

SESSION OF 2012

**SUPPLEMENTAL NOTE ON HOUSE SUBSTITUTE FOR  
SENATE BILL NO. 59**

As Amended by House Committee of the Whole

**Brief\***

House Sub. for SB 59, as amended, would clarify for property tax purposes the classification of certain commercial and industrial machinery and equipment.

Such machinery and equipment, which was subject to and approved for abatement and exempted, and was classified as personal property as of July 1, 2006, would be deemed as personal property for tax years 2012-2014 and could not be reclassified to any other property tax class or subclass. This provision would sunset on December 31, 2014.

Other commercial and industrial machinery and equipment acquired on or after January 1, 2011, which qualifies for the statutory exemption for such property could not subsequently lose its exemption by virtue of its attachment, annexation, or adaption to real estate. This latter provision also would sunset on July 1, 2014.

An additional section would clarify that the definition of "bed and breakfast home" for property tax purposes includes structures used for bed and breakfast purposes which are adjacent to the main bed and breakfast home when located on the same parcel of land or on certain adjacent parcels of land owned by the same owner.

---

\*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>

## **Background**

The original SB 59 from 2011 dealt with the interest rate on delinquent property taxes, the subject matter of which was addressed in other legislation enacted later that session. The House Taxation Committee on May 3, 2012, removed the bill's original provisions, recommended that a substitute bill be created, and inserted many of the aforementioned provisions relating to property taxation.

On May 9, 2012, the House Committee of the Whole amended the bill to: add the December 31, 2014, sunset to the clarification regarding the tax treatment of certain machinery and equipment which had been previously abated; require that certain affected property would be deemed as personal property only for tax years 2012-2014; and clarify the tax treatment of certain bed and breakfast property.

A fiscal note was not immediately available.