

MINUTES OF THE HOUSE TAXATION COMMITTEE

The meeting was called to order by Vice Chairman Huff at 9:00 A.M. on January 19 in Room 519-S of the Capitol.

All members were present.

Committee staff present:

Chris Courtwright, Legislative Research Department
Martha Dorsey, Legislative Research Department
Gordon Self, Revisor of Statutes
Rose Marie Glatt, Committee Secretary

Conferees appearing before the committee:

Secretary Joan Wagnon, Department of Revenue

Others attending:

See attached list.

The Vice Chairman called for bill introductions.

Representative Thull made a motion, on behalf of Atchison County, that would allow a sales tax for the purpose of building a sports complex. Representative Treaster seconded the motion. Without objection, the motion carried.

Representative Menghini proposed a bill that would authorize Crawford County to seek voter approval of a local sales tax that would allow for economic development initiatives and public infrastructure projects. Representative Thull seconded. Without objection, the motion carried.

Vice Chairman invited Secretary Wagnon back to the podium, to continue the discussion on Business Machinery/Equipment and Utility Tax Issues.

She explained hand-outs that were distributed were in response to questions and requests made by the Committee at the January 18 meeting:

- Business Machinery and Equipment Tax Credit - A table that reflected the historical machinery and equipment credits and projected numbers from 2002-2007 (Attachment 1).
- Excerpt from the Kansas Constitution, Article 11, that governs finance and taxation. The highlighted area in Class 2 (Tangible Personal Property) pertains to commercial and industrial machinery, and equipment. Also included were definitions and a CIME Appraised Factor Table from the Division of Property Valuation (Attachment 2).
- Personal Property Deadlines (Attachment 3)
- Computer Software - Tangible vs. Intangible (Attachment 4)
- Valuation Growth Analysis Data (November 2005) listed by county (Attachment 5)
- Data pertaining to November 2005 (a) IRB Value and In Lieu-of Collections (b) EDX Value and Lieu-of Collections (c) EDX/IRB Value and In Lieu-of Collections (Attachment 6)

The Secretary explained the rationale, as well as the pros and cons, behind the selection of the tax process that resulted in **HB 2619**. She described other available options to spur economic development and the benefits of providing an exemption verses credits for the business community. She concluded by stating that this is not a simple issue, but rather a huge policy change, that will require much study and work. There is much misinformation and confusion in the state and the Representatives will receive many calls on the issue. She and the DOR stands ready to help in any way to clarify issues that would enable the Legislature to determine what is best for the state.

CONTINUATION SHEET

MINUTES OF THE House Taxation Committee at 9:00 A.M. on January 19 in Room 519-S of the Capitol.

She turned her attention to the utility portion of the bill. She explained that the technology explosion had made tax codes very complex. Copies of the Constitution of the State of Kansas - Article 11.— Finance and Taxation were distributed (Attachment 7). Highlighted was (3) under Class 2 that related to Public utility tangible personal property including inventories thereof, except railroad personal property including inventories thereof, which shall be assessed at the average rate all other commercial and industrial property is assessed 33%.

She explained the Constitutional changes that had occurred in 1992 and 1998, as well as Chapter 79. – Taxation Article 5A.—Public Utilities. She summarized by saying that there had been an explosion of technology and Kansas has a Constitutional definition that is *frozen* regarding public utilities. She spoke of the ramifications this issue held for the telecommunications industry. The intent of the utility piece, currently being drafted, was to level the playing field for those companies.

The Vice Chairman thanked the Secretary and her department for their presentations over the past two days.

The meeting adjourned at 10:30 A.M. The next meeting is January 20, 2006.

HOUSE TAXATION COMMITTEE GUEST LIST

DATE: January 19, 2006

NAME	REPRESENTING
Scott Heidner	Gaches Braden
Don Murray	Federico Consulting
J.P. SMALL	KOCH INDUSTRIES, INC.
Dave Cunningham	Ks Assoc. of School Bds
Mike Murray	Sprint
Alan Trap	Finney County
Mark Low	Meade County
Erik Sartorius	City of Overland Park
Matt Shatto	City of Lenexa
Nick Goelker	Interim 100 th District
Lucky DeVries	Coltman, DeVries & Northern
BRAD HARRELSON	KFB
RUSSELL MILLS	GACHES
Mark Tallman	KASIB
Ben Cleaves	DOIR
Richard Smarigo	Kernway Assoc
Jim Mzyz	Spirit Aerosystems
Bernie Koch	Wichita Metro Chamber of Commerce
DINA FISK	VERIZON WIRELESS

Business Machinery and Equipment Tax Credit

The following table shows historical machinery and equipment credits and the projected numbers.

Tax Year	BM&E property tax refund rate	Railroad Personal Property	CM&E refund under existing law (millions)	Railroad property tax refund	Total property tax refund	Fiscal Year
2002	15%	Not Eligible	\$21.38	0	\$21.38	2003
2003	15%	Not Eligible	\$19.12	0	\$19.12	2004
2004	15%	Not Eligible	*\$22.20	0	*\$22.20	2005
2005	20%	Eligible	*\$30.34	*\$20.00	*\$50.34	2006
2006	20%	Eligible	*\$31.10	*\$20.50	*\$51.60	2007
2007	25%	Eligible	*\$39.84	*\$26.26	*\$66.10	2008

* Estimated numbers

Constitution of the State of Kansas

Article 11. -- FINANCE AND TAXATION

§ 1: System of taxation; classification; exemption. (a) The provisions of this subsection shall govern the assessment and taxation of property on and after January 1, 1993 and each year thereafter. Except as otherwise hereinafter specifically provided, the legislature shall provide for a uniform and equal basis of valuation and rate of taxation of all property subject to taxation. The legislature may provide for the classification and the taxation uniformly as to class of recreational vehicles, as defined by the legislature, or may exempt such class from property taxation and impose taxes upon another basis in lieu thereof. The provisions of this subsection shall not be applicable to the taxation of motor vehicles, except as otherwise hereinafter specifically provided, mineral products, money, mortgages, notes and other evidence of debt and grain. Property shall be classified into the following classes for the purpose of assessment and assessed at the percentage of value prescribed therefor:

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

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

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

- (1) Mobile homes used for residential purposes 11 1/2%
- (2) Mineral leasehold interests except oil leasehold interests the average daily production from which is five barrels or less, and natural gas leasehold interests the average daily production from which is 100 mcf or less, which shall be assessed at 25% 30%
- (3) Public utility tangible personal property including inventories thereof, except railroad personal property including inventories thereof, which shall be assessed at the average rate all other commercial and industrial property is assessed 33%
- (4) All categories of motor vehicles not defined and specifically valued and taxed pursuant to law enacted prior to January 1, 1985 30%
- (5) Commercial and industrial machinery and equipment which, if its economic life is seven years or more, shall be valued at its retail cost when new less seven-year straight-line depreciation, or which, if its economic life is less than seven years, shall be valued at its retail cost when new less straight-line depreciation over its economic life, except that, the value so obtained for such property, notwithstanding its economic life and as long as such property is being used, shall not be less than 20% of the retail cost when new of such property 25%
- (6) All other tangible personal property not otherwise specifically classified
30%

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

Commercial & Industrial Machinery & Equipment

- **Value based on a formula outlined in the Kansas Constitution.**
- **Formula-driven value cannot be adjusted for condition or obsolescence.**
- **Assessed at a rate of 25%.**
- **Taxed where located on January 1.**
- **Not pro-rated onto or off of the tax roll.**

Valuing “CIME”

1. Use “Retail Cost when New” (RCWN)

2. Depreciate:

✓ over the economic life of the asset when economic life is *seven years or less*.

