

Approved Saturday, May 11, 1991  
Date

MINUTES OF THE SENATE COMMITTEE ON ASSESSMENT AND TAXATION

The meeting was called to order by Senator Dan Thiessen at  
Chairperson

4:00 ~~xxx~~/p.m. on Wednesday, April 10, 1991 in room 313-S of the Capitol.

All members were present except:

Committee staff present:

Don Hayward, Assistant Revisor

Bill Edds, Assistant Revisor

Tom Severn, Research Department

Chris Courtwright, Research Department

Marion Anzek, Committee Secretary

Conferees appearing before the committee:

Steve Stotts, Department of Revenue

Chairman Dan Thiessen called the meeting to order at 4:13 p.m. and he apologized for not having the meeting this morning, but the members were in Session on the Floor and he turned attention to Sub. HB2031 saying we finished with the hearings yesterday, and today we will have committee discussion on the bill, and he recognized Senator Steineger.

Senator Jack Steineger said the Senate and House have both passed SB26 which is now on the Governor's desk, and he said that bill if unfunded will force \$169.M property tax increase in and among the various school districts. He asked if there was any disagreement with the fact that, that is the status of affairs and events at this point in time?

Chairman Thiessen said he thought it is \$159.M and it could create that kind of property tax increase if all the school districts went the maximum.

Senator Steineger said he felt SB26 was the best we have come up with this session.

Chairman Thiessen said he dis-agreed because school boards can do as they want, they would like for the legislature to do it for them.

Senator Phil Martin said the section on financial institutions, seems to him as though differential treatment for different institutions, and he asked the other day if credit unions were part of this, and his answer was, they are exempt. He said if we are going to work the financial institution section, he felt everybody should be put on a level playing field, and he said, if we don't want to do that, then he thought maybe that section should come out.

Senator Fred Kerr said the House sent us this bill and it raises around \$120.M from income tax. He said, he does not know if this bill will pass this committee and the full Senate or not but he thought, the committee should work on provisions of the bill and put it in shape so it will pass. He said as far as SB26 goes he would be encouraged to try to do something because then the money we put into the school finance formula would really have a chance of modifying things in most of the districts across the state so there would not be an adverse situation. He said he does not think the corporate tax rates should be increased, because they are already high in this region.

Senator Jack Steineger asked Senator Fred Kerr is he was suggesting a surtax on the income tax? Senator Fred Kerr No. He said we have two brackets now and I suggest we adjust them upward. He said, he was only talking about amending the bill, he is not prepared to vote for the bill, until we see what the Governor does on SB26.

Senator Steineger said it is his understanding, that there is revenue provided for an "\$18.M hold harmless" and he said, that is a part of the funding concept of this bill, and that would make it possible to have a hold harmless provision to take care of the problem that we are both concerned with. Senator Kerr said he does not believe that the "hold harmless" is in this bill, but there is a commitment for education in this bill.

Senator Gerald Karr asked staff what is the cost in this particular bill, how many

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON ASSESSMENT AND TAXATION

room 313-S, Statehouse, at 4:00 ~~xxx~~/p.m. on Wednesday, April 10, 1991

dollars are involved in standard deduction? Chris Courtwright said \$23.M, it raises \$100.M on individuals and \$23.M loss on conformity. He said, everyone should get a \$450.00 increase.

Steve Stotts said if you eliminate the optional method, it would increase taxes by about \$1.6M, below the \$25,000 bracket. Senator Kerr said he would like to follow up on that, and asked Steve Stotts, if that is a change, because a few years ago only the high income benefited. Steve Stotts said the total number is the same.

Senator Phil Martin moved to amend by striking the financial institutions section and put it back to current law, 2nd by Senator Fred Kerr. The motion carried.

Chairman Thiessen said he wanted to follow up on the tax rate on business and industry. He said he received a report from someone who worked in production and development for a number of years, and knows people in other states, and they recently reported for a number of years they did not come to KS to try and try to improve industry because most KS industries were happy where they were, currently they are recruiting industries in KS and they are being successful in getting industry to come back, so he felt it was not the time to increase taxes on industry.

