

HOUSE BILL No. 2350

By Committee on Taxation

2-17

1 AN ACT concerning property taxation; imposing a payment in lieu of tax
2 on certain qualifying crude oil pipelines; procedure.

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

5 Section 1. All qualifying pipeline property actually exempted
6 from property taxation pursuant to K.S.A. 2010 Supp. 79-227, and
7 amendments thereto, that is used or to be used primarily for
8 transportation of crude oil or oil byproducts, not including natural gas
9 liquids, shall pay a payment in lieu of tax in the amount of 3% of the
10 qualified investment as defined by K.S.A. 2010 Supp. 79-32,223, and
11 amendments thereto. The amount of such tax shall be annually calculated
12 by the director of property valuation and certified to the county clerk of
13 each county in which such exempt pipeline is located on or before July 1
14 on a pro rata basis where the numerator is the number of miles of exempt
15 pipeline in the county and the denominator is the number of exempt miles
16 of pipeline in the state. The director of property valuation shall annually
17 adjust the amount of the qualified investment as defined by K.S.A. 2010
18 Supp. 79-32,223, and amendments thereto, by the annual percentage
19 change in the total for finished goods in the producer price index for the
20 preceding calendar year as published by the bureau of labor statistics of
21 the United States department of labor. The county clerk shall include the
22 amount certified by the director of property valuation in calculating the
23 final tax levy rate as required by K.S.A. 2010 Supp. 79-1803, and
24 amendments thereto, and the taxes imposed by this section shall be billed
25 and collected in the same manner that property taxes are billed and
26 collected. The provisions of this section shall apply to pipeline property
27 in which construction commenced on or after February 14, 2011.

28 Sec. 2. This act shall take effect and be in force from and after its
29 publication in the Kansas register.