

HOUSE BILL No. 2618

By Committee on Financial Institutions and Rural Development

2-7

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 in counties
4 with a population of 40,000 or less.

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

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

20 (b) The provisions of this section shall only apply to property used by
21 a city, county or township when such property is located in a county with a
22 population of 40,000 or less.

23 (c) The provisions of this section shall apply to all taxable years
24 commencing after December 31, 2022.

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

As used in this section, “incubator” means a property under public ownership that would provide temporary tenancy to start-up rural microentrepreneurs, microenterprises, new technology development entities or commercial entities at below market rates for a term of five years or less.

(d) It is the intent of the legislature to provide temporary tenancy for the initial five years and after that the tenant can remain in the space and pay property taxes based on the square footage of the space being leased or move out of the space and allow the governmental entity owning the property to establish a new business incubator space for a new business.

(e)

No new applications for exemptions shall be granted pursuant to subsection (a) after December 31, 2025.