

House Concurrent Resolution No. 5018

By Committee on Taxation

3-12

A PROPOSITION to amend section 1 of article 11 of the constitution of the state of Kansas, relating to assessment and taxation of property.

Be it resolved by the Legislature of the State of Kansas, two-thirds of the members elected (or appointed) and qualified to the House of Representatives and two-thirds of the members elected (or appointed) and qualified to the Senate 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, ~~1993~~ 2005, 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, 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%

1	(2)	Land devoted to agricultural use which shall be	
2		valued upon the basis of its agricultural income or	
3		agricultural productivity pursuant to section 12 of	
4		article 11 of the constitution	30%
5	(3)	Vacant lots	12%
6	(4)	Real property which is owned and operated by a	
7		not-for-profit organization not subject to federal	
8		income taxation pursuant to section 501 of the fed-	
9		eral internal revenue code, and which is included	
10		in this subclass by law	12%
11	(5)	Public utility real property, except railroad real	
12		property which shall be assessed at the average	
13		rate that all other commercial and industrial prop-	
14		erty is assessed.....	33%
15	(6)	Real property used for commercial and industrial	
16		purposes and buildings and other improvements	
17		located upon land devoted to agricultural use.....	25%
18	(7)	All other urban and rural real property not other-	
19		wise specifically subclassified	30%
20		Class 2 shall consist of tangible personal property. Such tangible per-	
21		sonal property shall be further classified into six subclasses, shall be de-	
22		defined by law for the purpose of subclassification and assessed uniformly	
23		as to subclass at the following percentages of value:	
24	(1)	Mobile homes used for residential purposes.....	11½%
25	(2)	Mineral leasehold interests except oil leasehold in-	
26		terests the average daily production from which is	
27		five barrels or less, and natural gas leasehold in-	
28		terests the average daily production from which is	
29		100 mcf or less, which shall be assessed at 25%...	30%
30	(3)	Public utility tangible personal property including	
31		inventories thereof, except railroad personal prop-	
32		erty including inventories thereof, which shall be	
33		assessed at the average rate all other commercial	
34		and industrial property is assessed	33%
35	(4)	All categories of motor vehicles not defined and	
36		specifically valued and taxed pursuant to law en-	
37		acted prior to January 1, 1985	30%

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- 1 (5) Commercial and industrial machinery and equip-
 2 ment which, if its economic life is seven years or
 3 more, shall be valued at its retail cost when new
 4 less seven-year straight-line depreciation, or
 5 which, if its economic life is less than seven years,
 6 shall be valued at its retail cost when new less
 7 straight-line depreciation over its economic life,
 8 except that, the value so obtained for such prop-
 9 erty, notwithstanding its economic life and as long
 10 as such property is being used, shall not be less
 11 than 20% of the retail cost when new of such
 12 property..... ~~25%~~ 15%
- 13 (6) All other tangible personal property not otherwise
 14 specifically classified 30%

15 (b) All property used exclusively for state, county, municipal, literary,
 16 educational, scientific, religious, benevolent and charitable purposes,
 17 farm machinery and equipment, merchants' and manufacturers' inven-
 18 tories, other than public utility inventories included in subclass (3) of class
 19 2, livestock, and all household goods and personal effects not used for
 20 the production of income, shall be exempted from property taxation."

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

23 "*Explanatory statement.* The constitution of this state provides for
 24 commercial and industrial machinery and equipment to be assessed
 25 uniformly as to its subclass at a percentage of value of 25% and this
 26 proposition would reduce such assessed percentage of value to
 27 15%."

28 "A vote for this proposition would reduce the assessed percentage of
 29 value for assessment and taxation purposes for commercial and in-
 30 dustrial machinery and equipment from the current 25% to 15%."

31 "A vote against this proposition would continue in effect the current
 32 percentage of value for assessment and taxation purposes for com-
 33 mercial and industrial machinery and equipment of 25%."

34 Sec. 3. This resolution, if approved by two-thirds of the members
 35 elected (or appointed) and qualified to the House of Representatives, and
 36 two-thirds of the members elected (or appointed) and qualified to the
 37 Senate shall be entered on the journals, together with the yeas and nays.
 38 The secretary of state shall cause this resolution to be published as pro-
 39 vided by law and shall cause the proposed amendment to be submitted
 40 to the electors of the state at the general election to be held on November
 41 2, 2004.

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