

HOUSE BILL No. 2220

By Committee on Taxation

1-30

1 AN ACT concerning property taxation; relating to exemptions;
2 establishing a five-year property tax exemption for city, county and
3 township property used for business incubator purposes.
4

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

6 Section 1. (a) The following described property, to the extent herein
7 specified, is hereby exempt from all property or ad valorem taxes levied
8 under the laws of the state of Kansas: All property, including, but not
9 limited to, property which is vacant or lying dormant, used or owned by
10 any city, county or township of the state, except as provided in subsection
11 (f), that would otherwise be exempt pursuant to K.S.A. 79-201a, and
12 amendments thereto, except that such property is leased, and such property
13 is leased for the purpose of establishing an incubator for business creation.
14 Property leased to a business shall be exempt from taxation pursuant to
15 this section for a period of not more than five calendar years after the
16 calendar year a business commences its operations on the property. After
17 five calendar years, only that portion of the property being used by the
18 business still operating on the property shall be subject to tax. Such portion
19 shall be valued according to law for taxation purposes.

20 (b) As used in this section, "incubator" means a property under public
21 ownership that would provide temporary tenancy to start-up
22 microentrepreneurs, microenterprises, new technology development
23 entities or commercial entities at below market rates for a term of five
24 years or less.

25 (c) It is the intent of the legislature to provide temporary tenancy for
26 the initial five years, and after such term, the tenant can remain in the
27 space and pay property taxes based on the square footage of the space
28 being leased or move out of the space and allow the governmental entity
29 owning the property to establish a new business incubator space for a new
30 business.

31 (d) The provisions of this section shall apply to all taxable years
32 commencing after December 31, 2023. No new exemptions shall be
33 granted pursuant to subsection (a) after December 31, 2029.

34 (e) For purposes of this section, "property" does not include school
35 buildings used for classes for any level of pre-kindergarten through grade
36 12.

1 Sec. 2. This act shall take effect and be in force from and after its
2 publication in the statute book.