

SESSION OF 2008

**SUPPLEMENTAL NOTE ON SENATE BILL NO. 444**

As Amended by House Committee of the Whole

**Brief\***

SB 444 would provide property tax exemptions for personal property below a certain value; and for certain real and personal property used by religious or charitable organizations as housing for low-income single-parent families. The bill also would expand slightly the Homestead Property Tax Refund program.

**Property Tax Exemption for All Other Tangible Personal Property**

One section of the bill would provide a property tax exemption, effective in tax year 2009, for certain property classified as "all other tangible personal property" which has a purchase price of \$750 or less.

An additional provision would clarify that taxpayers would not be required to file for the exemption at the State Board of Tax Appeals (SBOTA).

**Property Tax Exemption for Low-Income Single-Parent Families Housing**

The bill also would amend KSA §79-201b by adding a section to exempt certain real and personal property that is used for housing low-income single-parent families. The property would have to be used by a religious or charitable organization exclusively for the temporary housing (24 months

---

\*Supplemental notes are prepared by the Legislative Research Department and do not express legislative intent. The supplemental note and fiscal note for this bill may be accessed on the Internet at <http://www.kslegislature.org>

or less) of limited or low-income single-parent families in need of financial assistance. The single parent would have to be enrolled in a life-training skills program. The provisions of this portion of the bill would be retroactive to tax year 2007.

### **Homestead Provisions**

Another provision would exclude from the definition of “income” for homestead property tax refunds those Social Security payments received by individuals who have been receiving Social Security disability payments prior to attaining the age of retirement. This language would effectively implement a grandfather clause to assure that disabled individuals would not see their Homestead refunds reduced by virtue of having reached retirement age.

### **Background**

All other tangible personal property, examples of which include watercraft, non-highway vehicles, mopeds, canoes, kayaks, certain trailers, all-terrain vehicles, and golf carts, is currently assessed at 30 percent of its fair market value.

The principal proponent, Johnson County Appraiser Paul Welcome, said that many such pieces of personal property which are relatively low in value do not produce any revenue pursuant to KSA 79-344, which provides for the cancellation of personal property liability associated with tax bills of less than \$5.

On March 20, 2008, the House Committee on Taxation amended the bill in two ways. First the committee lowered the purchase price value trigger from \$1,500 to \$750. The value was lowered in an effort to minimize the fiscal impact at the county level statewide.

The Committee also amended the bill by adding the subject matter of HB 2500. As originally drafted, HB 2500

exempted certain personal and real property owned by a religious or charitable organization that was used exclusively for the housing of low-income single parent mothers. The Committee amendments included language so that the provision applied to a single parent family, rather than just single parent mothers.

The House Committee of the Whole added the Homestead language, which would be expected to expand the program by \$0.4 million.

The fiscal note for the property tax exemptions in the bill is unknown at this time.