

Senate Concurrent Resolution No. 1616

By Senators Tyson, Alley, Blasi, Erickson, Gossage, Klemp, Kloos, Masterson, Murphy, Peck, Petersen, Shallenburger, Shane, Starnes, Thompson and Titus

1-7

A PROPOSITION to amend section 1 of article 11 of the constitution of the state of Kansas; relating to property taxation; limiting assessed value increases for real property classified in any subclass and personal property classified as mobile homes used for residential purposes.

WHEREAS, This proposition to amend the constitution of the state of Kansas shall be known and may be cited as the Cap Assessed Value Protection (CAP) Amendment.

Now, therefore:

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

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. 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

1 when new less seven-year straight-line depreciation, or which, if its
2 economic life is less than seven years, shall be valued at its retail
3 cost when new less straight-line depreciation over its economic life,
4 except that, the value so obtained for such property, notwithstanding
5 its economic life and as long as such property is being used, shall
6 not be less than 20% of the retail cost when new of such property
725%

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

10 *The final taxable assessed value of real property classified in*
11 *any subclass and tangible personal property classified as mobile*
12 *homes used for residential purposes shall not increase by more*
13 *than 3%, or a lesser percentage as provided by law, in any taxable*
14 *year except when:*

15 (1) *The property includes new construction, or improvements*
16 *have been made to the property;*

17 (2) *the class or subclass of the property changes for*
18 *assessment rate purposes;*

19 (3) *the property becomes disqualified from exemption;*

20 (4) *the property is first listed for taxation or first listed as*
21 *escaped or omitted property, or an error is corrected; or*

22 (5) *the legal description of the land, lot or parcel changes,*
23 *except that the total final taxable assessed value of all property*
24 *affected by a legal description change shall not exceed the total*
25 *final taxable assessed value of the affected property for the*
26 *previous year by more than 3%, or a lesser percentage as provided*
27 *by law.*

28 *The benefits of the assessed value limitation shall remain in*
29 *place whenever title to the property is transferred, changed or*
30 *conveyed to another person or entity, unless the legislature enacts*
31 *provisions that provide for exceptions. For property that is subject*
32 *to the assessed value limitation, the final taxable assessed value*
33 *each year shall be the assessed value of the property determined as*
34 *otherwise provided by law without the application of the assessed*
35 *value limitation provisions or the limited assessed value of the*
36 *property determined by the application of the assessed value*
37 *limitation provisions, whichever is less. For tax year 2027, the*
38 *final taxable assessed value of such property shall not increase by*
39 *more than 3%, or a lesser percentage as provided by law, as*
40 *compared to the tax year 2022 assessed value of such property*
41 *unless an exception applies since tax year 2022, and in the event*
42 *such property was not listed for taxation for tax year 2022, the*
43 *final taxable assessed value of such property shall not increase by*

1 *more than 3%, or a lesser percentage as provided by law, as*
2 *compared to the tax year 2026 assessed value of such property*
3 *unless an exception applies. The legislature may define new*
4 *construction or improvements by law and enact other legislation to*
5 *administer the provisions of the assessed value limitation.*

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

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

15 *"Explanatory statement.* This Cap Assessed Value Protection
16 (CAP) Amendment would limit annual assessed value
17 increases to 3%, or a lesser percentage as provided by law,
18 for purposes of property taxation for real property classified
19 in any subclass and personal property classified as mobile
20 homes used for residential purposes except when the
21 property includes new construction or improvements have
22 been made to the property, the class or subclass of the
23 property changes, the property becomes disqualified from
24 exemption, the property is first listed for taxation or as
25 escaped or omitted property, an error is corrected or the legal
26 description of the property changes.

27 "A vote for this proposition would limit annual assessed value
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 for taxation or as escaped or omitted property,
36 an error is corrected or the legal description of the property
37 changes. The amendment would provide for the benefits of
38 the value limitation to remain in place whenever title to the
39 property is transferred, changed or conveyed to another
40 person or entity, unless the legislature enacts provisions that
41 provide for exceptions. The amendment would clarify that
42 for property subject to the assessed value limitation, the final
43 taxable assessed value each year would be the assessed value

1 of the property determined without the application of the
2 assessed value limitation provisions or the limited assessed
3 value of the property determined by the application of the
4 assessed value limitation provisions, whichever is less. The
5 amendment would also roll back the valuation starting point
6 to provide that for tax year 2027, the final taxable assessed
7 value of such property shall not increase by more than 3%,
8 or a lesser percentage as provided by law, as compared to the
9 tax year 2022 assessed value of such property unless an
10 exception applies or such property was not listed for taxation
11 for tax year 2022. The amendment would authorize the
12 legislature to define new construction or improvements and
13 enact other legislation to administer the provisions of the
14 assessed value limitation.

15 "A vote against this proposition would make no changes to the
16 constitution of the state of Kansas."

17 Sec. 3. This resolution, if approved by two-thirds of the members
18 elected (or appointed) and qualified to the Senate and two-thirds of the
19 members elected (or appointed) and qualified to the House of
20 Representatives, shall be entered on the journals, together with the yeas
21 and nays. The secretary of state shall cause this resolution to be published
22 as provided by law and shall cause the proposed amendment to be
23 submitted to the electors of the state at a special election, which is hereby
24 called on August 4, 2026, pursuant to section 1 of article 14 of the
25 constitution of the state of Kansas, to be held in conjunction with the
26 primary election held on such date.