

House Concurrent Resolution No. 5038

By Committee on Taxation

2-16

9 A PROPOSITION to amend section 1 of article 11 of the constitution
10 of the state of Kansas.

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12 *Be it resolved by the Legislature of the State of Kansas, two-thirds of the*
13 *members elected (or appointed) and qualified to the House of Repre-*
14 *sentatives and two-thirds of the members elected (or appointed) and*
15 *qualified to the Senate concurring therein:*

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

20 “§ 1. **System of taxation; classification; exemption** (a) The prop-
21 visions of this subsection shall govern the assessment and taxation of prop-
22 erty on and after January 1, 1993, and each year thereafter. Except as
23 otherwise hereinafter specifically provided, the legislature shall provide
24 for a uniform and equal basis of valuation and rate of taxation of all prop-
25 erty subject to taxation. The legislature may provide for the classification
26 and the taxation uniformly as to class of recreational vehicles, as defined
27 by the legislature, or may exempt such class from property taxation and
28 impose taxes upon another basis in lieu thereof. The provisions of this
29 subsection shall not be applicable to the taxation of motor vehicles, except
30 as otherwise hereinafter specifically provided, mineral products, money,
31 mortgages, notes and other evidence of debt and grain. Property shall be
32 classified into the following classes for the purpose of assessment and
33 assessed at the percentage of value prescribed therefor:

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

- 38 (1) Real property used for residential purposes including multi-family residen-
39 tial real property and real property necessary to accommodate a residential
40 community of mobile or manufactured homes including the real property
41 upon which such homes are located 11½%

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- 1 (2) Land devoted to agricultural use which shall be valued upon the basis of
- 2 its agricultural income or agricultural productivity pursuant to section 12
- 3 of article 11 of the constitution 30%
- 4 (3) Vacant lots 12%
- 5 (4) Real property which is owned and operated by a not-for-profit organization
- 6 not subject to federal income taxation pursuant to section 501 of the federal
- 7 internal revenue code, and which is included in this subclass by law 12%
- 8 (5) Public utility real property, except railroad real property which shall be
- 9 assessed at the average rate that all other commercial and industrial prop-
- 10 erty is assessed 33%
- 11 (6) Real property used for commercial and industrial purposes and buildings
- 12 and other improvements located upon land devoted to agricultural use ... 25%
- 13 (7) All other urban and rural real property not otherwise specifically subclass-
- 14 sified 30%
- 15 Class 2 shall consist of tangible personal property. Such tangible per-
- 16 sonal property shall be further classified into six subclasses, shall be de-
- 17 fined by law for the purpose of subclassification and assessed uniformly
- 18 as to subclass at the following percentages of value:
- 19 (1) Mobile homes used for residential purposes 11½%
- 20 (2) Mineral leasehold interests except oil leasehold interests the average daily
- 21 production from which is five barrels or less, and natural gas leasehold
- 22 interests the average daily production from which is 100 mcf or less, which
- 23 shall be assessed at 25% 30%
- 24 (3) Public utility tangible personal property including inventories thereof, ex-
- 25 cept railroad personal property including inventories thereof, which shall
- 26 be assessed at the average rate all other commercial and industrial property
- 27 is assessed 33%
- 28 (4) All categories of motor vehicles not defined and specifically valued and
- 29 taxed pursuant to law enacted prior to January 1, 1985 30%
- 30 (5) Commercial and industrial machinery and equipment which, if its economic
- 31 life is seven years or more, shall be valued at its retail cost when new less
- 32 seven-year straight-line depreciation, or which, if its economic life is less
- 33 than seven years, shall be valued at its retail cost when new less straight-
- 34 line depreciation over its economic life, except that, the value so obtained
- 35 for such property, notwithstanding its economic life and as long as such
- 36 property is being used, shall not be less than 20% of the retail cost when
- 37 new of such property 25%
- 38 (6) All other tangible personal property not otherwise specifically classified .. 30%
- 39 (b) All property used exclusively for state, county, municipal, literary,
- 40 educational, scientific, religious, benevolent and charitable purposes,
- 41 farm machinery and equipment, merchants' and manufacturers' inven-
- 42 tories, other than public utility inventories included in subclass (3) of class
- 43 2, livestock, and all household goods and personal effects not used for

1 the production of income, shall be exempted from property taxation.
2 (c) *The legislature shall provide by enactment of law that 50% of the*
3 *first \$200,000 of actual appraised value of owner-occupied residential real*
4 *property which is the primary residence of the owner shall be exempt*
5 *from property taxation if: (1) The owner-occupier is 67 years of age or*
6 *older as of January 1 and has owned and occupied such residential real*
7 *property as such owner's primary residence for the 10 years immediately*
8 *preceding such date; or (2) the owner-occupier is the spouse or surviving*
9 *spouse of an owner-occupier who previously qualified for a property tax*
10 *exemption for the same residential real property pursuant to subsection*
11 *(c)(1). The legislature may provide by enactment of law for the adjustment*
12 *of the maximum amount of actual appraised value of residential real prop-*
13 *erty requirement contained in this subsection."*

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

16 *"Explanatory statement.* This amendment would require the leg-
17 *islature to provide that 50% of the first \$200,000 of the appraised*
18 *valuation of real property used for residential purposes shall be*
19 *exempt from property taxation for certain qualifying taxpayers or*
20 *their spouse who are 67 years of age or older and have owned and*
21 *occupied such residence for the past 10 years. The legislature may*
22 *provide for future adjustment of the maximum valuation threshold.*

23 *"A vote for this proposition would require pursuant to enactment*
24 *by the legislature that 50% of the first \$200,000 of appraised valu-*
25 *ation of real property used for residential purposes shall be exempt*
26 *from property taxation for certain qualifying taxpayers or their*
27 *spouse who are 67 years of age or older and have owned and oc-*
28 *cupied such residence for the past 10 years. The legislature may*
29 *provide for future adjustment of the maximum valuation threshold.*

30 *"A vote against this proposition would maintain the current sys-*
31 *tem of property taxation."*

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