

## HOUSE BILL No. 2845

By Committee on Environment

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9 AN ACT concerning motor-vehicle fuel taxation; relating to rates; etha-  
10 nol blends; amending K.S.A. 79-3401 and K.S.A. 2005 Supp. 79-34,141  
11 and 79-34,142 and repealing the existing sections.  
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13 *Be it enacted by the Legislature of the State of Kansas:*

14 Section 1. K.S.A. 79-3401 is hereby amended to read as follows: 79-  
15 3401. This act, and amendments thereto, shall be known and may be  
16 cited as the “motor-fuel tax law,” and as so constituted is hereinafter  
17 referred to as “this act.” The following words, terms and phrases, when  
18 used in this act, shall have the meanings ascribed to them in this section,  
19 except in those instances clearly indicating a different meaning:

- 20 (a) “Aviation fuel” means motor fuels for use as fuel for aircraft;  
21 (b) “agricultural ethyl alcohol” means a motor-vehicle fuel compo-  
22 nent with a purity of at least 99%, exclusive of any added denaturants,  
23 denatured in conformity with one of the methods approved by the United  
24 States department of the treasury, bureau of alcohol, tobacco and fire-  
25 arms, and distilled in the United States of America from grain produced  
26 in the United States of America;  
27 (c) “bulk plant” means a motor fuels storage facility, other than a  
28 terminal, that is primarily used to redistribute motor fuels;  
29 (d) “dealer” means any person engaged in the retail sale of motor-  
30 vehicle fuels or special fuels;  
31 (e) “director” means the director of taxation, a duly authorized dep-  
32 uty, agent or representative;  
33 (f) “distributor” means any person, who:  
34 (1) Imports or causes to be imported from any other state or territory  
35 of the United States motor-vehicle fuels or special fuels for such person’s  
36 own use in the state of Kansas, or for sale and delivery therein, after the  
37 same shall have come to rest or storage therein, whether or not in the  
38 original package, receptacle or container; or  
39 (2) imports or causes to be imported, from a foreign country, motor-  
40 vehicle fuels or special fuels for such person’s own use in the state of  
41 Kansas, or for sale and delivery therein, after the same shall have come  
42 to rest or storage, whether or not in the original package, receptacle or  
43 container;

- 1 (3) purchases or receives motor-vehicle fuels or special fuels in the  
2 original package, receptacle or container in the state of Kansas for such  
3 person's own use therein, or for sale and delivery therein, from any person  
4 who has imported the same from any other state or territory of the United  
5 States, or any other nation, in case such motor-vehicle fuels or special  
6 fuels have not, prior to such purchase or receipt, come to rest or storage  
7 in the state of Kansas; or
- 8 (4) received and, in any manner, uses, sells or delivers motor-vehicle  
9 fuels or special fuels in the state of Kansas on which the tax provided for  
10 in this act has not been previously paid;
- 11 (g) "exporter" means any person who exports or causes to be exported  
12 motor vehicle fuels or special fuels from Kansas to any other state or  
13 territory of the United States or to a foreign country, for such person's  
14 own use or for sale or delivery therein, whether or not in the original  
15 package, receptacle or container;
- 16 (h) "importer" means any person who imports or causes to be im-  
17 ported motor-vehicle fuels or special fuels from any other state or terri-  
18 tory of the United States or from a foreign country, for such person's own  
19 use in the state of Kansas or for sale or delivery therein, whether or not  
20 in the original package, receptacle or container;
- 21 (i) "liquid fuels" or "motor fuels" means any inflammable liquid by  
22 whatever name such liquid shall be known or sold, which is used, or  
23 practically or commercially usable, either alone or when mixed or com-  
24 bined in an internal-combustion engine for the generation of power;
- 25 (j) "manufacturer" or "refiner" means any person who or which pro-  
26 duces, refines, prepares, blends, distills, manufactures or compounds mo-  
27 tor-vehicle fuels or special fuels in the state of Kansas for such person's  
28 own use therein, or for sale or delivery therein. The term "manufacturer"  
29 shall not include any person who or which mechanically separates liquids  
30 from natural gas at production facilities or gathering system pipelines on  
31 the lease. No person who produces, refines, prepares, blends, distills,  
32 manufactures, or compounds motor-vehicle fuels or special fuels shall be  
33 required to render a distributor's (manufacturer's) report as to any par-  
34 ticular lot or lots of motor-vehicle fuels or special fuels until such motor-  
35 vehicle fuels or special fuels have been loaded at a refinery or other place  
36 of production into tank cars, or placed in any tank at such refinery or  
37 other place of production from which any withdrawals are made direct  
38 into tanks, tank wagons or other types of transportation equipment, con-  
39 tainers or facilities;
- 40 (k) "motor vehicle" means a motor vehicle as defined by K.S.A. 8-  
41 126, and amendments thereto, and which is required to be registered  
42 pursuant to K.S.A. 8-126 et seq., and amendments thereto;
- 43 (l) "motor-vehicle fuels" means gasoline, casinghead gasoline, natural

