201a Second]

Not all personal property qualifies for this exemption even though it may be funded by industrial revenue bonds. In certain instances, the city or county proposing to issue the bonds, and the taxpayer may agree that the taxpayer will not seek a property tax exemption as a condition for issuing the bonds. In addition, certain property is specifically excluded from this exemption even though it may be financed by industrial revenue bonds. Property specifically excluded by statute includes:

- property located in a redevelopment project area established under K.S.A. 12-1770 *et seq*.
- any retail enterprise identified under the standard industrial classification codes 52 through 59 inclusive, except for facilities used to house the headquarters or back-office operations of retail enterprises.
- property used for any swine, poultry or rabbit confinement facility cannot be exempt from taxation.

The industrial revenue bond exemption is also unique in that the city or county issuing the bonds may require that a payment in lieu of tax be made as a condition of exemption. The city or county may have a written policy imposing a certain payment in lieu of tax under certain circumstances or may find a payment in lieu of tax necessary after conducting the cost benefit analysis required by K.S.A. 12-1749d.

[K.S.A. 12-1742; 12-1749b; 79-201a *second*]

Exemption for Economic Development Property:

Article 11, Section 13 of the Kansas Constitution allows cities and counties to approve for economic development purposes a full or partial exemption of certain property for up to

10 years. To qualify for this exemption the property *must be used exclusively for*: (1) manufacturing articles of commerce; (2) conducting research and development; or (3) storing goods or commodities which are sold or traded in interstate commerce. The property *must also* be associated with a new business or be necessary to the expansion of an existing business that creates new employment. Before a city or county can authorize an exemption for property in an existing business currently located in the state of Kansas, it must first determine that Kansas would lose jobs if the exemption were not granted.

Property used for any poultry, rabbit or swine confinement facility *cannot* be exempt from taxation pursuant to Article 11, Section 13.

[K.S.A. 79-250; 79-251; Article 11, Section 13]

Procedure for Industrial Revenue Bond and Economic Development Exemptions:

1. **I.R.B.** - Applicant must follow the procedure outlined in K.S.A. 12-1740 *et seq*. for issuing industrial revenue bonds. [K.S.A. 12-1740 *et seq.*]

   Eco. Devo. - Qualifying applicant must request an economic development exemption from the city or county where the property is located. [Art. 11 Sec. 13]

2. **I.R.B.** - The city or county issuing the bonds must complete statutory requirements before authorizing the I.R.B. exemption. [K.S.A. 12-1740 *et seq.*]

   Eco. Devo. - The city or county must complete certain requirements before adopting a resolution authorizing the economic development exemption.
   [Art. 11, Sec. 13; K.S.A. 79-251]

3. The applicant must complete the application form and submit the completed application, which includes a list of property to be exempt, to the county appraiser in the county where the property is located. *Refer* to page 20 & 21 for exemption procedure.

   [K.S.A. 79-213(a) (b) (c)]

4. The *county appraiser* will review the application, add comments and a recommendation to the appropriate section of the application and forward the completed application and attachments to the Kansas Board of Tax Appeals. *Refer* to page 20 & 21 for exemption procedure. ***Note:*** The applicant has a right to see any information submitted to the Board with the application. [K.S.A. 79-213(d) (e)]

5. The Board will review the application and either set the matter for hearing or decide the exemption based upon the documents presented. The county or the applicant has the right to request a hearing before the Board, and the hearing must be granted. *If* the Board does not take *any* action on the application within 30 days, it is considered approved. [K.S.A. 79-213(g)]

6. If the Board grants the exemption and their order becomes final, the county appraiser may remove the property from the tax roll as specified in the order.

7. During the period of the exemption, the applicant must file an annual claim for exemption with the county appraiser on or before each March 1st. *Refer* to page 25 for taxpayer requirements. [K.S.A. 79-210]

8. The county appraiser will forward all required documents to the county clerk. *Refer* to page 25 for county appraiser responsibilities.

9. The county clerk will forward all the documentation to the State Property Valuation Division.

When must a taxpayer file an <u>Annual</u> Claim for Exemption?

Whenever property is exempt from taxation ***for a specified period of years,*** the owner *must* file an annual claim for the exemption. All exemption claims must be filed on forms prescribed by the director of Property Valuation. The "Annual Claim for Exemption Form" is available from the county appraiser's office or the Property Valuation website.

Properties that are exempt under economic development programs are exempt for a specified number of years. Economic development exemptions are granted for:

1) property funded with industrial revenue bonds; (K.S.A. 79-201a *second*)
2) property used exclusively for manufacturing, storing goods in interstate commerce, or research and development purposes by a new business or a business that expanded and created new employment;(Article 11, Sec. 13 of the Kansas Constitution)
3) certain leased property that is integrally associated with property granted an exemption pursuant to Article 11, Section 13 of the Kansas Constitution. (K.S.A. 79-221)

The "Annual Claim for Exemption" form must be filed on or before March 1 of each year in which the exemption is claimed. All claims must be filed with the county appraiser in the county where the property is exempt. In addition to the annual claim for exemption form, the owner of the property must also file:

- A written statement from the granting authority (city or county) confirming the property continues to meet all terms and conditions for the exemption; and
- A description of the real and/or personal property receiving the exemption.

Failure to file the annual claim form, written statement, and description of the property with the county appraiser, jeopardizes the exempt status of the property.

The county appraiser will review all claims to verify the property continues to meet the requirements for exemption. Once the claim is verified, the appraiser will furnish the county clerk with a copy of the annual claim form, written statement, and a description of the property. The county clerk must submit a copy of the documents to the Property Valuation Division by July 1.

[K.S.A. 79-210; 79-1467b]

Intangible Computer Software Programs:

The Kansas Supreme Court established in the *Tax Protest of Strayer* case that application software programs, which are particularized instructions, are *intangible* property. According to Kansas law, only *tangible* personal property is taxable. Therefore, application software programs, which are considered *intangible* personal property, are not taxable pursuant to K.S.A. 79-301 or K.S.A. 79-306. The *Tax Protest of Strayer* case is available on the PVD website under "Court Cases". [Re Tax Protest of Strayer, 239K.136, 142,143,716 p.2d 588 (1986)]

Software programs are taxable only if they are operational software programs, without which the computer cannot operate. These programs are considered an essential portion of the computer hardware and are taxable as *tangible* personal property in conjunction with the hardware.

