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MEMORANDUM

To: Madam Chairperson and Members of the Committee on Assessment and Taxation
From: Office of Revisor of Statutes
Date: February 21, 2023
Subject: Senate Bill No. 252

Summary

Senate Bill No. 252 would provide a property tax exemption for certain business property operated in competition with property owned or operated by a government entity and a sales tax exemption for certain businesses competing against governmental entities.

New Section 1 of the bill would establish, for tax years commencing after December 31, 2023, a property tax exemption for “all real property owned and operated by a business in the state of Kansas that is used by the business for ambulance service, child care center, entertainment, exercise, health club, recreation or restaurant purposes and is located within a county where there is at least one facility owned or operated by a governmental entity that competes against the business and such competing facility owned or operated by a governmental entity is exempt from property or ad valorem taxes levied under any laws of the state of Kansas.” The section further provides definitions of “competes against the business,” “facility owned or operated by a governmental entity” and “real property owned and operated by a business.”

Section 2 of the bill would amend K.S.A. 2022 Supp. 79-3606 to provide a sales tax exemption for “all sales of tangible personal property or services purchased by a business that owns and operates real property in the state of Kansas that is used by the business for ambulance service, child care center, entertainment, exercise, health club, recreation or restaurant purposes and is located within a county where there is at least one facility owned or operated by a governmental

entity that competes against the business and such competing facility owned or operated by a governmental entity is exempt from property or ad valorem taxes levied under any laws of the state of Kansas and such property or services are used for ambulance service, child care center, entertainment, exercise, health club, recreation or restaurant purposes; and all sales of tangible personal property or services by such business at or from such real property location for ambulance service, child care center, entertainment, exercise, health club, recreation or restaurant purposes.”

The bill provides that the business shall apply to and obtain from the secretary of revenue an exemption certificate for its purchases and sales of tangible personal property or services prior to claiming the sales tax exemption.

The bill would take effect from and after its publication in the statute book.