

House Concurrent Resolution No. 5034

By Representatives B. Carpenter, Blex, Bloom, Brantley, Brunk, Bryce, Buehler, Butler, Chauncey, Croft, Droge, Ellis, Essex, Estes, Fairchild, Goddard, Goetz, Helgerson, Helwig, Hoffman, Hoheisel, Howell, Howerton, Huebert, James, Johnson, King, Long, McDonald, McNorton, Neelly, Pickert, Proctor, Reavis, Resman, Rhiley, Roth, Sanders, Sappington, Sawyer, Schlingensiepen, Schmoe, Schwertfeger, A. Smith, C. Smith, Steele, Stiens, Tarwater, Turk, Waggoner, Waymaster, White, K. Williams, Wilson and Wolf

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1 A PROPOSITION to amend the constitution of the state of Kansas by
2 revising article 11; establishing the freedom from taxes fund;
3 establishing the temporary Kansas citizens freedom review board;
4 authorizing the board to review tax exemptions and approve or
5 eliminate such exemptions; eliminating the motor vehicle property
6 taxes and fees, state-mandated and state-imposed property taxes and
7 state-imposed income and privilege taxes.
8

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

13 Section 1. The following proposition to amend the constitution of
14 the state of Kansas shall be submitted to the qualified electors of the state
15 for their approval or rejection: Article 11 of the constitution of the state of
16 Kansas is hereby revised by amending Section 2 and adding a new
17 section to read as follows:

18 "**§ 2. Taxation of incomes.** *Except as provided further, the*
19 *state shall have power to levy and collect taxes on incomes from*
20 *whatever source derived, which taxes may be graduated and*
21 *progressive. Upon the adoption by the legislature of a concurrent*
22 *resolution to eliminate the state income and privilege tax pursuant*
23 *to section 14 of this article 11, the provisions of this section shall*
24 *be null and void and have no force or effect.*

25 "**§ 14. Freedom from taxes section.** (a) There is hereby
26 established the freedom from taxes fund. There shall be three sub-
27 funds within the freedom from taxes fund:

28 (1) The state motor vehicle property tax elimination fund,
29 which shall be solely dedicated to the elimination of motor
30 vehicle property taxes and any fees charged by either the state
31 or any subdivision of the state in order to register or title a

1 motor vehicle. There shall be a sub-fund in the state motor
2 vehicle property tax elimination fund to be called the motor
3 vehicle tax reserve fund, which shall be used solely to maintain
4 stable motor vehicle tax replacement payments. The motor
5 vehicle tax reserve fund shall not exceed 150% of the
6 authorized annual transfer from the state motor vehicle property
7 tax elimination fund to the state general fund. In any year that
8 the motor vehicle tax reserve fund meets such limitation, the
9 state treasurer shall not make any transfers into the motor
10 vehicle tax reserve fund, and such moneys shall be retained in
11 the state motor vehicle property tax elimination fund;

12 (2) the state property tax elimination fund, which shall be
13 solely dedicated to the elimination of state-mandated property
14 taxes and state-imposed property taxes. There shall be a sub-
15 fund in the state property tax elimination fund to be called the
16 property tax reserve fund, which shall be used solely to
17 maintain stable property tax replacement payments. The
18 property tax reserve fund shall not exceed 150% of the
19 authorized annual transfer from the state property tax
20 elimination fund to the state general fund. In any year that the
21 property tax reserve fund meets such limitation, the state
22 treasurer shall not make any transfers into the property tax
23 reserve fund, and such moneys shall be retained in the state
24 property tax elimination fund; and

25 (3) the state income and privilege tax elimination fund,
26 which shall be solely dedicated to the elimination of state-
27 imposed income and privilege taxes. There shall be a sub-fund
28 in the state income and privilege tax elimination fund to be
29 called the income tax reserve fund, which shall be used solely to
30 maintain stable income and privilege tax replacement payments.
31 The income tax reserve fund shall not exceed 150% of the
32 authorized annual transfer from the state income and privilege
33 tax elimination fund to the state general fund. In any year that
34 the income tax reserve fund meets such limitation, the state
35 treasurer shall not make any transfers into the income tax
36 reserve fund, and such moneys shall be retained in the state
37 income and privilege tax elimination fund.