When the county appraiser is unable to determine which type of computer software the taxpayer has reported on the rendition, the software is placed on the tax roll until all doubts are resolved.

[PVD Directive 92-025]

- **Application software programs** are specialized programs that run off the operational software.
  Examples: Microsoft Office; Word or Excel; Internet Explorer; Word Perfect; Acrobat Reader, etc.
- **Operational software programs** are considered an essential portion of the computer hardware. Examples: Microsoft Windows 8.1, Apple Mac OS X; or other operational programs that compile and/or interface with the computer.

$1500 Exemption for Commercial/Industrial Machinery and Equipment Exemption:

Items of machinery, equipment used or to be used in the conduct of the owner's business are exempt from taxation if the *retail cost when new* of the "*item*" was $1500 or less. This includes commercial and industrial machinery and equipment that is no longer being used. [K.S.A. 79-201w]

Those *"items"* that qualify for exemption are specifically excluded from having to obtain an exemption order from the Board of Tax Appeals, ***unless*** the county appraiser is in doubt. Whenever the appraiser is in doubt regarding an exemption, the property must be placed on the tax roll and the owner *must* apply to the State Board of Tax Appeals for the exemption.

[PVD Directive 95-025; K.S.A. 79-213(l)]

Taxpayers are not required to list any "*item"* of commercial and industrial machinery and equipment, materials and supplies that has a *retail cost when new* of $1500 or less. However, if a taxpayer mistakenly considers an *item* exempt, it may be subject to two years back taxes and penalties if the county appraiser later determines the property does not qualify for exemption.

[A.G. Opinion 96-7, PVD Directive 95-030]

For more information regarding what property qualifies as an "*item*" for purposes of the $1500 exemption, or what property qualifies as "no longer being used", refer to the *Personal Property Valuation Guide* found on the PVD website.

Commercial/Industrial Machinery and Equipment Exemption:

Machinery and equipment acquired by qualified purchase or lease made or entered into after June 30, 2006, as the result of a bona-fide transaction not consummated for the purpose of avoiding taxation is exempt from property taxation in Kansas. Machinery and equipment transported into the state after June 30, 2006, for the expansion of an existing business or the creation of a new business is also exempt from property taxation in Kansas.

[K.S.A. 79-223; 79-224]

For purposes of this exemption:

Acquired does not include the transfer of property pursuant to an exchange for stock securities, or the transfer of assets from one going concern to another due to a merger, reorganization or other consolidation.

Commercial and industrial machinery and equipment means property classified for property tax purposes within subclass 5.

Qualified lease means a lease of commercial and industrial machinery and equipment for not less than 30 days for fair and valuable consideration where such machinery and equipment is physically transferred to the lessee to be used in the lessee's business or trade.

Qualified purchase means a purchase of commercial and industrial machinery and equipment for fair and valuable consideration where such machinery and equipment is physically transferred to the purchaser to be used in the purchaser's business or trade.

Note: Taxpayers receiving such exemptions would not be subject to annual filing requirements pursuant to KSA 2005 Supp. 79-301. Commercial Machinery and Equipment is not required to file an exemption application to BOTA pursuant to K.S.A. 79-213(l)(18)

Aircraft Exemptions:

There are three property tax exemptions available for aircraft.

Business Aircraft: The exemption for business aircraft was broadened for tax year 2003 forward. To qualify for exemption the aircraft must be *used predominantly* to earn income for the owner in the conduct of the owner's business or industry. *"Predominantly"* is defined to mean at least 80% of the total use of the aircraft, or the utilization of the aircraft such that all costs are deductible for federal income tax purposes. If the owner's business is the leasing of aircraft, the lessee's use of the aircraft is not considered in the determining the exemption [K.S.A. 79-201k]

Antique Aircraft: To qualify for exemption the aircraft must be 30 years old or older by the date of manufacture. The aircraft must also be *used exclusively* for recreational and/or display purposes. [K.S.A. 79-220]

Amateur-Built Aircraft: Amateur-built aircraft is defined as aircraft, manned or unmanned, that the major portion of which has been fabricated and assembled by a person or persons who undertook the construction project solely for their own education or recreation. This bill applies to all years after December 31, 2013. [Senate Bill 266 amending K.S.A. 79-220]

All aircraft exemptions *must* be granted by the Kansas Board of Tax Appeals. Aircraft which has *not* been granted an exemption by the Kansas Board of Tax Appeals is taxable.

Drone Exemptions:

A drone may qualify for exemption from property taxation if certain conditions are met:

1. A drone may qualify as exempt "**other"** personal property with a **purchase price** of **$750 or less**.
2. A drone used for recreational purposes may qualify as "hobby equipment used in or about the home" exemption [K.S.A. 79-201c *Second*]
3. A drone used for commercial purposes may qualify for a **business aircraft** exemption [K.S.A. 79-201k]. See above exemption information.
4. A drone used for recreational purposes may qualify for an **amateur-built aircraft** exemption [K.S.A. 79-220]. See above exemption information.

Military Personal Property Exemptions:

Military personnel are *generally* not required to apply to the Kansas Board of Tax Appeals for a military exemption. Exceptions are: 1) Ownership of a motor vehicle leased to any military personnel, regardless of duty station or residency, should be addressed by the Board of Tax Appeals for determination of its exempt status; 2) Whenever the county is in doubt regarding *any* exemption, the applicant *must* apply to the Board of Tax Appeals for the exemption. Documentation that demonstrates the property clearly qualifies for the exemption should be included with the application. [PVD Directive 92-025]

Note: K.S.A. 79-213(l) was amended to **no longer require** a Board of Tax Appeals order exempting RV titled recreational vehicles for military personnel qualifying for exemption per K.S.A. 79-5107(e) and K.S.A. 79-5121(e). An application for exemption should be filed with the Board of Tax Appeals if there is doubt whether the property qualifies for exemption. See exemption qualifications listed below.

