

HOUSE BILL No. 2713

By Committee on Transportation

2-14

1 AN ACT concerning motor vehicles; relating to commercial vehicles,
2 definition; property tax; refunds; amending K.S.A. 2013 Supp. 8-143m,
3 8-1,152, 79-6a01, 79-6a02, 79-6a03, 79-6a04 and 79-1439 and
4 repealing the existing sections.
5

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

7 New Section 1. Any person who registered a truck or truck tractor for
8 a gross weight of less than 26,001 pounds and paid the commercial vehicle
9 fee pursuant to K.S.A. 2013 Supp. 8-143m, as that section appeared on
10 June 30, 2014, shall be entitled to a refund from the special city and
11 county highway fund. The state treasurer shall adopt rules and regulations
12 necessary to carry out the provisions of this section.

13 Sec. 2. K.S.A. 2013 Supp. 8-143m is hereby amended to read as
14 follows: 8-143m. (a) On and after January 1, 2014, any truck or truck
15 tractor registered for a gross weight of more than ~~10,000~~ 26,000 pounds
16 which is operating as a commercial vehicle shall, in addition to the annual
17 fee prescribed under K.S.A. 8-143, and amendments thereto, pay an annual
18 commercial vehicle fee as follows:
19

Weight Group	Vehicle Age	Fee
up to 12,000 lbs.	1 to 3	\$250.00
12,000 lbs.	4 to 6	200.00
12,000 lbs.	7 and older	150.00
16,000 lbs.	All Ages	250.00
20,000 lbs.	All Ages	250.00
24,000 lbs.	All Ages	250.00
26,000 lbs.	All Ages	300.00
30,000 lbs.	All Ages	300.00
36,000 lbs.	All Ages	300.00
42,000 lbs.	All Ages	350.00
48,000 lbs.	All Ages	350.00
54,000 lbs.	All Ages	350.00
60,000 lbs.	All Ages	400.00
66,000 lbs.	All Ages	400.00
74,000 lbs.	All Ages	400.00
80,000 lbs.	All Ages	400.00

1 propelled or towed motor vehicle in commerce that is used to transport
2 property or passengers when the vehicle:

3 (1) Has a gross weight or gross combination weight of ~~10,001~~ 26,001
4 pounds or more;

5 (2) is designed or used to transport 15 or more passengers, including
6 the driver; or

7 (3) is used to transport hazardous materials in a quantity requiring
8 placarding.

9 The term "commercial vehicle" shall not include any motor vehicle
10 required to pay a license fee under subsection (b)(6) of K.S.A. 8-143, and
11 amendments thereto, or any motor vehicle valued under article 5a of
12 chapter 79 of the Kansas Statutes Annotated, and amendments thereto.

13 Sec. 3. K.S.A. 2013 Supp. 8-1,152 is hereby amended to read as
14 follows: 8-1,152. (a) As used in this section, "fleet motor vehicle" means:

15 (1) Any motor vehicle which is part of a public utility commercial
16 fleet of 250 or more and which is not required to file for apportioned
17 registration pursuant to K.S.A. 8-1,100 through K.S.A. 8-1,124, inclusive,
18 and amendments thereto; or

19 (2) any motor vehicle of a motor carrier who registers a fleet of
20 interstate apportioned registration commercial vehicles of 250 or more in
21 any international registration plan jurisdiction, and will register a fleet of
22 250 or more commercial vehicles as Kansas fleet registration vehicles,
23 which are registered for a gross weight of at least ~~12,000~~ 26,001 pounds,
24 and is part of the commercial fleet, and such vehicle is not driven out of
25 state, such commercial vehicle shall pay the commercial vehicle fee
26 prescribed in K.S.A. 2013 Supp. 8-143m, and amendments thereto, at the
27 allocation factor of 35% of the commercial vehicle fee.

