

## House Concurrent Resolution No. 5041

By Committee on Taxation

3-11

9 A PROPOSITION to amend section 1 of article 11 of the constitution  
10 of the state of Kansas, relating to taxation of property.

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12 *Be it resolved by the Legislature of the State of Kansas, two-thirds of the*  
13 *members elected (or appointed) and qualified to the House of Repre-*  
14 *sentatives and two-thirds of the members elected (or appointed) and*  
15 *qualified to the Senate concurring therein:*

16 Section 1. The following proposition to amend the constitution of the  
17 state of Kansas shall be submitted to the qualified electors of the state  
18 for their approval or rejection: Section 1 of article 11 of the constitution  
19 of the state of Kansas is hereby amended to read as follows:

20 **§ 1. System of taxation; classification; exemption.** (a) The provi-  
21 sions of this subsection shall govern the assessment and taxation of prop-  
22 erty on and after January 1, ~~1993~~ 2005, and each year thereafter. Except  
23 as otherwise hereinafter specifically provided, the legislature shall provide  
24 for a uniform and equal basis of valuation and rate of taxation of all prop-  
25 erty subject to taxation. The legislature may provide for the classification  
26 and the taxation uniformly as to class of recreational vehicles, as defined  
27 by the legislature, or may exempt such class from property taxation and  
28 impose taxes upon another basis in lieu thereof. The provisions of this  
29 subsection shall not be applicable to the taxation of motor vehicles, except  
30 as otherwise hereinafter specifically provided, mineral products, money,  
31 mortgages, notes and other evidence of debt and grain. Property shall be  
32 classified into the following classes for the purpose of assessment and  
33 assessed at the percentage of value prescribed therefor:

34 Class 1 shall consist of real property. Real property shall be further  
35 classified into seven subclasses. Such property shall be defined by law for  
36 the purpose of subclassification and assessed uniformly as to subclass at  
37 the following percentages of value:

- 38 (1) Real property used for residential purposes including multi-family residen-  
39 tial real property and real property necessary to accommodate a residential  
40 community of mobile or manufactured homes including the real property  
41 upon which such homes are located ..... 11½%

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1	(2)	Land devoted to agricultural use which shall be valued upon the basis of	
2		its agricultural income or agricultural productivity pursuant to section 12	
3		of article 11 of the constitution .....	30%
4	(3)	Vacant lots .....	12%
5	(4)	Real property which is owned and operated by a not-for-profit organization	
6		not subject to federal income taxation pursuant to section 501 of the federal	
7		internal revenue code, and which is included in this subclass by law .....	12%
8	(5)	Public utility real property, except railroad real property which shall be	
9		assessed at the average rate that all other commercial and industrial prop-	
10		erty is assessed .....	33%
11	(6)	Real property used for commercial and industrial purposes and buildings	
12		and other improvements located upon land devoted to agricultural use ...	25%
13	(7)	All other urban and rural real property not otherwise specifically subclass-	
14		sified .....	30%
15		Class 2 shall consist of tangible personal property. Such tangible per-	
16		sonal property shall be further classified into <del>six</del> eight subclasses, shall be	
17		defined by law for the purpose of subclassification and assessed uniformly	
18		as to subclass at the following percentages of value:	
19	(1)	Mobile homes used for residential purposes .....	11½%
20	(2)	Mineral leasehold interests except oil leasehold interests the average daily	
21		production from which is five barrels or less, and natural gas leasehold	
22		interests the average daily production from which is 100 mcf or less, which	
23		shall be assessed at 25% .....	30%
24	(3)	Public utility tangible personal property including inventories thereof, ex-	
25		cept as otherwise provided and except railroad personal property including	
26		inventories thereof, which shall be assessed at the average rate all other	
27		commercial and industrial property is assessed .....	33%
28	(4)	Public utility tangible personal property which is underground cables used	
29		for the transmission or distribution of electricity, telecommunications or	
30		other communications .....	25%
31	(5)	Public utility tangible personal property which is above ground cables used	
32		for the transmission or distribution of electricity, telecommunications or	
33		other communications .....	50%
34	(6)	All categories of motor vehicles not defined and specifically valued and	
35		taxed pursuant to law enacted prior to January 1, 1985 .....	30%
36	<del>(5)</del> (7)	Commercial and industrial machinery and equipment which, if its ec-	
37		onomic life is seven years or more, shall be valued at its retail cost when	
38		new less seven-year straight-line depreciation, or which, if its economic life	
39		is less than seven years, shall be valued at its retail cost when new less	
40		straight-line depreciation over its economic life, except that, the value so	
41		obtained for such property, notwithstanding its economic life and as long	
42		as such property is being used, shall not be less than 20% of the retail cost	
43		when new of such property .....	25%

1 ~~(6)~~ (8) All other tangible personal property not otherwise specifically classi-  
 2 fied ..... 30%

3 (b) All property used exclusively for state, county, municipal, literary,  
 4 educational, scientific, religious, benevolent and charitable purposes,  
 5 farm machinery and equipment, merchants' and manufacturers' inven-  
 6 tories, other than public utility inventories included in subclass (3) of class  
 7 2, livestock, and all household goods and personal effects not used for  
 8 the production of income, shall be exempted from property taxation."

9 Sec. 2. The following statement shall be printed on the ballot with  
 10 the amendment as a whole:

11 "Explanatory statement. This amendment would revise the cur-  
 12 rent property tax system providing for the classification and assess-  
 13 ment of all property subject to taxation at different percentages of  
 14 value.

15 "A vote for this proposition would, as of January 1, 2005, continue  
 16 the requirement that different classes of property are to be assessed  
 17 for property tax purposes at different percentages of value. How-  
 18 ever, the following changes would be made with regard to personal  
 19 property: (1) The assessment rate for public utility tangible personal  
 20 property which is underground transmission or distribution cables  
 21 would be decreased from 33% to 25%; and (2) the assessment rate  
 22 for public utility tangible personal property which is above ground  
 23 transmission or distribution cables would be increased from 33% to  
 24 50%."

25 "A vote against this proposition would maintain the current sys-  
 26 tem of property taxation."

27 Sec. 3. This resolution, if approved by two-thirds of the members  
 28 elected (or appointed) and qualified to the House of Representatives, and  
 29 two-thirds of the members elected (or appointed) and qualified to the  
 30 Senate shall be entered on the journals, together with the yeas and nays.  
 31 The secretary of state shall cause this resolution to be published as pro-  
 32 vided by law and shall cause the proposed amendment to be submitted  
 33 to the electors of the state at the general election to be held on November  
 34 2, 2004.