Senator Fred Kerr said he felt the testimony from KS, Inc. Report was good and it told us we should not raise corporate rates.

Senator Fred Kerr moved to amend the corporate rates back to current law, 2nd by Senator Audrey Langworthy.

After committee discussion. The above motion carried on a 4 to 4 tie vote.

Senator Fred Kerr passed out Simulation 0056 and he explained what the simulation does, he said, it lowers the amount of income tax rates on individuals down to \$72.3M. He said the bill in its original form when it came to the committee was around \$100.M. It raises the rates on (2) tax brackets, on married up to \$35,000 and he said this plan is more progressive than current law. He said currently single taxpayers are a bit higher, which is about 1% and it keeps the same gap. He said, this print-out also anticipates eliminating the Federal deductibility (ATTACHMENT 1)

After committee discussion Senator Kerr said he was prepared to make a motion to adopt this simulation, but he said, on some of the points in discussion, it could be re-visited.

Senator Don Montgomery moved to keep the deductible option. The motion failed for lack of a 2nd.

After committee discussion.

Senator Fred Kerr moved to adopt simulation 0056, without eliminating the federal deductibility option, 2nd by Senator Don Montgomery. The motion failed.

After committee discussion.

Chairman Dan Thiessen turned attention to SB399 and recognized Senator Langworthy.

SB399:AN ACT concerning taxation; relating to certain airport authorities; exemption from taxation.

Senator Audrey Langworthy said this is the airport bill where conferees had asked to put the property back on the tax rolls. (ATTACHMENT 2)

Senator Audrey Langworthy moved to amend SB399 with the proposed amendment on page 7 of ATTACHMENT 2, 2nd by Senator Sheila Frahm. The motion carried.

Senator Fred Kerr moved to amend Pratt Airport-Section pertaining to the Salina Airport Authority be amended to include Pratt Airport Authority, July 1, 1991, 2nd by Senator Sheila Frahm. The motion carried.

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON ASSESSMENT AND TAXATION,  
room 313-S, Statehouse, at 4:00 ~~xxx~~ p.m. on Wednesday, April 10, 1991.

Senator Marge Petty moved to amend to include SB230 into SB399, 2nd by Senator Fred Kerr. The motion carried. Senator Montgomery asked to be recorded as voting no, on the motion.

Senator Audrey Langworthy moved to pass SB399 as amended, favorably for passage, 2nd by Senator Fred Kerr. The motion carried. Senator's Don Montgomery and Marge Petty asked to be recorded as voting no.

Chairman Dan Thiessen said we would take up HB2031 again tomorrow and he adjourned the meeting at 5:59 p.m.





Proposed Changes:  
 Elimination of the Federal Deductibility Option  
 Changes in Current Rates