✓ a maximum of seven years when the economic life is *over seven years*.

3. Appraised value can not be less than 20% of the RCWN as long as the asset is being used for the production of income.

CIME Appraised Factor Table

Purchased <u>NEW</u>	Purchased <u>USED</u>	Economic Life In Years					
		2	3	4	5	6	7 or more
Year of Purchase	Current Age						
2005	1	.500	.667	.750	.800	.833	.857
2004	2	.200	.333	.500	.600	.667	.714
2003	3	.200	.200	.250	.400	.500	.571
2002	4	.200	.200	.200	.200	.333	.429
2001	5	.200	.200	.200	.200	.200	.286
2000	6	.200	.200	.200	.200	.200	.200
1999 & BEFORE	7 years or older	.200	.200	.200	.200	.200	.200

How it works.

A computer is purchased new in 2005 for \$2,400. The economic life is 3 years.

	Tax Year		
	2006	2007	2008
RCWN purchased in 2005	\$2,400	\$2,400	\$2,400
x Appraised Factor	0.667	0.333	0.200
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Appraised Value	\$1,601	\$799	\$480
x Assessment rate	0.25	0.25	0.25
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Assessed Value	\$400	\$200	\$120

How it works.

A newspaper press is purchased new in 2005 for \$20,000. The economic life is 11 years.

	Tax Year		
	2006	2007	2008
RCWN purchased in 2005	\$20,000	\$20,000	\$20,000
x Appraised Factor	0.857	0.714	0.571
Appraised Value	\$17,140	\$14,280	\$11,420
x Assessment rate	0.25	0.25	0.25
Assessed Value	\$4,285	\$3,570	\$2,855

How it works.

Tax Year			
2009	2010	2011	2012
\$20,000	\$20,000	\$20,000	\$20,000
0.429	0.286	0.200	0.200
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\$8,580	\$5,720	\$4,000	\$4,000
0.25	0.25	0.25	0.25
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\$2,145	\$1,430	\$1,000	\$1,000

PERSONAL PROPERTY DEADLINES

<u>Day</u>		<u>K.S.A.</u>
January 1	Tangible personal property is to be listed and assessed.	79-301
March 15	Taxpayers to file personal property renditions	79-306
May 1	County notifies taxpayers of classification and valuation	79-1460
August 25	Governing bodies certify budget to county clerks	79-1801
November 1	County clerk calculates levies and certifies tax roll to county treasurer	79-1803
December 15	County treasurer mails tax statements	79-2001
December 20	First half of taxes due	79-2004a
May 10	Second half of taxes due	79-2004a

Computer Software – Tangible vs. Intangible: The Kansas Supreme Court has held that software programs are taxable if they are operational programs, without which the computer cannot operate. These programs are considered an essential portion of the computer hardware and are taxable as *tangible* personal property in conjunction with the hardware. *On the other hand*, application programs, which are particularized instructions, are *intangible* property not subject to taxation in Kansas pursuant to K.S.A. 79-301 or K.S.A. 79-306.

Operational software programs [e.g., Windows Software such as; 95, 98, 2000 or NT; programs that compile and/or interface with the computer]:

- ◆ are an essential portion of the computer hardware
- ◆ are programs the computer cannot operate without
- ◆ are *tangible* property and are subject to the personal property tax

Application software programs [e.g., Microsoft Office, Word or Excel, Lotus applications, Word Perfect, Acrobat Reader]:

- ◆ are specialized programs that run off the *operational* software
- ◆ are programs the computer can operate without
- ◆ are *intangible* property and not subject to the personal property tax

