

## House Concurrent Resolution No. 5024

By Committee on Taxation

2-2

1 A PROPOSITION to amend section 1 of article 11 of the constitution of  
2 the state of Kansas; relating to property taxation; determining  
3 valuations for real property used for residential purposes.  
4

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

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

13 **“§ 1. System of taxation; classification; exemption.** (a) The  
14 provisions of this subsection shall govern the assessment and  
15 taxation of property on and after January 1, 2013 2027, and each  
16 year thereafter. Except as otherwise hereinafter specifically  
17 provided, the legislature shall provide for a uniform and equal  
18 basis of valuation and rate of taxation of all property subject to  
19 taxation. The legislature may provide for the classification and the  
20 taxation uniformly as to class of recreational vehicles and  
21 watercraft, as defined by the legislature, or may exempt such class  
22 from property taxation and impose taxes upon another basis in lieu  
23 thereof. The provisions of this subsection shall not be applicable to  
24 the taxation of motor vehicles, except as otherwise hereinafter  
25 specifically provided, mineral products, money, mortgages, notes  
26 and other evidence of debt and grain.

27 *The taxable valuation of real property used for residential  
28 purposes including multi-family residential real property and real  
29 property necessary to accommodate a residential community of  
30 mobile or manufactured homes including the real property upon  
31 which such homes are located, classified for property tax purposes  
32 pursuant to subclass (1) of class 1, shall be determined based on  
33 the sales price for the year in which the property transferred  
34 ownership if the transfer was sold at fair market value or valued  
35 pursuant to law as fair market value in the year in which the  
36 transfer occurred for the current owner.*

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

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

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

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

16       (3) Vacant lots.....12%

17       (4) Real property which is owned and operated by a not-for-profit  
18       organization not subject to federal income taxation pursuant to  
19       section 501 of the federal internal revenue code, and which is  
20       included in this subclass by law.....12%

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

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

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

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

34       (1) Mobile homes used for residential purposes..... $11\frac{1}{2}\%$

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

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

43       (4) All categories of motor vehicles not defined and specifically valued

1        and taxed pursuant to law enacted prior to January 1, 1985.....30%

2        (5) Commercial and industrial machinery and equipment which, if its

3        economic life is seven years or more, shall be valued at its retail cost

4        when new less seven-year straight-line depreciation, or which, if its

5        economic life is less than seven years, shall be valued at its retail

6        cost when new less straight-line depreciation over its economic life,

7        except that, the value so obtained for such property, notwithstanding

8        its economic life and as long as such property is being used, shall

9        not be less than 20% of the retail cost when new of such property

10       25%

11       (6) All other tangible personal property not otherwise specifically

12       classified.....30%

13                (b) All property used exclusively for state, county, municipal,

14        literary, educational, scientific, religious, benevolent and charitable

15        purposes, farm machinery and equipment, merchants' and

16        manufacturers' inventories, other than public utility inventories

17        included in subclass (3) of class 2, livestock, and all household

18        goods and personal effects not used for the production of income,

19        shall be exempted from property taxation."

20       Sec. 2. The following statement shall be printed on the ballot with

21       the amendment as a whole:

22       "*Explanatory statement.* This amendment would establish the

23       taxable valuation of real property used for residential

24       purposes based on the sales price for the year in which the

25       property transferred ownership if the transfer was sold at fair

26       market value or valued pursuant to law as fair market value

27       in the year in which the transfer occurred for the current

28       owner.

29       "A vote for this proposition would establish the taxable

30       valuation of real property used for residential purposes

31       including multi-family residential real property and real

32       property necessary to accommodate a residential community

33       of mobile or manufactured homes including the real property

34       upon which such homes are located, classified for property

35       tax purposes pursuant to subclass (1) of class 1, based on the

36       sales price for the year in which the property transferred

37       ownership if the transfer was sold at fair market value or

38       valued pursuant to law as fair market value in the year in

39       which the transfer occurred for the current owner.

40       "A vote against this proposition would provide no change to the

41       Kansas constitution."

42       Sec. 3. This resolution, if approved by two-thirds of the members

43       elected (or appointed) and qualified to the House of Representatives and

1 two-thirds of the members elected (or appointed) and qualified to the  
2 Senate, shall be entered on the journals, together with the yeas and nays.  
3 The secretary of state shall cause this resolution to be published as  
4 provided by law and shall cause the proposed amendment to be submitted  
5 to the electors of the state at the general election in November in the year  
6 2026, unless a special election is called at a sooner date by concurrent  
7 resolution of the legislature, in which case the proposed amendment shall  
8 be submitted to the electors of the state at the special election.