**Proposed Tax Rates**

Married: \$0 - \$35 3.70%  
 \$35 - Over 5.90%

Single: \$0 - \$27.5 4.70%  
 \$27.5 - Over 6.90%

Kansas Department Of Revenue  
 Individual Income Tax In Tax Year 1991

Resident Taxpayers

Liability Dollars are in Millions

SIMULATION 0056

K.A.G.I. Bracket	Married					Single					Total Residents				
	No. Of Returns	Percent Change	Dollar Change In Liability	Dollar Change Per Return	Effective Rate	No. Of Returns	Percent Change	Dollar Change In Liability	Dollar Change Per Return	Effective Rate	No. Of Returns	Percent Change	Dollar Change In Liability	Dollar Change Per Return	Effective Rate
No K.A.G.I.	5,835	0.0%	\$0.0	\$0.00	0.0%	4,728	0.0%	\$0.0	\$0.00	0.0%	10,563	0.0%	\$0.0	\$0.00	0.0%
\$0 \$5	12,374	#DIV/0!	\$0.0	\$0.00	0.0%	113,179	4.8%	\$0.1	\$0.45	0.4%	125,553	4.8%	\$0.1	\$0.41	0.3%
\$5 \$15	59,155	3.2%	\$0.1	\$1.24	0.4%	169,517	5.3%	\$1.6	\$9.20	1.8%	228,672	5.1%	\$1.6	\$7.14	1.4%
\$15 \$25	83,099	3.4%	\$0.9	\$10.44	1.5%	96,881	4.9%	\$2.6	\$27.04	2.8%	179,980	4.4%	\$3.5	\$19.37	2.2%
\$25 \$35	79,577	1.6%	\$0.8	\$10.14	2.1%	52,213	5.1%	\$2.5	\$47.91	3.2%	131,791	3.3%	\$3.3	\$25.10	2.5%
\$35 \$50	113,380	1.7%	\$2.0	\$17.56	2.3%	29,779	7.4%	\$3.2	\$108.09	3.7%	143,159	3.3%	\$5.2	\$36.39	2.6%
\$50 \$100	131,187	7.3%	\$18.2	\$139.11	3.0%	14,185	12.2%	\$4.3	\$306.39	4.3%	145,372	7.9%	\$22.6	\$155.43	3.1%
\$100 Over	22,334	15.4%	\$26.4	\$1,180.64	4.1%	2,213	17.6%	\$3.6	\$1,613.85	5.1%	24,547	15.6%	\$29.9	\$1,219.70	4.2%
Total	506,942	7.8%	\$48.4	\$95.39	2.8%	482,696	7.7%	\$17.9	\$37.02	3.0%	989,638	7.8%	\$66.2	\$66.92	2.9%

Current Law Tax Rates

Fiscal Impact:

All Taxpayers: \$72.3  
 Residents Only: \$66.2  
 Married Residents: \$48.4  
 Single Residents: \$17.9  
 Non-Residents: \$6.1

	With Federal Deductibility		No Federal Deductibility	
Married:	\$0 - \$20	4.75%	\$0 - \$35	3.65%
	\$20 - \$35	5.00%	\$35 - Over	5.15%
	\$35 - \$45	8.50%		
	\$45 - Over	8.75%		
Single:	\$0 - \$2	4.75%	\$0 - \$27.5	4.50%
	\$2 - \$10	5.60%	\$27.5 - Over	5.95%
	\$10 - \$20	5.75%		
	\$20 - \$30	8.50%		
	\$30 - Over	8.75%		

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Kansas Department Of Revenue

Individual Income Tax In Tax Year 1991  
Resident Taxpayers

Current Law

Married						Single					Total Residents				
K.A.G.I. Bracket	No. Of Returns	Percent Of KAGI	Liability	Percent Of Total	Effective Rate	No. Of Returns	Percent Of KAGI	Liability	Percent Of Total	Effective Rate	No. Of Returns	Percent Of KAGI	Liability	Percent Of Total	Effective Rate
No K.A.G.I.	5,835	0.0%	\$0.00	0.0%	0.0%	4,728	0.0%	\$0.00	0.0%	0.0%	10,563	0.0%	\$0.00	0.0%	0.0%
\$0 \$5	12,374	0.2%	\$0.00	0.0%	0.0%	113,179	3.8%	\$1.06	0.1%	0.3%	125,553	1.1%	\$1.06	0.1%	0.3%
\$5 \$15	59,155	2.8%	\$2.33	0.3%	0.4%	169,517	20.6%	\$29.56	3.5%	1.7%	228,672	7.3%	\$31.89	3.8%	1.4%
\$15 \$25	83,099	7.4%	\$25.67	3.0%	1.5%	96,881	23.9%	\$53.62	6.3%	2.7%	179,980	11.6%	\$79.30	9.3%	2.1%
\$25 \$35	79,577	10.5%	\$50.66	6.0%	2.0%	52,213	19.5%	\$49.12	5.8%	3.0%	131,791	12.8%	\$99.78	11.8%	2.4%
\$35 \$50	113,380	21.0%	\$114.72	13.5%	2.3%	29,779	15.4%	\$43.47	5.1%	3.4%	143,159	19.5%	\$158.19	18.6%	2.5%
\$50 \$100	131,187	38.1%	\$251.33	29.6%	2.8%	14,185	11.2%	\$35.51	4.2%	3.8%	145,372	31.2%	\$286.85	33.8%	2.9%
\$100 Over	22,334	20.2%	\$171.49	20.2%	3.6%	2,213	5.6%	\$20.26	2.4%	4.4%	24,547	16.4%	\$191.75	22.6%	3.6%
Total	506,942	100.00%	\$616.21	72.6%	2.6%	482,696	100.00%	\$232.60	27.4%	2.8%	989,638	100.00%	\$848.81	100.00%	2.6%