Military Exemption by Kansas Law:

K.S.A. 79-5107(e) provides an exemption for *not more than two (2) motor vehicles* when at the time of application for registration:

- The individual claims Kansas as his/her permanent resident state with the military;
- The individual's name is shown on the title as the legal owner of the vehicle(s);
- The individual is in the full-time regular military service or is a member of the national guard or reserves and meets the following criteria:

1. In the **full-time regular military service**:
    a) **Stationed outside** of Kansas and the motor vehicles are maintained outside of the state;
    b) **Stationed inside** of Kansas; or
    c) **Mobilized** (in receipt of orders to report for active duty at a date certain) regardless of where stationed or motor vehicles are maintained
    d) **Deployed** (absent from service member's usual duty station due to military orders) regardless of where stationed or motor vehicles are maintained

2. A **member of the National Guard or Reserves**:
    a) **Mobilized** (in receipt of orders to report for active duty at a date certain) regardless of where motor vehicles are maintained;
    b) **Deployed** (absent from service member's usual duty station due to military orders) regardless of where motor vehicles are maintained;
    c) **A current member in good standing** of the Kansas army or air national guard or a unit of the reserve forces of the United States military. The taxpayer must have certification from their unit commander verifying their status.

Leased vehicles must be in the military member's name. Vehicles that are leased in the company's name **DO NOT Qualify** for exemption.

RV-titled Vehicles: K.S.A. 79-5121(e) provides a separate exemption, for RV-titled vehicles when at the time of application for registration:

- The individual claims Kansas as his/her permanent resident state with the military;
- The individual's name is shown on the title as the legal owner of the vehicle(s);
- The individual is in the full-time regular military service of the United States;
- The individual is absent from Kansas in compliance of military orders, and the vehicle is maintained *outside* Kansas *on the date* of application for registration of the vehicle.

Military exemption by Federal law:

The Service Members Civil Relief Act, (S.C.R.A. Title V §561) prohibits states from taxing *any personal property* when at the time of application for registration *all* of the following criteria are met:

- The individual *does not* claim Kansas as his/her permanent resident state with the military;
- The individual's name and or spouse's name is shown on the title as the legal owner of the vehicle(s);
- The individual is in the full-time regular military service of the United States;
- The individual is absent from his/her permanent resident state in compliance of military orders and the personal property is located outside the permanent resident state; and
- The personal property is not used in or arising from a trade or business.

Farm Machinery and Equipment Exemption:

Farm machinery and equipment that is "*actually and regularly*" *used* in any farming or ranching operation is exempt from personal property taxation in Kansas.

[K.S.A. 79-201j]

This exemption includes machinery and equipment used in any:

- aquaculture operation;
- Christmas tree operation;
- operation of a feedlot;
- performance of ranch work for hire;
- planting, cultivating or harvesting of nursery and/or greenhouse products for sale or resale;
- natural gas distribution systems owned and operated by a not-for-profit public utility as defined in K.S.A. 66-104c, when used primarily for the purpose of providing fuel for irrigating land devoted to agricultural use.
- any bed, body, or box that is attached to a motor vehicle except when attached by the manufacturer
- mixer-feeder trucks

Any greenhouse that is not permanently attached to the real estate and which is used for a farming or ranching operation is considered farm machinery and equipment for purposes of this exemption.

The term farm machinery and equipment does not include:

- any passenger vehicle
- truck, truck tractor
- trailer, semi-trailer or pole trailer, *other than a farm trailer*, as the terms are defined by K.S.A. 8-126.

K.S.A. 8-126(n) defines a *farm trailer* as every trailer as defined in subsection (n) and every semi-trailer as defined in subsection (ll), designed and used primarily as a farm vehicle.

> (n) "trailer" means every vehicle without motive power designed to carry property or passengers wholly on its own structure and to be drawn by a motor vehicle.

(ll) "semi-trailer" means every vehicle of the trailer type so designed and used in conjunction with a motor vehicle that some part of its own weight and that of its own load rests upon or is carried by another vehicle.

In summary, to qualify for exemption pursuant to K.S.A. 79-201j, trailers must:

- be *actually and regularly used* in a farming or ranching operation, **and**
- be *designed* and used primarily as a farm vehicle

Farm machinery and equipment that is actually and regularly used in any farming or ranching operation is specifically excluded from having to obtain an exemption order from the Board of Tax Appeals, *unless* the county appraiser is in doubt. Whenever the appraiser is in doubt regarding an exemption, the property must be placed on the tax roll and the owner *must* apply to the State Board of Tax Appeals for the exemption.

[K.S.A. 79-213(l); PVD Directive 92-025]

Antique Utility Trailer Exemption:

Any antique utility trailer registered pursuant to K.S.A. 8-1, 119 is exempt from personal property taxes, provided that the trailer in question meets ***all*** the following requirements:

- must be used exclusively for personal use and not for the production of income
- must be 35 years or older as determined by the date of manufacture
- must have an empty weight of 2,000 pounds or less *and* a gross weight of not more than 8,000 pounds

[K.S.A. 79-265]

Other PP Exemption:

Commencing after December 31, 2025, the following described personal property items will be exempt from all property or ad valorem taxes per K.S.A. 79-267:

- any off-road vehicle that is not operated upon any highway, including all-terrain vehicles, recreational off-highway vehicles, golf carts, off-road motorcycles and snowmobiles
- any motorized bicycle, electric-assisted bicycle, electric-assisted scooter, electric personal assistive mobility device, and motorized wheelchair
- any trailer having a gross weight of 15,000 pounds or less that is used exclusively for personal use and not to produce income

- any marine equipment, including watercraft trailers designed to launch, retrieve, transport and store watercraft, and watercraft motors designed to operate watercraft on the water [K.S.A. 79-267]

Watercraft Exemption:

On and after January 1, 2026, K.S.A. 79-5501 exempts all watercraft from all property or ad valorem taxes levied under the laws of the state of Kansas. [K.S.A. 79-5501]

School Finance Levy Exemption:

The exemption from the statewide portion of the mill levy for the first $75,000 of *appraised value* for residential property under one ownership as listed on one personal property return was extended. The actual dollar amount that is exempt is updated every year to reflect the average percentage change in the statewide residential property valuation. [K.S.A. 79-201x]

When the total appraised value of a home is $75,000 or more, the amount the tax bill is reduced by is calculated as follows:

75,000	x	.115	=	8,625	x	20 mills/1,000	=	$172.50
of the appraised value		assessment %		assessed value		statewide portion of the mill levy		amount deducted from tax bill

When the total appraised value of a home is less than the extent of appraised valuation that is exempt, the *total* appraised value is used in place of the 75,000-amount shown in the above example. For more information about the application of this exemption, contact the county appraiser's office or the county clerk's office.