38 (b) The freedom from taxes fund and any sub-funds within
39 such fund shall be administered by the state treasurer. All
40 expenditures from the freedom from taxes fund shall be solely
41 for the elimination of motor vehicle property taxes and fees,
42 state-mandated property taxes and state-imposed property taxes
43 and state-imposed income and privilege taxes and only

1 expended under the provisions of this section. All moneys
2 received by the state treasurer that are identified as moneys
3 collected by the state of Kansas as a result of the elimination, in
4 whole or in part, of the state sales and compensating use tax
5 exemptions, hereafter referred to as tax exemptions, and interest
6 earnings on such moneys shall be deposited in and credited to
7 the freedom from taxes fund.

8 (c) All moneys received by the state treasurer that are
9 identified as moneys collected by the state of Kansas as a result
10 of the elimination, in whole or in part, of the state tax
11 exemptions, including all moneys identified as principal in the
12 freedom from taxes fund, shall remain intact and inviolate and
13 shall not be appropriated, transferred, encumbered, borrowed
14 against or otherwise diminished for any purpose whatsoever.
15 Only the interest earnings on the freedom from taxes fund may
16 be expended or transferred as provided for under the provisions
17 of this section.

18 (d) All moneys in the freedom from taxes fund, including
19 principal and reserve balances, shall be invested and reinvested
20 by a money manager in a prudent and reasonable manner in
21 accordance with investment policies provided by law. The state
22 treasurer shall contract for the management of the moneys in the
23 freedom from taxes fund by a money manager. Prior to entering
24 into such contract, the contract shall be approved by the
25 legislature by the adoption of a concurrent resolution during any
26 regular or special session of the legislature. If the legislature
27 fails to adopt a concurrent resolution approving a contract, the
28 state treasurer is authorized to enter into such contract. The
29 contract shall be for a maximum term of five years but may be
30 renewed by the state treasurer and the legislature subject to the
31 provisions of this subsection. During any time following the
32 adjournment of the legislature sine die until the convening of
33 the ensuing session of the legislature, if for any reason the
34 money manager resigns or otherwise fails to perform such
35 manager's contractual duties, the state treasurer shall perform
36 the duties as money manager until a new contract has been
37 entered into and approved by the legislature as provided by this
38 subsection.

39 (e) (1) There is hereby established the Kansas citizens
40 freedom review board, which shall exist for the limited
41 purposes as provided for in this section.

42 (2) The composition, qualifications and manner of
43 appointment for the board shall be prescribed by law.

1 (3) The board shall review and approve or eliminate, in
2 whole or in part, any existing state tax exemptions to go into
3 effect for the next ensuing tax year.

4 (4) Upon completion of the review and issuance of the
5 determinations on all existing tax exemptions, the board shall
6 issue and submit a final report to the governor, the state
7 treasurer and the legislature not later than one year following
8 the effective date of the law to carry out the purposes of this
9 section. On the date of the submission of the final report, the
10 board shall be dissolved.

11 (f) (1) Following the elimination of such tax exemptions,
12 the state treasurer shall annually identify in each tax year the
13 amount of moneys collected in the state treasury that are
14 collected because of the elimination of such tax exemptions.

15 (2) Annually, the state treasurer shall transfer the amount
16 of such moneys to the state motor vehicle property tax
17 elimination fund of the freedom from taxes fund. Except as
18 provided further, the interest earnings on the state motor vehicle
19 property tax elimination fund shall be retained in such fund.
20 The state treasurer shall present an annual report to the
21 legislature on the balance of the state motor vehicle property tax
22 elimination fund identified by principal and interest earnings.

23 (3) When the state treasurer determines that the amount of
24 moneys identified as projected interest earnings in the state
25 motor vehicle property tax elimination fund is an amount
26 greater than: (A) An amount of moneys equal to 45% of the
27 interest earnings needed to eliminate all motor vehicle property
28 taxes and fees; (B) plus an amount of moneys needed to retain
29 45% of the interest earnings in the state motor vehicle property
30 tax elimination fund; and (C) plus an amount of moneys equal
31 to 10% of the interest earnings to be transferred to the motor
32 vehicle tax reserve fund, the state treasurer shall present such
33 determination to the legislature. Such determination shall be
34 approved by the legislature by the adoption of a concurrent
35 resolution during any regular or special session of the
36 legislature. Upon the adoption of such concurrent resolution,
37 such motor vehicle property taxes and fees shall be eliminated
38 in the next ensuing tax year. In such year, the state treasurer
39 shall transfer from the state motor vehicle property tax
40 elimination fund to the state general fund interest earnings in
41 the amount equal to the amount of moneys not collected
42 because of the elimination of motor vehicle property taxes and
43 fees. The state treasurer shall certify the amount of such

