

Senate Concurrent Resolution No. 1604

By Senator Pittman

2-8

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 residential property.
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 Senate and two-*
7 *thirds of the members elected (or appointed) and qualified to the*
8 *House of Representatives 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~~ 2024, 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 valuation of any parcel of real property used for residential*
28 *purposes and any mobile home used for residential purposes shall*
29 *not increase by more than 5% in any taxable year except when*
30 *substantial additions, improvements or renovations have been*
31 *made to the property. The legislature may provide by law*
32 *additional uniform conditions or circumstances or emergency*
33 *conditions under which this valuation limitation does not apply.*
34 *The legislature may define substantial additions, improvements or*
35 *renovations by law and enact such other legislation as is necessary*
36 *to administer this provision.*

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..... 11½%
- 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..... 11½%
- 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 limit annual
 23 valuation increases to 5% for residential real property (real
 24 estate) and personal property mobile homes except when
 25 substantial additions, improvements or renovations have
 26 been made to the property. The amendment would also
 27 authorize the legislature to provide additional uniform
 28 conditions or circumstances or emergency conditions under
 29 which the valuation limitation would not apply.

30 "A vote for this proposition would limit annual valuation
 31 increases to 5% for any parcel of real property used for
 32 residential purposes and any mobile home used for
 33 residential purposes except when substantial additions,
 34 improvements or renovations have been made to the
 35 property. The amendment would also authorize the
 36 legislature to provide additional uniform conditions or
 37 circumstances or emergency conditions under which this
 38 limitation provision would not apply, to define substantial
 39 additions, improvements or renovations and to enact such
 40 other legislation as is necessary to administer the provision.

41 "A vote against this proposition would provide no change to the
 42 Kansas constitution."

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

1 elected (or appointed) and qualified to the Senate and two-thirds of the
2 members elected (or appointed) and qualified to the House of
3 Representatives, shall be entered on the journals, together with the yeas
4 and nays. The secretary of state shall cause this resolution to be published
5 as provided by law and shall cause the proposed amendment to be
6 submitted to the electors of the state at a special election, which is hereby
7 called on November 7, 2023, pursuant to section 1 of article 11 of the
8 constitution of the state of Kansas, to be held in conjunction with the
9 general election held on such date.