List of Exemption Statutes:

The following is a list of exemption statutes applicable to personal property. This list is *not* all-inclusive. A complete listing of all property tax exemption statutes can be found in the "Policy Library" on the Kansas Department of Revenue's website. *See: Statutes - Chapter 79 - Article 2.*

Ks. Statute	Description
Personal Exemptions:	
K.S.A. 79-201c *second*	All household goods and personal effects, including pick-up truck shells or toppers, sailboards, and wearing apparel that are not used for the production of income. Household goods and personal effects shall not be considered as being used for the production of income when they are used in the home for registered or licensed day care operations. Beginning 7/01/04, household goods and personal effects used for bed & breakfast home purposes as defined in K.S.A. 79-1439 are exempt.
K.S.A. 79-220	Antique aircraft: model year must be 30 years or older, and used *exclusively* for recreational or display purposes, or any combination thereof. Amateur built aircraft: major portion has been fabricated and assembled by a person solely for their own education or recreation
K.S.A. 79-201x	Exempts an amount of appraised value for residential property from the statewide school finance mill levy for tax years.
K.S.A. 79-234	Personal Property classified in subclass (6) of class 2, with a purchase price of $750 or less.
K.S.A. 79-265	Antique utility trailers aged 35 years or older of exclusively personal use that have an empty weight of 2,000 pounds or less and a gross weight of not more than 8,000 pounds.
K.S.A. 79-267	Any off-road vehicle that is not operated upon any highway. Any motorized bicycle, electric-assisted bicycle, electric-assisted scooter, electric personal assistive mobility device and motorized wheelchair as such terms are defined in K.S.A. 8-126. Any trailer having a gross weight of 15,000 pounds or less that is used for personal use and not for the production of income. Any marine equipment.
K.S.A. 79-5501	All watercraft.

Farm Exemptions:

K.S.A. 79-201j	Farm machinery and equipment used in the operation of aquaculture, Christmas tree farms, feedlots, nurseries, and gas distribution systems for irrigated land; Any bed, body, or box that is attached to a motor vehicle except when attached by the manufacturer

Business Exemptions:

K.S.A 79-201 *Eleventh*	Renewable energy resource or technology property (wind, solar and landfill gas resources or technologies). Personal or business included.
K.S.A. 79-201k	Business aircraft: aircraft which is used *predominately*, as defined by statute, in the conduct of the owner's business.
K.S.A. 79-201m	Merchant's and Manufacturer's Inventory
K.S.A. 79-201o	Construction hand tools
K.S.A. 79-201p	Motor vehicles held as inventory for sale by motor vehicle dealers.
K.S.A. 79-201t	Certain low-producing oil leases, exemption broadened in 1998 to include average daily production of 3 barrels and 5 barrels (completion depth of 2,000 feet or more).
K.S.A. 79-201w	Any item of business machinery, equipment, material and supplies whose original retail cost when new is $1500 or less.
K.S.A. 79-201a	Industrial Revenue Bond funded property that is exempt for up to 10 years
Second	or property located in a redevelopment project area. Poultry, rabbit and swine confinement facilities are precluded from exemption.
K.S.A. 79-215	Personal property held for sale or display at, and in connection with, a fair, exposition, trade show, auction, bazaar, flea market or convention.
K.S.A. 79-219	Mechanic's hand tools
K.S.A. 79-221	Certain leased property integrally associated with property exempt under Article 11, Chapter 13 of the Kansas Constitution

Ks. Statute	Description
K.S.A. 79-223	Machinery and equipment acquired by qualified purchase or lease made or entered into after June 30, 2006, as the result of a bona-fide transaction not consummated for the purpose of avoiding taxation is exempt from property taxation in Kansas. Machinery and equipment transported into the state after June 30, 2006, for the expansion of an existing business or the creation of a new business is also exempt from property taxation in Kansas.
Article 11, Ch. 13	Property of a new or expanding business that creates new employment and
Ks. Constitution	is used for manufacturing, storing goods in interstate commerce, or research and development that is exempt for up to 10 years; K.S.A. 79-250 precludes poultry, rabbit and swine confinement facilities from exemption.

Military:

K.S.A. 79-5107(e)	No more than two motor vehicles owned by Kansas resident military personnel who are *"activated & deployed" or Active Guard Reserve (AGR)* status *or in good standing* on the date of application for registration of the vehicle(s).
Service Members Civil Relief Act	Personal property that is owned by a non-resident military person who is stationed in Kansas due to military orders and which is not used in a trade or business.

Government:

K.S.A. 79-201a First	Property owned by the United States government.
K.S.A. 79-201a *Second*	Property used exclusively for state, municipal or political subdivision purposes, including property leased for medical services and certain property funded by industrial revenue bonds for up to 10 years.
K.S.A. 79-201a Third	Works, machinery and fixtures used by a rural or township water district.
K.S.A. 79-201a Fourth	Fire engines and implement.

Ks. Statute	Description
K.S.A. 79-201a *Fifth*	Property owned by county fair associations

Nonprofit, Charitable, Church, School & Humanitarian:

K.S.A. 79-201 *First*	Property used for public worship or school district purposes.
K.S.A. 79-201 *Second*	Property used for literary, educational, scientific, religious, benevolent or charitable purposes.
K.S.A. 79-201 *Ninth*	Property used for humanitarian services by a not-for-profit entity that has a 501(c)(3) exemption with the IRS.
K.S.A. 79-201b *First*	Property used for hospital purposes by a not-for-profit hospital as defined by K.S.A. 65-425 or by a not-for-profit psychiatric hospital.

Property Tax Appeals Process

There are four appeal processes available for taxpayers with property tax issues. The guidelines for each process are set forth in the Kansas statutes. Below is a brief description of each process.

