

Senate Concurrent Resolution No. 1603

By Senator Holland

6-18

1 A PROPOSITION to amend section 1 of article 11 of the constitution of
2 the state of Kansas; relating to property taxation; limiting valuation
3 increases for residential property.
4

5 *Be it resolved by the Legislature of the State of Kansas, two-thirds of the*
6 *members elected (or appointed) and qualified to the Senate and two-*
7 *thirds of the members elected (or appointed) and qualified to the*
8 *House of Representatives concurring therein:*

9 Section 1. The following proposition to amend the constitution of
10 the state of Kansas shall be submitted to the qualified electors of the state
11 for their approval or rejection: Section 1 of article 11 of the constitution
12 of the state of Kansas is hereby amended to read as follows:

13 "**§ 1. System of taxation; classification; exemption.** (a) The
14 provisions of this subsection shall govern the assessment and
15 taxation of property on and after January 1, ~~2013~~ 2025, and each
16 year thereafter. Except as otherwise hereinafter specifically
17 provided, the legislature shall provide for a uniform and equal
18 basis of valuation and rate of taxation of all property subject to
19 taxation. The legislature may provide for the classification and the
20 taxation uniformly as to class of recreational vehicles and
21 watercraft, as defined by the legislature, or may exempt such class
22 from property taxation and impose taxes upon another basis in lieu
23 thereof. The provisions of this subsection shall not be applicable to
24 the taxation of motor vehicles, except as otherwise hereinafter
25 specifically provided, mineral products, money, mortgages, notes
26 and other evidence of debt and grain.

27 *The valuation of any residential property shall not increase by*
28 *more than 2% in any taxable year except when:*

29 (1) *The property includes new construction or improvements*
30 *have been made to the property;*

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

33 (3) *the property becomes disqualified from exemption;*

34 (4) *the property is first listed as escaped or omitted property;*

35 (5) *the legal description of the land, lot or parcel changes,*
36 *except that the total valuation of all property affected by a legal*

1 *description change shall not exceed the total valuation of the*
2 *affected property for the previous year by more than 2%; or*

3 *(6) title to the property is transferred, changed or conveyed to*
4 *another person.*

5 *For purposes of this valuation limitation provision, residential*
6 *property means property classified within subclass (1) of class 1*
7 *and subclass (1) of class 2 of this section. The legislature may*
8 *define new construction or improvements by law and enact such*
9 *other legislation as is necessary to administer this provision.*

10 Property shall be classified into the following classes for the
11 purpose of assessment and assessed at the percentage of value
12 prescribed therefor:

13 Class 1 shall consist of real property. Real property shall be
14 further classified into seven subclasses. Such property shall be
15 defined by law for the purpose of subclassification and assessed
16 uniformly as to subclass at the following percentages of value:

- 17 (1) Real property used for residential purposes including multi-family
18 residential real property and real property necessary to
19 accommodate a residential community of mobile or manufactured
20 homes including the real property upon which such homes are
21 located..... 11½%
- 22 (2) Land devoted to agricultural use which shall be valued upon the
23 basis of its agricultural income or agricultural productivity pursuant
24 to section 12 of article 11 of the constitution.....30%
- 25 (3) Vacant lots.....12%
- 26 (4) Real property which is owned and operated by a not-for-profit
27 organization not subject to federal income taxation pursuant to
28 section 501 of the federal internal revenue code, and which is
29 included in this subclass by law.....12%
- 30 (5) Public utility real property, except railroad real property which shall
31 be assessed at the average rate that all other commercial and
32 industrial property is assessed.....33%
- 33 (6) Real property used for commercial and industrial purposes and
34 buildings and other improvements located upon land devoted to
35 agricultural use.....25%
- 36 (7) All other urban and rural real property not otherwise specifically
37 subclassified.....30%

38 Class 2 shall consist of tangible personal property. Such
39 tangible personal property shall be further classified into six
40 subclasses, shall be defined by law for the purpose of
41 subclassification and assessed uniformly as to subclass at the
42 following percentages of value:

- 43 (1) Mobile homes used for residential purposes.....11½%

- 1 (2) Mineral leasehold interests except oil leasehold interests the average
2 daily production from which is five barrels or less, and natural gas
3 leasehold interests the average daily production from which is 100
4 mcf or less, which shall be assessed at 25%.....30%
- 5 (3) Public utility tangible personal property including inventories
6 thereof, except railroad personal property including inventories
7 thereof, which shall be assessed at the average rate all other
8 commercial and industrial property is assessed.....33%
- 9 (4) All categories of motor vehicles not defined and specifically valued
10 and taxed pursuant to law enacted prior to January 1, 1985.....30%
- 11 (5) Commercial and industrial machinery and equipment which, if its
12 economic life is seven years or more, shall be valued at its retail cost
13 when new less seven-year straight-line depreciation, or which, if its
14 economic life is less than seven years, shall be valued at its retail
15 cost when new less straight-line depreciation over its economic life,
16 except that, the value so obtained for such property, notwithstanding
17 its economic life and as long as such property is being used, shall
18 not be less than 20% of the retail cost when new of such
19 property.....25%
- 20 (6) All other tangible personal property not otherwise specifically
21 classified.....30%

22 (b) All property used exclusively for state, county, municipal,
23 literary, educational, scientific, religious, benevolent and charitable
24 purposes, farm machinery and equipment, merchants' and
25 manufacturers' inventories, other than public utility inventories
26 included in subclass (3) of class 2, livestock, and all household
27 goods and personal effects not used for the production of income,
28 shall be exempted from property taxation."

29 Sec. 2. The following statement shall be printed on the ballot with
30 the amendment as a whole:

31 "*Explanatory statement.* This amendment would limit annual
32 valuation increases to 2% for residential property for
33 purposes of property taxation except when the property
34 includes new construction or improvements have been made
35 to the property, the class or subclass of the property changes,
36 the property becomes disqualified from exemption, the
37 property is first listed as escaped or omitted property, the
38 legal description of the property changes or title to the
39 property is transferred, changed or conveyed to another
40 person.

41 "A vote for this proposition would limit annual valuation
42 increases to 2% for residential property except when the
43 property includes new construction or improvements have

1 been made to the property, the class or subclass of the
2 property changes, the property becomes disqualified from
3 exemption, the property is first listed as escaped or omitted
4 property, the legal description of the property changes or
5 title to the property is transferred, changed or conveyed to
6 another person. For purposes of this limitation, residential
7 property would include real property used for residential
8 purposes and mobile homes used for residential purposes.
9 The amendment would also authorize the legislature to
10 define new construction or improvements and to enact such
11 other legislation as is necessary to administer the provision.

12 "A vote against this proposition would provide no change to the
13 Kansas constitution."

14 Sec. 3. This resolution, if approved by two-thirds of the members
15 elected (or appointed) and qualified to the Senate and two-thirds of the
16 members elected (or appointed) and qualified to the House of
17 Representatives, shall be entered on the journals, together with the yeas
18 and nays. The secretary of state shall cause this resolution to be published
19 as provided by law and shall cause the proposed amendment to be
20 submitted to the electors of the state at the general election in November
21 in the year 2024, unless a special election is called at a sooner date by
22 concurrent resolution of the legislature, in which case such proposed
23 amendment shall be submitted to the electors of the state at the special
24 election.