28 (b) Upon the payment of the applicable registration fees under K.S.A.
29 8-143, and amendments thereto, the division shall provide for the
30 registration of and the issuance of license plates for fleet motor vehicles in
31 accordance with the provisions of this section. *Fleet motor vehicles*
32 *registered under the provisions of this section which are registered for a*
33 *gross weight of at least 12,000 pounds, but not more than 26,000 pounds*
34 *shall pay annually the applicable registration fees under K.S.A. 8-143,*
35 *and amendments thereto. Upon registration, the owner of the fleet motor*
36 *vehicles who are not exempt from personal property taxes, shall provide*
37 *evidence of the taxes under K.S.A. 79-6a01 et seq., or 79-5105 et seq., and*
38 *amendments thereto. License plates issued under this section shall be*
39 *permanent in nature and designed in such a manner as to remain with the*
40 *fleet motor vehicle for the duration of the life span of the fleet motor*
41 *vehicle or until the fleet motor vehicle is deleted from the owner's fleet.*
42 *Such license plates shall be distinctive and there shall be no year date*
43 *thereon. Fleet motor vehicles registered under the provisions of this*

1 section shall be issued a permanent registration cab card for the duration of
2 the life span of the fleet motor vehicle or until the fleet motor vehicle is
3 deleted from the owner's fleet. License plates issued under this section
4 shall not be transferable to any other fleet motor vehicle, except that the
5 unused registration fee may be transferred to another fleet motor vehicle
6 which is registered at the same or greater weight. The data required for
7 registration under this section shall be submitted electronically.

8 (c) The secretary of revenue may adopt rules and regulations in order
9 to administer the provisions of this section.

10 Sec. 4. K.S.A. 2013 Supp. 79-6a01 is hereby amended to read as
11 follows: 79-6a01. ~~Prior to January 1, 2014,~~ The director of property
12 valuation shall value and assess annually the over-the-road motor vehicles
13 and rolling equipment of motor carriers described in this act *that are not*
14 *commercial vehicles as defined in K.S.A. 2013 Supp. 8-143m, and*
15 *amendments thereto.* The local deputy assessor shall value and assess
16 within the taxing district where located all other property, real and
17 personal, belonging to such motor carriers.

18 As used in this act, "over-the-road motor vehicles and rolling
19 equipment" shall include all motor-driven vehicles, trailers, semitrailers,
20 buses and trucks owned, used or operated in the state of Kansas by such
21 motor carriers in the transportation of persons or property other than motor
22 vehicles and rolling equipment used solely or mainly for local
23 transportation in a particular community or local area, or for local pickup
24 and delivery, or passenger automobiles used for purposes other than
25 transportation of persons or property for hire. "Motor carriers" as used in
26 this act shall include every person, firm or corporation who or which holds
27 a certificate of convenience and necessity, a certificate of public service, or
28 an interstate license as a common or exempt carrier from the corporation
29 commission of the state of Kansas or is required to register motor carrier
30 equipment pursuant to 49 U.S.C. § 14504a.

31 Sec. 5. K.S.A. 2013 Supp. 79-6a02 is hereby amended to read as
32 follows: 79-6a02. On or before May 15, ~~2012 and 2013~~ *in each year*, every
33 person, firm or corporation which was a motor carrier on January 1 of such
34 year and who or which owned, used or operated any over-the-road motor
35 vehicles or rolling equipment in the state of Kansas during the preceding
36 year shall (, if a firm or corporation by its president, secretary or principal
37 acting officer or agent), return to the director of property valuation, upon
38 forms furnished by the director, a sworn statement or schedule as follows:

39 ~~1-(a)~~ A list of all certificates, licenses and permits which have been
40 issued to the operator as a motor carrier by the Kansas state corporation
41 commission.

42 ~~2-(b)~~ The total number of miles for which all over-the-road motor
43 vehicles used in the state of Kansas were operated in Kansas and

1 everywhere during the calendar year prior to making such report.

2 ~~3-(c)~~ The complete list of over-the-road vehicles and rolling
3 equipment owned, used or operated in the state of Kansas by such motor
4 carrier during the preceding calendar year and giving the name and
5 number, model and value of the same, except that interchange equipment
6 and trip-leased equipment shall be listed only by the owner.

