

House Concurrent Resolution No. 5027

By Committee on Taxation

1-18

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

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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 pro-
21 visions of this subsection shall govern the assessment and taxation of prop-
22 erty on and after January 1, 1993, and each year thereafter. Except as
23 otherwise hereinafter specifically provided *by this section*, the legislature
24 shall provide for a uniform and equal basis of valuation and rate of taxation
25 of all property subject to taxation. The legislature may provide for the
26 classification and the taxation uniformly as to class of recreational vehicles,
27 as defined by the legislature, or may exempt such class from property
28 taxation and impose taxes upon another basis in lieu thereof. The provi-
29 sions of this subsection shall not be applicable to the taxation of motor
30 vehicles, except as otherwise hereinafter specifically provided, mineral
31 products, money, mortgages, notes and other evidence of debt and grain.
32 Property shall be classified into the following classes for the purpose of
33 assessment and 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 residential
39 real property and real property necessary to accommodate a residential com-
40 munity of mobile or manufactured homes including the real property upon
41 which such homes are located 11½

1	(2) Land devoted to agricultural use which shall be valued upon the basis of its	
2	agricultural income or agricultural productivity pursuant to section 12 of	
3	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 as-	
9	essed at the average rate that all other commercial and industrial property	
10	is assessed	33%
11	(6) Real property used for commercial and industrial purposes and buildings and	
12	other improvements located upon land devoted to agricultural use	25%
13	(7) All other urban and rural real property not otherwise specifically subclassified	30%
14	Class 2 shall consist of tangible personal property. Such tangible per-	
15	sonal property shall be further classified into six subclasses, shall be de-	
16	fined by law for the purpose of subclassification and assessed uniformly	
17	as to subclass at the following percentages of value:	
18	(1) Mobile homes used for residential purposes	11½%
19	(2) Mineral leasehold interests except oil leasehold interests the average daily	
20	production from which is five barrels or less, and natural gas leasehold in-	
21	terests the average daily production from which is 100 mcf or less, which	
22	shall be assessed at 25%	30%
23	(3) Public utility tangible personal property including inventories thereof, except	
24	railroad personal property including inventories thereof, which shall be as-	
25	essed at the average rate all other commercial and industrial property is	
26	assessed	33%
27	(4) All categories of motor vehicles not defined and specifically valued and taxed	
28	pursuant to law enacted prior to January 1, 1985	30%
29	(5) Commercial and industrial machinery and equipment which, if its economic	
30	life is seven years or more, shall be valued at its retail cost when new less	
31	seven-year straight-line depreciation, or which, if its economic life is less than	
32	seven years, shall be valued at its retail cost when new less straight-line de-	
33	preciation over its economic life, except that, the value so obtained for such	
34	property, notwithstanding its economic life and as long as such property is	
35	being used, shall not be less than 20% of the retail cost when new of such	
36	property	25%
37	(6) All other tangible personal property not otherwise specifically classified	30%
38	<i>(b) (1) Except as otherwise provided by paragraph (2) of this sub-</i>	
39	<i>section, the appraised valuation of all real property used for residential</i>	
40	<i>purposes, shall not increase from one taxable year to the next such year</i>	
41	<i>by a percentage exceeding the percentage by which the average consumer</i>	
42	<i>price index for all urban consumers published by the federal department</i>	
43	<i>of labor as of the close of the 12-month period ending on August 31 of</i>	

1 *the first calendar year preceding the appropriate taxable year exceeds*
2 *such index as of such period ending on August 31 of the second calendar*
3 *year preceding the appropriate taxable year.*

4 (2) *The appraised valuation for new or newly improved real property*
5 *used for residential purposes, in its initial year of valuation, shall be based*
6 *upon the comparison with values of other real property of known or rec-*
7 *ognized value which is subject to the provisions of paragraph (1). The*
8 *appraised valuation of real property used for residential purposes which*
9 *has been sold shall be adjusted to an amount equal to the sales price of*
10 *such real property when sold. The legislature may provide by law for such*
11 *legislation as is necessary to administer the provisions of subsection (b).*

12 ~~(b)~~ (c) *All property used exclusively for state, county, municipal, lit-*
13 *erary, educational, scientific, religious, benevolent and charitable pur-*
14 *poses, farm machinery and equipment, merchants' and manufacturers'*
15 *inventories, other than public utility inventories included in subclass (3)*
16 *of class 2, livestock, and all household goods and personal effects not used*
17 *for the production of income, shall be exempted from property taxation."*

18 Sec. 2. *The following statement shall be printed on the ballot with*
19 *the amendment as a whole:*

20 *"Explanatory statement. This amendment would provide limitations upon*
21 *the increase of the appraised valuation of real property used for resi-*
22 *dential purposes subject to taxation.*

23 *"A vote for this proposition would limit to the percentage increase of the*
24 *consumer price index real property appraised valuation increases from*
25 *one tax period to another of real property used for residential purposes.*
26 *This proposition would also provide that for real property used for*
27 *residential purposes, the appraised valuation for new or newly im-*
28 *proved real property in the initial year shall be based on the compar-*
29 *ison with values of other comparable real property of known or rec-*
30 *ognized value, and the appraised valuation for real property which has*
31 *been sold shall be adjusted to an amount equal to the sales price of*
32 *such real property. The legislature is expressly authorized to enact*
33 *necessary legislation to administer the provisions contained in this*
34 *amendment.*

35 *"A vote against this proposition would maintain the current system of*
36 *property taxation."*

37 Sec. 3. *This resolution, if approved by two-thirds of the members*
38 *elected (or appointed) and qualified to the House of Representatives, and*
39 *two-thirds of the members elected (or appointed) and qualified to the*
40 *Senate shall be entered on the journals, together with the yeas and nays.*
41 *The secretary of state shall cause this resolution to be published as pro-*
42 *vided by law and shall cause the proposed amendment to be submitted*

1 to the electors of the state at the general election to be held on November
2 7, 2006.