1. A taxpayer may file a **Tax Grievance** application to request the correction of a clerical error in the valuation and assessment process or to request relief from a personal property filing penalty. Applicable clerical errors are defined in K.S.A. 79-1701.
2. A taxpayer may appeal the classification or valuation of the county appraiser's official **Notice of Value** for the taxpayer's property (equalization appeal). The Notice of Value is sent to taxpayers on or before May 1st for personal property.
3. A taxpayer may file a **Payment Under Protest** (PUP) form to appeal the valuation or assessment of property. The PUP form must be filed with the county treasurer's office on or before December 20th or with the tax payment if it is paid after December 20th.
4. A taxpayer may appeal the value of a Public Utility property assessed by the State Property Valuation Division. This appeal process applies to state assessed property *only* and will not be addressed in this publication.

Property Tax Grievance Appeals:

The tax grievance appeal process can only be used to correct the clerical errors described in K.S.A. 79-1701 or to request relief from personal property filing penalties. It cannot be used as a substitute for any other process set forth by statute for appealing the *valuation or assessment* made by the county appraiser.

A taxpayer may file a tax grievance form requesting the State Board of Tax Appeals abate (remove) an untimely filing penalty, a failure to file penalty or an escaped penalty on a personal property assessment for reasons of excusable neglect.

Any taxpayer, municipality or taxing district may file a tax grievance form in order to obtain relief from a clerical error. The clerical errors presented in K.S.A. 79-1701 are:

(a) Errors in the description or quantity of real estate listed;

(b) errors which have caused improvements to be assessed upon real property when no such improvements were in existence;

(c) errors whereby improvements located upon one tract or lot of real estate have been assessed as being upon another tract or lot;

(d) errors whereby taxes have been charged upon property which the state board of tax appeals has specifically declared to be exempt from taxation under the constitution or laws of the state;

(e) errors whereby the taxpayer has been assessed twice in the same year for the same property in one or more taxing districts in the county;

(f) errors whereby the assessment of either real or personal property has been assigned to a taxing district in which the property did not have its taxable situs; and

(g) errors whereby the values or taxes are understated or overstated as a result of a mathematical miscomputation on the part of the county.

The county clerk has the authority to correct clerical errors for the current tax year prior to November 1. The county commissioners have the authority to correct the same clerical errors for the current year and the prior two years. The Board of Tax Appeals (BOTA) *or* the County Appraiser's office has the authority to abate or waive penalties.

[K.S.A. 79-1701; 79-1701a; 79-1422]

Grievances that cannot be remedied at the county level can be submitted to the State Board of Tax Appeals. However, the Board cannot consider a grievance filed more than four years from the date the tax would have become a lien on real estate (November 1). Grievance applications are to be filed with the county appraiser's office. The appraiser will review the application and submit it along with any additional documentation to the Board for their ruling.

[K.S.A. 79-1427a; 79-1702]

BOTA may order an additional assessment or tax bill or both when an understatement of value or tax occurs as a result of a mathematical miscomputation on the part of the county. However, the taxpayer is not assessed interest or penalties on any tax that may be assessed. No increase will be ordered to correct an error that extends back more than two years from the date of the most recent tax year. An additional assessment or tax bill cannot be issued when the error applies to property that has been sold or transferred subsequent to the error being made.

[K.S.A. 79-1702]

The tax grievance applications, which are designed by the State Board of Tax Appeals, are available at the county appraiser's office or the BOTA website at www.kansas.gov/bota.

Notice of Value (Equalization) Appeals:

County appraisers are required by law to notify taxpayers of the valuation and classification of their personal property on or before May 1st each year. Upon request by the county appraiser, the director of property valuation can grant the county an extension to mail the notices of value.

[K.S.A. 79-1460]

Any taxpayer may appeal the valuation or classification of his or her personal property by contacting the county appraiser's office by phone or in writing on or before May 15th. The county appraiser may extend the time to appeal for just and adequate reasons

[K.S.A. 79-1448]

The county appraiser or his designee will hold an informal meeting with the taxpayer in response to the taxpayer's timely appeal. The informal meeting may be held over the phone or in person. At the meeting, the county appraiser's office has the duty to initiate production of evidence to substantiate the valuation or classification of the property. While there is not a formal deadline for personal property informal hearings, all final determinations of valuation and classification must be completed in time for the county appraiser to certify the tax roll by June 1st, as required by law. [K.S.A. 79-1448]

If the taxpayer is not satisfied with the appraiser's final determination of value, the taxpayer may further appeal to a Hearing Officer/Panel (HOP), if the county has one or to the Board of Tax Appeals' Small Claims Division. In counties that do not have a Hearing Officer Panel, the taxpayer may further appeal to either the Small Claims Division or the Regular Division of the Kansas Board of Tax Appeals. [K.S.A. 79-1448]

Summary of the Personal Property "Notice of Value" (Equalization) appeal process:

- The county appraiser must **notify taxpayers of their personal property valuation and classification** by May 1st, unless the director of Property Valuation grants an extension.
- The **personal property valuation and classification appeals by taxpayers** must be scheduled with the county appraiser by May 15th, unless the director of Property Valuation grants an extension. [K.S.A. 79-1448]
- The county appraiser must complete all informal hearings, and all **final valuations and classifications** must be determined by June 1st.
- Taxpayers may further **appeal the county appraiser's final determination** of valuation or classification to:
    a) **In counties that have a Hearing/Officer Panel (HOP)**

The county Hearing Officer/Panel *or* to the Board of Tax Appeals' Small Claims Division, within 18 days of the mailing date on the county's notification of the hearing results.

[K.S.A. 79-1606]

b) **In counties that do not have a Hearing Officer Panel (HOP)**

The Board of Tax Appeals Small Claims Division *or* their Regular Division within 30 days of the mailing date on the county's notification of hearing results. ***Except*** for single-family residential property appeals, must be filed with the Board's Small Claims Division. [K.S.A. 79-1609; 79-1611]

- Taxpayers may further **appeal a decision from the HOP** to either the Board of Tax Appeals' Small Claims Division *or* their Regular Division within 30 days of the mailing date on the notification of the HOP hearing results. ***Except*** for single-family residential property appeals, must be filed with the Board's Small Claims Division.

