

## House Concurrent Resolution No. 5011

By Committee on Taxation

Requested by Representative A. Smith

2-7

A PROPOSITION to amend section 1 of article 11 of the constitution of the state of Kansas; relating to property taxation; valuing residential real property based on the fair market value or average fair market value of the residential portion.

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

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

"§ 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, 2013 2027, 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 equal taxation uniformly as to class of recreational vehicles and the watercraft, 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.

*The taxable valuation of 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, classified for property tax purposes pursuant to subclass (1) of class 1 shall be determined based on the lesser of the fair market value or the average fair market value of the residential portion, as defined by law. The legislature may*

Proposed Amendments  
House Concurrent Resolution No. 5011  
Prepared by Office of Revisor of Statutes  
Commercial property and mobile homes

, real property used for commercial and industrial purposes and buildings and other improvements located upon land devoted to agricultural use pursuant to subclass (6) of class 1, and tangible personal property classified as mobile homes used for residential purposes pursuant to subclass (1) of class 2

1 provide for and establish by law the number of years in  
2 determining the average fair market value of the residential  
3 portion and valuation adjustments by law for new construction or  
4 improvements, changes in property use, property that is listed as  
5 escaped or omitted property, changes to the description of the  
6 land, lot or parcel.

7 Property shall be classified into the following classes for the  
8 purpose of assessment and assessed at the percentage of value  
9 prescribed therefor:

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

- 14 (1) Real property used for residential purposes including multi-family  
15 residential real property and real property necessary to  
16 accommodate a residential community of mobile or manufactured  
17 homes including the real property upon which such homes are  
18 located.....1 1/2%

- 19 (2) Land devoted to agricultural use which shall be valued upon the  
20 basis of its agricultural income or agricultural productivity pursuant  
21 to section 12 of article 11 of the constitution.....30%

- 22 (3) Vacant lots.....12%

- 23 (4) Real property which is owned and operated by a not-for-profit  
24 organization not subject to federal income taxation pursuant to  
25 section 501 of the federal internal revenue code, and which is  
26 included in this subclass by law.....12%

- 27 (5) Public utility real property, except railroad real property which shall  
28 be assessed at the average rate that all other commercial and  
29 industrial property is assessed.....33%

- 30 (6) Real property used for commercial and industrial purposes and  
31 buildings and other improvements located upon land devoted to  
32 agricultural use.....25%

- 33 (7) All other urban and rural real property not otherwise specifically  
34 subclassified.....30%

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

- 40 (1) Mobile homes used for residential purposes.....11 1/2%  
41 (2) Mineral leasehold interests except oil leasehold interests the average  
42 daily production from which is five barrels or less, and natural gas  
43 leasehold interests the average daily production from which is 100

- 1 mcf or less, which shall be assessed at 25%.....30%
- 2 (3) Public utility tangible personal property including inventories
- 3 thereof, except railroad personal property including inventories
- 4 thereof, which shall be assessed at the average rate all other
- 5 commercial and industrial property is assessed.....33%
- 6 (4) All categories of motor vehicles not defined and specifically valued
- 7 and taxed pursuant to law enacted prior to January 1, 1985,.....30%
- 8 (5) Commercial and industrial machinery and equipment which, if its
- 9 economic life is seven years or more, shall be valued at its retail cost
- 10 when new less seven-year straight-line depreciation, or which, if its
- 11 economic life is less than seven years, shall be valued at its retail
- 12 cost when new less straight-line depreciation over its economic life,
- 13 except that, the value so obtained for such property, notwithstanding
- 14 its economic life and as long as such property is being used, shall
- 15 not be less than 20% of the retail cost when new of such property
- 16 .....25%
- 17 (6) All other tangible personal property not otherwise specifically
- 18 classified.....30%

19 (b) All property used exclusively for state, county, municipal,

20 literary, educational, scientific, religious, benevolent and charitable

21 purposes, farm machinery and equipment, merchants' and

22 manufacturers' inventories, other than public utility inventories

23 included in subclass (3) of class 2, livestock, and all household

24 goods and personal effects not used for the production of income,

25 shall be exempted from property taxation."

26 Sec. 2. The following statement shall be printed on the ballot with

27 the amendment as a whole:

28 "Explanatory statement. This amendment would value real

29 property used for residential purposes provided under

30 section 1 of article 11 of the Constitution of the State of

31 Kansas in subclass (1) of class 1 based on the lesser of the

32 fair market value or the average fair market value of the

33 residential portion. The amendment would also authorize the

34 legislature to establish by law the number of years in

35 determining the average fair market value of the residential

36 portion and provide valuation adjustments by law in certain

37 circumstances.

38 "A vote for this proposition would value parcels of real property

39 used for residential purposes including multi-family

40 residential real property and real property necessary to

41 accommodate a residential community of mobile or

42 manufactured homes including the real property upon which

43 such homes are located based on the lesser of the fair market

, real property used for commercial and industrial purposes  
and buildings and other improvements located upon land  
devoted to agricultural use pursuant to subclass (6) of class  
1, and tangible personal property classified as mobile  
homes used for residential purposes pursuant to subclass  
(1) of class 2

, real property used for commercial and industrial purposes and  
buildings and other improvements located upon land devoted to  
agricultural use, and tangible personal property classified as  
mobile homes used for residential purposes

1 value or the average fair market value of the residential  
2 portion. The amendment would also authorize the legislature  
3 to establish by law the number of years in determining the  
4 average fair market value of the residential portion and  
5 provide valuation adjustments for new construction or  
6 improvements, changes in property use, property that is  
7 listed as escaped or omitted property, changes to the  
8 description of the land, lot or parcel and property that lacks  
9 established valuations.

10 "A vote against this proposition would provide no change to the  
11 Kansas Constitution."

12 Sec. 3. This resolution, if approved by two-thirds of the members  
13 elected (or appointed) and qualified to the House of Representatives and  
14 two-thirds of the members elected (or appointed) and qualified to the  
15 Senate, shall be entered on the journals, together with the yeas and nays.  
16 The secretary of state shall cause this resolution to be published as  
17 provided by law and shall cause the proposed amendment to be submitted  
18 to the electors of the state at a special election, which is hereby called on  
19 November 4, 2025, pursuant to section 1 of article 14 of the constitution  
20 of the state of Kansas, to be held in conjunction with the general election  
21 held on such date.