

Senate Concurrent Resolution No. 1603

By Senators Tyson, Alley, Blasi, Bowser, J.R. Claeys, Joseph Claeys, Erickson, Gossage, Klemp, Kloos, Masterson, Murphy, Peck, Petersen, Shallenburger, Starnes, Thompson and Warren

1-15

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 real property and for personal property classified as
4 mobile homes used for residential purposes.

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 Senate and two-*
8 *thirds of the members elected (or appointed) and qualified to the*
9 *House of Representatives 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 final taxable appraised value of real property classified in*
29 *any subclass and personal property classified as mobile homes*
30 *used for residential purposes shall not increase by more than 3%,*
31 *or a lesser percentage as provided by law, in any taxable year*
32 *except when:*

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

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

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

4 (4) *the property is first listed as escaped or omitted property,*
5 *or an error is corrected;*

6 (5) *the legal description of the land, lot or parcel changes,*
7 *except that the total final taxable appraised value of all property*
8 *affected by a legal description change shall not exceed the total*
9 *final taxable appraised value of the affected property for the*
10 *previous year by more than 3%, or a lesser percentage as provided*
11 *by law; or*

12 (6) *title to the property is transferred, changed or conveyed to*
13 *another person or entity.*

14 *The legislature may define new construction or improvements*
15 *by law and enact other legislation to administer this provision. All*
16 *or any portion of the benefits of the valuation limitation may be*
17 *portable or transferable under certain circumstances as defined*
18 *and provided by state statute.*

19 Property shall be classified into the following classes for the
20 purpose of assessment and assessed at the percentage of value
21 prescribed therefor:

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

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

- 1 agricultural use.....25%
- 2 (7) All other urban and rural real property not otherwise specifically
- 3 subclassified.....30%

4 Class 2 shall consist of tangible personal property. Such
 5 tangible personal property shall be further classified into six
 6 subclasses, shall be defined by law for the purpose of
 7 subclassification and assessed uniformly as to subclass at the
 8 following percentages of value:

- 9 (1) Mobile homes used for residential purposes.....11½%
- 10 (2) Mineral leasehold interests except oil leasehold interests the average
- 11 daily production from which is five barrels or less, and natural gas
- 12 leasehold interests the average daily production from which is 100
- 13 mcf or less, which shall be assessed at 25%.....30%
- 14 (3) Public utility tangible personal property including inventories
- 15 thereof, except railroad personal property including inventories
- 16 thereof, which shall be assessed at the average rate all other
- 17 commercial and industrial property is assessed.....33%
- 18 (4) All categories of motor vehicles not defined and specifically valued
- 19 and taxed pursuant to law enacted prior to January 1, 1985.....30%
- 20 (5) Commercial and industrial machinery and equipment which, if its
- 21 economic life is seven years or more, shall be valued at its retail cost
- 22 when new less seven-year straight-line depreciation, or which, if its
- 23 economic life is less than seven years, shall be valued at its retail
- 24 cost when new less straight-line depreciation over its economic life,
- 25 except that, the value so obtained for such property, notwithstanding
- 26 its economic life and as long as such property is being used, shall
- 27 not be less than 20% of the retail cost when new of such property
- 2825%
- 29 (6) All other tangible personal property not otherwise specifically
- 30 classified.....30%

31 (b) All property used exclusively for state, county, municipal,
 32 literary, educational, scientific, religious, benevolent and charitable
 33 purposes, farm machinery and equipment, merchants' and
 34 manufacturers' inventories, other than public utility inventories
 35 included in subclass (3) of class 2, livestock, and all household
 36 goods and personal effects not used for the production of income,
 37 shall be exempted from property taxation."

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

40 "*Explanatory statement.* This amendment would limit annual
 41 valuation increases to 3%, or a lesser percentage as provided
 42 by law, for purposes of property taxation for real property
 43 classified in any subclass and personal property classified as

1 mobile homes used for residential purposes except when the
2 property includes new construction or improvements have
3 been made to the property, the class or subclass of the
4 property changes, the property becomes disqualified from
5 exemption, the property is first listed as escaped or omitted
6 property, an error is corrected, the legal description of the
7 property changes or title to the property is transferred,
8 changed or conveyed to another person or entity.

9 "A vote for this proposition would limit annual valuation
10 increases to 3%, or a lesser percentage as provided by law,
11 for real property classified in any subclass and personal
12 property classified as mobile homes used for residential
13 purposes except when the property includes new
14 construction or improvements have been made to the
15 property, the class or subclass of the property changes, the
16 property becomes disqualified from exemption, the property
17 is first listed as escaped or omitted property, an error is
18 corrected, the legal description of the property changes or
19 title to the property is transferred, changed or conveyed to
20 another person or entity. The amendment would authorize
21 the legislature to define new construction or improvements
22 and enact other legislation to administer the provision. The
23 amendment would also allow for the portability or transfer
24 of all or any portion of valuation limitation benefits under
25 certain circumstances as defined and provided by state
26 statute.

27 "A vote against this proposition would provide no change to the
28 Kansas constitution."

29 Sec. 3. This resolution, if approved by two-thirds of the members
30 elected (or appointed) and qualified to the Senate and two-thirds of the
31 members elected (or appointed) and qualified to the House of
32 Representatives, shall be entered on the journals, together with the yeas
33 and nays. The secretary of state shall cause this resolution to be published
34 as provided by law and shall cause the proposed amendment to be
35 submitted to the electors of the state at a special election, which is hereby
36 called on November 4, 2025, pursuant to section 1 of article 14 of the
37 constitution of the state of Kansas, to be held in conjunction with the
38 general election held on such date.