- 1 gasoline, drip gasoline, aviation gasoline, gasohol, gasoline-oxygenate  
2 blend and any other spark-ignition motor fuel as defined by the 1995  
3 United States department of commerce, national institute of standards  
4 and technology handbook 130 issued December of 1994, and as may  
5 subsequently be defined in rules and regulations which the director may  
6 adopt pursuant to K.S.A. 79-3419, and amendments thereto;
- 7 (m) "oil inspector" means the director of taxation, a duly authorized  
8 deputy, agent or representative;
- 9 (n) "person" means every natural person, association, partnership,  
10 limited partnership, limited liability company or corporation. When used  
11 in any statute, prescribing and imposing a fine or imprisonment, or both,  
12 the term "person" as applied to firms and associations means the partners  
13 or members thereof and, as applied to corporations, the corporation and  
14 the officers thereof;
- 15 (o) "public highways" means and includes every way or place, of  
16 whatever nature, generally open to the use of the public as a matter of  
17 right, for the purposes of vehicular travel and notwithstanding that the  
18 same shall have been temporarily closed for the purpose of construction,  
19 reconstruction or repair;
- 20 (p) "received" means motor-vehicle fuel or special fuel produced,  
21 refined, prepared, distilled, manufactured, blended or compounded at  
22 any refinery or other place, in the state of Kansas by any person, or im-  
23 ported into this state from any other state, territory, or foreign country  
24 by pipeline or connecting pipeline at a pipeline terminal or pipeline tank  
25 farm for storage, shall be deemed to be "received" by such person thereat  
26 when the same shall have been loaded at such refinery, pipeline terminal,  
27 pipeline tank farm or other place, into tank cars, tank trucks or other  
28 container, or placed in any tank from which any withdrawals are made  
29 direct into tank cars, tank trucks or other types of transportation equip-  
30 ment, containers or facilities;
- 31 (q) "retailer" means a person that engages in the business of selling  
32 or distributing motor fuels to the end user;
- 33 (r) "school bus" means every bus, as defined by K.S.A. 8-1406, and  
34 amendments thereto, which is: (1) Privately owned and contracted for,  
35 leased or hired by a school district or nonpublic school for the transpor-  
36 tation of pupils, students or school personnel to or from school or to or  
37 from school-related functions or activities; or (2) owned and operated by  
38 a school district or nonpublic school which is registered under the pro-  
39 visions of K.S.A. 8-126 et seq., and amendments thereto, used for the  
40 transportation of pupils, students or school personnel to or from school  
41 or to or from school-related functions or activities;
- 42 (s) "special fuels" means all combustible liquids suitable for the gen-  
43 eration of power for the propulsion of motor vehicles including, but not

1 limited to, diesel fuel, alcohol and such fuels not defined under the motor-  
2 vehicle fuels definition, hereinafter referred to as motor-vehicle fuel;

3 (t) “terminal” means a fuel storage and distribution facility that is  
4 supplied by motor vehicle, pipeline or marine vessel, and from which  
5 motor fuels may be removed at a rack. “Terminal” does not include any  
6 facility at which motor fuel blend stocks and additives are used in the  
7 manufacture of products other than motor fuels and from which no motor  
8 fuels are removed;

9 (u) “terminal operator” means the person who by ownership or con-  
10 tractual agreement is charged with the responsibility for, or physical con-  
11 trol over, and operation of a terminal;

12 (v) “transporter” means a person who has been issued a liquid-fuels  
13 carrier’s license pursuant to K.S.A. 55-506 et seq., and amendments  
14 thereto; *and*

15 (w) “E85 fuels” means a petroleum product that is a blend of agri-  
16 cultural derived denatured ethanol and gasoline that typically contains  
17 85% ethanol by volume, but at a minimum must contain 60% ethanol by  
18 volume and complies with atsm specification D5798-96.

