

**SENATE BILL No. 10**

By Senators Tyson, Alley, Blasi, Bowers, Bowser, J.R. Claeys, Joseph Claeys, Clifford, Dietrich, Erickson, Fagg, Faust-Goudeau, Gossage, Klemp, Kloos, Masterson, Murphy, Owens, Peck, Petersen, Rose, Shallenburger, Shane, Starnes, Thomas, Thompson and Warren

1-15

1 AN ACT concerning property taxation; relating to exemptions; providing  
2 exemptions for certain personal property including watercraft, marine  
3 equipment, off-road vehicles, motorized bicycles ~~and~~, certain trailers  
4 **and aircraft**; amending K.S.A. 79-213 and 79-5501 and repealing the  
5 existing sections.

6  
7 *Be it enacted by the Legislature of the State of Kansas:*

8 New Section 1. (a) The following described property, to the extent  
9 herein specified, is hereby exempt from all property or ad valorem taxes  
10 levied under the laws of the state of Kansas:

11 (1) Any off-road vehicle that is not operated upon any highway;

12 (2) any motorized bicycle, electric-assisted bicycle, electric-assisted  
13 scooter, electric personal assistive mobility device and motorized  
14 wheelchair as such terms are defined in K.S.A. 8-126, and amendments  
15 thereto;

16 (3) any trailer having a gross weight of 15,000 pounds or less that is  
17 used exclusively for personal use and not for the production of income;  
18 ~~and~~

19 (4) any marine equipment; **and**

20 **(5) any aircraft.**

21 (b) For purposes of this section:

22 (1) **"Aircraft" means any airplane, helicopter or other machine**  
23 **capable of flight;**

24 (2) "marine equipment" means any watercraft trailer designed to  
25 launch, retrieve, transport and store watercraft and any watercraft motor  
26 designed to operate watercraft on the water;

27 ~~(3)~~(3) "off-road motorcycle" means any motorcycle as defined in  
28 K.S.A. 8-126, and amendments thereto, that has been manufactured for  
29 off-road use only and is used exclusively off roads and highways; and

30 ~~(3)~~(4) "off-road vehicle" means:

31 (A) Any all-terrain vehicle, recreational off-highway vehicle and golf  
32 cart as such terms are defined in K.S.A. 8-126, and amendments thereto;  
33 and

34 (B) any off-road motorcycle and snowmobile.

1 (c) The provisions of this section shall apply to all taxable years  
2 commencing after December 31, 2025.

3 Sec. 2. K.S.A. 79-213 is hereby amended to read as follows: 79-213.

4 (a) Any property owner requesting an exemption from the payment of ad  
5 valorem property taxes assessed, or to be assessed, against their property  
6 shall be required to file an initial request for exemption, on forms  
7 approved by the state board of tax appeals and provided by the county  
8 appraiser.

9 (b) The initial exemption request shall identify the property for which  
10 the exemption is requested and state, in detail, the legal and factual basis  
11 for the exemption claimed.

12 (c) The request for exemption shall be filed with the county appraiser  
13 of the county where such property is principally located.

14 (d) After a review of the exemption request, and after a preliminary  
15 examination of the facts as alleged, the county appraiser shall recommend  
16 that the exemption request either be granted or denied, and, if necessary,  
17 that a hearing be held. If a denial is recommended, a statement of the  
18 controlling facts and law relied upon shall be included on the form.