Kansas Department Of Revenue

Individual Income Tax In Tax Year 1991  
Resident Taxpayers

SIMULATION 0056

Married						Single					Total Residents				
K.A.G.I. Bracket	No. Of Returns	Percent Of KAGI	Liability	Percent Of Total	Effective Rate	No. Of Returns	Percent Of KAGI	Liability	Percent Of Total	Effective Rate	No. Of Returns	Percent Of KAGI	Liability	Percent Of Total	Effective Rate
No K.A.G.I.	5,835	0.0%	\$0.00	0.0%	0.0%	4,728	0.0%	\$0.00	0.0%	0.0%	10,563	0.0%	\$0.00	0.0%	0.0%
\$0 \$5	12,374	0.2%	\$0.00	0.0%	0.0%	113,179	3.8%	\$1.11	0.1%	0.4%	125,553	1.1%	\$1.11	0.1%	0.3%
\$5 \$15	59,155	2.8%	\$2.40	0.3%	0.4%	169,517	20.6%	\$31.12	3.4%	1.8%	228,672	7.3%	\$33.52	3.7%	1.4%
\$15 \$25	83,099	7.4%	\$26.54	2.9%	1.5%	96,881	23.9%	\$56.24	6.1%	2.8%	179,980	11.6%	\$82.78	9.0%	2.2%
\$25 \$35	79,577	10.5%	\$51.47	5.6%	2.1%	52,213	19.5%	\$51.62	5.6%	3.2%	131,791	12.8%	\$103.09	11.3%	2.5%
\$35 \$50	113,380	21.0%	\$116.71	12.8%	2.3%	29,779	15.4%	\$46.69	5.1%	3.7%	143,159	19.5%	\$163.40	17.9%	2.6%
\$50 \$100	131,187	38.1%	\$269.58	29.5%	3.0%	14,185	11.2%	\$39.86	4.4%	4.3%	145,372	31.2%	\$309.44	33.8%	3.1%
\$100 Over	22,334	20.2%	\$197.86	21.6%	4.1%	2,213	5.6%	\$23.83	2.6%	5.1%	24,547	16.4%	\$221.69	24.2%	4.2%
Total	506,942	100.00%	\$664.56	72.6%	2.8%	482,696	100.00%	\$250.47	27.4%	3.0%	989,638	100.00%	\$915.04	100.00%	2.9%

Fiscal Impact:		\$48.36						\$17.87					\$66.22		
All Taxpayers:		\$72.30				Non-Resident:		\$6.08							

## SENATE BILL No. 399

By Committee on Ways and Means

3-20

8 AN ACT concerning taxation; relating to certain airport authorities;  
9 exemption from taxation; amending K.S.A. 3-307b, 3-307c and 79-  
10 201a and repealing the existing sections.

