

**SENATE BILL No. 513**

By Committee on Assessment and Taxation

2-15

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1 AN ACT concerning property taxation; relating to exemptions; allowing  
2 certain property used as a thrift store to qualify for exemption;  
3 amending K.S.A. 79-201 and repealing the existing section.  
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5 *Be it enacted by the Legislature of the State of Kansas:*

6 Section 1. K.S.A. 79-201 is hereby amended to read as follows: 79-  
7 201. The following described property, to the extent herein specified, shall  
8 be and is hereby exempt from all property or ad valorem taxes levied  
9 under the laws of the state of Kansas:

10 *First.* All buildings used exclusively as places of public worship and all  
11 buildings used exclusively by school districts and school district interlocal  
12 cooperatives organized under the laws of this state, with the furniture and  
13 books therein contained and used exclusively for the accommodation of  
14 religious meetings or for school district or school district interlocal  
15 cooperative purposes, whichever is applicable, together with the grounds  
16 owned thereby if not leased or otherwise used for the realization of profit,  
17 except that: (a) (1) Any school building, or portion thereof, together with  
18 the grounds upon which the building is located, shall be considered to be  
19 used exclusively by the school district for the purposes of this section  
20 when leased by the school district to any political or taxing subdivision of  
21 the state, including a school district interlocal cooperative, or to any  
22 association, organization or nonprofit corporation entitled to tax exemption  
23 with respect to such property; and (2) any school building, together with  
24 the grounds upon which the building is located, shall be considered to be  
25 used exclusively by a school district interlocal cooperative for the  
26 purposes of this section when being acquired pursuant to a lease-purchase  
27 agreement; and (b) any building, or portion thereof, used as a place of  
28 worship, together with the grounds upon which the building is located,  
29 shall be considered to be used exclusively for the religious purposes of this  
30 section when used as a not-for-profit day care center for children which is  
31 licensed pursuant to K.S.A. 65-501 et seq., and amendments thereto, or  
32 when used to house an area where the congregation of a church society  
33 and others may purchase tracts, books and other items relating to the  
34 promulgation of the church society's religious doctrines.

35 *Second.* All real property, and all tangible personal property, actually  
36 and regularly used exclusively for literary, educational, scientific,

1 religious, benevolent or charitable purposes, including property used  
2 exclusively for such purposes by more than one agency or organization for  
3 one or more of such exempt purposes. Except with regard to real property  
4 which is owned by a religious organization, is to be used exclusively for  
5 religious purposes and is not used for a nonexempt purpose prior to its  
6 exclusive use for religious purposes which property shall be deemed to be  
7 actually and regularly used exclusively for religious purposes for the  
8 purposes of this paragraph, this exemption shall not apply to such property,  
9 not actually used or occupied for the purposes set forth herein, nor to such  
10 property held or used as an investment even though the income or rentals  
11 received therefrom is used wholly for such literary, educational, scientific,  
12 religious, benevolent or charitable purposes. In the event any such  
13 property which has been exempted pursuant to the preceding sentence is  
14 not used for religious purposes prior to its conveyance which results in its  
15 use for nonreligious purposes, there shall be a recoupment of property  
16 taxes in an amount equal to the tax which would have been levied upon  
17 such property except for such exemption for all taxable years for which  
18 such exemption was in effect. Such recoupment tax shall become due and  
19 payable in such year as provided by K.S.A. 79-2004, and amendments  
20 thereto. A lien for such taxes shall attach to the real property subject to the  
21 same on November 1 in the year such taxes become due and all such taxes  
22 remaining due and unpaid after the date prescribed for the payment thereof  
23 shall be collected in the manner provided by law for the collection of  
24 delinquent taxes. Moneys collected from the recoupment tax hereunder  
25 shall be credited by the county treasurer to the several taxing subdivisions  
26 within which such real property is located in the proportion that the total  
27 tangible property tax levies made in the preceding year for each such  
28 taxing subdivision bear to the total of all such levies made in that year by  
29 all such taxing subdivisions. Such moneys shall be credited to the general  
30 fund of the taxing subdivision or if such taxing subdivision is making no  
31 property tax levy for the support of a general fund such moneys may be  
32 credited to any other tangible property tax fund of general application of  
33 such subdivision. This exemption shall not be deemed inapplicable to  
34 property which would otherwise be exempt pursuant to this paragraph  
35 because an agency or organization: (a) Is reimbursed for the provision of  
36 services accomplishing the purposes enumerated in this paragraph based  
37 upon the ability to pay by the recipient of such services; or (b) is  
38 reimbursed for the actual expense of using such property for purposes  
39 enumerated in this paragraph; or (c) uses such property for a nonexempt  
40 purpose which is minimal in scope and insubstantial in nature if such use  
41 is incidental to the exempt purposes of this paragraph; or (d) charges a  
42 reasonable fee for admission to cultural or educational activities or permits  
43 the use of its property for such activities by a related agency or

