

Senate Concurrent Resolution No. 1604

By Senators Tyson, Baumgardner, Blasi, Claeys, Kerschen, Kloos, Peck, Petersen,
Pittman and Thompson

6-18

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 real property and for personal property mobile homes
4 used for residential purposes.

5
6 *Be it resolved by the Legislature of the State of Kansas, two-thirds of the*
7 *members elected (or appointed) and qualified to the Senate and two-*
8 *thirds of the members elected (or appointed) and qualified to the*
9 *House of Representatives concurring therein:*

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

14 "§ 1. **System of taxation; classification; exemption.** (a) The
15 provisions of this subsection shall govern the assessment and
16 taxation of property on and after January 1, ~~2013~~ 2025, and each
17 year thereafter. Except as otherwise hereinafter specifically
18 provided, the legislature shall provide for a uniform and equal
19 basis of valuation and rate of taxation of all property subject to
20 taxation. The legislature may provide for the classification and the
21 taxation uniformly as to class of recreational vehicles and
22 watercraft, as defined by the legislature, or may exempt such class
23 from property taxation and impose taxes upon another basis in lieu
24 thereof. The provisions of this subsection shall not be applicable to
25 the taxation of motor vehicles, except as otherwise hereinafter
26 specifically provided, mineral products, money, mortgages, notes
27 and other evidence of debt and grain.

28 *The final taxable appraised value of real property classified in*
29 *any subclass and personal property classified as mobile homes*
30 *used for residential purposes shall not increase by more than 4%,*
31 *or a lesser percentage as provided by law, in any taxable year*
32 *except when:*

33 (1) *The property includes new construction, or improvements*
34 *have been made to the property;*

35 (2) *the class or subclass of the property changes for*

1 *assessment rate purposes;*

2 *(3) the property becomes disqualified from exemption;*

3 *(4) the property is first listed as escaped or omitted property,*
4 *or an error is corrected;*

5 *(5) the legal description of the land, lot or parcel changes,*
6 *except that the total final taxable appraised value of all property*
7 *affected by a legal description change shall not exceed the total*
8 *final taxable appraised value of the affected property for the*
9 *previous year by more than 4%, or a lesser percentage as provided*
10 *by law; or*

11 *(6) title to the property is transferred, changed or conveyed to*
12 *another person or entity.*

13 *The legislature may define new construction or improvements*
14 *by law and enact other legislation to administer this provision. All*
15 *or any portion of the benefits of the valuation limitation may be*
16 *portable or transferable under certain circumstances as defined*
17 *and provided by state statute.*

18 Property shall be classified into the following classes for the
19 purpose of assessment and assessed at the percentage of value
20 prescribed therefor:

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

- 25 (1) Real property used for residential purposes including multi-family
26 residential real property and real property necessary to
27 accommodate a residential community of mobile or manufactured
28 homes including the real property upon which such homes are
29 located.....11½%
- 30 (2) Land devoted to agricultural use which shall be valued upon the
31 basis of its agricultural income or agricultural productivity pursuant
32 to section 12 of article 11 of the constitution.....30%
- 33 (3) Vacant lots.....12%
- 34 (4) Real property which is owned and operated by a not-for-profit
35 organization not subject to federal income taxation pursuant to
36 section 501 of the federal internal revenue code, and which is
37 included in this subclass by law.....12%
- 38 (5) Public utility real property, except railroad real property which shall
39 be assessed at the average rate that all other commercial and
40 industrial property is assessed.....33%
- 41 (6) Real property used for commercial and industrial purposes and
42 buildings and other improvements located upon land devoted to
43 agricultural use.....25%

1 (7) All other urban and rural real property not otherwise specifically
2 subclassified.....30%

3 Class 2 shall consist of tangible personal property. Such
4 tangible personal property shall be further classified into six
5 subclasses, shall be defined by law for the purpose of
6 subclassification and assessed uniformly as to subclass at the
7 following percentages of value:

8 (1) Mobile homes used for residential purposes.....11½%

9 (2) Mineral leasehold interests except oil leasehold interests the average
10 daily production from which is five barrels or less, and natural gas
11 leasehold interests the average daily production from which is 100
12 mcf or less, which shall be assessed at 25%.....30%

13 (3) Public utility tangible personal property including inventories
14 thereof, except railroad personal property including inventories
15 thereof, which shall be assessed at the average rate all other
16 commercial and industrial property is assessed.....33%

17 (4) All categories of motor vehicles not defined and specifically valued
18 and taxed pursuant to law enacted prior to January 1, 1985.....30%

19 (5) Commercial and industrial machinery and equipment which, if its
20 economic life is seven years or more, shall be valued at its retail cost
21 when new less seven-year straight-line depreciation, or which, if its
22 economic life is less than seven years, shall be valued at its retail
23 cost when new less straight-line depreciation over its economic life,
24 except that, the value so obtained for such property, notwithstanding
25 its economic life and as long as such property is being used, shall
26 not be less than 20% of the retail cost when new of such property
2725%

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

30 (b) All property used exclusively for state, county, municipal,
31 literary, educational, scientific, religious, benevolent and charitable
32 purposes, farm machinery and equipment, merchants' and
33 manufacturers' inventories, other than public utility inventories
34 included in subclass (3) of class 2, livestock, and all household
35 goods and personal effects not used for the production of income,
36 shall be exempted from property taxation."

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

39 "*Explanatory statement.* This amendment would limit annual
40 valuation increases to 4%, or a lesser percentage as provided
41 by law, for real property classified in any subclass and
42 personal property classified as mobile homes used for
43 residential purposes for purposes of property taxation except

1 when the property includes new construction or
2 improvements have been made to the property, the class or
3 subclass of the property changes, the property becomes
4 disqualified from exemption, the property is first listed as
5 escaped or omitted property, an error is corrected, the legal
6 description of the property changes or title to the property is
7 transferred, changed or conveyed to another person or entity.

8 "A vote for this proposition would limit annual valuation
9 increases to 4%, or a lesser percentage as provided by law,
10 for real property classified in any subclass and personal
11 property classified as mobile homes used for residential
12 purposes except when the property includes new
13 construction or improvements have been made to the
14 property, the class or subclass of the property changes, the
15 property becomes disqualified from exemption, the property
16 is first listed as escaped or omitted property, an error is
17 corrected, the legal description of the property changes or
18 title to the property is transferred, changed or conveyed to
19 another person or entity. The amendment would authorize
20 the legislature to define new construction or improvements
21 and to enact other legislation to administer the provision.
22 The amendment would also allow for the portability or
23 transfer of all or any portion of valuation limitation benefits
24 under certain circumstances as defined and provided by state
25 statute.

26 "A vote against this proposition would provide no change to the
27 Kansas constitution."

28 Sec. 3. This resolution, if approved by two-thirds of the members
29 elected (or appointed) and qualified to the Senate and two-thirds of the
30 members elected (or appointed) and qualified to the House of
31 Representatives, shall be entered on the journals, together with the yeas
32 and nays. The secretary of state shall cause this resolution to be published
33 as provided by law and shall cause the proposed amendment to be
34 submitted to the electors of the state at the general election in November
35 in the year 2024, unless a special election is called at a sooner date by
36 concurrent resolution of the legislature, in which case the proposed
37 amendment shall be submitted to the electors of the state at the special
38 election.