Valuation Growth Analysis
Assessed Value
November 2005

County	Total Value*	Growth Change	Percent Growth	Machinery & Equipment Change	% of Total Growth	Oil & Gas Change	% of Total Growth	Other Personal Property Change	% of Total Growth	State Appraised Change	% of Total Growth	Value incr. from New Construction	% of Total Growth	Increase in Real Property Value	Growth
Allen	79,488,947	4,676,435	6.251%	2,610,952	3.490%	390,795	0.522%	(41,062)	-0.055%	811,758	1.085%	588,776	0.787%	315,216	0.421%
Anderson	67,034,996	(3,412,558)	-4.844%	72,402	0.103%	162,742	0.231%	81,576	0.116%	(6,093,125)	-8.649%	616,943	0.876%	1,746,904	2.480%
Atchison	113,923,684	3,777,201	3.429%	226,935	0.206%	-	-	125,378	0.114%	(47,892)	-0.043%	1,012,294	0.919%	2,460,486	2.234%
Barber	73,225,639	10,424,464	16.599%	-193,405	-0.308%	8,692,910	13.842%	66,147	0.105%	441,541	0.703%	379,424	0.604%	1,037,847	1.653%
Barton	196,623,885	24,515,244	14.244%	2,004,658	1.165%	10,341,221	6.009%	249,096	0.145%	230,565	0.134%	4,629,099	2.690%	7,060,605	4.102%
Bourbon	84,953,824	6,131,986	7.780%	1,231,396	1.562%	67,951	0.086%	95,704	0.121%	603,668	0.766%	883,880	1.121%	3,249,387	4.122%
Brown	82,094,070	2,433,699	3.055%	390,395	0.490%	9,401	0.012%	104,899	0.132%	(1,217,521)	-1.528%	486,886	0.611%	2,659,639	3.339%
Butler	441,998,615	27,257,345	6.572%	1,931,083	0.466%	5,943,708	1.433%	829,242	0.200%	(1,953,095)	-0.471%	11,456,481	2.762%	9,049,926	2.182%
Chase	38,675,768	1,055,351	2.805%	-209,748	-0.558%	493,403	1.312%	19,952	0.053%	(47,911)	-0.127%	215,991	0.574%	583,664	1.551%
Chautauqua	23,937,357	1,122,558	4.920%	-11,501	-0.050%	1,389,954	6.092%	41,389	0.181%	(210,664)	-0.923%	201,678	0.884%	(288,298)	-1.264%
Cherokee	131,174,257	2,816,520	2.194%	-2,585,762	-2.014%	-	-	226,315	0.176%	2,273,180	1.771%	1,027,291	0.800%	1,875,496	1.461%
Cheyenne	40,501,431	1,925,692	4.992%	159,620	0.414%	2,092,190	5.424%	(32,420)	-0.084%	376,399	0.976%	358,280	0.929%	(1,028,377)	-2.666%
Clark	37,917,371	4,683,586	14.093%	239,914	0.722%	2,794,738	8.409%	14,455	0.043%	1,657,377	4.987%	70,356	0.212%	(93,254)	-0.281%
Clay	62,171,778	3,254,564	5.524%	303,792	0.516%	4,754	0.008%	65,563	0.111%	962,131	1.633%	876,283	1.487%	1,042,041	1.769%
Cloud	68,626,116	1,776,122	2.657%	-20,311	-0.030%	-	-	78,049	0.117%	514,942	0.770%	427,024	0.639%	776,418	1.161%
Coffey	455,842,283	1,050,077	0.231%	226,064	0.050%	568,766	0.125%	(52,833)	-0.012%	(1,694,454)	-0.373%	784,306	0.172%	1,218,228	0.268%
Comanche	42,159,476	2,200,349	5.506%	-131,720	-0.330%	1,713,506	4.288%	22,501	0.056%	364,797	0.913%	15,606	0.039%	215,659	0.540%
Cowley	204,004,662	11,035,910	5.719%	2,793,924	1.448%	2,615,412	1.355%	68,419	0.035%	(106,462)	-0.055%	3,193,739	1.655%	2,470,878	1.280%
Crawford	219,819,386	10,859,475	5.197%	-703	0.000%	97,772	0.047%	735,326	0.352%	198,369	0.095%	5,895,860	2.822%	3,932,851	1.882%
Decatur	31,715,450	357,485	1.140%	-9,924	-0.032%	683,552	2.180%	33,452	0.107%	389,334	1.242%	74,424	0.237%	(813,353)	-2.594%
Dickinson	134,700,485	6,030,633	4.687%	346,086	0.269%	124,636	0.097%	5,147	0.004%	493,197	0.383%	1,118,440	0.869%	3,943,127	3.065%
Doniphan	65,515,538	1,567,024	2.450%	38,331	0.060%	-	-	118,868	0.186%	(70,924)	-0.111%	417,888	0.653%	1,062,861	1.662%
Douglas	1,038,091,400	78,713,136	8.205%	4,666,050	0.486%	47,345	0.005%	632,250	0.066%	4,874,866	0.508%	29,300,636	3.054%	39,191,989	4.085%
Edwards	43,639,549	2,057,107	4.947%	119,659	0.288%	537,802	1.293%	22,072	0.053%	1,200,049	2.886%	175,333	0.422%	2,192	0.005%
Elk	22,581,705	(1,108,820)	-4.680%	214,815	0.907%	381,569	1.611%	22,308	0.094%	(1,528,443)	-6.452%	136,884	0.578%	(335,953)	-1.418%
Ellis	270,807,578	34,234,827	14.471%	915,985	0.387%	19,728,001	8.339%	418,429	0.177%	888,327	0.375%	4,446,594	1.880%	7,837,491	3.313%
Ellsworth	54,913,571	4,683,949	9.325%	12,379	0.025%	1,131,207	2.252%	(256,229)	-0.510%	1,495,180	2.977%	537,903	1.071%	1,763,509	3.511%
Finney	470,512,179	18,266,563	4.039%	1,282,147	0.284%	5,806,349	1.284%	125,298	0.028%	10,021,179	2.216%	1,659,520	0.367%	(627,930)	-0.139%
Ford	219,946,113	1,164,330	0.532%	-3,380,433	-1.545%	63,816	0.029%	215,984	0.099%	6,105,637	2.791%	2,364,888	1.081%	(4,205,562)	-1.922%
Franklin	177,650,848	10,311,305	6.162%	135,893	0.081%	269,607	0.161%	153,272	0.092%	850,101	0.508%	3,211,500	1.919%	5,690,932	3.401%
Geary	133,854,235	11,474,494	9.376%	475,131	0.388%	8,370	0.007%	170,557	0.139%	(590,762)	-0.483%	3,161,150	2.583%	8,250,048	6.741%
Gove	38,979,781	2,109,964	5.723%	-42,266	-0.115%	2,781,866	7.545%	(18,323)	-0.050%	(212,667)	-0.577%	93,487	0.254%	(492,133)	-1.335%
Graham	42,259,364	7,774,006	22.543%	-15,258	-0.044%	7,383,444	21.410%	9,045	0.026%	525,067	1.523%	355,920	1.032%	(484,212)	-1.404%
Grant	345,416,263	56,336,544	19.488%	133,978	0.046%	50,316,782	17.406%	400,997	0.139%	4,553,123	1.575%	231,431	0.080%	700,233	0.242%
Gray	64,041,925	1,139,076	1.811%	-564,508	-0.897%	435,528	0.692%	(50,486)	-0.080%	892,728	1.419%	280,741	0.446%	145,073	0.231%