1 organization, if any such activity is in furtherance of the purposes of this  
2 paragraph; or (e) is applying for an exemption pursuant to this paragraph  
3 for a motor vehicle that is being leased for a period of at least one year; or  
4 (f) uses such property for a thrift store providing free of charge or selling  
5 donated items if the income or proceeds received therefrom are used  
6 wholly for such literary, educational, scientific, religious, benevolent or  
7 charitable purposes.

8 *Third.* All moneys and credits belonging exclusively to universities,  
9 colleges, academies or other public schools of any kind, or to religious,  
10 literary, scientific or benevolent and charitable institutions or associations,  
11 appropriated solely to sustain such institutions or associations, not  
12 exceeding in amount or in income arising therefrom the limit prescribed by  
13 the charter of such institution or association.

14 *Fourth.* The reserve or emergency funds of fraternal benefit societies  
15 authorized to do business under the laws of the state of Kansas.

16 *Fifth.* All buildings of private nonprofit universities or colleges which  
17 are owned and operated by such universities and colleges as student union  
18 buildings, presidents' homes and student dormitories.

19 *Sixth.* All real and tangible personal property actually and regularly  
20 used exclusively by the alumni association associated by its articles of  
21 incorporation with any public or nonprofit Kansas college or university  
22 approved by the Kansas board of regents to confer academic degrees or  
23 with any community college approved by its board of trustees to grant  
24 certificates of completion of courses or curriculum, to provide  
25 accommodations and services to such college or university or to the  
26 alumni, staff or faculty thereof.

27 *Seventh.* All parsonages owned by a church society and actually and  
28 regularly occupied and used predominantly as a residence by a minister or  
29 other clergyman of such church society who is actually and regularly  
30 engaged in conducting the services and religious ministrations of such  
31 society, and the land upon which such parsonage is located to the extent  
32 necessary for the accommodation of such parsonage.

33 *Eighth.* All real property, all buildings located on such property and all  
34 personal property contained therein, actually and regularly used  
35 exclusively by any individually chartered organization of honorably  
36 discharged military veterans of the United States armed forces or auxiliary  
37 of any such organization, which is exempt from federal income taxation  
38 pursuant to section 501(c)(19) of the federal internal revenue code of  
39 1986, for clubhouse, place of meeting or memorial hall purposes, and real  
40 property to the extent of not more than two acres, and all buildings located  
41 on such property, actually and regularly used exclusively by any such  
42 veterans' organization or its auxiliary as a memorial park.

