

SESSION OF 2011

**SUPPLEMENTAL NOTE ON HOUSE CONCURRENT  
RESOLUTION NO. 5017**

As Recommended by House Committee on  
Taxation

**Brief\***

HCR 5017 would, if adopted by voters at the November 2012 general election, amend the property tax classification section of the *Kansas Constitution* to authorize the Legislature, beginning in tax year 2013, to classify watercraft on a different basis from other property. (Such property currently is assessed as “all other” personal property at 30 percent of its fair market value.)

**Background**

The concurrent resolution was introduced by the Special Committee on Assessment and Taxation at the conclusion of an interim study.

Similar constitutional amendments were approved by the House (HCR 5015) during the 2008 Session; and by the Senate (SCR 1602) during the 2009 Session.

A proposed constitutional amendment (SCR 1629) placed on the 2000 general election ballot that would have authorized new tax treatment for both watercraft and aircraft was defeated by less than 12,000 votes (433,499 “no” to 421,621 “yes”).

After a similar legislative authorization for “recreational vehicles” was adopted as part of a constitutional amendment

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\*Supplemental notes are prepared by the Legislative Research Department and do not express legislative intent. The supplemental note and fiscal note for this bill may be accessed on the Internet at <http://www.kslegislature.org>

in 1992, the Kansas Legislature in 1994 subsequently availed itself of that prerogative and enacted a new tax system for such vehicles under which liability since January 1, 1995, has been based on the weight and the age of the vehicles (rather than on fair market value.)

Data provided by the Department of Revenue indicated that in tax year 2010, watercraft comprised \$89.4 million of assessed valuation statewide (\$298.0 million of appraised valuation). State taxation of these watercraft generated about \$1.79 million in local effort for purposes of the school finance formula (20 mills) and \$0.13 million for state building funds (1.5 mills).

Even if it were to be adopted by voters, HCR 5017 would have no immediate fiscal impact unless and until the Legislature passed a law that changed the tax treatment of watercraft.