*Penalty not included

Valuation Growth Analysis
Assessed Value
November 2005

5-2

County	Total Value*	Growth Change	Percent Growth	Machinery & Equipment Change	% of Total Growth	Oil & Gas Change	% of Total Growth	Other Personal Property Change	% of Total Growth	State Appraised Change	% of Total Growth	Value incr. from New Construction	% of Total Growth	Increase in Real Property Value	% of Total Growth
Greeley	35,431,811	2,915,775	8.967%	69,634	0.214%	3,247,925	9.989%	16,213	0.050%	418,224	1.286%	46,658	0.143%	(882,879)	-2.715%
Greenwood	57,515,527	3,252,135	5.993%	-19,401	-0.036%	2,994,727	5.519%	191,417	0.353%	(53,383)	-0.098%	587,521	1.083%	(448,746)	-0.827%
Hamilton	72,648,427	1,964,226	2.779%	-49,009	-0.069%	2,131,855	3.016%	102,012	0.144%	107,202	0.152%	271,387	0.384%	(599,221)	-0.848%
Harper	60,443,860	5,733,390	10.480%	447,780	0.818%	5,309,505	9.705%	40,657	0.074%	(529,134)	-0.967%	383,222	0.700%	81,360	0.149%
Harvey	219,244,111	4,433,238	2.064%	-799,474	-0.372%	664,432	0.309%	(270,130)	-0.126%	(668,488)	-0.311%	3,008,205	1.400%	2,498,693	1.163%
Haskell	212,379,658	39,999,124	23.204%	252,101	0.146%	36,812,040	21.355%	185,922	0.108%	2,814,767	1.633%	76,646	0.044%	(142,352)	-0.083%
Hodgeman	33,440,623	8,349,795	33.278%	177,227	0.706%	2,310,755	9.210%	(5,053)	-0.020%	5,963,436	23.767%	51,965	0.207%	(148,535)	-0.592%
Jackson	77,998,743	4,027,425	5.445%	444,958	0.602%	29,559	0.040%	101,611	0.137%	173,156	0.234%	1,394,081	1.885%	1,884,060	2.547%
Jefferson	131,678,865	5,148,385	4.069%	-623,123	-0.492%	40,996	0.032%	569,621	0.450%	(580,024)	-0.458%	2,439,261	1.928%	3,301,654	2.609%
Jewell	35,882,835	417,862	1.178%	12,639	0.036%	-	-	28,864	0.081%	(150,834)	-0.425%	113,342	0.320%	413,851	1.167%
Johnson	7,171,851,084	376,410,894	5.539%	16,720,173	0.246%	105,884	0.002%	2,381,670	0.035%	(46,387,372)	-0.683%	180,620,806	2.658%	222,969,733	3.281%
Kearny	286,362,195	43,581,433	17.951%	-135,587	-0.056%	40,063,308	16.502%	5,174	0.002%	3,762,870	1.550%	142,372	0.059%	(256,704)	-0.106%
Kingman	97,822,789	9,892,752	11.251%	-255,438	-0.291%	8,557,952	9.733%	(32,077)	-0.036%	593,616	0.675%	520,636	0.592%	508,063	0.578%
Kiowa	64,410,702	11,493,786	21.720%	129,284	0.244%	3,190,669	6.030%	(10,039)	-0.019%	7,833,813	14.804%	159,989	0.302%	190,070	0.359%
Labette	111,921,096	3,484,283	3.213%	359,379	0.331%	804,315	0.742%	128,868	0.119%	(278,175)	-0.257%	665,317	0.614%	1,804,579	1.664%
Lane	32,801,724	6,355,421	24.031%	-84,961	-0.321%	2,724,289	10.301%	(47,402)	-0.179%	4,486,637	16.965%	3,123	0.012%	(726,265)	-2.746%
Leavenworth	491,118,236	40,451,940	8.976%	2,441,106	0.542%	543,154	0.121%	574,371	0.127%	459,558	0.102%	12,626,487	2.802%	23,807,264	5.283%
Lincoln	34,888,396	1,792,184	5.415%	-123,356	-0.373%	-	-	41,543	0.126%	512,701	1.549%	89,662	0.271%	1,271,634	3.842%
Linn	161,787,466	4,576,131	2.911%	-66,245	-0.042%	91,958	0.058%	167,503	0.107%	1,341,965	0.854%	1,238,950	0.788%	1,802,000	1.146%
Logan	40,499,541	6,553,511	19.306%	-5,444	-0.016%	558,051	1.644%	51,574	0.152%	6,512,817	19.186%	137,901	0.406%	(701,388)	-2.066%
Lyon	218,162,708	8,084,616	3.848%	330,737	0.157%	62,985	0.030%	49,581	0.024%	907,047	0.432%	1,976,829	0.941%	4,757,437	2.265%
Marion	97,646,856	3,077,789	3.255%	295,461	0.312%	1,246,648	1.318%	73,284	0.077%	311,214	0.329%	569,268	0.602%	581,914	0.615%
Marshall	86,109,471	1,020,508	1.199%	-197,272	-0.232%	-	-	285,800	0.336%	(984,008)	-1.156%	1,491,308	1.753%	424,680	0.499%
McPherson	290,455,618	11,156,444	3.994%	1,596,738	0.572%	2,113,646	0.757%	663,274	0.237%	(2,088,447)	-0.748%	3,059,924	1.096%	5,811,309	2.081%
Meade	106,413,866	20,780,029	24.266%	9,075	0.011%	3,195,364	3.731%	(6,179)	-0.007%	18,014,566	21.037%	68,799	0.080%	(501,596)	-0.586%
Miami	313,307,824	19,240,476	6.543%	-1,486,842	-0.506%	513,563	0.175%	429,522	0.146%	1,598,029	0.543%	9,475,570	3.222%	8,710,634	2.962%
Mitchell	54,093,702	1,315,679	2.493%	460,985	0.873%	-	-	49,102	0.093%	(110,095)	-0.209%	407,673	0.772%	508,014	0.963%
Montgomery	205,706,380	4,060,044	2.013%	-5,947,205	-2.949%	3,506,142	1.739%	14,103	0.007%	848,052	0.421%	1,180,653	0.586%	4,458,299	2.211%
Morris	56,391,783	3,192,561	6.001%	156,021	0.293%	521,162	0.980%	61,410	0.115%	706,677	1.328%	450,214	0.846%	1,297,077	2.438%
Morton	160,018,126	14,898,540	10.266%	-117,033	-0.081%	8,801,849	6.065%	250,718	0.173%	6,448,008	4.443%	57,826	0.040%	(542,828)	-0.374%
Nemaha	77,114,259	367,987	0.479%	387,371	0.505%	338,404	0.441%	270,517	0.352%	(33,852)	-0.044%	844,082	1.100%	(1,438,535)	-1.874%
Neosho	89,926,383	2,461,121	2.814%	600,423	0.686%	1,594,060	1.823%	229,848	0.263%	(1,519,866)	-1.738%	726,462	0.831%	830,194	0.949%
Ness	53,189,491	9,374,142	21.395%	34,919	0.080%	10,042,928	22.921%	(43,050)	-0.098%	(55,420)	-0.126%	71,059	0.162%	(676,294)	-1.544%
Norton	39,807,488	744,342	1.905%	80,596	0.206%	584,581	1.497%	(33,535)	-0.086%	309,290	0.792%	299,018	0.765%	(495,608)	-1.269%
Osage	118,232,763	5,444,958	4.828%	811,822	0.720%	(6,318)	-0.006%	125,226	0.111%	716,142	0.635%	1,911,620	1.695%	1,886,466	1.673%
Osborne	35,609,420	1,141,367	3.311%	-177,831	-0.516%	734,779	2.132%	37,929	0.110%	331,092	0.961%	27,187	0.079%	188,211	0.546%
Ottawa	56,636,207	2,958,179	5.511%	93,850	0.175%	-	-	(25,940)	-0.048%	1,321,341	2.462%	419,993	0.782%	1,148,935	2.140%
Pawnee	54,110,624	1,671,463	3.187%	69,685	0.133%	(215,849)	-0.412%	47,251	0.090%	1,054,942	2.012%	250,452	0.478%	464,982	0.887%
Phillips	47,865,995	2,784,343	6.176%	122,772	0.272%	1,901,854	4.219%	69,838	0.155%	397,172	0.881%	194,428	0.431%	98,279	0.218%
Pottawatomie	368,842,391	8,815,812	2.449%	550,609	0.153%	3,102	0.001%	310,393	0.086%	(3,953,943)	-1.098%	4,628,166	1.286%	7,277,485	2.021%

