

## House Concurrent Resoluiton No. 5006

By Committee on Taxation

1-17

9 A PROPOSITION to amend section 1 of article 11 of the constitution  
10 of the state of Kansas, relating to property taxation.

11

12 *Be it resolved by the Legislature of the State of Kansas, two-thirds of the*  
13 *members elected (or appointed) and qualified to the House of Repre-*  
14 *sentatives and two-thirds of the members elected (or appointed) and*  
15 *qualified to the Senate concurring therein:*

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

20 “§ 1. **System of taxation; classification; exemption** (a) The pro-  
21 visions of this subsection shall govern the assessment and taxation of prop-  
22 erty on and after January 1, 1993, and each year thereafter. Except as  
23 otherwise hereinafter specifically provided *by this section*, the legislature  
24 shall provide for a uniform and equal basis of valuation and rate of taxation  
25 of all property subject to taxation. The legislature may provide for the  
26 classification and the taxation uniformly as to class of recreational vehicles,  
27 as defined by the legislature, or may exempt such class from property  
28 taxation and impose taxes upon another basis in lieu thereof. The provi-  
29 sions of this subsection shall not be applicable to the taxation of motor  
30 vehicles, except as otherwise hereinafter specifically provided, mineral  
31 products, money, mortgages, notes and other evidence of debt and grain.  
32 Property shall be classified into the following classes for the purpose of  
33 assessment and assessed at the percentage of value prescribed therefor:

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

38 (1) Real property used for residential purposes including multi-family residen-  
39 tial real property and real property necessary to accommodate a residential  
40 community of mobile or manufactured homes including the real property  
41 upon which such homes are located ..... 11½%

1	(2)	Land devoted to agricultural use which shall be valued upon the basis of its	
2		agricultural income or agricultural productivity pursuant to section 12 of	
3		article 11 of the constitution .....	30%
4	(3)	Vacant lots .....	12%
5	(4)	Real property which is owned and operated by a not-for-profit organization	
6		not subject to federal income taxation pursuant to section 501 of the federal	
7		internal revenue code, and which is included in this subclass by law .....	12%
8	(5)	Public utility real property, except railroad real property which shall be	
9		assessed at the average rate that all other commercial and industrial prop-	
10		erty is assessed .....	33%
11	(6)	Real property used for commercial and industrial purposes and buildings	
12		and other improvements located upon land devoted to agricultural use ...	25%
13	(7)	All other urban and rural real property not otherwise specifically subclass-	
14		sified .....	30%

15 Class 2 shall consist of tangible personal property. Such tangible per-  
 16 sonal property shall be further classified into six subclasses, shall be de-  
 17 fined by law for the purpose of subclassification and assessed uniformly  
 18 as to subclass at the following percentages of value:

19	(1)	Mobile homes used for residential purposes .....	11½%
20	(2)	Mineral leasehold interests except oil leasehold interests the average daily	
21		production from which is five barrels or less, and natural gas leasehold	
22		interests the average daily production from which is 100 mcf or less, which	
23		shall be assessed at 25% .....	30%
24	(3)	Public utility tangible personal property including inventories thereof, ex-	
25		cept railroad personal property including inventories thereof, which shall	
26		be assessed at the average rate all other commercial and industrial property	
27		is assessed .....	33%
28	(4)	All categories of motor vehicles not defined and specifically valued and taxed	
29		pursuant to law enacted prior to January 1, 1985 .....	30%
30	(5)	Commercial and industrial machinery and equipment which, if its economic	
31		life is seven years or more, shall be valued at its retail cost when new less	
32		seven-year straight-line depreciation, or which, if its economic life is less	
33		than seven years, shall be valued at its retail cost when new less straight-	
34		line depreciation over its economic life, except that, the value so obtained	
35		for such property, notwithstanding its economic life and as long as such	
36		property is being used, shall not be less than 20% of the retail cost when	
37		new of such property .....	25%
38	(6)	All other tangible personal property not otherwise specifically classified ..	30%

39 (b) (1) *Except as otherwise provided by paragraph (2) of this sub-*  
 40 *section, the appraised valuation of all real property, shall not increase*  
 41 *from one taxable year to the next such year by a percentage exceeding the*  
 42 *percentage by which the average consumer price index for all urban con-*  
 43 *sumers published by the federal department of labor as of the close of the*

1 12-month period ending on August 31 of the first calendar year preceding  
2 the appropriate taxable year exceeds such index as of such period ending  
3 on August 31 of the second calendar year preceding the appropriate tax-  
4 able year.

5 (2) The appraised valuation for new or newly improved real property,  
6 in its initial year of valuation, shall be based upon the comparison with  
7 values of other real property of known or recognized value which is sub-  
8 ject to the provisions of paragraph (1). The appraised valuation of real  
9 property which has been sold shall be adjusted to an amount equal to the  
10 sales price of such real property when sold, as long as such sales price is  
11 an amount that a well informed buyer is justified in paying and a well  
12 informed seller is justified in accepting for such property in an open and  
13 competitive market assuming that the parties are acting without undue  
14 compulsion.

15 (3) The legislature may provide by law for such legislation as is nec-  
16 essary to administer the provisions of this subsection.

17 ~~(b)~~ (c) All property used exclusively for state, county, municipal, lit-  
18 erary, educational, scientific, religious, benevolent and charitable pur-  
19 poses, farm machinery and equipment, merchants' and manufacturers'  
20 inventories, other than public utility inventories included in subclass (3)  
21 of class 2, livestock, and all household goods and personal effects not used  
22 for the production of income, shall be exempted from property taxation."

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

25 "Explanatory statement. This amendment would provide limitations  
26 upon the increase of the appraised valuation of real property subject  
27 to taxation.

28 "A vote for this proposition would limit real property appraised valu-  
29 ation increases from one tax period to another of real property to  
30 the percentage increase of the consumer price index for all urban  
31 consumers. This proposition would also provide that for real prop-  
32 erty, the appraised valuation for new or newly improved real prop-  
33 erty in the initial year shall be based on the comparison with values  
34 of other comparable real property of known or recognized value, and  
35 the appraised valuation for real property which has been sold shall  
36 be adjusted to an amount equal to the sales price of such real prop-  
37 erty, as long as such sales price is an amount that a well informed  
38 buyer is justified in paying and a well informed seller is justified in  
39 accepting for such property in an open and competitive market as-  
40 suming that the parties are acting without undue compulsion. The  
41 legislature is expressly authorized to enact necessary legislation to  
42 administer the provisions contained in this amendment.

43 "A vote against this proposition would maintain the current system of

1           property taxation.”

2           Sec. 3. This resolution, if approved by two-thirds of the members  
3 elected (or appointed) and qualified to the House of Representatives, and  
4 two-thirds of the members elected (or appointed) and qualified to the  
5 Senate shall be entered on the journals, together with the yeas and nays.  
6 The secretary of state shall cause this resolution to be published as pro-  
7 vided by law and shall cause the proposed amendment to be submitted  
8 to the electors of the state at the general election to be held on the first  
9 Tuesday following the first Monday in November, 2008.