

SENATE BILL No. 390

By Committee on Agriculture
(By request of Select Joint Committee on Energy)

1-18

10 AN ACT concerning biofuels railroad terminals; providing for a property
11 tax exemption; allowing issuance of bonds by the Kansas development
12 finance authority for biofuels railroad terminals.
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14 *Be it enacted by the Legislature of the State of Kansas:*

15 Section 1. The following described property, to the extent herein
16 specified, shall be exempt from all property or ad valorem taxes levied
17 under the laws of the state of Kansas:

18 (a) All property actually and regularly used exclusively as a biofuels
19 railroad terminal for the distribution and transportation of biofuels or the
20 transportation of ingredients actually used in the production of such bio-
21 uels. A biofuels railroad terminal shall have the capability of operating
22 unit trains consisting of at least 100 railroad cars. Biofuels shall include,
23 but not limited to, ethanol and biodiesel.

24 (b) The provisions of this section shall apply to property which is
25 acquired or the construction is completed after December 31, 2005, and
26 for the 12 taxable years immediately following the taxable year in which
27 such property is first used as a railroad terminal for the transportation of
28 biofuels.

29 (c) The provisions of this section shall apply to all taxable years com-
30 mencing after December 31, 2005.

31 Sec. 2. (a) As used in this section, "biofuels railroad terminal" means
32 a railroad terminal used exclusively for the distribution and transportation
33 of biofuels or the transportation of ingredients actually used in the pro-
34 duction of such biofuels. A biofuels railroad terminal shall have the ca-
35 pability of operating unit trains consisting of at least 100 railroad cars.
36 Biofuels shall include, but not limited to, ethanol and biodiesel.

37 (b) For the purpose of financing the construction, renovation or re-
38 pair of one or more Kansas biofuels railroad terminal, the Kansas devel-
39 opment finance authority is hereby authorized to issue revenue bonds in
40 amounts sufficient to pay the costs of such acquisition, construction, ren-
41 ovation or repair, including any required interest on the bonds during
42 acquisition, construction, renovation or repair, plus all amounts required
43 for costs of the bond issuance and for any required reserves on the bonds.

1 The bonds, and interest thereon, issued pursuant to this section shall be
2 payable from revenues derived from sales of biofuels or from any other
3 revenues available to be pledged by the Kansas development finance au-
4 thority for such purpose.

5 (c) The provisions of subsection (a) of K.S.A. 74-8905, and amend-
6 ments thereto, shall not prohibit the issuance of bonds by the Kansas
7 development finance authority for the purposes of this section and any
8 such issuance of bonds is exempt from the provisions of subsection (a) of
9 K.S.A. 74-8905, and amendments thereto, which would operate to pre-
10 clude such issuance.

11 (d) Revenue bonds, including refunding revenue bonds, issued here-
12 under shall not constitute an indebtedness of the state of Kansas, nor
13 shall they constitute indebtedness within the meaning of any constitu-
14 tional or statutory provision limiting the incurring of indebtedness.

15 Sec. 3. This act shall take effect and be in force from and after its
16 publication in the statute book.