

**79-5a01c. Purpose of 2009 amendments to K.S.A. 79-5a01 related to underground storage of natural gas.** It is the purpose of the amendments enacted in this legislation to K.S.A. 79-5a01 to carry out the mandate of the electorate of the state of Kansas who in 1992 amended section 1 of article 11 of the constitution of the state of Kansas to effectuate the taxation of public utility inventories, in response to an appellate decision holding that natural gas owned by public utilities and stored for resale comes within the exemption from ad valorem taxation afforded to merchants' and manufacturers' inventories. The legislature recognizes that the state has a number of underground formations that are ideal for the storage of natural gas and that the storage of natural gas in these formations by and on behalf of the owners, brokers and marketers of natural gas assures them a plentiful supply of natural gas during periods of peak demand and thereby contributes to their economic viability. The legislature further recognizes that the state and its political subdivisions provide valuable governmental services that protects the natural gas and its free flow to and from these formations for which such owners, brokers and marketers of natural gas should contribute through the property tax imposed by the amendments enacted in this legislation to K.S.A. 79-5a01.

**History:** L. 2009, ch. 97, § 4; July 1.