

Senate Concurrent Resolution No. 1603

By Senators Tyson, Alley, Blasi, Bowser, J.R. Claeys, Joseph Claeys, Erickson, Gossage, Klemp, Kloos, Masterson, Murphy, Peck, Petersen, Shallenburger, Starnes, Thompson and Warren

1-15

1 A PROPOSITION to amend section 1 of article 11 of the constitution of
2 the state of Kansas; relating to property taxation; limiting valuation
3 increases for real property and for personal property classified as
4 mobile homes used for residential purposes.

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

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

15 **"§ 1. System of taxation; classification; exemption. (a)**

16 The provisions of this subsection shall govern the assessment
17 and taxation of property on and after January 1, ~~2013~~ 2026, and
18 each year thereafter. Except as otherwise hereinafter specifically
19 provided, the legislature shall provide for a uniform and equal
20 basis of valuation and rate of taxation of all property subject to
21 taxation. The legislature may provide for the classification and
22 the taxation uniformly as to class of recreational vehicles and
23 watercraft, as defined by the legislature, or may exempt such
24 class from property taxation and impose taxes upon another
25 basis in lieu thereof. The provisions of this subsection shall not
26 be applicable to the taxation of motor vehicles, except as
27 otherwise hereinafter specifically provided, mineral products,
28 money, mortgages, notes and other evidence of debt and grain.

29 *The final taxable appraised value of real property classified*
30 *in any subclass and personal property classified as mobile*
31 *homes used for residential purposes shall not increase by more*
32 *than 3%, or a lesser percentage as provided by law, in any*

1 taxable year except when:

2 (1) The property includes new construction or
3 improvements have been made to the property;

4 (2) the class or subclass of the property changes for
5 assessment rate purposes;

6 (3) the property becomes disqualified from exemption;

7 (4) the property is first listed as escaped or omitted
8 property, or an error is corrected; **or**

9 (5) the legal description of the land, lot or parcel changes,
10 except that the total final taxable appraised value of all
11 property affected by a legal description change shall not exceed
12 the total final taxable appraised value of the affected property
13 for the previous year by more than 3%, or a lesser percentage
14 as provided by law; ~~or~~

15 ~~(6) title to the property is transferred, changed or~~
16 ~~conveyed to another person or entity.~~

17 **The benefits of the valuation limitation shall remain in**
18 **place whenever title to the property is transferred, changed or**
19 **conveyed to another person or entity, unless the legislature**
20 **enacts provisions that provide for exceptions. For property**
21 **that is subject to the valuation limitation, the final taxable**
22 **appraised value each year shall be the appraised value of the**
23 **property determined as otherwise provided by law without the**
24 **application of the valuation limitation provisions or the**
25 **limited appraised value of the property determined by the**
26 **application of the valuation limitation provisions, whichever**
27 **is less. {For tax year 2026, the final taxable appraised value of**
28 **such property shall not increase by more than 3%, or a lesser**
29 **percentage as provided by law, as compared to the tax year**
30 **2022 appraised value of such property unless an exception**
31 **applies.} The legislature may define new construction or**
32 **improvements by law and enact other legislation to administer**
33 **this provision. ~~All or any portion of the benefits of the valuation~~**
34 **~~limitation may be portable or transferable under certain~~**
35 **~~circumstances as defined and provided by state statute.~~**

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

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

43 (1) Real property used for residential purposes including multi-family

- 1 residential real property and real property necessary to
- 2 accommodate a residential community of mobile or manufactured
- 3 homes including the real property upon which such homes are
- 4 located.....11½%
- 5 (2) Land devoted to agricultural use which shall be valued upon the
- 6 basis of its agricultural income or agricultural productivity pursuant
- 7 to section 12 of article 11 of the constitution.....30%
- 8 (3) Vacant lots.....12%
- 9 (4) Real property which is owned and operated by a not-for-profit
- 10 organization not subject to federal income taxation pursuant to
- 11 section 501 of the federal internal revenue code, and which is
- 12 included in this subclass by law.....12%
- 13 (5) Public utility real property, except railroad real property which shall
- 14 be assessed at the average rate that all other commercial and
- 15 industrial property is assessed.....33%
- 16 (6) Real property used for commercial and industrial purposes and
- 17 buildings and other improvements located upon land devoted to
- 18 agricultural use.....25%
- 19 (7) All other urban and rural real property not otherwise specifically
- 20 subclassified.....30%