11 *Be it enacted by the Legislature of the State of Kansas:*

12 Section 1. K.S.A. 3-307b is hereby amended to read as follows:

13 3-307b. (a) The airport commission ~~se~~ appointed as provided in  
14 K.S.A. 3-301 et seq. and amendments thereto shall be vested with  
15 ~~the~~ have authority and control over public airports operated by the  
16 county, including any buildings, grounds, and other airport structures  
17 located anywhere within the county. ~~Said~~

18 (b) *Such commission, for the purpose of attracting business and*  
19 *industry to locate at or near the airport facility, may negotiate and*  
20 *enter into lease agreements and contracts for service, may propose*  
21 *and issue revenue bonds as provided under K.S.A. 3-314 and 3-315,*  
22 *and amendments thereto, and, upon approval of the board of county*  
23 *commissioners, may grant exemptions from ad valorem taxation pur-*  
24 *suant to the provisions of section 13 of article 11 of the Kansas*  
25 *constitution, in the manner provided under K.S.A. 79-251 and*  
26 *amendments thereto.*

27 (c) *Such commission may employ legal counsel, engineers, ar-*  
28 *chitects and other personnel necessary to carry out duties prescribed*  
29 *by this act; and are further empowered to, may contract for, buy*  
30 *and sell real and personal property for airport purposes, and to do*  
31 *all things necessary to properly carry out the duties provided for by*  
32 *this act.*

33 (d) Powers conferred on the airport commission by this act may  
34 be exercised only with the approval of the board of county com-  
35 missioners, and all expenditures made pursuant to this act shall be  
36 within available resources. The board of county commissioners is  
37 authorized to delegate powers conferred upon ~~said~~ *such* commis-  
38 sioners by article 3 of chapter 3 of the Kansas Statutes Annotated,  
39 as amended and amendments thereto, to the commission in ac-  
40 cordance with the powers of this act.

41 Sec. 2. K.S.A. 3-307c is hereby amended to read as follows: 3-  
42 307c. (a) In exercising the powers conferred by this act, the airport  
43

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1 commission shall: (1) Submit a proposed annual budget to the board  
2 of county commissioners with recommendations concerning the tax  
3 levy;; (2) adopt programs and institute actions to attract industry;;  
4 (3) act in such a manner as to provide facilities for maximum travel  
5 service;; (4) submit recommendations for regulations to be adopted  
6 by the commission;; (5) act as an airport zoning commission for the  
7 county commissioners;; (6) make recommendations concerning ac-  
8 quisition of lands for use as public airports and facilities in connection  
9 therewith; and (7) do all other things deemed necessary and expe-  
10 dient to promote air services in the county.

11 *(b) In authorizing or granting any exemption from ad valorem*  
12 *taxation, either through the issuance of revenue bonds under K.S.A.*  
13 *3-314 and amendments thereto, or pursuant to section 13 of article*  
14 *11 of the Kansas constitution, the board of county commissioners,*  
15 *upon recommendation from the airport commission, shall follow the*  
16 *procedures provided by K.S.A. 79-251 and amendments thereto, and*  
17 *shall negotiate and enter into contracts with any tenant, occupant*  
18 *or owner of the property for the payment of fees in lieu of taxes,*  
19 *during the period of any exemption, in an amount not less than 20%*  
20 *of the annual tax levy assessment for the property, and 50% of the*  
21 *fees paid in lieu of taxes shall be distributed by the county treasurer*  
22 *to the various taxing districts in which the property is located in*  
23 *the proportionate amount equivalent to the percentage of the total*  
24 *taxes which would have been levied upon the property by each*  
25 *district, but the valuation of the property shall not be included in*  
26 *the computation of the adjusted valuation of a school district under*  
27 *the provisions of K.S.A. 72-7040 and amendments thereto.*

28 Sec. 3. K.S.A. 79-201a is hereby amended to read as follows:  
29 79-201a. The following described property, to the extent herein spec-  
30 ified, shall be exempt from all property or ad valorem taxes levied  
31 under the laws of the state of Kansas:

32 *First.* All property belonging exclusively to the United States,  
33 except property which congress has expressly declared to be subject  
34 to state and local taxation.

