

As Amended by House Committee

As Amended by Senate Committee

Session of 2025

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~~, and certain
4 trailers ~~and aircraft~~; amending K.S.A. 79-213 and 79-5501 and
5 repealing the 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 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 ~~(2)(3)~~(2) "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)~~(3) "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;

1 and

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

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

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

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

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

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

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

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

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

40 (g) After examination of the request for exemption and the county
41 appraiser's recommendation related thereto, the board may fix a time and
42 place for hearing, and shall notify the applicant and the county appraiser of
43 the time and place so fixed. A request for exemption pursuant to: (1)

1 Section 13 of article 11 of the constitution of the state of Kansas; or (2)
2 K.S.A. 79-201a *Second*, and amendments thereto, for property constructed
3 or purchased, in whole or in part, with the proceeds of revenue bonds
4 under the authority of K.S.A. 12-1740 through 12-1749, and amendments
5 thereto, prepared in accordance with instructions and assistance which
6 shall be provided by the department of commerce, shall be deemed
7 approved unless scheduled for hearing within 30 days after the date of
8 receipt of all required information and data relating to the request for
9 exemption, and such hearing shall be conducted within 90 days after such
10 date. Such time periods shall be determined without regard to any
11 extension or continuance allowed to either party to such request. In any
12 case where a party to such request for exemption requests a hearing
13 thereon, the same shall be granted. Hearings shall be conducted in
14 accordance with the provisions of the Kansas administrative procedure act.
15 In all instances where the board sets a request for exemption for hearing,
16 the county shall be represented by its county attorney or county counselor.

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

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

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

41 (k) In conjunction with its authority to grant exemptions, the board
42 shall have the authority to abate all unpaid taxes that have accrued from
43 and since the effective date of the exemption. In the event that taxes have

1 been paid during the period where the subject property has been
2 determined to be exempt, the board shall have the authority to order a
3 refund of taxes for the year immediately preceding the year in which the
4 exemption application is filed in accordance with subsection (a).

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

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

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

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

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

42 Sec. 3. K.S.A. 79-5501 is hereby amended to read as follows: 79-
43 5501. (a) ~~On and after~~ *Commencing July 1, 2013, and through December*

1 31, 2025, watercraft shall be appraised at fair market value determined
2 therefor pursuant to K.S.A. 79-503a, and amendments thereto, and
3 assessed at the percentage of value as follows: (1) 11.5% in tax year 2014;
4 and (2) 5% in tax-year ~~years~~ 2015 ~~and all tax years thereafter~~ *through*
5 2025. On and after January 1, 2014, the levy used to calculate the tax on
6 watercraft shall be the county average tax rate. In no case shall the
7 assessed value of any watercraft, as determined under the provisions of
8 this section, cause the tax upon such watercraft to be less than \$12.

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

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

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

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

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

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