  [K.S.A. 79-1609]
- Taxpayers may further **appeal a decision from the Board of Tax Appeals' Small Claims Division** to their Regular Division within 30 days of the mailing date on the notification of the Small Claims Division's hearing results. [K.S.A. 74-2438]

- Any party to the appeal, not satisfied with the results from the Board of Tax Appeals' Regular Division, may file a **Judicial Review of the Board's decision** with the District Court within 30 days of the Board's order [K.S.A. 77-601 et seq.]

Payment Under Protest (PUP) Appeals:

Taxpayers may appeal or "protest" the valuation or assessment of their property if all or part of the tax is paid prior to December 20th, by filing a "Payment Under Protest" application with the county treasurer's office on or before December 20th. After the December 20th deadline, all protest forms must be filed *at the time taxes are paid*.

The "payment under protest" must be in writing on forms designed by the State Board of Tax Appeals (BOTA). The forms are available at the county treasurer's office. The taxpayer must keep a copy of the protest form to file with BOTA should the county's decision be unsatisfactory. The law does not allow the owner to protest the second half payment of taxes if the first half payment of taxes has already been protested. Additionally, the taxes cannot be protested if an equalization appeal has been filed on the same property for the same tax year. However, this does not prevent a *subsequent owner* from protesting the taxes on property the year it is acquired, or the taxpayer protesting a change in the valuation or assessment as a result of an order by the director of property valuation.

The county treasurer forwards all protests for the valuation and assessment of property to the county appraiser. The county appraiser must schedule an informal hearing with the

taxpayer within 15 days after receiving a copy of the protest. The hearing must be *scheduled* within the 15 days, but it does not have to be conducted within that time frame. The county appraiser is required to notify the property owner of any changes to the valuation or assessment within 15 business days of the informal hearing. A letter indicating *no change* in value may be issued later.

[K.S.A. 79-2005]

Summary of the Personal Property "Payment Under Protest" (PUP) process:

- Taxpayers may **protest the valuation or assessment** of their property by filing the protest application form with the county treasurer on or before December 20th, if the tax is timely paid by December 20th. When the tax is paid from an escrow account or by a tax service, the protest may be filed by January 31st. Otherwise, the protest application must be filed with the tax payment.

- The county appraiser must **schedule an informal hearing** with the taxpayer within 15 days after receiving the protest application from the county treasurer.

- The county appraiser must **notify the taxpayer of any changes** resulting from the informal hearing within 15 business days after the hearing. A "no change" notice may be sent later.

- Taxpayers may further **appeal the results from the county's informal hearing** to:

  a) **When the county valuation is less than $3,000,000:**

  The Board of Tax Appeals' Small Claims Division *or* their Regular Division within 30 days of the mailing date on the county's notification of hearing results. ***Except*** for single family residential property appeals, which must be filed with the Board's Small Claims Division.

  b) **When the county valuation is $3,000,000 or greater:**

  The Regular Division of the Board of Tax Appeals within 30 days of the mailing date on the county's notification of hearing results. ***Except*** for single family residential property appeals, which must be filed with the Board's Small Claims Division.

  c) **When the property is classified as single-family residential property:**

  The Small Claims Division of the Board of Tax Appeals within 30 days of the mailing date on the county's notification of hearing results [K.S.A. 79-2005]

- Taxpayers may further **appeal a decision from the Board of Tax Appeal's Small Claims Division** to their Regular Division within 30 days of the mailing date on the notification of the Small Claim Division's hearing results. [K.S.A. 74-2438]

- Any party to the appeal, not satisfied with the results from the Board of Tax Appeals' Regular Division, may file a **Judicial Review of the Board's decision** with the District Court within 30 days of the Board's order. [K.S.A. 77-601 et seq.]

Hearing Officer Panel (HOP):

Counties are no longer required to provide a Hearing Officer Panel (HOP) but may do so at each county's option. Hearing officers are appointed by the county commissioners to hold hearings and to issue orders. Any taxpayer, not satisfied with the results of an informal hearing with county appraiser, may further appeal that decision to the HOP (if the county has one) within 18 days of the appraiser's final decision. An informal hearing with the county appraiser is required before the taxpayer can appeal to the HOP. Decisions made by the hearing officer(s) shall be mailed to the taxpayer and the county appraiser within 5 days after the date of making the decision. All HOP hearings must be completed by July 1 and orders issued by July 5.

[K.S.A.79-1606; 79-1610; 79-1611]

Reviews by the Director of Property Valuation:

The director of property valuation can review any valuation change made by the county appraiser or his designee or by the hearing officer panel. Within 60 days after the notification of the change, the director can rescind any valuation change that has caused the property not to be valued according to law. Any order made by the director of Property Valuation to rescind a valuation change can be appealed to the Board of Tax Appeals.

[K.S.A. 74-2438; 79-1404a]

Board of Tax Appeals (BOTA)

Small Claims Division:

Any taxpayer that is not satisfied with the results of a county appraiser or Hearing Officer Panel (HOP) equalization hearing, or the results of a payment under protest hearing for property that meets certain statutory requirements, may appeal that decision to BOTA's Small Claims Division.

The Board of Tax Appeals' Small Claims Division provides a hearing officer to hear certain property tax appeals at the election of the taxpayer. Hearings before the Small Claims

Division are informal and held in the county where the property is located or in an adjacent county. Documents provided by the taxpayer, or the county are returned to them and are not made part of the Board's permanent records. It is the duty of the county appraiser to initiate the production of evidence to demonstrate the validity and correctness of the county's determination of value. An informal meeting with the county appraiser is required before the taxpayer can appeal to the Small Claims Division.

[K.S.A. 74-2433f; 74-2438]

Regular Division:

Any taxpayer that is not satisfied with the results of a county appraiser hearing, a hearing officer panel hearing (HOP), a Small Claims Division hearing or a director of Property Valuation order, may appeal the results to the Regular Division of the Board of Tax Appeals. All such appeals must be filed within 30 days of the hearing results, and they must be made on forms prescribed by the Board of Tax Appeals. The Board will schedule a hearing and reasonable notice of the times and locations will be given to all interested parties. Hearings before the Board will be held in the Board's hearing rooms in Topeka or at other places throughout the state.