*Penalty not included

Valuation Growth Analysis
Assessed Value
November 2005

5-3

County	Total Value*	Growth Change	Percent Growth	Machinery & Equipment Change	% of Total Growth	Oil & Gas Change	% of Total Growth	Other Personal Property Change	% of Total Growth	State Appraised Change	% of Total Growth	Value incr. from New Construction	% of Total Growth	Increase in Real Property Value	% of Total Growth
Pratt	99,483,573	8,678,838	9.558%	98,063	0.108%	2,967,319	3.268%	(4,895)	-0.005%	3,560,304	3.921%	718,250	0.791%	1,339,797	1.475%
Rawlins	31,123,637	(82,507)	-0.264%	8,591	0.028%	2,010,648	6.443%	(9,089)	-0.029%	(1,426,052)	-4.570%	43,432	0.139%	(710,037)	-2.275%
Reno	462,334,743	13,298,578	2.962%	313,180	0.070%	3,130,222	0.697%	504,885	0.112%	2,245,396	0.500%	5,063,628	1.128%	2,041,267	0.455%
Republic	48,059,471	789,092	1.669%	56,035	0.119%	-	-	152,258	0.322%	(149,444)	-0.316%	263,232	0.557%	467,011	0.988%
Rice	100,041,673	5,352,185	5.652%	-464,390	-0.490%	4,172,277	4.406%	133,261	0.141%	(544,724)	-0.575%	296,328	0.313%	1,759,433	1.858%
Riley	368,396,042	25,805,853	7.533%	835,034	0.244%	40,182	0.012%	454,985	0.133%	343,839	0.100%	8,104,324	2.366%	16,027,489	4.678%
Rooks	60,887,283	14,368,626	30.888%	67,385	0.145%	13,470,140	28.956%	307,396	0.661%	335,290	0.721%	285,676	0.614%	(97,261)	-0.209%
Rush	35,386,001	2,513,553	7.646%	644,957	1.962%	1,512,664	4.602%	22,336	0.068%	(53,886)	-0.164%	44,579	0.136%	342,903	1.043%
Russell	69,707,062	8,899,571	14.636%	-185,799	-0.306%	7,747,218	12.741%	148,930	0.245%	(273,382)	-0.450%	376,585	0.619%	1,086,019	1.786%
Saline	470,197,690	20,571,473	4.575%	2,715,680	0.604%	282,355	0.063%	(511,292)	-0.114%	(210,843)	-0.047%	8,422,388	1.873%	9,873,185	2.196%
Scott	71,727,927	7,144,791	11.063%	-60,654	-0.094%	2,003,615	3.102%	(7,385)	-0.011%	5,814,151	9.003%	491,928	0.762%	(1,096,864)	-1.698%
Sedgwick	3,608,117,774	175,049,761	5.099%	17,863,236	0.520%	1,007,758	0.029%	(6,656,017)	-0.194%	1,666,543	0.049%	74,787,069	2.178%	86,381,172	2.516%
Seward	267,620,682	26,205,546	10.855%	-218,830	-0.091%	21,421,553	8.873%	1,066,106	0.442%	771,577	0.320%	1,111,428	0.460%	2,053,712	0.851%
Shawnee	1,427,520,824	64,666,123	4.745%	12,758,290	0.936%	-	-	(657,875)	-0.048%	3,212,830	0.236%	24,450,606	1.794%	24,902,272	1.827%
Sheridan	33,509,739	2,067,632	6.576%	30,562	0.097%	2,068,693	6.579%	50,400	0.160%	94,780	0.301%	149,652	0.476%	(326,455)	-1.038%
Sherman	62,001,706	4,718,510	8.237%	-28,972	-0.051%	305,597	0.533%	(3,561)	-0.006%	4,923,299	8.595%	427,864	0.747%	(905,717)	-1.581%
Smith	35,998,758	(145,927)	-0.404%	11,530	0.032%	-	-	28,623	0.079%	(45,533)	-0.126%	160,984	0.445%	(301,531)	-0.834%
Stafford	64,285,561	9,988,187	18.395%	15,926	0.029%	7,720,091	14.218%	(47,965)	-0.088%	1,271,073	2.341%	212,914	0.392%	816,148	1.503%
Stanton	102,902,175	10,313,666	11.139%	-47,911	-0.052%	10,038,389	10.842%	390	0.000%	345,514	0.373%	240,023	0.259%	(262,739)	-0.284%
Stevens	354,980,725	70,063,437	24.591%	430,991	0.151%	66,212,908	23.239%	312,201	0.110%	3,353,212	1.177%	213,423	0.075%	(459,298)	-0.161%
Sumner	161,163,972	6,102,853	3.936%	222,110	0.143%	3,405,210	2.196%	164,107	0.106%	(1,001,023)	-0.646%	1,309,954	0.845%	2,002,495	1.291%
Thomas	78,959,399	2,114,660	2.752%	159,182	0.207%	619,202	0.806%	51,856	0.067%	(22,456)	-0.029%	293,289	0.382%	1,013,587	1.319%
Trego	37,527,059	2,932,052	8.475%	-188,513	-0.545%	3,326,335	9.615%	(90,853)	-0.263%	130,496	0.377%	65,662	0.190%	(311,075)	-0.899%
Wabaunsee	62,587,452	2,743,700	4.585%	614,010	1.026%	255,329	0.427%	71,194	0.119%	123,719	0.207%	837,150	1.399%	842,298	1.407%
Wallace	28,650,993	3,862,518	15.582%	51,430	0.207%	688,520	2.778%	20,884	0.084%	3,938,466	15.888%	56,239	0.227%	(893,021)	-3.603%
Washington	56,394,616	1,178,147	2.134%	-88,225	-0.160%	-	-	117,389	0.213%	774,797	1.403%	509,957	0.924%	(135,771)	-0.246%
Wichita	32,157,702	(724,958)	-2.205%	-32,437	-0.099%	379,275	1.153%	203,635	0.619%	(110,631)	-0.336%	51,814	0.158%	(1,216,614)	-3.700%
Wilson	69,865,679	5,673,347	8.838%	-371,145	-0.578%	3,935,823	6.131%	2,204,936	3.435%	(1,048,832)	-1.634%	394,867	0.615%	557,698	0.869%
Woodson	28,210,937	293,960	1.053%	2,032	0.007%	791,006	2.833%	(44,848)	-0.161%	(409,349)	-1.466%	241,043	0.863%	(285,924)	-1.024%
Wyandotte	1,110,992,382	70,359,727	6.761%	4,129,245	0.397%	-	-	(1,559,619)	-0.150%	(2,398,375)	-0.230%	14,292,365	1.373%	55,896,111	5.371%
Totals	27,019,361,810	1,620,922,727	6.382%	69,273,767	0.273%	431,711,700	1.700%	8,204,121	0.032%	62,711,644	0.247%	457,291,651	1.800%	591,729,844	2.330%
2004			6.003%		-0.150%		3.426%		0.008%		0.262%		1.828%		2.035%
2003			4.017%		-0.137%		-0.579%		0.064%		0.378%		1.888%		2.402%
2002			2.565%		-0.006%		-0.717%		-0.049%		-0.449%		1.811%		1.975%
2001			7.588%		-0.140%		2.035%		0.129%		-0.006%		2.072%		3.499%
2000			6.457%		0.696%		-0.252%		0.223%		-0.217%		2.248%		3.760%
1999			4.027%		0.734%		-2.486%		0.040%		0.486%		2.130%		3.121%

