STATE OF KANSAS

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SENATE CHAMBER

MR. PRESIDENT:

I move to amend **HCR 5008**, As Amended by House Committee, on page 1, in line 13, by striking "Article 2" and inserting "Section 1 of article 11"; in line 14, by striking "by adding a new section"; by striking all in lines 15 through 34;

On page 2, by striking all in lines 1 through 11; following line 11 by inserting:

"**§ 1. System of taxation; classification; exemption.** (a) The provisions of this subsection shall govern the assessment and taxation of property on and after January 1, ~~2013~~ 2028, and each year thereafter. Except as otherwise hereinafter specifically provided, the legislature shall provide for a uniform and equal basis of valuation and rate of taxation of all property subject to taxation. The legislature may provide for the classification and the taxation uniformly as to class of recreational vehicles and watercraft, as defined by the legislature, or may exempt such class from property taxation and impose taxes upon another basis in lieu thereof. The provisions of this subsection shall not be applicable to the taxation of motor vehicles, except as otherwise hereinafter specifically provided, mineral products, money, mortgages, notes and other evidence of debt and grain. The legislature may provide for valuation limits for any classes or subclasses of property.

The taxable valuation of real property used for residential purposes including multi-family residential real property and real property necessary to accommodate a residential community of mobile or manufactured homes including the real property upon which such homes are located, classified for property tax purposes pursuant to subclass (1) of class 1, real property used for commercial and industrial purposes and buildings and other

improvements located upon land devoted to agricultural use pursuant to subclass (6) of class 1 and tangible personal property classified as mobile homes used for residential purposes pursuant to subclass (1) of class 2 shall be determined based on the lesser of the fair market value or the average fair market value of that portion as defined by law. The legislature may provide for and establish by law the number of years in determining the average fair market value and valuation adjustments for new construction or improvements, changes in property use, property that is listed as escaped or omitted property and changes to the description of the land, lot or parcel.

Property shall be classified into the following classes for the purpose of assessment and assessed at the percentage of value prescribed therefor:

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

(1) Real property used for residential purposes including multi-family residential real property and real property necessary to accommodate a residential community of mobile or manufactured homes including the real property upon which such homes are located.....$11^{1}/_{2}$%

(2) Land devoted to agricultural use which shall be valued upon the basis of its agricultural income or agricultural productivity pursuant to section 12 of article 11 of the constitution.....30%

(3) Vacant lots.....12%

(4) Real property which is owned and operated by a not-for-profit organization not subject to federal income taxation

pursuant to section 501 of the federal internal revenue code, and which is included in this subclass by law.…12%

(5) Public utility real property, except railroad real property which shall be assessed at the average rate that all other commercial and industrial property is assessed.....33%

(6) Real property used for commercial and industrial purposes and buildings and other improvements located upon land devoted to agricultural use.....25%

(7) All other urban and rural real property not otherwise specifically subclassified.....30%

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

(1) Mobile homes used for residential purposes.....$11^{1}/_{2}$%

(2) Mineral leasehold interests except oil leasehold interests the average daily production from which is five barrels or less, and natural gas leasehold interests the average daily production from which is 100 mcf or less, which shall be assessed at 25%.....30%

(3) Public utility tangible personal property including inventories thereof, except railroad personal property including inventories thereof, which shall be assessed at the average rate all other commercial and industrial property is assessed.....33%

(4) All categories of motor vehicles not defined and specifically valued and taxed pursuant to law enacted prior to January 1, 1985.....30%

(5) Commercial and industrial machinery and equipment which, if its economic life is seven years or more, shall be valued at its retail cost when new less seven-year straight-line depreciation, or which, if its economic life is less than seven years, shall be valued at its retail cost when new less straight-line depreciation over its economic life, except that, the value so obtained for such property, notwithstanding its economic life and as long as such property is being used, shall not be less than 20% of the retail cost when new of such property.....25%

(6) All other tangible personal property not otherwise specifically classified.....30%

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

Also on page 2, in line 14, by striking all after the period; by striking all in lines 15 through 23; in line 24, by striking all before the period and inserting "This amendment would require certain property, including residential, commercial and industrial property, agricultural improvements and mobile homes, to be valued for property tax purposes based on the lesser of the current fair market value or an average of fair market values over a period of years, which

may reduce the impact of rapid increases in property values. The number of years used to calculate the average value and any adjustments in specific circumstances would be prescribed by law. The amendment would also provide the legislature the authority to establish valuation limits for any classes or subclasses of property"; in line 25, by striking all after "would"; by striking all in lines 26 through 29; in line 30, by striking all before the period and inserting "base certain property valuations on the lower of current value or an average value over time, as prescribed by law and allow for the limitations in valuation changes for property"; in line 31, by striking all after "would"; by striking all in lines 32 through 35; in line 36, by striking all before the period and inserting "make no changes to the constitution of the state of Kansas"; in line 43, by striking all after "at";

On page 3, by striking all in lines 1 and 2; in line 3, by striking all before the period and inserting "the general election in November in the year 2026, unless a special election is called at a sooner date by concurrent resolution of the legislature, in which case, the proposed amendment shall be submitted to the electors of the state at the special election";

On page 1, in the title, in line 1, after "amend" by inserting "section 1 of"; also in line 1, by striking "2" and inserting "11"; in line 2, by striking all after "Kansas"; by striking all in lines 3 and 4; in line 5, by striking all before the period and inserting "; relating to property taxation; valuing residential real property, commercial and industrial real property and mobile homes personal property based on the fair market value or average fair market value and providing the legislature the authority to establish valuation limits for any classes or subclasses of property"

Senator _____