The Regular Division of the State Board of Tax Appeals consists of three members who are appointed by the governor. The Board conducts hearings pertaining to tax protests, tax grievances, tax exemptions, valuation appeals and other taxation issues. All proceedings are held in accordance with the provisions of the Kansas Administrative Procedures Act. Permanent records are kept of each hearing and all documentation submitted at the hearings is made a part of the Board's permanent records.

Any party to an appeal may seek judicial review of a BOTA order, provided the party has filed a timely request for reconsideration with the Board. Judicial review of a BOTA order must be filed within 30 days of the order, with the District Board of the county where the property is located.

[K.S.A. 74-2426; 74-2433; 74-2436; 74-2438; 74-2439; 77-529; 79-1609]

District Court:

Any party to an appeal may seek judicial review of a Board of Tax Appeal's (BOTA) order, provided the party has filed a timely request for reconsideration with the Court. Judicial review of a BOTA order must be filed within 30 days of the order, with the District Court of the county where the property is located

[K.S.A. 74-2426(b); In re K-Mart Corp., 232 Kan. 387, 654 P.2d 470 (1982). K.S.A. 74-2426(c)(4)]

Public Relations

Public relations are an important part of the appraiser's job. Taxes and property valuation are very personal issues for most people. That is why appraisers need to do as much as they can to educate taxpayers about the appraisal process and promote good public relations.

Taxpayers should be notified of any changes in the laws. Issues and events that affect or concern taxpayers should be responded to. Steps should also be taken to ensure inquiries and requests of taxpayers are handled with efficiency and courtesy. Allowing taxpayers more than one opportunity to respond to inquiries and requests is a good idea. However, reasonable deadlines need to be established for the taxpayer to respond. The appraiser should inform the taxpayer up front of the consequences for failing to meet the deadline. Likewise, taxpayers' inquiries and requests to the appraiser should be handled in a courteous, professional, and timely manner.

Sources the appraiser can use to develop good public relations with the taxpayers are:

- **Internet Website:** This is probably one of the most efficient ways to communicate with taxpayers. A website with information about the county is very helpful for taxpayers that are new to the county. Educating the taxpayer about the appraisal process, deadlines and general information about the personal property valuation process is an excellent way to generate good public relations. The website should encourage taxpayers to e-mail the county appraiser regarding any questions or concerns they may have. A timely and courteous response will create good public relations between the county appraiser's office and the taxpayers. Informing the taxpayer about other related websites is also helpful. Refer to the "Internet Sites" page in this publication for a list of internet sites that may be useful to taxpayers.

- **Pamphlets and Brochures:** Pamphlets and brochures explaining property tax laws, procedures and requirements can also be an effective tool for establishing good public relations with taxpayers. They can be distributed when conducting field reviews, meetings with taxpayers, or with correspondence to taxpayers, etc. PVD annually publishes a pamphlet entitled *A Guide to the Property Tax Appeals Process in Kansas* for county and taxpayer use.

- **Video Imaging:** A short video that explains the appraisal process, appeal process or general information about the county appraiser's office is another excellent resource for educating taxpayers.

- **Newspaper Articles:** Publishing notification of upcoming events or deadlines to keep the public informed of changes in laws and procedures, or articles pertaining to property valuation issues can be another effective tool for establishing good public relations.

- **Form Letters:** A form letter requesting information or notifying the taxpayer of changes in the law or county policy can be an efficient way of establishing good public relations.

- **Taxpayer Bill of Rights:** The Property Valuation Division (PVD) created a sample Personal Property Taxpayer's Bill of Rights which was fashioned after the Taxpayer Bill of Rights set forth in the statutes. The Personal Property Taxpayer's Bill of Rights outlines the appraisal process for personal property and the taxpayer's rights to appeal their values or penalties applied to their values. This document can be posted in the county appraiser's office where the public can view it, or it can be included in mailings or sent to taxpayers. A sample copy of the Personal Property Taxpayer's Bill of Rights can be obtained from PVD.

- **Radio and Television**: Radio or TV announcements informing taxpayers of upcoming deadlines, changes in the laws or local property tax issues are also great ways to keep taxpayers informed and establish good public relations.

Internet Sites

Internet sites that may be useful to taxpayers and county personnel are:

State of Kansas: www.kansas.gov

History, Government, Education, Jobs, Voter Registration, Visitors Guide, etc.

Kansas Department of Revenue: https://www.ksrevenue.gov/

Taxes, Statutes, Regulations, Opinions, E-Commerce, Revenue Agencies, etc.

Property Valuation Division: https://www.ksrevenue.gov/pvdindex.html

Taxpayer Information, Valuation Guides, Maps, County Contacts, Forms, Education, etc.

Kansas Board of Tax Appeals: https://www.kansas.gov/bota/

Exemption Forms, Appeal Forms, Flow Charts, Case Decisions by BOTA, etc.

Kansas Historical Society: https://www.kshs.org/

County Record Retention Guidelines, Research and Collections, Programs and Services, etc.

Record Retention

The Kansas State Historical Society (KSHS) prescribes record retention guidelines for state and local governments. KSHS lists these guidelines in their *Kansas Local Government Records Management Manual*.

Record retention and disposition schedules in the *Kansas Local Government Records Management Manual* provide guidelines that establish the minimum period an agency must retain custody of each record series and the final disposition requirements for the series. The retention guidelines may also contain recommendations prescribing the period of time a series should be retained in agency office space and the time when records should be transferred to the inactive storage.

Note: Approved schedules do not preempt good judgment. If the records are needed for legal or audit purposes beyond the recommended retention period, the proper authority should be consulted before destroying the records.

The *Kansas Local Government Records Management Manual* can be found on the KSHS web site at www.kshs.org Retention schedules are located in the Local Government Records under Records and Information Management in the Government section of the KSHS web site. Minimum retention schedules for ***records that are limited to the County Appraiser's office*** can be found in the "Records of the County Appraiser" section in the "Office Specific Retention Schedule" and schedules for ***record series that are common to most government agencies*** can be found in the "General Retention Schedule". Typically, records that are listed in the "General Retention Schedule" will not appear in the "Office Specific Retention Schedule".