*Penalty not included

November 2005 IRB Value and In Lieu-of Collections

County Name	IRB Real (Appraised) 2004 Total	IRB Real (Appraised) 2005 Total	Difference	IRB Personal (Appraised) 2004 Total	IRB Personal (Appraised) 2005 Total	Difference	Total Change	In Lieu-of Collections 2004	In Lieu-of Collections 2005	Difference
Allen	586,240	-	(586,240)	-	-	-	(586,240)	\$ -	\$ -	\$ -
Anderson	355,930	381,240	25,310	-	-	-	25,310	\$ -	\$ -	\$ -
Atchison	6,464,790	6,464,790	-	943,860	744,812	(199,048)	(199,048)	\$ -	\$ -	\$ -
Barber	-	-	-	675,205	458,670	(216,535)	(216,535)	\$ -	\$ 2,096.00	\$ 2,096.00
Barton	-	-	-	-	-	-	-	\$ 1,048.00	\$ -	\$ (1,048.00)
Bourbon	2,032,300	2,384,130	351,830	1,898,766	1,562,265	(336,501)	15,329	\$ -	\$ -	\$ -
Brown	464,000	503,430	39,430	32,939	32,939	-	39,430	\$ -	\$ -	\$ -
Butler	27,454,930	21,096,970	(6,357,960)	3,779,813	1,219,598	(2,560,215)	(8,918,175)	\$ 188,047.22	\$ 257,948.02	\$ 69,900.80
Chase	-	-	-	-	-	-	-	\$ -	\$ -	\$ -
Chautauqua	-	-	-	-	-	-	-	\$ -	\$ -	\$ -
Cherokee	-	-	-	-	-	-	-	\$ -	\$ -	\$ -
Cheyenne	-	-	-	-	-	-	-	\$ -	\$ -	\$ -
Clark	-	-	-	-	-	-	-	\$ -	\$ -	\$ -
Clay	-	-	-	-	-	-	-	\$ 25,075.34	\$ -	\$ (25,075.34)
Cloud	4,674,770	4,608,690	(66,080)	134,559	108,571	(25,988)	(92,068)	\$ -	\$ 51,262.22	\$ 51,262.22
Coffey	-	-	-	-	-	-	-	\$ -	\$ -	\$ -
Comanche	-	-	-	-	-	-	-	\$ -	\$ -	\$ -
Cowley	3,815,880	3,883,170	67,290	63,815	55,831	(7,984)	59,306	\$ -	\$ 9,406.96	\$ 9,406.96
Crawford	-	-	-	-	-	-	-	\$ -	\$ -	\$ -
Decatur	-	-	-	-	-	-	-	\$ -	\$ -	\$ -
Dickinson	1,033,080	1,962,380	929,300	-	20,134	20,134	949,434	\$ -	\$ -	\$ -
Doniphan	5,180,700	5,131,100	(49,600)	-	-	-	(49,600)	\$ -	\$ -	\$ -
Douglas	18,102,350	16,658,940	(1,443,410)	444,615	847,157	402,542	(1,040,868)	\$ 295,184.40	\$ 592,909.73	\$ 297,725.33
Edwards	1,994,000	2,317,100	323,100	-	-	-	323,100	\$ -	\$ -	\$ -
Elk	820,430	793,310	(27,120)	457,646	381,108	(76,538)	(103,658)	\$ -	\$ -	\$ -
Ellis	-	4,426,960	4,426,960	-	-	-	4,426,960	\$ -	\$ -	\$ -
Ellsworth	1,315,530	1,295,600	(19,930)	-	-	-	(19,930)	\$ -	\$ -	\$ -
Finney	13,038,440	4,234,850	(8,803,590)	1,497,536	29,553	(1,467,983)	(10,271,573)	\$ 102,029.75	\$ 94,090.92	\$ (7,938.83)
Ford	1,981,750	23,371,030	21,389,280	699,473	16,737,446	16,037,973	37,427,253	\$ -	\$ 2,081,273.87	\$ 2,081,273.87
Franklin	721,450	-	(721,450)	41,298	-	(41,298)	(762,748)	\$ -	\$ -	\$ -
Geary	1,606,600	2,781,150	1,174,550	3,144,342	3,005,043	(139,299)	1,035,251	\$ 14,000.00	\$ 30,000.00	\$ 16,000.00
Gove	30,881,610	30,864,960	(16,650)	-	-	-	(16,650)	\$ -	\$ -	\$ -
Graham	-	-	-	-	-	-	-	\$ -	\$ -	\$ -
Grant	-	-	-	-	-	-	-	\$ -	\$ -	\$ -
Gray	-	-	-	-	-	-	-	\$ -	\$ -	\$ -