35 *Second.* All property used exclusively by the state or any munic-  
36 ipality or political subdivision of the state. All property owned, being  
37 acquired pursuant to a lease-purchase agreement or operated by the  
38 state or any municipality or political subdivision of the state which  
39 is used or is to be used for any governmental or proprietary function  
40 and for which bonds may be issued or taxes levied to finance the  
41 same, shall be considered to be "used exclusively" by the state,  
42 municipality or political subdivision for the purposes of this section.  
43 All property leased, other than property being acquired pursuant to

1 a lease-purchase agreement, to the state or any municipality or po-  
2 litical subdivision of the state by any private entity shall not be  
3 considered to be used exclusively by the state or any municipality  
4 or political subdivision of the state for the purposes of this section  
5 except that the provisions of this sentence shall not apply to any  
6 such property subject to lease on the effective date of this act until  
7 the term of such lease expires but property taxes levied upon any  
8 such property prior to tax year 1989, shall not be abated or refunded.  
9 Any property constructed or purchased with the proceeds of indus-  
10 trial revenue bonds issued prior to July 1, 1963, as authorized by  
11 K.S.A. 12-1740 to 12-1749 *and amendments thereto*, or purchased  
12 with proceeds of improvement district bonds issued prior to July 1,  
13 1963, as authorized by K.S.A. 19-2776 *and amendments thereto*, or  
14 with proceeds of bonds issued prior to July 1, 1963, as authorized  
15 by K.S.A. 19-3815a and 19-3815b *and amendments thereto*, or any  
16 property improved, purchased, constructed, reconstructed or re-  
17 paired with the proceeds of revenue bonds issued prior to July 1,  
18 1963, as authorized by K.S.A. 13-1238 to 13-1245 *and amendments*  
19 *thereto*, inclusive, or any property improved, reimproved, recon-  
20 structed or repaired with the proceeds of revenue bonds issued after  
21 July 1, 1963, under the authority of K.S.A. 13-1238 to 13-1245 *and*  
22 *amendments thereto*, inclusive, which had previously been improved,  
23 reconstructed or repaired with the proceeds of revenue bonds issued  
24 under such act on or before July 1, 1963, shall be exempt from  
25 taxation for so long as any of the revenue bonds issued to finance  
26 such construction, reconstruction, improvement, repair or purchase  
27 shall be outstanding and unpaid. *Any property improved, con-*  
28 *structed, purchased, reconstructed or repaired with the proceeds of*  
29 *revenue bonds issued prior to July 1, 1983, as authorized by K.S.A.*  
30 *3-314 and 3-315 and amendments thereto, shall be exempt from*  
31 *taxation for the period of years, not to exceed 15 years, specified*  
32 *under any lease-contract agreement covering repayment of the bond*  
33 *obligations, and any property improved, constructed, purchased,*  
34 *reconstructed or repaired with the proceeds of revenue bonds issued*  
35 *under such act from and after July 1, 1983, shall be exempt from*  
36 *taxation only for that period of years, not to exceed 10 calendar*  
37 *years after the calendar year in which the bonds were issued, spec-*  
38 *ified under any lease-contract agreement covering payment of the*  
39 *bond obligations.* Any property constructed or purchased with the  
40 proceeds of any revenue bonds authorized by K.S.A. 13-1238 to 13-  
41 1245, inclusive, 19-2776, 19-3815a and 19-3815b, and amendments  
42 thereto, issued on or after July 1, 1963, shall be exempt from taxation  
43 only for a period of 10 calendar years after the calendar year in