7 ~~4-(d)~~ In case any motor carrier holding a certificate of convenience
8 and necessity, an interstate license as a common or exempt carrier from the
9 corporation commission of the state of Kansas between January 1 and
10 March 1 of ~~2012 and 2013~~ *any year* did not own, use or operate any over-
11 the-road motor vehicle or rolling equipment in the state of Kansas during
12 the preceding calendar year such motor carrier shall on or before March 20
13 of such year file with the director of property valuation a complete list and
14 number of over-the-road motor vehicles and rolling equipment owned,
15 used or operated by such motor carrier in the state of Kansas between
16 January 1 and March 1 of ~~2012 and 2013~~, *the year* in which such list is
17 filed together with a verified statement estimating the number of miles
18 such motor carrier expects such equipment to be operated in the state of
19 Kansas and everywhere during such year.

20 ~~5-(e)~~ In case any motor carrier required to file a statement under the
21 provisions of this act fails to make and file such statement on or before
22 May 15, the director of property valuation shall, after the director has
23 ascertained the value of the property, of such motor carrier from any other
24 sources available to the director, add 50% additional value as a penalty for
25 failure to file a report, but such assessment shall not relieve the motor
26 carrier from the duty to file such report or statement, except that for good
27 cause shown the director of property valuation may extend the time in
28 which to make and file such statement, except that whenever, in the
29 judgment of the director of property valuation the failure of any motor
30 carrier to comply with this provision is due to a good and reasonable
31 cause, the director of property valuation may at the director's discretion
32 waive or reduce any of the penalty herein provided upon making a record
33 of the director's reason therefor. In the event a motor carrier shall file a
34 statement for any year within one year after such statement was due, the
35 director of property valuation shall recompute the assessment, tax and
36 penalty on the basis of such statement.

37 Sec. 6. K.S.A. 2013 Supp. 79-6a03 is hereby amended to read as
38 follows: 79-6a03. ~~Prior to January 1, 2014,~~ The director of property
39 valuation shall value and assess all over-the-road motor vehicles owned,
40 used and operated in the state of Kansas during the preceding calendar
41 year by every motor carrier for the purpose of taxation by the state of
42 Kansas in an amount to be determined in the following manner and
43 according to the following method:

1 ~~(1)~~(a) The true value of all over-the-road motor vehicles and rolling
2 equipment operated in the state of Kansas shall be determined;

3 ~~(2)~~(b) the ratio which the total number of miles of the equipment
4 listed operated in the state of Kansas bears to the total number of miles
5 operated everywhere by such equipment shall be determined;

6 ~~(3)~~(c) the assessed value of all over-the-road motor vehicles and
7 rolling equipment owned, used or operated in the state of Kansas by such
8 motor carrier shall be determined by multiplying the true value by the
9 mileage ratio;

10 ~~(4)~~(d) the amount so determined shall be the value and assessment of
11 all over-the-road motor vehicles and rolling equipment owned, used or
12 operated in the state of Kansas by such motor carrier in the state of
13 Kansas, except that if any motor carrier who or which holds a certificate of
14 convenience and necessity, or an interstate license as a common or exempt
15 carrier from the corporation commission of the state of Kansas between
16 January 1 and March 1 of ~~2012 and 2013~~, *any year* did not own, use or
17 operate any over-the-road motor vehicles or rolling equipment in Kansas
18 during the preceding calendar year, the director of property valuation shall
19 determine the mileage ratio of miles operated in the state of Kansas to
20 miles operated everywhere by use of the estimate of mileage furnished by
21 such motor carrier, and apply the same to the assessed valuation of the
22 equipment listed by such motor carrier to determine the assessed value of
23 such equipment and the tax due thereon; and in any such case, when the
24 carrier files such carrier's return the following year, showing the actual
25 mileage of such vehicles in the state of Kansas and everywhere during
26 such year, the director of property valuation shall recompute the tax and
27 refund any excess tax paid by such carrier, or if an additional amount of
28 tax is determined to be due from the taxpayer, such additional amount shall
29 become due upon mailing of notice of such additional tax to the motor
30 carrier by the director of property valuation, which additional tax may be
31 collected as provided in K.S.A. 79-6a07 and 79-6a11, and amendments
32 thereto.