19 (e) The county appraiser, after making such written recommendation,  
20 shall file the request for exemption and the recommendations of the county  
21 appraiser with the state board of tax appeals. With regard to a request for  
22 exemption from property tax pursuant to the provisions of K.S.A. 79-201g  
23 and 82a-409, and amendments thereto, not filed with the board of tax  
24 appeals by the county appraiser on or before the effective date of this act,  
25 if the county appraiser recommends the exemption request be granted, the  
26 exemption shall be provided in the amount recommended by the county  
27 appraiser and the county appraiser shall not file the request for exemption  
28 and recommendations of the county appraiser with the state board of tax  
29 appeals. The county clerk or county assessor shall annually make such  
30 adjustment in the taxes levied against the real property as the owner may  
31 be entitled to receive under the provisions of K.S.A. 79-201g, and  
32 amendments thereto, as recommended by the county appraiser, beginning  
33 with the first period, following the date of issue of the certificate of  
34 completion on which taxes are regularly levied, and during the years  
35 which the landowner is entitled to such adjustment.

36 (f) Upon receipt of the request for exemption, the board shall docket  
37 the same and notify the applicant and the county appraiser of such fact.

38 (g) After examination of the request for exemption and the county  
39 appraiser's recommendation related thereto, the board may fix a time and  
40 place for hearing, and shall notify the applicant and the county appraiser of  
41 the time and place so fixed. A request for exemption pursuant to: (1)  
42 Section 13 of article 11 of the constitution of the state of Kansas; or (2)  
43 K.S.A. 79-201a *Second*, and amendments thereto, for property constructed

1 or purchased, in whole or in part, with the proceeds of revenue bonds  
2 under the authority of K.S.A. 12-1740 through 12-1749, and amendments  
3 thereto, prepared in accordance with instructions and assistance which  
4 shall be provided by the department of commerce, shall be deemed  
5 approved unless scheduled for hearing within 30 days after the date of  
6 receipt of all required information and data relating to the request for  
7 exemption, and such hearing shall be conducted within 90 days after such  
8 date. Such time periods shall be determined without regard to any  
9 extension or continuance allowed to either party to such request. In any  
10 case where a party to such request for exemption requests a hearing  
11 thereon, the same shall be granted. Hearings shall be conducted in  
12 accordance with the provisions of the Kansas administrative procedure act.  
13 In all instances where the board sets a request for exemption for hearing,  
14 the county shall be represented by its county attorney or county counselor.

15 (h) Except as otherwise provided by subsection (g), in the event of a  
16 hearing, the same shall be originally set not later than 90 days after the  
17 filing of the request for exemption with the board.

18 (i) During the pendency of a request for exemption, no person, firm,  
19 unincorporated association, company or corporation charged with real  
20 estate or personal property taxes pursuant to K.S.A. 79-2004 and 79-  
21 2004a, and amendments thereto, on the tax books in the hands of the  
22 county treasurer shall be required to pay the tax from the date the request  
23 is filed with the county appraiser until the expiration of 30 days after the  
24 board issued its order thereon and the same becomes a final order. In the  
25 event that taxes have been assessed against the subject property, no interest  
26 shall accrue on any unpaid tax for the year or years in question nor shall  
27 the unpaid tax be considered delinquent from the date the request is filed  
28 with the county appraiser until the expiration of 30 days after the board  
29 issued its order thereon. In the event the board determines an application  
30 for exemption is without merit and filed in bad faith to delay the due date  
31 of the tax, the tax shall be considered delinquent as of the date the tax  
32 would have been due pursuant to K.S.A. 79-2004 and 79-2004a, and  
33 amendments thereto, and interest shall accrue as prescribed therein.

34 (j) In the event the board grants the initial request for exemption, the  
35 same shall be effective beginning with the date of first exempt use except  
36 that, with respect to property the construction of which commenced not to  
37 exceed 24 months prior to the date of first exempt use, the same shall be  
38 effective beginning with the date of commencement of construction.

39 (k) In conjunction with its authority to grant exemptions, the board  
40 shall have the authority to abate all unpaid taxes that have accrued from  
41 and since the effective date of the exemption. In the event that taxes have  
42 been paid during the period where the subject property has been  
43 determined to be exempt, the board shall have the authority to order a

1 refund of taxes for the year immediately preceding the year in which the  
2 exemption application is filed in accordance with subsection (a).

