

Senate Concurrent Resolution No. 1610

By Committee on Assessment and Taxation

3-15

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.

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~~ 2025, 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 real property shall not increase by*
28 *more than 3% in any taxable year except when:*

29 *(1) The property includes new construction or*
30 *improvements have been made to the property;*

31 *(2) the class or subclass of the property changes for*
32 *assessment rate purposes;*

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

34 *(4) the property is first listed as escaped or omitted*
35 *property; or*

36 *(5) the legal description of the land, lot or parcel changes,*

1 *except that the total valuation of all property affected by a legal*
2 *description change shall not exceed the total valuation of the*
3 *affected property for the previous year by more than 3%.*

4 *The legislature may define new construction or improvements*
5 *by law and enact such other legislation as is necessary to*
6 *administer this provision.*

7 Property shall be classified into the following classes for the
8 purpose of assessment and assessed at the percentage of value
9 prescribed therefor:

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

- 14 (1) Real property used for residential purposes including multi-family
15 residential real property and real property necessary to
16 accommodate a residential community of mobile or manufactured
17 homes including the real property upon which such homes are
18 located..... 11½%
- 19 (2) Land devoted to agricultural use which shall be valued upon the
20 basis of its agricultural income or agricultural productivity pursuant
21 to section 12 of article 11 of the constitution..... 30%
- 22 (3) Vacant lots..... 12%
- 23 (4) Real property which is owned and operated by a not-for-profit
24 organization not subject to federal income taxation pursuant to
25 section 501 of the federal internal revenue code, and which is
26 included in this subclass by law..... 12%
- 27 (5) Public utility real property, except railroad real property which shall
28 be assessed at the average rate that all other commercial and
29 industrial property is assessed.....33%
- 30 (6) Real property used for commercial and industrial purposes and
31 buildings and other improvements located upon land devoted to
32 agricultural use..... 25%
- 33 (7) All other urban and rural real property not otherwise specifically
34 subclassified..... 30%

35 Class 2 shall consist of tangible personal property. Such
36 tangible personal property shall be further classified into six
37 subclasses, shall be defined by law for the purpose of
38 subclassification and assessed uniformly as to subclass at the
39 following percentages of value:

- 40 (1) Mobile homes used for residential purposes..... 11½%
- 41 (2) Mineral leasehold interests except oil leasehold interests the average
42 daily production from which is five barrels or less, and natural gas
43 leasehold interests the average daily production from which is 100

- 1 mcf or less, which shall be assessed at 25%..... 30%
- 2 (3) Public utility tangible personal property including inventories
- 3 thereof, except railroad personal property including inventories
- 4 thereof, which shall be assessed at the average rate all other
- 5 commercial and industrial property is assessed..... 33%
- 6 (4) All categories of motor vehicles not defined and specifically valued
- 7 and taxed pursuant to law enacted prior to January 1, 1985..... 30%
- 8 (5) Commercial and industrial machinery and equipment which, if its
- 9 economic life is seven years or more, shall be valued at its retail cost
- 10 when new less seven-year straight-line depreciation, or which, if its
- 11 economic life is less than seven years, shall be valued at its retail
- 12 cost when new less straight-line depreciation over its economic life,
- 13 except that, the value so obtained for such property, notwithstanding
- 14 its economic life and as long as such property is being used, shall
- 15 not be less than 20% of the retail cost when new of such property.....
- 16 25%
- 17 (6) All other tangible personal property not otherwise specifically
- 18 classified..... 30%

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

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

29 "*Explanatory statement.* This amendment would limit annual
 30 valuation increases to 3% for real property for purposes of
 31 property taxation except when the property includes new
 32 construction or improvements have been made to the
 33 property, the class or subclass of the property changes, the
 34 property becomes disqualified from exemption, the property
 35 is first listed as escaped or omitted property or the legal
 36 description of the property changes.

37 "A vote for this proposition would limit annual valuation
 38 increases to 3% for real property except when the property
 39 includes new construction or improvements have been made
 40 to the property, the class or subclass of the property changes,
 41 the property becomes disqualified from exemption, the
 42 property is first listed as escaped or omitted property or the
 43 legal description of the property changes. The amendment

1 would also authorize the legislature to define new
2 construction or improvements and to enact such other
3 legislation as is necessary to administer the provision.

4 "A vote against this proposition would provide no change to the
5 Kansas constitution."

6 Sec. 3. This resolution, if approved by two-thirds of the members
7 elected (or appointed) and qualified to the Senate and two-thirds of the
8 members elected (or appointed) and qualified to the House of
9 Representatives, shall be entered on the journals, together with the yeas
10 and nays. The secretary of state shall cause this resolution to be published
11 as provided by law and shall cause the proposed amendment to be
12 submitted to the electors of the state at the general election in November
13 in the year 2024, unless a special election is called at a sooner date by
14 concurrent resolution of the legislature, in which case it shall be
15 submitted to the electors of the state at the special election.