

House Concurrent Resolution No. 5016

By Committee on Taxation

3-11

1 A PROPOSITION to amend section 1 of article 11 of the constitution of
2 the state of Kansas, relating to classification and taxation of all-terrain
3 vehicles.

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 House of*
7 *Representatives and two-thirds of the members elected (or appointed)*
8 *and qualified to the Senate 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~~ 2023, 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 *all-terrain vehicles*, recreational
21 vehicles and watercraft, as defined by the legislature, or may
22 exempt such class from property taxation and impose taxes upon
23 another basis in lieu thereof. The provisions of this subsection
24 shall not be applicable to the taxation of motor vehicles, except as
25 otherwise hereinafter specifically provided, mineral products,
26 money, mortgages, notes and other evidence of debt and grain.
27 Property shall be classified into the following classes for the
28 purpose of assessment and assessed at the percentage of value
29 prescribed therefor:

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

34 (1) Real property used for residential purposes including
35 multi-family residential real property and real property
36 necessary to accommodate a residential community of

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

1 straight-line depreciation over its economic life, except that,
2 the value so obtained for such property, notwithstanding its
3 economic life and as long as such property is being used,
4 shall not be less than 20% of the retail cost when new of
5 such property..... 25%

6 (6) All other tangible personal property not otherwise
7 specifically classified..... 30%

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

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

18 "*Explanatory statement.* This amendment would allow the
19 legislature to classify and tax all-terrain vehicles upon a
20 basis different from other property.

21 "A vote for this proposition would permit the legislature to
22 provide for separate classification and taxation of all-terrain
23 vehicles or to exempt such property from property taxation
24 and impose taxes upon a different basis in lieu thereof.

25 "A vote against this proposition would continue the taxation of
26 all-terrain vehicles in the same manner as all other property."

27 Sec. 3. This resolution, if approved by two-thirds of the members
28 elected (or appointed) and qualified to the House of Representatives and
29 two-thirds of the members elected (or appointed) and qualified to the
30 Senate, shall be entered on the journals, together with the yeas and nays.
31 The secretary of state shall cause this resolution to be published as
32 provided by law and shall cause the proposed amendment to be submitted
33 to the electors of the state at the general election in November in the year
34 2022, unless a special election is called at a sooner date by concurrent
35 resolution of the legislature, in which case it shall be submitted to the
36 electors of the state at the special election.