

House Concurrent Resolution No. 5017

By Committee on Taxation

2-17

1 A PROPOSITION to amend section 1 of article 11 of the constitution of
2 the state of Kansas, relating to classification and taxation of
3 watercraft.

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

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

12 “**§ 1. System of taxation; classification; exemption.** (a) The
13 provisions of this subsection shall govern the assessment and taxation of
14 property on and after January 1, ~~1993~~ 2013, and each year thereafter.
15 Except as otherwise hereinafter specifically provided, the legislature shall
16 provide for a uniform and equal basis of valuation and rate of taxation of
17 all property subject to taxation. The legislature may provide for the
18 classification and the taxation uniformly as to class of recreational
19 vehicles *and watercraft*, as defined by the legislature, or may exempt
20 such class from property taxation and impose taxes upon another basis in
21 lieu thereof. The provisions of this subsection shall not be applicable to
22 the taxation of motor vehicles, except as otherwise hereinafter
23 specifically provided, mineral products, money, mortgages, notes and
24 other evidence of debt and grain. Property shall be classified into the
25 following classes for the purpose of assessment and assessed at the
26 percentage of value prescribed therefor:

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

31 (1) Real property used for residential purposes including multi-
32 family residential real property and real property necessary to
33 accommodate a residential community of mobile or manufactured
34 homes including the real property upon which such homes are
35 located.....11½%

36 (2) Land devoted to agricultural use which shall be valued upon

- 1 the basis of its agricultural income or agricultural productivity
 2 pursuant to section 12 of article 11 of the constitution.....30%
- 3 (3) Vacant lots.....12%
- 4 (4) Real property which is owned and operated by a not-for-profit
 5 organization not subject to federal income taxation pursuant to
 6 section 501 of the federal internal revenue code, and which is
 7 included in this subclass by law.....12%
- 8 (5) Public utility real property, except railroad real property which
 9 shall be assessed at the average rate that all other commercial and
 10 industrial property is assessed.....33%
- 11 (6) Real property used for commercial and industrial purposes
 12 and buildings and other improvements located upon land devoted
 13 to agricultural use.....25%
- 14 (7) All other urban and rural real property not otherwise
 15 specifically subclassified.....30%
- 16 Class 2 shall consist of tangible personal property. Such tangible
 17 personal property shall be further classified into six subclasses,
 18 shall be defined by law for the purpose of subclassification and
 19 assessed uniformly as to subclass at the following percentages of
 20 value:
- 21 (1) Mobile homes used for residential purposes.....11½%
- 22 (2) Mineral leasehold interests except oil leasehold interests the
 23 average daily production from which is five barrels or less, and
 24 natural gas leasehold interests the average daily production from
 25 which is 100 mcf or less, which shall be assessed at 25%30%
- 26 (3)....Public utility tangible personal property including inventories
 27 thereof, except railroad personal property including inventories
 28 thereof, which shall be assessed at the average rate all other
 29 commercial and industrial property is assessed.....33%
- 30 (4) All categories of motor vehicles not defined and specifically
 31 valued and taxed pursuant to law enacted prior to January 1, 1985
 3230%
- 33 (5) Commercial and industrial machinery and equipment which, if
 34 its economic life is seven years or more, shall be valued at its retail
 35 cost when new less seven-year straight-line depreciation, or which,
 36 if its economic life is less than seven years, shall be valued at its
 37 retail cost when new less straight-line depreciation over its
 38 economic life, except that, the value so obtained for such property,
 39 notwithstanding its economic life and as long as such property is
 40 being used, shall not be less than 20% of the retail cost when new
 41 of such property.....25%
- 42 (6) All other tangible personal property not otherwise specifically
 43 classified.....30%

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

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

10 "*Explanatory statement.* This amendment would allow the legislature
11 to classify and tax watercraft upon a basis different from other property.

12 "A vote for this proposition would permit the legislature to provide
13 for separate classification and taxation of watercraft or to exempt such
14 property from property taxation and impose taxes in lieu thereof.

15 "A vote against this proposition would continue the taxation of
16 watercraft in the same manner as all other property."

17 Sec. 3. This resolution, if approved by two-thirds of the members
18 elected (or appointed) and qualified to the House of Representatives, and
19 two-thirds of the members elected (or appointed) and qualified to the
20 Senate, shall be entered on the journals, together with the yeas and nays.
21 The secretary of state shall cause this resolution to be published as
22 provided by law and shall cause the proposed amendment to be submitted
23 to the electors of the state at the general election to be held on November
24 6, 2012.
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