19 Sec. 2. K.S.A. 2005 Supp. 79-34,141 is hereby amended to read as  
20 follows: 79-34,141. (a) ~~On and after July 1, 2002, until July 1, 2003, the~~  
21 ~~tax imposed under this act shall be not less than:~~

22 ~~(1) On motor-vehicle fuels, \$.23 per gallon, or fraction thereof;~~

23 ~~(2) on special fuels, \$.25 per gallon, or fraction thereof; and~~

24 ~~(3) on LP-gas, \$.22 per gallon, or fraction thereof.~~

25 ~~(b) On and after July 1, 2003 2006, until July 1, 2020 2009, the tax~~  
26 ~~imposed under this act shall be not less than:~~

27 (1) On motor-vehicle fuels *other than E85 fuels*, \$.24 per gallon, or  
28 fraction thereof;

29 (2) on special fuels, \$.26 per gallon, or fraction thereof; ~~and~~

30 (3) on LP-gas, \$.23 per gallon, or fraction thereof; *and*

31 (4) *on E85 fuels, \$.14 per gallon, or fraction thereof.*

32 (c) *On and after July 1, 2009, until July 1, 2020, the tax imposed*  
33 *under this act shall be not less than:*

34 (1) *On motor-vehicle fuels, \$.24 per gallon, or fraction thereof;*

35 (2) *on special fuels, \$.26 per gallon, or fraction thereof; and*

36 (3) *on LP-gas, \$.23 per gallon, or fraction thereof.*

37 (d) On and after July 1, 2020, the tax rates imposed under this act  
38 shall be not less than:

39 (1) On motor-vehicle fuels, \$.18 per gallon, or fraction thereof;

40 (2) on special fuels, \$.20 per gallon, or fraction thereof; and

41 (3) on LP-gas, \$.17 per gallon, or fraction thereof.

42 Sec. 3. K.S.A. 2005 Supp. 79-34,142 is hereby amended to read as  
43 follows: 79-34,142. (a) ~~On and after July 1, 2002, until July 1, 2003, the~~

1 ~~state treasurer shall credit amounts received pursuant to K.S.A. 79-3408,~~  
2 ~~79-3408c, 79-3491a, 79-3492 and 79-34,118 and amendments thereto as~~  
3 ~~follows: To the state highway fund 64.6% and to the special city and~~  
4 ~~county highway fund 35.4%.~~

5 ~~—(b) On and after July 1, 2003 2006, until July 1, 2020 2009, the state~~  
6 ~~treasurer shall credit amounts received pursuant to K.S.A. 79-3408, 79-~~  
7 ~~3408c, 79-3491a, 79-3492 and 79-34,118, and amendments thereto, as~~  
8 ~~follows: *For all fuels other than E85 fuels*, to the state highway fund~~  
9 ~~66.37% and to the special city and county highway fund 33.63%, and for~~  
10 ~~*E85 fuels*, to the state highway fund, 42.35% and to the special city and~~  
11 ~~county highway fund, 57.65%.~~

12 (c) *On and after July 1, 2009, until July 1, 2020, the state treasurer*  
13 *shall credit amounts received pursuant to K.S.A. 79-3408, 79-3408c, 79-*  
14 *3491a, 79-3492 and 79-34,118, and amendments thereto, as follows: To*  
15 *the state highway fund 66.37% and to the special city and county highway*  
16 *fund 33.63%.*

17 (d) On and after July 1, 2020, the state treasurer shall credit amounts  
18 received pursuant to K.S.A. 79-3408, 79-3408c, 79-3491a, 79-3492 and  
19 79-34,118 and amendments thereto as follows: To the state highway fund  
20 55.3% and to the special city and county highway fund 44.7%.

21 Sec. 4. K.S.A. 79-3401 and K.S.A. 2005 Supp. 79-34,141 and 79-  
22 34,142 are hereby repealed.

23 Sec. 5. This act shall take effect and be in force from and after its  
24 publication in the statute book.