1 transfer. The legislature shall provide by law for any
2 distribution to local taxing subdivisions. In the ensuing tax
3 years, the amount transferred to the state general fund from the
4 state motor vehicle property tax elimination fund shall not
5 exceed 45% of the interest earned on the state motor vehicle
6 property tax elimination fund, subject to further adjustment
7 based on a five-year rolling average of interest earnings. During
8 the first five years in which the motor vehicle property taxes
9 and fees have been eliminated, the state treasurer shall
10 determine the average amount of interest earned during such
11 years, and annually determine such average interest earned.
12 During such years, the transfer from the state motor vehicle
13 property tax elimination fund to the state general fund shall be
14 further adjusted to include the amount of moneys equal to the
15 amount equating the average interest earned in dollars for that
16 year. In the sixth and subsequent years, the state treasurer shall
17 use the preceding five years to determine the average interest
18 earned and subject to transfer. Following the elimination of
19 motor vehicle property taxes and fees, in each year, the state
20 treasurer shall transfer an amount of moneys equal to 10% of
21 the average interest earnings to the motor vehicle tax reserve
22 fund and retain 45% of the average interest earnings in the state
23 motor vehicle property tax elimination fund.

24 (4) When the state treasurer makes the determination that
25 property tax or fees shall not be levied on any motor vehicle in
26 this state and the legislature approves such determination
27 pursuant to a concurrent resolution as provided in subsection (f)
28 (3), property tax or fees shall not be levied on any motor vehicle
29 in this state.

30 (5) Upon the elimination of motor vehicle property taxes
31 and fees, annually, the state treasurer shall transfer the amount
32 of such moneys that continue to be collected because of the
33 elimination of such tax exemptions to the state property tax
34 elimination fund of the freedom from taxes fund. Except as
35 provided further, the interest earnings on the state property tax
36 elimination fund shall be retained in such fund. The state
37 treasurer shall present an annual report to the legislature on the
38 balance of the state property tax elimination fund identified by
39 principal and interest earnings.

40 (6) When the state treasurer determines that the amount of
41 moneys identified as projected interest earnings in the state
42 property tax elimination fund is an amount greater than: (A) An
43 amount of moneys equal to 45% of the interest earnings needed

1 to eliminate state-mandated property tax levies and state-
2 imposed property taxes; (B) plus an amount of moneys needed
3 to retain 45% of the interest earnings in the state property tax
4 elimination fund; and (C) plus an amount of moneys equal to
5 10% of the interest earnings to be transferred to the property tax
6 reserve fund, the state treasurer shall present such determination
7 to the legislature. Such determination shall be approved by the
8 legislature by the adoption of a concurrent resolution during any
9 regular or special session of the legislature. Upon the adoption
10 of such concurrent resolution, such state-mandated property tax
11 levies and state-imposed property taxes shall be eliminated in
12 the next ensuing tax year. In such year, the state treasurer shall
13 transfer from the state property tax elimination fund to the state
14 general fund interest earnings in the amount equal to the amount
15 of moneys not collected because of the elimination of state-
16 mandated property tax levies and state-imposed property taxes.
17 The state treasurer shall certify the amount of such transfer. The
18 legislature shall provide by law for any distribution to local
19 taxing subdivisions. In the ensuing tax years, the amount
20 transferred to the state general fund from the state property tax
21 elimination fund shall not exceed 45% of the interest earned on
22 the state property tax elimination fund, subject to further
23 adjustment based on a five-year rolling average of interest
24 earnings. During the first five years in which the state-mandated
25 property tax levies and state-imposed property taxes have been
26 eliminated, the state treasurer shall determine the average
27 amount of interest earned during such years, and annually
28 determine such average interest earned. During such years, the
29 transfer from the state property tax elimination fund to the state
30 general fund shall be further adjusted to include the amount of
31 moneys equal to the amount equating the average interest
32 earned in dollars for that year. In the sixth and succeeding years,
33 the state treasurer shall use the preceding five years to
34 determine the average interest earned and subject to transfer.
35 Following the elimination of state-mandated property tax levies
36 and state-imposed property taxes, in each year, the state
37 treasurer shall transfer an amount of moneys equal to 10% of
38 the average interest earnings to the property tax reserve fund
39 and retain 45% of the average interest earnings in the state
40 property tax elimination fund.

