

SESSION OF 2013

**SUPPLEMENTAL NOTE ON HOUSE BILL NO. 2135**

As Recommended by House Committee on  
Taxation

**Brief\***

HB 2135 would clarify, retroactive to tax year 2006, that any and all housing developments and related improvements located on U.S. military installations and used exclusively or primarily by military personnel and their families are exempt from property taxation, notwithstanding the fact the property may have been developed pursuant to the military housing privatization initiative.

**Background**

The bill was requested for introduction and supported by Riley Communities, LLC.

Military housing, including developments constructed under the provisions of 1995 federal legislation that had authorized the U.S. Defense Department to enter into legal arrangements with private sector entities, has always been exempt from Kansas property taxation. But a 2009 Kansas Attorney General's Opinion (AGO 2009-1) suggested certain property might be construed to be taxable at Fort Riley, based on the 1889 law ceding jurisdiction of the military base to the federal government that had retained the authority of the state to tax "the property of citizens not otherwise exempt" from taxation.

Legislation enacted in 2012 (HB 2769) clarified the exemption remained in effect retroactive to tax year 2011.

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\*Supplemental notes are prepared by the Legislative Research Department and do not express legislative intent. The supplemental note and fiscal note for this bill may be accessed on the Internet at <http://www.kslegislature.org>

2013 HB 2135 extends that retroactive clarification to tax year 2006.

The fiscal note indicates the bill could have a small but indeterminate impact on state building funds and the mandatory school district general fund property tax levy.