3 (l) The provisions of this section shall not apply to: (1) Farm  
4 machinery and equipment exempted from ad valorem taxation by K.S.A.  
5 79-201j, and amendments thereto; (2) personal property exempted from ad  
6 valorem taxation by K.S.A. 79-215, and amendments thereto; (3) wearing  
7 apparel, household goods and personal effects exempted from ad valorem  
8 taxation by K.S.A. 79-201c, and amendments thereto; (4) livestock; (5) all  
9 property exempted from ad valorem taxation by K.S.A. 79-201d, and  
10 amendments thereto; (6) merchants' and manufacturers' inventories  
11 exempted from ad valorem taxation by K.S.A. 79-201m, and amendments  
12 thereto; (7) grain exempted from ad valorem taxation by K.S.A. 79-201n,  
13 and amendments thereto; (8) property exempted from ad valorem taxation  
14 by K.S.A. 79-201a *Seventeenth*, and amendments thereto, including all  
15 property previously acquired by the secretary of transportation or a  
16 predecessor in interest, which is used in the administration, construction,  
17 maintenance or operation of the state system of highways. The secretary of  
18 transportation shall at the time of acquisition of property notify the county  
19 appraiser in the county in which the property is located that the acquisition  
20 occurred and provide a legal description of the property acquired; (9)  
21 property exempted from ad valorem taxation by K.S.A. 79-201a *Ninth*,  
22 and amendments thereto, including all property previously acquired by the  
23 Kansas turnpike authority which is used in the administration,  
24 construction, maintenance or operation of the Kansas turnpike. The Kansas  
25 turnpike authority shall at the time of acquisition of property notify the  
26 county appraiser in the county in which the property is located that the  
27 acquisition occurred and provide a legal description of the property  
28 acquired; (10) aquaculture machinery and equipment exempted from ad  
29 valorem taxation by K.S.A. 79-201j, and amendments thereto. As used in  
30 this section, "aquaculture" has the same meaning ascribed thereto by  
31 K.S.A. 47-1901, and amendments thereto; (11) Christmas tree machinery  
32 and equipment exempted from ad valorem taxation by K.S.A. 79-201j, and  
33 amendments thereto; (12) property used exclusively by the state or any  
34 municipality or political subdivision of the state for right-of-way purposes.  
35 The state agency or the governing body of the municipality or political  
36 subdivision shall at the time of acquisition of property for right-of-way  
37 purposes notify the county appraiser in the county in which the property is  
38 located that the acquisition occurred and provide a legal description of the  
39 property acquired; (13) machinery, equipment, materials and supplies  
40 exempted from ad valorem taxation by K.S.A. 79-201w, and amendments  
41 thereto; (14) vehicles owned by the state or by any political or taxing  
42 subdivision thereof and used exclusively for governmental purposes; (15)  
43 property used for residential purposes which is exempted pursuant to

1 K.S.A. 79-201x, and amendments thereto, from the property tax levied  
2 pursuant to K.S.A. 72-5142, and amendments thereto; (16) from and after  
3 July 1, 1998, vehicles which are owned by an organization having as one  
4 of its purposes the assistance by the provision of transit services to the  
5 elderly and to disabled persons and which are exempted pursuant to  
6 K.S.A. 79-201 *Ninth*, and amendments thereto; (17) from and after July 1,  
7 1998, motor vehicles exempted from taxation by K.S.A. 79-5107(e), and  
8 amendments thereto; (18) commercial and industrial machinery and  
9 equipment exempted from property or ad valorem taxation by K.S.A. 79-  
10 223, and amendments thereto; (19) telecommunications machinery and  
11 equipment and railroad machinery and equipment exempted from property  
12 or ad valorem taxation by K.S.A. 79-224, and amendments thereto; (20)  
13 property exempted from property or ad valorem taxation by K.S.A. 79-  
14 234, and amendments thereto; (21) recreational vehicles exempted from  
15 property or ad valorem taxation by K.S.A. 79-5121(e), and amendments  
16 thereto; (22) property acquired by a land bank exempt from property or ad  
17 valorem taxation pursuant to K.S.A. 12-5909 or K.S.A. 19-26,111, and  
18 amendments thereto; ~~and~~ (23) property belonging exclusively to the  
19 United States and exempted from ad valorem taxation by K.S.A. 79-201a  
20 *First*, and amendments thereto, except that the provisions of this  
21 subsection (l)(23) shall not apply to any such property that the congress of  
22 the United States has expressly declared to be subject to state and local  
23 taxation; (24) *watercraft exempted from property or ad valorem taxation*  
24 *by K.S.A. 79-5501, and amendments thereto; and (25) property exempted*  
25 *from property or ad valorem taxation by section 1, and amendments*  
26 *thereto.*