41 (7) When the state treasurer makes the determination that
42 state-mandated property tax or state-imposed property tax shall
43 not be levied on any property in this state and the legislature

1 approves such determination pursuant to a concurrent resolution
2 as provided in subsection (f)(6), state-mandated property tax or
3 state-imposed property tax shall not be levied on any property
4 in this state.

5 (8) Upon the elimination of motor vehicle property taxes
6 and fees, state-mandated property tax levies and state-imposed
7 property taxes, annually, the state treasurer shall transfer the
8 amount of such moneys that continue to be collected because of
9 the elimination of such tax exemptions to the state income and
10 privilege tax elimination fund of the freedom from taxes fund.
11 Except as provided further, the interest earnings on the state
12 income and privilege tax elimination fund shall be retained in
13 such fund. The state treasurer shall present an annual report to
14 the legislature on the balance of the state income and privilege
15 tax elimination fund identified by principal and interest
16 earnings.

17 (9) When the state treasurer determines that the amount of
18 moneys that are identified as projected interest earnings in the
19 state income and privilege tax elimination fund is an amount
20 greater than: (A) An amount of moneys equal to 45% of the
21 interest earnings needed to eliminate all state income and
22 privilege tax; (B) plus an amount of moneys needed to retain
23 45% of the interest earnings in the state income and privilege
24 tax elimination fund; and (C) plus an amount of moneys equal
25 to 10% of the interest earnings to be transferred to the income
26 tax reserve fund, the state treasurer shall present such
27 determination to the legislature. Such determination shall be
28 approved by the legislature by the adoption of a concurrent
29 resolution during any regular or special session of the
30 legislature. Upon the adoption of such concurrent resolution,
31 such state income and privilege tax shall be eliminated in the
32 next ensuing tax year. In such year, the state treasurer shall
33 transfer from the state income and privilege tax elimination
34 fund to the state general fund interest earnings in the amount
35 equal to the amount of moneys not collected because of the
36 elimination of state income and privilege tax. The state treasurer
37 shall certify the amount of such transfer. In the ensuing tax
38 years, the amount transferred to the state general fund from the
39 state income and privilege tax elimination fund shall not exceed
40 45% of the interest earned on the state income and privilege tax
41 elimination fund, subject to further adjustment based on a five-
42 year rolling average of interest earnings. During the first five
43 years in which the state income and privilege tax have been

1 eliminated, the state treasurer shall determine the average
2 amount of interest earned during such years, and annually
3 determine such average interest earned. During such years, the
4 transfer from the state income and privilege tax elimination
5 fund to the state general fund shall be further adjusted to
6 include the amount of moneys equal to the amount equating the
7 average interest earned in dollars for that year. In the sixth and
8 succeeding years, the state treasurer shall use the preceding five
9 years to determine the average interest earned and subject to
10 transfer. Following the elimination of state income and privilege
11 tax, in each year, the state treasurer shall transfer an amount of
12 moneys equal to 10% of the average interest earnings to the
13 income tax reserve fund and shall retain 45% of the average
14 interest earnings in the state income and privilege tax
15 elimination fund.

16 (10) When the state treasurer makes the determination that
17 a state income tax on any income earned in this state or
18 privilege tax on net income on national banking associations,
19 banks, trust companies, federally chartered savings banks and
20 savings and loan associations shall not be levied in this state
21 and the legislature approves such determination pursuant to a
22 concurrent resolution as provided in subsection (f)(9), a state
23 income tax on any income earned in this state or privilege tax
24 on net income on national banking associations, banks, trust
25 companies, federally chartered savings banks and savings and
26 loan associations shall not be levied in this state.

27 (g) (1) If the Kansas citizens freedom review board
28 eliminates, in whole or in part, any existing state tax
29 exemptions, the legislature may enact new, identical or similar
30 tax exemptions during any following regular or special session
31 of the legislature. If the legislature enacts any state tax
32 exemptions, such tax exemptions shall expire at the end of the
33 tax year that is five years from the date of enactment, and the
34 legislature may eliminate such state tax exemptions at any time
35 during such five year period.

36 (2) If the Kansas citizens freedom review board approves,
37 in whole or in part, any existing state tax exemptions, such tax
38 exemptions shall expire at the end of the tax year that is five
39 years from the date of the submission of the final report.

40 (3) The legislature shall not consider renewing any tax
41 exemption that is currently in effect until the regular legislative
42 session immediately prior to the expiration of such tax
43 exemption.