House Taxation
1-19-06
Attachment 6

November 2005 IRB Value and In Lieu-of Collections

6-2

County Name	IRB Real (Appraised) 2004 Total	IRB Real (Appraised) 2005 Total	Difference	IRB Personal (Appraised) 2004 Total	IRB Personal (Appraised) 2005 Total	Difference	Total Change	In Lieu-of Collections 2004	In Lieu-of Collections 2005	Difference
Greeley	-	-	-	-	-	-	-	\$ -	\$ -	\$ -
Greenwood	1,546,250	1,546,250	-	-	-	-	-	\$ -	\$ -	\$ -
Hamilton	-	-	-	-	-	-	-	\$ -	\$ -	\$ -
Harper	2,068,000	2,068,000	-	487,379	397,122	(90,257)	(90,257)	\$ -	\$ -	\$ -
Harvey	25,387,054	17,071,460	(8,315,594)	19,891,462	22,795,185	2,903,723	(5,411,871)	\$ -	\$ -	\$ -
Haskell	-	-	-	-	-	-	-	\$ -	\$ -	\$ -
Hodgeman	-	-	-	-	-	-	-	\$ -	\$ -	\$ -
Jackson	-	-	-	-	-	-	-	\$ -	\$ -	\$ -
Jefferson	249,320	263,020	13,700	407,927	338,927	(69,000)	(55,300)	\$ -	\$ -	\$ -
Jewell	-	-	-	-	-	-	-	\$ -	\$ -	\$ -
Johnson	961,813,360	1,049,816,530	88,003,170	19,319,928	27,454,720	8,134,792	96,137,962	\$ -	\$ 11,115,661.84	\$ 11,115,661.84
Kearny	-	-	-	-	-	-	-	\$ -	\$ -	\$ -
Kingman	1,602,990	-	(1,602,990)	-	-	-	(1,602,990)	\$ -	\$ -	\$ -
Kiowa	-	-	-	-	-	-	-	\$ -	\$ -	\$ -
Labette	2,177,840	262,380	(1,915,460)	-	-	-	(1,915,460)	\$ -	\$ -	\$ -
Lane	-	-	-	-	-	-	-	\$ -	\$ -	\$ -
Leavenworth	4,949,460	9,362,060	4,412,600	-	-	-	4,412,600	\$ 36,851.92	\$ 92,567.28	\$ 55,715.36
Lincoln	-	-	-	-	-	-	-	\$ -	\$ -	\$ -
Linn	-	-	-	-	-	-	-	\$ -	\$ -	\$ -
Logan	-	-	-	-	-	-	-	\$ -	\$ -	\$ -
Lyon	27,914,970	28,549,540	634,570	631,949	474,791	(157,158)	477,412	\$ -	\$ -	\$ -
Marion	2,614,090	3,392,838	778,748	289,621	304,378	14,757	793,505	\$ 307,296.00	\$ -	\$ (307,296.00)
Marshall	1,223,940	-	(1,223,940)	307,296	-	(307,296)	(1,531,236)	\$ -	\$ -	\$ -
McPherson	10,971,290	6,323,220	(4,648,070)	27,390,460	46,159,120	18,768,660	14,120,590	\$ -	\$ -	\$ -
Meade	6,245,170	6,239,430	(5,740)	-	-	-	(5,740)	\$ -	\$ -	\$ -
Miami	1,904,830	-	(1,904,830)	-	-	-	(1,904,830)	\$ -	\$ -	\$ -
Mitchell	997,350	1,020,340	22,990	-	-	-	22,990	\$ 106,319.56	\$ -	\$ (106,319.56)
Montgomery	33,463,820	37,223,170	3,759,350	58,947,263	35,548,580	(23,398,683)	(19,639,333)	\$ -	\$ -	\$ -
Morris	-	44,770	44,770	-	-	-	44,770	\$ -	\$ -	\$ -
Morton	-	-	-	-	-	-	-	\$ -	\$ -	\$ -
Nemaha	2,922,880	4,337,370	1,414,490	-	35,700	35,700	1,450,190	\$ 26,847.16	\$ -	\$ (26,847.16)
Neosho	54,009,660	53,028,862	(980,798)	51,143,154	39,353,243	(11,789,911)	(12,770,709)	\$ -	\$ 58,073.88	\$ 58,073.88
Ness	-	-	-	-	-	-	-	\$ -	\$ -	\$ -
Norton	-	-	-	-	-	-	-	\$ -	\$ -	\$ -
Osage	-	-	-	-	-	-	-	\$ -	\$ -	\$ -

November 2005 IRB Value and In Lieu-of Collections

6-3

County Name	IRB Real (Appraised) 2004 Total	IRB Real (Appraised) 2005 Total	Difference	IRB Personal (Appraised) 2004 Total	IRB Personal (Appraised) 2005 Total	Difference	Total Change	In Lieu-of Collections 2004	In Lieu-of Collections 2005	Difference
Osborne	-	-	-	-	-	-	-	\$ -	\$ -	\$ -
Ottawa	-	-	-	-	-	-	-	\$ -	\$ -	\$ -
Pawnee	-	-	-	-	-	-	-	\$ -	\$ -	\$ -
Phillips	504,080	529,720	25,640	-	-	-	25,640	\$ -	\$ -	\$ -
Pottawatomie	-	-	-	-	-	-	-	\$ -	\$ -	\$ -
Pratt	1,363,600	1,151,250	(212,350)	-	-	-	(212,350)	\$ -	\$ 4,800.00	\$ 4,800.00
Rawlins	-	-	-	-	-	-	-	\$ -	\$ -	\$ -
Reno	16,055,700	15,641,060	(414,640)	112,420	109,912	(2,508)	(417,148)	\$ 62,186.12	\$ -	\$ (62,186.12)
Republic	-	-	-	-	-	-	-	\$ -	\$ -	\$ -
Rice	9,938,840	9,958,540	19,700	-	2,764,025	2,764,025	2,783,725	\$ -	\$ -	\$ -
Riley	11,465,530	11,875,130	409,600	-	-	-	409,600	\$ -	\$ -	\$ -
Rooks	217,260	216,890	(370)	70,759	54,008	(16,751)	(17,121)	\$ -	\$ -	\$ -
Rush	-	-	-	-	-	-	-	\$ -	\$ -	\$ -
Russell	218,290	215,140	(3,150)	6,733	6,733	-	(3,150)	\$ -	\$ -	\$ -
Saline	22,776,980	18,920,010	(3,856,970)	3,641,153	2,341,032	(1,300,121)	(5,157,091)	\$ 157,219.68	\$ 307,232.38	\$ 150,012.70
Scott	-	-	-	-	-	-	-	\$ -	\$ -	\$ -
Sedgwick	293,105,430	286,583,690	(6,521,740)	417,549,940	529,121,040	111,571,100	105,049,360	\$ -	\$ 371,665.97	\$ 371,665.97
Seward	4,223,390	4,209,370	(14,020)	-	-	-	(14,020)	\$ -	\$ -	\$ -
Shawnee	51,912,260	55,574,920	3,662,660	5,020,269	4,062,679	(957,590)	2,705,070	\$ 584,124.76	\$ 1,139,905.49	\$ 555,780.73
Sheridan	-	-	-	-	-	-	-	\$ -	\$ -	\$ -
Sherman	-	-	-	-	-	-	-	\$ -	\$ -	\$ -
Smith	24,120	24,120	-	-	-	-	-	\$ -	\$ -	\$ -
Stafford	548,390	551,300	2,910	-	-	-	2,910	\$ -	\$ -	\$ -
Stanton	-	-	-	-	-	-	-	\$ -	\$ -	\$ -
Stevens	-	-	-	-	-	-	-	\$ -	\$ -	\$ -
Sumner	-	-	-	-	-	-	-	\$ -	\$ -	\$ -
Thomas	-	2,840,890	2,840,890	-	-	-	2,840,890	\$ -	\$ -	\$ -
Trego	-	-	-	-	-	-	-	\$ -	\$ -	\$ -
Wabaunsee	-	-	-	-	-	-	-	\$ -	\$ -	\$ -
Wallace	-	-	-	-	-	-	-	\$ -	\$ -	\$ -
Washington	-	-	-	-	-	-	-	\$ -	\$ -	\$ -
Wichita	-	-	-	-	-	-	-	\$ -	\$ -	\$ -
Wilson	2,054,060	2,096,850	42,790	-	-	-	42,790	\$ -	\$ -	\$ -
Woodson	-	-	-	-	-	-	-	\$ -	\$ -	\$ -
Wyandotte	65,375,950	59,984,517	(5,391,433)	37,357,507	32,499,079	(4,858,428)	(10,249,861)	\$ 2,555,944.27	\$ 5,998,507.57	\$ 3,442,563.30
State Totals	1,744,370,934	1,824,082,437	79,711,503	656,389,087	769,023,401	112,634,314	192,345,817	\$ 4,462,174.18	\$ 22,207,402.13	\$ 17,745,227.95

