

House Concurrent Resolution No. 5019

By Committee on Taxation

3-1

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

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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
21 provisions of this subsection shall govern the assessment and taxa-
22 tion of property on and after January 1, 1993, and each year there-
23 after. Except as otherwise hereinafter specifically provided, the leg-
24 islature shall provide for a uniform and equal basis of valuation and
25 rate of taxation of all property subject to taxation. *The legislature*
26 *may exempt from ad valorem taxation all or a portion of the ap-*
27 *praised valuation of residential property owned by and the principal*
28 *place of residence of a Kansas resident who is 65 years of age or*
29 *older or who is totally and permanently disabled or who is the sur-*
30 *viving spouse of a veteran of the armed services before January 1*
31 *of the tax year; and the legislature may limit application of this*
32 *provision based on age, income, disability or such other criteria as*
33 *the legislature shall determine and enact such other legislation as is*
34 *necessary to administer this provision.* The legislature may provide
35 for the classification and the taxation uniformly as to class of rec-
36 reational vehicles, as defined by the legislature, or may exempt such
37 class from property taxation and impose taxes upon another basis
38 in lieu thereof. The provisions of this subsection shall not be appli-
39 cable to the taxation of motor vehicles, except as otherwise here-
40 inafter specifically provided, mineral products, money, mortgages,
41 notes and other evidence of debt and grain. Property shall be clas-
42 sified into the following classes for the purpose of assessment and
43 assessed at the percentage of value prescribed therefor:

1 Class 1 shall consist of real property. Real property shall be fur-
 2 ther classified into seven subclasses. Such property shall be defined
 3 by law for the purpose of subclassification and assessed uniformly
 4 as to subclass at the following percentages of value:

- 5 (1) Real property used for residential purposes including multi-family residential
 6 real property and real property necessary to accommodate a residential com-
 7 munity of mobile or manufactured homes including the real property upon
 8 which such homes are located 11½%
- 9 (2) Land devoted to agricultural use which shall be valued upon the basis of its
 10 agricultural income or agricultural productivity pursuant to section 12 of ar-
 11 ticle 11 of the constitution 30%
- 12 (3) Vacant lots 12%
- 13 (4) Real property which is owned and operated by a not-for-profit organization
 14 not subject to federal income taxation pursuant to section 501 of the federal
 15 internal revenue code, and which is included in this subclass by law 12%
- 16 (5) Public utility real property, except railroad real property which shall be as-
 17 sessed at the average rate that all other commercial and industrial property
 18 is assessed 33%
- 19 (6) Real property used for commercial and industrial purposes and buildings and
 20 other improvements located upon land devoted to agricultural use 25%
- 21 (7) All other urban and rural real property not otherwise specifically subclassified 30%

22 Class 2 shall consist of tangible personal property. Such tangible
 23 personal property shall be further classified into six subclasses, shall
 24 be defined by law for the purpose of subclassification and assessed
 25 uniformly as to subclass at the following percentages of value:

- 26 (1) Mobile homes used for residential purposes 11½%
- 27 (2) Mineral leasehold interests except oil leasehold interests the average daily
 28 production from which is five barrels or less, and natural gas leasehold inter-
 29 ests the average daily production from which is 100 mcf or less, which shall
 30 be assessed at 25% 30%
- 31 (3) Public utility tangible personal property including inventories thereof, except
 32 railroad personal property including inventories thereof, which shall be as-
 33 sessed at the average rate all other commercial and industrial property is
 34 assessed 33%
- 35 (4) All categories of motor vehicles not defined and specifically valued and taxed
 36 pursuant to law enacted prior to January 1, 1985 30%

- 1 (5) Commercial and industrial machinery and equipment which, if its economic
- 2 life is seven years or more, shall be valued at its retail cost when new less
- 3 seven-year straight-line depreciation, or which, if its economic life is less than
- 4 seven years, shall be valued at its retail cost when new less straight-line de-
- 5 preciation over its economic life, except that, the value so obtained for such
- 6 property, notwithstanding its economic life and as long as such property is
- 7 being used, shall not be less than 20% of the retail cost when new of such
- 8 property 25%
- 9 (6) All other tangible personal property not otherwise specifically classified 30%
- 10 (b) All property used exclusively for state, county, municipal,
- 11 literary, educational, scientific, religious, benevolent and charitable
- 12 purposes, farm machinery and equipment, merchants' and manu-
- 13 facturers' inventories, other than public utility inventories included
- 14 in subclass (3) of class 2, livestock, and all household goods and
- 15 personal effects not used for the production of income, shall be
- 16 exempted from property taxation."
- 17 Sec. 2. The following statement shall be printed on the ballot with
- 18 the amendment as a whole:
- 19 "Explanatory statement. This amendment would allow the legisla-
- 20 ture to grant an ad valorem tax exemption on residential property
- 21 which is the principal place of residence of certain taxpayers.
- 22 "A vote for this proposition would authorize the legislature to ex-
- 23 empt from ad valorem taxation all or a portion of the appraised
- 24 valuation of residential property which is the principal residence
- 25 of a Kansas resident who is 65 years of age or older, a person
- 26 who is totally and permanently disabled or a surviving spouse of
- 27 a veteran of the armed services. The proposition also allows the
- 28 legislature to enact legislation to limit the application of this pro-
- 29 vision based on age, income, disability or any other criteria which
- 30 is deemed necessary by the legislature, and to enact other leg-
- 31 islation as is necessary to administer this provision.
- 32 "A vote against this proposition would maintain the current system
- 33 of property taxation which would not permit this kind of exemp-
- 34 tion from ad valorem taxation."
- 35 Sec. 3. This resolution, if approved by two-thirds of the members
- 36 elected (or appointed) and qualified to the House of Representatives, and
- 37 two-thirds of the members elected (or appointed) and qualified to the
- 38 Senate shall be entered on the journals, together with the yeas and nays.
- 39 The secretary of state shall cause this resolution to be published as pro-
- 40 vided by law and shall cause the proposed amendment to be submitted
- 41 to the electors of the state at the general election to be held on the first
- 42 Tuesday following the first Monday in November 2008, unless a special
- 43 election is called at an earlier date by concurrent resolution of the legis-

- 1 lature, in which case the proposed amendment shall be submitted to the
- 2 electors of the state at the special election.