1 (4) If the legislature enacts a law to eliminate, in whole or
2 in part, any existing state tax exemptions or any existing state
3 tax exemptions are allowed to expire, all moneys received by
4 the state treasurer that are identified as moneys collected by the
5 state of Kansas as a result of such elimination or expiration of
6 any state tax exemption shall be deposited in the state treasury
7 and credited to the freedom from taxes fund as provided for in
8 this section.

9 (5) If the legislature enacts a law to transfer or deposit
10 moneys into the freedom from taxes fund, such moneys shall be
11 transferred or deposited pursuant to such law until repealed. The
12 legislature shall not suspend such transfer or deposit through an
13 appropriation bill.

14 (h) Upon the date that the state treasurer determines that
15 the motor vehicle property tax elimination fund, the state
16 property tax elimination fund and the state income and privilege
17 tax elimination fund are fully funded in order for the interest
18 earnings from each such fund to reimburse the state general
19 fund or any local taxing subdivision, or both, for the lost
20 revenue as a result of eliminating the motor vehicle property tax
21 and fees, the state-mandated and state-imposed property tax and
22 the state income and privilege taxes, during any ensuing regular
23 session of the legislature, the legislature may:

24 (1) Determine, by two-thirds of the members elected (or
25 appointed) and qualified to the House of Representatives and
26 two-thirds of the members elected (or appointed) and qualified
27 to the Senate, whether to deposit the amount of moneys that are
28 identified as moneys collected by the state of Kansas as a result
29 of the elimination, in whole or in part, of the state tax
30 exemptions in the state general fund; or

31 (2) propose to the citizens of Kansas a constitutional
32 amendment to eliminate other forms of taxes or other forms of
33 governmental expenditures.

34 (i) The provisions of this section shall not apply to:

35 (1) Any federal exemptions established by the constitution
36 of the United States or federal law; or

37 (2) any exemptions that exist in law as of July 1, 2026, and
38 if elimination would result in the imposition of multiple layers
39 of sales taxes on the item of tangible personal property prior to
40 final sale of either the item or inclusion of the item as part of
41 another item when sold at retail.

42 (j) The legislature may enact laws to carry out the purposes
43 of this section.

1 (k) This amendment shall be effective on and after January
2 1, 2027."

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

5 "*Explanatory statement.* This amendment creates the freedom
6 from taxes fund to eliminate property taxes and fees on
7 motor vehicles, reduce home property taxes and phase out
8 state income and privilege taxes over time.

9 "The fund is funded by ending wasteful or outdated tax
10 exemptions. A temporary Kansas citizens freedom review
11 board will review all exemptions and decide which to keep
12 or remove. If a popular tax break is cut, your elected
13 representatives can restore it. All special interest tax breaks
14 would be reviewed at least every five years.

15 "The fund would be a permanent savings account for the state.
16 It will grow over time and earn interest, and that interest will
17 be used to help pay for schools, roads and other priorities—
18 so the state can stop collecting certain taxes from you. The
19 freedom from taxes fund itself is protected by this
20 constitutional amendment, which means politicians are
21 legally blocked from spending or raiding it for other
22 purposes—guaranteeing it remains focused solely on
23 reducing your taxes now and for future generations of
24 Kansans.

25 "A vote for this proposition means ending state taxes on motor
26 vehicles, lowering home property taxes, and phasing out
27 state income and privilege taxes over time—without cutting
28 essential services. It creates the freedom from taxes fund and
29 a temporary Kansas citizens freedom review board to decide
30 which tax breaks to keep or eliminate. Future tax exemptions
31 would be limited to a duration of not to exceed five years
32 without further enactment by the legislature.

33 "A vote against this proposition means that the state of Kansas
34 will continue taxing motor vehicles, property, income and
35 privilege taxes to fund government operations. The state
36 constitution would remain unchanged."

37 Sec. 3. This resolution, if approved by two-thirds of the members
38 elected (or appointed) and qualified to the House of Representatives and
39 two-thirds of the members elected (or appointed) and qualified to the
40 Senate, shall be entered on the journals, together with the yeas and nays.
41 The secretary of state shall cause this resolution to be published as
42 provided by law and shall cause the proposed amendment to be submitted
43 to the electors of the state at the general election in November in the year

- 1 2026, unless a special election is called at a sooner date by concurrent
- 2 resolution of the legislature, in which case the proposed amendment shall
- 3 be submitted to the electors of the state at the special election.