2-3

1 which the bonds were issued. Any property, all or any portion of  
2 which is constructed or purchased with the proceeds of revenue  
3 bonds authorized by K.S.A. 12-1740 to 12-1749 *and amendments*  
4 *thereto*, inclusive, and amendments thereto, issued on or after July  
5 1, 1963 and prior to July 1, 1981, shall be exempt from taxation  
6 only for a period of 10 calendar years after the calendar year in  
7 which the bonds were issued. Any property constructed or purchased  
8 wholly with the proceeds of revenue bonds issued on or after July  
9 1, 1981, under the authority of K.S.A. 12-1740 to 12-1749 *and*  
10 *amendments thereto*, inclusive, and amendments thereto, shall be  
11 exempt from taxation only for a period of 10 calendar years after the  
12 calendar year in which the bonds were issued. Any property con-  
13 structed or purchased in part with the proceeds of revenue bonds  
14 issued on or after July 1, 1981, under the authority of K.S.A. 12-  
15 1740 to 12-1749 *and amendments thereto*, inclusive, and amendments  
16 thereto, shall be exempt from taxation to the extent of the value of  
17 that portion of the property financed by the revenue bonds and only  
18 for a period of 10 calendar years after the calendar year in which  
19 the bonds were issued. The exemption of that portion of the property  
20 constructed or purchased with the proceeds of revenue bonds shall  
21 terminate upon the failure to pay all taxes levied on that portion of  
22 the property which is not exempt and the entire property shall be  
23 subject to sale in the manner prescribed by K.S.A. 79-2301 *et seq.*,  
24 and amendments thereto. Property purchased, constructed, recon-  
25 structed, equipped, maintained or repaired with the proceeds of  
26 industrial revenue bonds issued under the authority of K.S.A. 12-  
27 1740 *et seq.*, and amendments thereto, which is located in a re-  
28 development project area established under the authority of K.S.A.  
29 12-1770 *et seq. and amendments thereto* shall not be exempt from  
30 taxation. Property purchased, acquired, constructed, reconstructed,  
31 improved, equipped, furnished, repaired, enlarged or remodeled  
32 with all or any part of the proceeds of revenue bonds issued under  
33 authority of K.S.A. 12-1740 to 12-1749a, inclusive, and amendments  
34 thereto for any poultry confinement facility on agricultural land which  
35 is owned, acquired, obtained or leased by a corporation, as such  
36 terms are defined by K.S.A. 17-5903 and amendments thereto, shall  
37 not be exempt from such taxation. Property purchased, acquired,  
38 constructed, reconstructed, improved, equipped, furnished, re-  
39 paired, enlarged or remodeled with all or any part of the proceeds  
40 of revenue bonds issued under the authority of K.S.A. 12-1740 to  
41 12-1749a, inclusive, and amendments thereto, for a rabbit confine-  
42 ment facility on agricultural land which is owned, acquired, obtained  
43 or leased by a corporation, as such terms are defined by K.S.A. 17-

1 5903 and amendments thereto, shall not be exempt from such  
2 taxation.

3 *Third.* All works, machinery and fixtures used exclusively by any  
4 rural water district or township water district for conveying or pro-  
5 duction of potable water in such rural water district or township  
6 water district.

7 *Fourth.* All fire engines and other implements used for the ex-  
8 tinguishment of fires, with the buildings used exclusively for the  
9 safekeeping thereof, and for the meeting of fire companies, whether  
10 belonging to any rural fire district, township fire district, town, city  
11 or village, or to any fire company organized therein or therefor.

12 *Fifth.* All property, real and personal, owned by county fair as-  
13 sociations organized and operating under the provisions of K.S.A.  
14 2-125 *et seq.* and amendments thereto.

15 *Sixth.* Property acquired and held by any municipality under the  
16 municipal housing law (K.S.A. 17-2337 *et seq.*) and amendments  
17 thereto, except that such exemption shall not apply to any portion  
18 of the project used by a nondwelling facility for profit making  
19 enterprise.

20 *Seventh.* All property of a municipality, acquired or held under  
21 and for the purposes of the urban renewal law (K.S.A. 17-4742 *et*  
22 *seq.*) and amendments thereto except that such tax exemption shall  
23 terminate when the municipality sells, leases or otherwise disposes  
24 of such property in an urban renewal area to a purchaser or lessee  
25 which is not a public body entitled to tax exemption with respect  
26 to such property.

27 *Eighth.* All property acquired and held by the Kansas armory board  
28 for armory purposes under the provisions of K.S.A. 48-317, and  
29 amendments thereto.

30 *Ninth.* All property acquired and used by the Kansas turnpike  
31 authority under the authority of K.S.A. 68-2001 *et seq.*, and amend-  
32 ments thereto, K.S.A. 68-2030 *et seq.*, and amendments thereto,  
33 K.S.A. 68-2051 *et seq.*, and amendments thereto, and K.S.A. 68-  
34 2070 *et seq.*, and amendments thereto.