33 Sec. 7. K.S.A. 2013 Supp. 79-6a04 is hereby amended to read as
34 follows: 79-6a04. ~~Prior to January 1, 2014~~, The director of property
35 valuation each year, shall make a levy for purposes of taxation, against the
36 value assessed and determined to exist in accordance with the manner and
37 method set forth in article 6a of chapter 79 of *the* Kansas Statutes
38 Annotated, and amendments thereto, at a rate which shall equal the
39 average rate of levy for all purposes in the several taxing districts of the
40 state for the preceding year.

41 For the purposes of such valuation, assessment and taxation, the taxable
42 situs of the over-the-road vehicles and other rolling equipment determined
43 to be taxable under this act is hereby declared to be within this state

1 whether owned, used or operated by a motor carrier who is a resident or
2 nonresident of Kansas and irrespective of whether such motor carrier be
3 domiciled in Kansas or otherwise.

4 The director of property valuation shall cause to be sent to each motor
5 carrier on or before the first day of August a statement of the amount of the
6 valuation or assessment, the rate of levy and the amount of the tax. The
7 determination contained in such statement shall not require an adjudicative
8 proceeding under the Kansas administrative procedure act. The statement
9 shall inform the motor carrier of the right to an informal conference as
10 provided in this section. The failure to request an informal conference shall
11 not preclude any appeal under K.S.A. 74-2438, and amendments thereto. If
12 a motor carrier has any objection to the statement as issued, the motor
13 carrier must, within 15 days of the date of mailing of such notice, notify
14 the director of property valuation in writing of such objection, setting forth
15 the basis therefor and all facts relating thereto. Within 30 days of the date
16 of receipt by the director of property valuation of such written objection,
17 the director shall hold an informal conference with the motor carrier and
18 shall issue a written finding, ruling, order, decision or other final action
19 thereon, which finding, ruling, order, decision or other final action shall
20 become effective for purposes of the appeal as provided by K.S.A. 74-
21 2438, and amendments thereto, three days following the mailing of a copy
22 thereof to the motor carrier. Informal conferences held pursuant to this
23 section may be conducted by the director or the director's designee. The
24 rules of evidence shall not apply to an informal conference and no record
25 shall be made except at the request and expense of the director or the
26 motor carrier.

27 The tax as finally determined shall be paid by the motor carrier to the
28 director of property valuation. The motor carrier may, at its option, pay the
29 full amount thereof on or before December 20 of each year, or ½ thereof
30 on or before December 20 and the remaining ½ thereof on or before May
31 10 next ensuing, but in the event a motor carrier so charged with tax
32 hereunder fails to pay the first ½ thereof, the full amount shall become
33 immediately due and payable. If such motor carrier's taxes are less than
34 \$50, the amount thereof shall be paid on or before December 20 or be
35 subject to the penalties herein provided. In case the first ½ of such taxes
36 remains unpaid after December 20, the entire and full amount of taxes
37 charged shall draw interest at the rate prescribed by K.S.A. 79-2004a, and
38 amendments thereto, from December 20 to date of payment. All taxes
39 levied hereunder of the preceding year and accrued interest thereon which
40 shall remain due and unpaid on May 11 shall draw interest at the rate
41 prescribed by K.S.A. 79-2004a, and amendments thereto, from May 10
42 until paid. All moneys collected under the provisions of this act, except as
43 provided in K.S.A. 79-6a09, and amendments thereto, shall be remitted to

1 the state treasurer in accordance with the provisions of K.S.A. 75-4215,
2 and amendments thereto. Upon receipt of each such remittance, the state
3 treasurer shall deposit the entire amount in the state treasury to the credit
4 of the state general fund.