43 *Ninth.* All real property and tangible personal property actually and

1 regularly used by a community service organization for the predominant  
2 purpose of providing humanitarian services, which is owned and operated  
3 by a corporation organized not for profit under the laws of the state of  
4 Kansas or by a corporation organized not for profit under the laws of  
5 another state and duly admitted to engage in business in this state as a  
6 foreign not-for-profit corporation if: (a) The directors of such corporation  
7 serve without pay for such services; (b) the corporation is operated in a  
8 manner which does not result in the accrual of distributable profits,  
9 realization of private gain resulting from the payment of compensation in  
10 excess of a reasonable allowance for salary or other compensation for  
11 services rendered or the realization of any other form of private gain; (c)  
12 no officer, director or member of such corporation has any pecuniary  
13 interest in the property for which exemption is claimed; (d) the corporation  
14 is organized for the purpose of providing humanitarian services; (e) the  
15 actual use of property for which an exemption is claimed must be  
16 substantially and predominantly related to the purpose of providing  
17 humanitarian services, except that, the use of such property for a  
18 nonexempt purpose which is minimal in scope and insubstantial in nature  
19 shall not result in the loss of exemption if such use is incidental to the  
20 purpose of providing humanitarian services by the corporation; (f) the  
21 corporation is exempt from federal income taxation pursuant to section  
22 501(c)(3) of the internal revenue code of 1986; and (g) contributions to the  
23 corporation are deductible under the Kansas income tax act. As used in this  
24 clause, "humanitarian services" means the conduct of activities which  
25 substantially and predominantly meet a demonstrated community need and  
26 which improve the physical, mental, social, cultural or spiritual welfare of  
27 others or the relief, comfort or assistance of persons in distress or any  
28 combination thereof including, but not limited to, health and recreation  
29 services, child care, individual and family counseling, employment and  
30 training programs for handicapped persons and meals or feeding programs.  
31 Notwithstanding any other provision of this clause, motor vehicles shall  
32 not be exempt hereunder unless such vehicles are exclusively used for the  
33 purposes described therein, except that the use of any such vehicle for the  
34 purpose of participating in a coordinated transit district in accordance with  
35 the provisions of K.S.A. 75-5032 through 75-5037, and amendments  
36 thereto, or K.S.A. 75-5051 through 75-5058, and amendments thereto,  
37 shall be deemed as exclusive use.

38 *Tenth.* For all taxable years commencing after December 31, 1986, any  
39 building, and the land upon which such building is located to the extent  
40 necessary for the accommodation of such building, owned by a church or  
41 nonprofit religious society or order which is exempt from federal income  
42 taxation pursuant to section 501(c)(3) of the federal internal revenue code  
43 of 1986, and actually and regularly occupied and used exclusively for

1 residential and religious purposes by a community of persons who are  
2 bound by vows to a religious life and who conduct or assist in the conduct  
3 of religious services and actually and regularly engage in religious,  
4 benevolent, charitable or educational ministrations or the performance of  
5 health care services.

6 *Eleventh.* For all taxable years commencing after December 31, 1998,  
7 all property actually and regularly used predominantly to produce and  
8 generate electricity utilizing renewable energy resources or technologies  
9 when the applicant for such property, on or before December 31, 2016, has  
10 filed an application for exemption pursuant to this subsection or has  
11 received a conditional use permit to produce and generate electricity on the  
12 property from the county in which the property is located. Any exemption  
13 granted under the provisions of this subsection for such property when the  
14 applicant, after December 31, 2016, has filed such application or filed such  
15 application and received a conditional use permit, shall be in effect for the  
16 10 taxable years immediately following the taxable year in which  
17 construction or installation of such property is completed. For purposes of  
18 this section, "renewable energy resources or technologies" shall include  
19 wind, solar, photovoltaic, biomass, hydropower, geothermal and landfill  
20 gas resources or technologies.

21 *Twelfth.* For all taxable years commencing after December 31, 2001, all  
22 personal property actually and regularly used predominantly to collect,  
23 refine or treat landfill gas or to transport landfill gas from a landfill to a  
24 transmission pipeline, and the landfill gas produced therefrom.

25 The provisions of this section, except as otherwise more specifically  
26 provided, shall apply to all taxable years commencing after December 31,  
27 2009.

28 Sec. 2. K.S.A. 79-201 is hereby repealed.

29 Sec. 3. This act shall take effect and be in force from and after its  
30 publication in the statute book.