

## House Concurrent Resolution No. 5025

By Committee on Taxation

Requested by Representative A. Smith on behalf of the 2023 Special  
Committee on Taxation

3-7

1 A PROPOSITION to amend section 1 of article 11 of the constitution of  
2 the state of Kansas; relating to property taxation; valuing residential  
3 real property based on the average fair market value of the prior 10  
4 calendar years.

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

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

14 **"§ 1. System of taxation; classification; exemption.** (a) The  
15 provisions of this subsection shall govern the assessment and  
16 taxation of property on and after January 1, ~~2013~~ 2026, and each  
17 year thereafter. Except as otherwise hereinafter specifically  
18 provided, the legislature shall provide for a uniform and equal  
19 basis of valuation and rate of taxation of all property subject to  
20 taxation. The legislature may provide for the classification and the  
21 taxation uniformly as to class of recreational vehicles and  
22 watercraft, as defined by the legislature, or may exempt such class  
23 from property taxation and impose taxes upon another basis in lieu  
24 thereof. The provisions of this subsection shall not be applicable to  
25 the taxation of motor vehicles, except as otherwise hereinafter  
26 specifically provided, mineral products, money, mortgages, notes  
27 and other evidence of debt and grain.

28 *The valuation of any parcel of real property used for*  
29 *residential purposes including multi-family residential real*  
30 *property and real property necessary to accommodate a*  
31 *residential community of mobile or manufactured homes*  
32 *including the real property upon which such homes are located,*  
33 *classified for property tax purposes pursuant to subclass (1) of*  
34 *class 1, shall be determined based on the average fair market*

1 value of the parcel of the 10 calendar years immediately  
 2 preceding the year of valuation. The legislature may provide for  
 3 valuation adjustments by law for new construction or  
 4 improvements, changes in property use, property that is listed  
 5 as escaped or omitted property, changes to the description of  
 6 the land, lot or parcel and property that lacks established  
 7 valuations for any of the prior 10 calendar years.

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

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

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

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

- 41 (1) Mobile homes used for residential purposes..... 11½%
- 42 (2) Mineral leasehold interests except oil leasehold interests the average  
 43 daily production from which is five barrels or less, and natural gas

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

20 (b) All property used exclusively for state, county, municipal,

21 literary, educational, scientific, religious, benevolent and charitable

22 purposes, farm machinery and equipment, merchants' and

23 manufacturers' inventories, other than public utility inventories

24 included in subclass (3) of class 2, livestock, and all household

25 goods and personal effects not used for the production of income,

26 shall be exempted from property taxation."

27 Sec. 2. The following statement shall be printed on the ballot with

28 the amendment as a whole:

29 "*Explanatory statement.* This amendment would value real

30 property used for residential purposes provided under

31 section 1 of article 11 of the Constitution of the State of

32 Kansas in subclass (1) of class 1 based on the average fair

33 market value of the parcel of the 10 calendar years

34 immediately preceding the year of valuation. The

35 amendment would also authorize the legislature to provide

36 valuation adjustments by law in certain circumstances.

37 "A vote for this proposition would value parcels of real property

38 used for residential purposes including multi-family

39 residential real property and real property necessary to

40 accommodate a residential community of mobile or

41 manufactured homes including the real property upon which

42 such homes are located based on the average fair market

43 value of the parcel of the 10 calendar years immediately

1 preceding the year of valuation. The amendment would also  
2 authorize the legislature to provide valuation adjustments for  
3 new construction or improvements, changes in property use,  
4 property that is listed as escaped or omitted property,  
5 changes to the description of the land, lot or parcel and  
6 property that lacks established valuations for any of the prior  
7 10 calendar years.

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

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