5 Sec. 8. K.S.A. 2013 Supp. 79-1439 is hereby amended to read as
6 follows: 79-1439. (a) All real and tangible personal property which is
7 subject to general ad valorem taxation shall be appraised uniformly and
8 equally as to class and, unless otherwise specified herein, shall be
9 appraised at its fair market value, as defined in K.S.A. 79-503a, and
10 amendments thereto.

11 (b) Property shall be classified into the following classes and assessed
12 at the percentage of value prescribed therefor:

13 (1) Real property shall be assessed as to subclass at the following
14 percentages of value:

15 (A) Real property used for residential purposes including multi-
16 family residential real property, real property necessary to accommodate a
17 residential community of mobile or manufactured homes including the real
18 property upon which such homes are located, residential real property used
19 partially for day care home purposes if such home has been registered or
20 licensed pursuant to K.S.A. 65-501 et seq., and amendments thereto, and
21 residential real property used partially for bed and breakfast home"
22 purposes at 11.5%. As used in this paragraph "bed and breakfast home"
23 means a residence with five or fewer bedrooms available for overnight
24 guests who stay for not more than 28 consecutive days for which there is
25 compliance with all zoning or other applicable ordinances or laws which
26 pertain to facilities which lodge and feed guests;

27 (B) land devoted to agricultural use valued pursuant to K.S.A. 79-
28 1476, and amendments thereto, at 30%;

29 (C) vacant lots at 12%;

30 (D) real property which is owned and operated by a not-for-profit
31 organization not subject to federal income taxation pursuant to section 501
32 of the federal internal revenue code and included herein pursuant to K.S.A.
33 79-1439a, and amendments thereto, at 12%;

34 (E) public utility real property, except railroad property which shall
35 be assessed at the average rate all other commercial and industrial property
36 is assessed, at 33%. As used in this paragraph, "public utility" shall have
37 the meaning ascribed thereto by K.S.A. 79-5a01, and amendments thereto;

38 (F) real property used for commercial and industrial purposes and
39 buildings and other improvements located upon land devoted to
40 agricultural use at 25%; and

41 (G) all other urban and rural real property not otherwise specifically
42 subclassed at 30%.

43 (2) Personal property shall be classified into the following classes and

1 assessed at the percentage of value prescribed therefor:

2 (A) Mobile homes used for residential purposes at 11.5%;

3 (B) mineral leasehold interests, except oil leasehold interests the
4 average daily production from which is five barrels or less, and natural gas
5 leasehold interests, the average daily production from which is 100 mcf or
6 less, which shall be assessed at 25%, at 30%;

7 (C) public utility tangible personal property including inventories
8 thereof, except railroad personal property including inventories thereof,
9 which shall be assessed at the average rate all other commercial and
10 industrial property is assessed, at 33%. As used in this paragraph, "public
11 utility" shall have the meaning ascribed thereto by K.S.A. 79-5a01, and
12 amendments thereto;

13 (D) all categories of motor vehicles listed and taxed pursuant to
14 K.S.A. 79-306d, and amendments thereto, and, ~~prior to January 1, 2014,~~
15 over-the-road motor vehicles defined pursuant to K.S.A. 79-6a01, and
16 amendments thereto, at 30%;

17 (E) commercial and industrial machinery and equipment, including
18 rolling equipment defined pursuant to K.S.A. 79-6a01, and amendments
19 thereto, which, if its economic life is seven years or more, shall be valued
20 at its retail cost when new less seven-year straight-line depreciation, or
21 which, if its economic life is less than seven years, shall be valued at its
22 retail cost when new less straight-line depreciation over its economic life,
23 except that, the value so obtained for such property as long as it is being
24 used shall not be less than 20% of the retail cost when new of such
25 property at 25%; and

26 (F) all other tangible personal property not otherwise specifically
27 classified at 30%.

28 Sec. 9. K.S.A. 2013 Supp. 8-143m, 8-1,152, 79-6a01, 79-6a02, 79-
29 6a03, 79-6a04 and 79-1439 are hereby repealed.

30 Sec. 10. This act shall take effect and be in force from and after its
31 publication in the statute book.