Constitution of the State of Kansas

Article 11. -- FINANCE AND TAXATION

§ 1: System of taxation; classification; exemption. (a) The provisions of this subsection shall govern the assessment and taxation of property on and after January 1, 1993 and each year thereafter. Except as otherwise hereinafter specifically provided, the legislature shall provide for a uniform and equal basis of valuation and rate of taxation of all property subject to taxation. The legislature may provide for the classification and the taxation uniformly as to class of recreational vehicles, as defined by the legislature, or may exempt such class from property taxation and impose taxes upon another basis in lieu thereof. The provisions of this subsection shall not be applicable to the taxation of motor vehicles, except as otherwise hereinafter specifically provided, mineral products, money, mortgages, notes and other evidence of debt and grain. Property shall be classified into the following classes for the purpose of assessment and assessed at the percentage of value prescribed therefor:

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

- (1) Real property used for residential purposes including multi-family residential real property and real property necessary to accommodate a residential community of mobile or manufactured homes including the real property upon which such homes are located.....11 1/2%
- (2) Land devoted to agricultural use which shall be valued upon the basis of its agricultural income or agricultural productivity pursuant to section 12 of article 11 of the constitution30%
- (3) Vacant lot12%
- (4) Real property which is owned and operated by a not-for-profit organization not subject to federal income taxation pursuant to section 501 of the federal internal revenue code, and which is included in this subclass by law12%
- (5) Public utility real property, except railroad real property which shall be assessed at the average rate that all other commercial and industrial property is assessed33%
- (6) Real property used for commercial and industrial purposes and buildings and other improvements located upon land devoted to agricultural use ...25%
- (7) All other urban and rural real property not otherwise specifically subclassified30%

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

- (1) Mobile homes used for residential purposes11 1/2%
- (2) Mineral leasehold interests except oil leasehold interests the average daily production from which is five barrels or less, and natural gas leasehold interests the average daily production from which is 100 mcf or less, which shall be assessed at 25% 30%
- (3) Public utility tangible personal property including inventories thereof, except railroad personal property including inventories thereof, which shall be assessed at the average rate all other commercial and industrial property is assessed 33%
- (4) All categories of motor vehicles not defined and specifically valued and taxed pursuant to law enacted prior to January 1, 198530%
- (5) Commercial and industrial machinery and equipment which, if its economic life is seven years or more, shall be valued at its retail cost when new less seven-year straight-line depreciation, or which, if its economic life is less than seven years, shall be valued at its retail cost when new less straight-line depreciation over its economic life, except that, the value so obtained for such property, notwithstanding its economic life and as long as such property is being used, shall not be less than 20% of the retail cost when new of such property25%
- (6) All other tangible personal property not otherwise specifically classified
30%

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

79-5a01

Chapter 79.--TAXATION

Article 5a.--PUBLIC UTILITIES

79-5a01. Public utility or public utilities; defined. (a) As used in this act, the terms "public utility" or "public utilities" means every individual, company, corporation, association of persons, brokers, lessees or receivers that now or hereafter own, control and hold for resale stored natural gas in an underground formation in this state, or now or hereafter are in control, manage or operate a business of:

(1) A railroad or railroad corporation if such railroad or railroad corporation owns or holds, by deed or other instrument, an interest in right-of-way, track, franchise, roadbed or trackage in this state;

(2) transmitting to, from, through or in this state telegraphic messages;

(3) transmitting to, from, through or in this state telephonic messages;

(4) transporting or distributing to, from, through or in this state natural gas, oil or other commodities in pipes or pipelines, or engaging primarily in the business of storing natural gas in an underground formation;

(5) generating, conducting or distributing to, from, through or in this state electric power;

(6) transmitting to, from, through or in this state water if for profit or subject to regulation of the state corporation commission; and

(7) transporting to, from, through or in this state cargo or passengers by means of any vessel or boat used in navigating any of the navigable watercourses within or bordering upon this state.

(b) The terms "public utility" or "public utilities" shall not include: (1) Rural water districts established under the laws of the state of Kansas; or (2) any individual, company, corporation, association of persons, lessee or receiver owning or operating an oil or natural gas production gathering line which is situated within one county in this state and does not cross any state boundary line; (3) any individual, company, corporation, association of persons, lessee or receiver owning any vessel or boat operated upon the surface of any manmade waterway located entirely within one county in the state; or (4) for all taxable years commencing after December 31, 1998, any natural gas distribution system which is owned and operated by a nonprofit public utility described by K.S.A. 66-104c, and amendments thereto, and which is operated predominantly for the purpose of providing fuel for the irrigation of land devoted to agricultural use.

(c) The provisions of subsection (a) as amended by this act shall be applicable to all taxable years commencing after December 31, 2003.

History: L. 1969, ch. 434, § 1; L. 1971, ch. 294, § 1; L. 1981, ch. 375, § 1; L. 1982, ch. 395, § 1; L. 1983, ch. 314, § 1; L. 1986, ch. 371, § 1; L. 1999, ch. 126, § 3; L. 2004, ch. 171, § 4; July 1.