

**SENATE BILL No. 279**

By Committee on Assessment and Taxation

1-16

1 AN ACT concerning property taxation; relating to exemptions; property  
2 used to provide humanitarian services owned and operated by certain  
3 not-for-profit organizations; amending K.S.A. 79-201 and repealing the  
4 existing section.

5  
6 *Be it enacted by the Legislature of the State of Kansas:*

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

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

36 *Second.* All real property, and all tangible personal property, actually

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

1 activities or permits the use of its property for such activities by a related  
2 agency or organization, if any such activity is in furtherance of the  
3 purposes of this paragraph; or (e) is applying for an exemption pursuant to  
4 this paragraph for a motor vehicle that is being leased for a period of at  
5 least one year.

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

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

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

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

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

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

41 *Ninth.* For all taxable years commencing after December 31, 2018, all  
42 real property and tangible personal property actually and regularly used by  
43 a community service organization for the predominant purpose of

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

40 *Tenth.* For all taxable years commencing after December 31, 1986, any  
 41 building, and the land upon which such building is located to the extent  
 42 necessary for the accommodation of such building, owned by a church or  
 43 nonprofit religious society or order ~~which that~~ is exempt from federal

1 income taxation pursuant to section 501(c)(3) of the federal internal  
2 revenue code of 1986, and actually and regularly occupied and used  
3 exclusively for residential and religious purposes by a community of  
4 persons who are bound by vows to a religious life and who conduct or  
5 assist in the conduct of religious services and actually and regularly  
6 engage in religious, benevolent, charitable or educational ministrations or  
7 the performance of health care services.

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

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

27 The provisions of this section, except as otherwise more specifically  
28 provided, shall apply to all taxable years commencing after December 31,  
29 2009.

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

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