

As Amended by House Committee

Session of 2025

House Concurrent Resolution No. 5011

By Committee on Taxation

2-7

A PROPOSITION to amend section 1 of article 11 of the constitution of the state of Kansas; 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 of the residential portion.

*Be it resolved by the Legislature of the State of Kansas, two-thirds of the members elected (or appointed) and qualified to the House of Representatives and two-thirds of the members elected (or appointed) and qualified to the Senate concurring therein:*

Section 1. The following proposition to amend the constitution of the state of Kansas shall be submitted to the qualified electors of the state for their approval or rejection: Section 1 of article 11 of the constitution of the state of Kansas is hereby amended to read as follows:

**"§ 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~~ 2027, 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 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 ~~the residential~~ 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 ~~of the residential portion~~ and valuation adjustments by law for new construction or improvements, changes in property use, property that is listed as escaped or omitted property, 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.....11½%
- (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.....11½%
- (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."

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

*"Explanatory statement.* This amendment would value real property used for residential purposes provided under section 1 of article 11 of the Constitution of the State of Kansas in 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**

1        **class 2** based on the lesser of the fair market value or the  
2        average fair market value of ~~the residential~~ **that** portion. The  
3        amendment would also authorize the legislature to establish  
4        by law the number of years in determining the average fair  
5        market value of ~~the residential portion~~ and provide valuation  
6        adjustments by law in certain circumstances.

7        "A vote for this proposition would value parcels of real property  
8        used for residential purposes including multi-family  
9        residential real property and real property necessary to  
10       accommodate a residential community of mobile or  
11       manufactured homes including the real property upon which  
12       such homes are located, **real property used for commercial**  
13       **and industrial purposes and buildings and other**  
14       **improvements located upon land devoted to agricultural**  
15       **use and tangible personal property classified as mobile**  
16       **homes used for residential purposes** based on the lesser of  
17       the fair market value or the average fair market value of ~~the~~  
18       ~~residential~~ **that** portion. The amendment would also  
19       authorize the legislature to establish by law the number of  
20       years in determining the average fair market value ~~of the~~  
21       ~~residential portion~~ and provide valuation adjustments for  
22       new construction or improvements, changes in property use,  
23       property that is listed as escaped or omitted property,  
24       changes to the description of the land, lot or parcel and  
25       property that lacks established valuations.

26       "A vote against this proposition would provide no change to the  
27       Kansas Constitution."

28       Sec. 3. This resolution, if approved by two-thirds of the members  
29       elected (or appointed) and qualified to the House of Representatives and  
30       two-thirds of the members elected (or appointed) and qualified to the  
31       Senate, shall be entered on the journals, together with the yeas and nays.  
32       The secretary of state shall cause this resolution to be published as  
33       provided by law and shall cause the proposed amendment to be submitted  
34       to the electors of the state at a special election, which is hereby called on  
35       November 4, 2025, pursuant to section 1 of article 14 of the constitution  
36       of the state of Kansas, to be held in conjunction with the general election  
37       held on such date.