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 the taxation uniformly as to class of recreational vehicles and 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

HCR 5011

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:
0	Class 1 shall consist of real property. Real property shall be
1	further classified into seven subclasses. Such property shall be
2	defined by law for the purpose of subclassification and assessed
3	uniformly as to subclass at the following percentages of value:
4	(1) Real property used for residential purposes including multi-family
5	residential real property and real property necessary to
6	accommodate a residential community of mobile or manufactured
7	homes including the real property upon which such homes are
8	located
9	(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
22	(3) Vacant lots
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
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
30	(6) Real property used for commercial and industrial purposes and
31	buildings and other improvements located upon land devoted to
32	agricultural use
33	(7) All other urban and rural real property not otherwise specifically
34	subclassified
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
88	subclassification and assessed uniformly as to subclass at the
39	following percentages of value:
10	(1) Mobile homes used for residential purposes
11	(2) Mineral leasehold interests except oil leasehold interests the average
12	daily production from which is five barrels or less, and natural gas
13	leasehold interests the average daily production from which is 100

HCR 5011 3

1		mcf or less, which shall be assessed at 25%
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
6	(4)	All categories of motor vehicles not defined and specifically valued
7		and taxed pursuant to law enacted prior to January 1, 198530%
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		
17	(6)	All other tangible personal property not otherwise specifically
18		classified
19		(b) All property used exclusively for state, county, municipal,
20		iterary, educational, scientific, religious, benevolent and charitable
21		purposes, farm machinery and equipment, merchants' and
22		manufacturers' inventories, other than public utility inventories
23		ncluded 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		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

manufactured homes including the real property upon which such homes are located based on the lesser of the fair market

42 43 HCR 5011 4

1 2

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

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

Sec. 3. This resolution, if approved by 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, shall be entered on the journals, together with the yeas and nays. The secretary of state shall cause this resolution to be published as provided by law and shall cause the proposed amendment to be submitted to the electors of the state at a special election, which is hereby called on November 4, 2025, pursuant to section 1 of article 14 of the constitution of the state of Kansas, to be held in conjunction with the general election held on such date.