35 *Tenth.* All property acquired and used for state park purposes by  
36 the Kansas department of wildlife and parks.

37 *Eleventh.* The state office building constructed under authority of  
38 K.S.A. 75-3607 *et seq.*, and amendments thereto, and the site upon  
39 which such building is located.

40 *Twelfth.* All buildings erected under the authority of K.S.A. 76-  
41 6a01 *et seq.*, and amendments thereto, and all other student union  
42 buildings and student dormitories erected upon the campus of any  
43 institution mentioned in K.S.A. 76-6a01, and amendments thereto,

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1 by any other nonprofit corporation.

2 *Thirteenth.* All buildings, as the same is defined in subsection (c)  
3 of K.S.A. 76-6a13, and amendments thereto, which are erected,  
4 constructed or acquired under the authority of K.S.A. 76-6a13 *et*  
5 *seq.*, and amendments thereto, and building sites acquired therefor.

6 *Fourteenth.* All that portion of the waterworks plant and system  
7 of the city of Kansas City, Missouri, now or hereafter located within  
8 the territory of the state of Kansas pursuant to the compact and  
9 agreement adopted by chapter 304 of the 1921 Session Laws of the  
10 state of Kansas See K.S.A. 79-205 .

11 *Fifteenth.* All property, real and personal, owned by a groundwater  
12 management district organized and operating pursuant to K.S.A. 82a-  
13 1020, and amendments thereto.

14 *Sixteenth.* All property, real and personal, owned by the joint  
15 water district organized and operating pursuant to K.S.A. 80-1616  
16 *et seq.*, and amendments thereto.

17 *Seventeenth.* All property, real and personal, which is owned by  
18 a municipality and used for governmental or proprietary purposes  
19 at or as a part of an airport facility pursuant to the provisions of  
20 K.S.A. 3-301 *et seq.*, and amendments thereto, from and after the  
21 date of original acquisition, and including all real property, including  
22 improvements, which are owned by the municipality and leased to  
23 or used by any person for business or industrial purposes, under  
24 lease-contract agreements with the municipality, which are integrally  
25 related to airport operations or aviation uses. Such real property,  
26 including improvements, owned by the municipality as a part of the  
27 airport facility, which are leased to or used by any person for  
28 nonaviation business or industrial purposes under lease-contract  
29 agreements with the municipality shall be and have been exempt  
30 from taxation from the date of acquisition or lease up to and through  
31 the tax year 1990, and all ad valorem taxes levied heretofore upon  
32 or against such real property or improvements shall be and hereby  
33 are abated, except that this sentence shall not apply to any such  
34 property subject to a lease-contract agreement which requires the  
35 payment of taxes or fees in lieu of taxes or for which the property  
36 taxes have been levied and paid, and such taxes which have been  
37 paid shall not be abated nor refunded; and provided further that  
38 any real property, including improvements, used by any person for  
39 nonaviation related business or industrial purposes at any such air-  
40 port facilities under lease-contract agreements with the municipality  
41 shall not be exempt from taxation, under this section, for any tax  
42 year from and after tax year 1995, ~~and shall be exempt from only~~  
43 ~~80% of the taxes levied for tax year 1991, 60% of the taxes levied~~

but

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1 ~~for tax year 1992, 40% of the taxes levied for tax year 1993, and~~  
2 ~~20% of the taxes levied for tax year 1994.~~

3 The provisions of this section shall apply to all taxable years com-  
4 mencing after December 31, 1988.

5 Sec. 4. K.S.A. 3-307b, 3-307c and 79-201a are hereby repealed.

6 Sec. 5. This act shall take effect and be in force from and after  
7 its publication in the statute book.

taxation through tax year 1994. For tax  
years 1992 to 1995, fees in lieu of taxes shall  
be required pursuant to the provisions of K.S.A.  
3-307c(b)