

SESSION OF 2008

**SUPPLEMENTAL NOTE ON
HOUSE CONCURRENT RESOLUTION NO. 5015**

As Recommended by House Committee on
Taxation

Brief*

HCR 5015 would, if adopted by voters at the November 4 general election, amend the property tax classification section of the *Kansas Constitution* to authorize the Legislature, beginning in tax year 2009, to classify watercraft on a different basis from other property. (Such property currently is assessed as “all other” personal property at 30 percent of its fair market value.)

Background

Proponents included Representative Dale Swenson and Representative Sharon Schwartz.

A proposed constitutional amendment (SCR 1629) placed on the 2000 general election ballot that would have authorized new tax treatment for both watercraft and aircraft was defeated by less than 12,000 votes (433,499 “no” to 421,621 “yes”).

After a similar legislative authorization for “recreational vehicles” was adopted as part of a constitutional amendment in 1992, the Kansas Legislature in 1994 subsequently availed itself of that prerogative and enacted a new tax system for such vehicles under which liability since January 1, 1995, has been based on the weight and the age of the vehicles (rather than on fair market value.)

*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>

Data provided by the Department of Revenue indicated that in tax year 2006, watercraft comprised \$86.9 million of assessed valuation statewide (\$289.7 million of appraised valuation). State taxation of these watercraft generated about \$1.84 million in local effort for purposes of the school finance formula (20 mills) and \$0.14 million for state building funds (1.5 mills).

Even if it were to be adopted by voters, HCR 5015 would have no immediate fiscal impact unless and until the Legislature passed a law that changed the tax treatment of watercraft.