CONFERENCE COMMITTEE REPORT

MR. PRESIDENT and MR. SPEAKER: Your committee on conference on House amendments to **SCR 1603** submits the following report:

The Senate accedes to all House amendments to the concurrent resolution, and your committee on conference further agrees to amend the concurrent resolution as printed with House Committee of the Whole amendments, as follows:

On page 1, in line 23, by striking "2028" and inserting "2027"; in line 26, by striking all after "taxation"; by striking all in lines 27 and 28;

On page 2, in line 1, by striking all before the period;

On page 3, by striking all in lines 6 through 25;

On page 4, following line 37, by inserting:

"The final taxable assessed value 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, land devoted to agricultural use pursuant to subclass (2) of class 1, 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, shall not increase by more than 9% or a lesser percentage as provided by law in any taxable year, except if improvements have been made to the property resulting in an increase in value as provided in this subsection or if:

(1) The property includes new construction;

(2) the class or subclass of the property changes for assessment rate purposes;

(3) the property becomes disqualified from exemption;

(4) the property is first listed for taxation or first listed as escaped or omitted property, or an error in listing the property is corrected; or

(5) the legal description of the land, lot or parcel changes, except that the total final taxable assessed value of all property affected by a legal description change shall not exceed the total final taxable assessed value of the affected property for the previous year by more than 9% or a lesser percentage as provided by law.

The benefits of the assessed value limitation shall remain in place whenever title to the property is transferred, changed or conveyed to another person or entity, unless the legislature enacts provisions that provide for exceptions. For property that is subject to the assessed value limitation, the final taxable assessed value each year shall be the assessed value of the property determined as otherwise provided by law without the application of the assessed value limitation provisions or the limited assessed value of the property determined by the application of the assessed value limitation provisions, whichever is less. For tax year 2027, the final taxable assessed value of such property shall not increase by more than 9% or a lesser percentage as provided by law as compared to the tax year 2024 assessed value of such property unless an exception applies since tax year 2024, and in the event that such property was not listed for taxation for tax year 2024, the final taxable assessed value of such property shall not increase by more than 9% or a lesser percentage as provided by law as compared to the tax year 2026 assessed value of such property unless an exception applies. The legislature may define new construction by law. In addition to the increase provided in this section, for improvements made to the property, the legislature may provide for an increase in assessed value to the property in proportion to the increase in appraised value of the property as a result of the improvements when compared with the property prior to the improvements. The legislature may define improvements by law and enact other legislation providing for the calculation of assessed value of property resulting from improvements, except that improvements made to the property shall not include normal repair or maintenance of existing structures, building components or fixtures on the property. The legislature may enact other legislation to administer the provisions of the assessed value limitation.";

On page 5, in line 30, by striking all after the stricken material; by striking all in lines 31 through 42; in line 43, by striking all before the period and inserting "limit annual assessed value increases to 9% or a lesser percentage as provided by law for purposes of property taxation for 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, land devoted to agricultural use pursuant to subclass (2) of class 1, 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, except if the property includes new construction or improvements made to such property, the class or subclass of the property changes, the property becomes disqualified from exemption, the property is first listed for taxation or as escaped or omitted property, an error in listing the property is corrected or the legal description of the property changes. Improvements could limit increases to the assessed value of the property in proportion to the increase resulting from the improvement as provided by law. The amendment would provide for the benefits of the value limitation to remain in place whenever title to the property is transferred, changed or conveyed to another person or entity, unless the legislature enacts provisions that provide for exceptions. For tax year 2027, the final taxable assessed value of such property shall not increase by more than 9% or a lesser percentage as provided by law as compared to the tax year 2024 assessed value of such property unless an exception applies since tax year 2024, and in the event that such property was not listed for taxation for tax year 2024, the final taxable assessed value of such property shall not increase by more than 9% or a lesser percentage as provided by law as compared to the tax year 2026 assessed value of such property unless an exception applies. The legislature would be authorized to enact legislation to administer the provisions of the assessed value limitation amendment";

On page 7, in line 10, by striking all after the stricken material; by striking all in lines 11 through 13; in line 14, by striking all before the period and inserting "limit, subject to certain exceptions, annual assessed value increases for parcels of residential real property, agricultural real property, commercial and industrial real property and tangible personal property mobile homes to a maximum increase of 9% from the prior tax year of that portion. The amendment would authorize the legislature to provide for a lesser percentage as provided by law. For tax year 2027, the assessed value limit of property would be based on a comparison to the 2024 assessed value of the property. The legislature is authorized to enact legislation to provide for the administration of the amendment and valuation increases resulting from improvements to property"; in line 16, by striking all after "constitution"; by striking all in lines 17 through 19; in line 20, by striking all before the period; in line 30, by striking all after the stricken material; by striking all in lines 31 through 33; in line 34, by striking all before the period and inserting "a special election, which is hereby called on August 4, 2026, pursuant to section 1 of article 14 of the constitution of the state of Kansas, to be held in conjunction with the primary election held on such date";

On page 1, in the title, in line 4, by striking "valuing" and inserting "limiting assessed value increases for"; in line 5, after the comma by inserting "agricultural real property,"; in line 6, by striking all after "property"; by striking all in lines 7 and 8; in line 9, by striking all before the period;

And your committee on conference recommends the adoption of this report.

Conferees on part of House

Conferees on part of Senate