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

- 26 (1) Mobile homes used for residential purposes.....11½%
- 27 (2) Mineral leasehold interests except oil leasehold interests the average
- 28 daily production from which is five barrels or less, and natural gas
- 29 leasehold interests the average daily production from which is 100
- 30 mcf or less, which shall be assessed at 25%.....30%
- 31 (3) Public utility tangible personal property including inventories
- 32 thereof, except railroad personal property including inventories
- 33 thereof, which shall be assessed at the average rate all other
- 34 commercial and industrial property is assessed.....33%
- 35 (4) All categories of motor vehicles not defined and specifically valued
- 36 and taxed pursuant to law enacted prior to January 1, 1985.....30%
- 37 (5) Commercial and industrial machinery and equipment which, if its
- 38 economic life is seven years or more, shall be valued at its retail cost
- 39 when new less seven-year straight-line depreciation, or which, if its
- 40 economic life is less than seven years, shall be valued at its retail
- 41 cost when new less straight-line depreciation over its economic life,
- 42 except that, the value so obtained for such property, notwithstanding
- 43 its economic life and as long as such property is being used, shall

- 1 not be less than 20% of the retail cost when new of such property
- 225%
- 3 (6) All other tangible personal property not otherwise specifically
- 4 classified.....30%

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

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

15 "*Explanatory statement.* This amendment would limit annual
 16 valuation increases to 3%, or a lesser percentage as provided
 17 by law, for purposes of property taxation for real property
 18 classified in any subclass and personal property classified as
 19 mobile homes used for residential purposes except when the
 20 property includes new construction or improvements have
 21 been made to the property, the class or subclass of the
 22 property changes, the property becomes disqualified from
 23 exemption, the property is first listed as escaped or omitted
 24 property, an error is corrected; *or* the legal description of the
 25 property changes ~~or title to the property is transferred,~~
 26 ~~changed or conveyed to another person or entity.~~

27 "A vote for this proposition would limit annual valuation
 28 increases to 3%, or a lesser percentage as provided by law,
 29 for real property classified in any subclass and personal
 30 property classified as mobile homes used for residential
 31 purposes except when the property includes new
 32 construction or improvements have been made to the
 33 property, the class or subclass of the property changes, the
 34 property becomes disqualified from exemption, the property
 35 is first listed as escaped or omitted property, an error is
 36 corrected; *or* the legal description of the property changes ~~or~~
 37 ~~title to the property is transferred, changed or conveyed to~~
 38 ~~another person or entity.~~ ***The amendment would provide for***
 39 ***the benefits of the valuation limitation to remain in place***
 40 ***whenever title to the property is transferred, changed or***
 41 ***conveyed to another person or entity, unless the legislature***
 42 ***enacts provisions that provide for exceptions. The***
 43 ***amendment would clarify that for property subject to the***

1 ***valuation limitation, the final taxable appraised value each***
2 ***year would be the appraised value of the property***
3 ***determined without the application of the valuation***
4 ***limitation provisions or the limited appraised value of the***
5 ***property determined by the application of the valuation***
6 ***limitation provisions, whichever is less. {The amendment***
7 ***would also roll back the valuation starting point to provide***
8 ***that for tax year 2026, the final taxable appraised value of***
9 ***such property shall not increase by more than 3%, or a***
10 ***lesser percentage as provided by law, as compared to the***
11 ***tax year 2022 appraised value of such property unless an***
12 ***exception applies.}*** The amendment would authorize the
13 legislature to define new construction or improvements and
14 enact other legislation to administer the provision. ~~The~~
15 ~~amendment would also allow for the portability or transfer~~
16 ~~of all or any portion of valuation limitation benefits under~~
17 ~~certain circumstances as defined and provided by state~~
18 ~~statute.~~

19 "A vote against this proposition would provide no change to the
20 Kansas constitution."

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