27 (m) The provisions of this section shall apply to property exempt  
28 pursuant to the provisions of section 13 of article 11 of the constitution of  
29 the state of Kansas.

30 (n) The provisions of subsection (k) as amended by this act shall be  
31 applicable to all exemption applications filed in accordance with  
32 subsection (a) after December 31, 2001.

33 (o) No exemption authorized by K.S.A. 79-227, and amendments  
34 thereto, of property from the payment of ad valorem property taxes  
35 assessed shall be granted unless the requesting property owner files an  
36 initial request for exemption pursuant to this section within two years of  
37 the date in which construction of a new qualifying pipeline property  
38 began. The provisions of this subsection shall be applicable to all requests  
39 for exemptions filed in accordance with subsection (a) after June 30, 2017.

40 Sec. 3. K.S.A. 79-5501 is hereby amended to read as follows: 79-  
41 5501. (a) ~~On and after~~ *Commencing July 1, 2013, and through December*  
42 *31, 2025, watercraft shall be appraised at fair market value determined*  
43 *therefor pursuant to K.S.A. 79-503a, and amendments thereto, and*

1 assessed at the percentage of value as follows: (1) 11.5% in tax year 2014;  
2 and (2) 5% in tax-year years 2015 ~~and all tax years thereafter~~ through  
3 2025. On and after January 1, 2014, the levy used to calculate the tax on  
4 watercraft shall be the county average tax rate. In no case shall the  
5 assessed value of any watercraft, as determined under the provisions of  
6 this section, cause the tax upon such watercraft to be less than \$12.

7 (b) As used in this section, the term "watercraft" means any  
8 watercraft designed to be propelled by machinery, oars, paddles or wind  
9 action upon a sail for navigation on the water which, if not for the  
10 provisions of this section, would be properly classified under subclass 5 or  
11 6 of class 2 of section 1 of article 11 of the Kansas constitution. This  
12 section shall not be construed as taxing any watercraft which otherwise  
13 would be exempt from property taxation under the laws of the state of  
14 Kansas. Each watercraft may include one trailer which is designed to  
15 launch, retrieve, transport and store such watercraft and any nonelectric  
16 motor or motors which are necessary to operate such watercraft on the  
17 water.

18 (c) Any watercraft which is designed to be propelled through the  
19 water through human power alone shall be exempt from all property or ad  
20 valorem taxes levied under the laws of the state of Kansas.

21 (d) The "county average tax rate" means the total amount of general  
22 property taxes levied within the county by the state, county and all other  
23 taxing subdivisions divided by the total assessed valuation of all taxable  
24 property within the county as of November 1 of the year prior to the year  
25 of valuation as certified by the secretary of revenue.

26 (e) *On and after January 1, 2026, all watercraft shall be exempt from*  
27 *all property or ad valorem taxes levied under the laws of the state of*  
28 *Kansas.*

29 Sec. 4. K.S.A. 79-213 and 79-5501 are hereby repealed.

30 Sec. 5. This act shall take effect and be in force from and after its  
31 publication in the statute book.