Questions regarding the *Kansas Local Government Records Management Manual* should be directed to the following:

Kansas State Historical Society
Library and Archives Division
Records Management Section
6425 SW 6th Avenue
Topeka, KS 66615-1099

Voice: (785) 272-8681 Fax: (785) 272-8682 TTY: (785) 272-8683

Glossary of Key Terms

Acquisition Cost: The cost to acquire property; can be either a new cost or a used cost.

Ad Valorem: *According to value*.

Appraised Value: The value of a property before the assessment rate/percent is applied.

Appraised Value of Commercial Equipment: The retail-cost-when-new multiplied by the appropriate factor from the CIME Appraised Factor Table.

Assessment: The act, process or an instance of estimating the value of property for taxation.

Assessment Date: The date as of which the assessments for a tax year are made; the assessment date in Kansas is January 1.

Assessment Rate: The percentage the appraised value of a property is multiplied by to determine its assessed value.

Assessed Value: The value on which the tax burden to support local government services, special assessments and public schools is allocated among property owners; the appraised value multiplied by the assessment percentage.

BBC: The measurement in inches from the truck-tractor's front bumper to back of the cab.

CAMA: The *Computer Assisted Mass Appraisal* program used by county appraisers to value real property within the county. Example: ORION.

Chassis Cab / Cab and Chassis: Includes the cab, frame, power plant, drive line, suspensions, axles, wheels, tires on a truck; does not include a bed.

CIME: *Commercial/Industrial Machinery and Equipment*

BOTA: *Board of Tax Appeals*; state agency to which property values and taxes can be appealed.

Curb Weight: The empty (dry shipping) weight of the truck without load or driver; includes standard equipment; does not include the bed on a cab & chassis motor vehicle.

GCW or Gross Combined Weight: The allowable loaded weight for a truck-tractor and trailer combined; includes the weight of both units and the cargo; applicable to truck-tractors only.

GVW or Gross Vehicle Weight: The maximum manufacturer recommended weight the axles of the truck can carry; includes the weight of the truck and its bed and any cargo weight placed upon the axles; does not consider the weight of a trailer.

Gross Weight or Declared Weight: *For Registration Purposes (K.S.A. 8-143):* means and includes the empty weight of a truck, or combination of truck or truck-tractor and any type of trailer or semi-trailer, plus the maximum weight of the cargo which will be transported thereon; does not include the weight of any travel trailer used for private recreational purposes, vehicles towed by a wrecker.

Heavy Duty Truck (Truck Blue Book): Generally considered a truck having a GVW over 33,000 pounds; vehicles registered 24M or greater are considered a "heavy truck" for valuation and taxation purposes.

IAAO: *International Association of Assessing Officers*

ICC: *Interstate Commerce Commission*

KCC: *Kansas Corporation Commission*

KDOR: *Kansas Department of Revenue*

K.S.A.: *Kansas Statutes Annotated*; statute is another term used for law.

LESSEE: Someone who leases property from someone else.

LESSOR: Someone who leases property he/she owns to someone else.

Light Duty Truck (Truck Blue Book): Generally, a truck with a GVW under 14,000 pounds; vehicles on a one-ton or lighter chassis are referred to as light duty trucks.

Local Governing Entity: Entity with the authority to tax property within its jurisdiction based upon the amount of money necessary to provide its services. Examples: school board, water district, county, city or township.

MOVRS: *Motor Vehicle Registration System* is the state computer program used by county treasurers to process vehicle registration information.

MSO or Manufactures Statement of Origin: *a.k.a. MCO or Manufactures Certificate of Origin* is the original document received from the dealer for a brand-new motor vehicle, prior to the vehicle title being issued.

MSRP: *Manufacturer's Suggested Retail Price*

MVE-1: The *Motor Vehicle Examination* form used by the Kansas Highway Patrol for inspection of certain vehicles, such as out-of-state, assembled or kit vehicles.

Medium Duty Truck (Truck Blue Book): Generally considered a truck having a GVW between 14,001 and 33,000 pounds.

Mill Levy: The *tax rate* applied to the assessed value. One mill is one dollar per $1,000 dollars of assessed value. To calculate tax dollars, divide the mill levy by 1,000 and then multiply by the assessed value. The mill levy for a local governing entity is determined by dividing its budget by the taxable assessed value in its district.

Net Weight: The dry shipping weight of the truck *only*; the same as curb weight.

Personal Property: "*…every tangible thing which is the subject of ownership, not forming part or parcel of real property*" as defined in K.S.A. 79-102.

PVD: The *Property Valuation Division* is the division within the Kansas Department of Revenue which directs and assists counties in the valuation of property, as required by Kansas law.

RCWN: The *Retail Cost When New* is the dollar amount an item would cost when it is new at the retail level of trade.

Rendition: The form used by the taxpayer to list all taxable personal property owned or in his control as of January 1; a rendition must be filed if an initial filing has not been made or there is a change to report regarding a previously filed rendition.

Situs: The location of property for taxation purposes.

Stripped Chassis / Chassis Only: Includes the frame, power plant, drive line, suspensions, axles, wheels, and tires for a motor vehicle; does not include a cab, body or a bed; is considered an incomplete vehicle which cannot be driven on roadways.

Taxing District: The geographic area over which a local governing entity provides services and has taxing authority.

Tax Roll: The list of taxable property within a jurisdiction; includes the name of the owner, the assessed value, the mill levy and the property tax.

Tax Unit Group: A geographic area within the county for which the total mill levy is the same.

Truck Bed: A piece of equipment mounted behind the cab of the truck which is designed to haul or carry property. Example: flat or box bed, concrete-mixer, trash-packer, etc.

Truck Body: The outer shell of a motor vehicle, which is mounted to a stripped chassis, covers the chassis from bumper to bumper. Example: step-van body (UPS truck); bus or ambulance body, etc.

VIN: The *Vehicle Identification Number* which is used to identify a motor vehicle; standardized to 17 digits in 1981; usually found stamped on the driver's side corner of the dashboard and is listed on the vehicle title and registration.

Watercraft: Any boat or vessel designed to be propelled by machinery, oars, paddles, or wind action upon a sail for navigation on water.