

Senate Concurrent Resolution No. 1621

By Committee on Federal and State Affairs

2-5

A PROPOSITION to amend section 1 of article 11 of the constitution of the state of Kansas; relating to property taxation; prohibiting the levy of property taxes by the state or any political or taxing subdivision of the state.

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; exemption. (a) The provisions of this subsection shall govern the assessment and taxation of property on and after January 1, 2013, 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

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

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

- 24 (1) Mobile homes used for residential purposes.....11½%
 25 (2) Mineral leasehold interests except oil leasehold interests the average
 26 daily production from which is five barrels or less, and natural gas
 27 leasehold interests the average daily production from which is 100
 28 mcf or less, which shall be assessed at 25%.....30%
 29 (3) Public utility tangible personal property including inventories
 30 thereof, except railroad personal property including inventories
 31 thereof, which shall be assessed at the average rate all other
 32 commercial and industrial property is assessed.....33%
 33 (4) All categories of motor vehicles not defined and specifically valued
 34 and taxed pursuant to law enacted prior to January 1, 1985.....30%
 35 (5) Commercial and industrial machinery and equipment which, if its
 36 economic life is seven years or more, shall be valued at its retail cost
 37 when new less seven-year straight-line depreciation, or which, if its
 38 economic life is less than seven years, shall be valued at its retail
 39 cost when new less straight-line depreciation over its economic life,
 40 except that, the value so obtained for such property, notwithstanding
 41 its economic life and as long as such property is being used, shall
 42 not be less than 20% of the retail cost when new of such
 43 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.

(c) *Except for taxable years 2026 and 2027 as provided by law for any phased elimination of property or ad valorem taxes, the levy of any tax by the state or any political or taxing subdivision of the state upon real property or personal property is hereby prohibited. No property in this state shall be subject to property taxation after December 31, 2027. In any case of a conflict between any provision of this subsection and any other provision contained in the constitution, the provisions of this subsection shall control. The provisions of subsections (a) and (b) shall expire and have no effect after December 31, 2027.*

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

"Explanatory statement. This amendment would prohibit the levy of any property taxes by the state or any political or taxing subdivision of the state, except for taxable years 2026 and 2027 as provided by law for any phased elimination of property or ad valorem taxes. No property in this state would be subject to property taxation after December 31, 2027.

"A vote for this proposition would prohibit the levy of any tax by the state or any political or taxing subdivision of the state upon real property or personal property, except for taxable years 2026 and 2027 as provided by law for any phased elimination of property or ad valorem taxes. No property in this state would be subject to property taxation after December 31, 2027. The provisions of subsections (a) and (b) would expire and have no effect after December 31, 2027.

"A vote against this proposition would not make any changes to the constitution of the state of Kansas and would continue the current system of property taxation in Kansas."

Sec. 3. This resolution, if approved by 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, shall be entered on the journals, together with the yeas

1 and nays. The secretary of state shall cause this resolution to be published
2 as provided by law and shall cause the proposed amendment to be
3 submitted to the electors of the state at the general election in November
4 in the year 2026, unless a special election is called at a sooner date by
5 concurrent resolution of the legislature, in which case the proposed
6 amendment shall be submitted to the electors of the state at the special
7 election.