

## SENATE BILL No. 584

By Committee on Federal and State Affairs

3-23

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

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

13 Section 1. All qualifying pipeline property actually exempted from  
14 property taxation pursuant to K.S.A. 2009 Supp. 79-227, and amendments  
15 thereto, that is used or to be used primarily for transportation of crude  
16 oil or oil byproducts, not including natural gas liquids, shall pay a payment  
17 in lieu of tax in the amount of 3% of the qualified investment as defined  
18 by K.S.A. 2009 Supp. 79-32,223, and amendments thereto. The amount  
19 of such tax shall be annually calculated by the director of property valu-  
20 ation and certified to the county clerk of each county in which such ex-  
21 empt pipeline is located on or before July 1 on a *pro rata* basis where the  
22 numerator is the number of miles of exempt pipeline in the county and  
23 the denominator is the number of exempt miles of pipeline in the state.  
24 The director of property valuation shall annually adjust the amount of the  
25 qualified investment as defined by K.S.A. 2009 Supp. 79-32,223, and  
26 amendments thereto, by the annual percentage change in the total for  
27 finished goods in the producer price index for the preceding calendar  
28 year as published by the bureau of labor statistics of the United States  
29 department of labor. The county clerk shall include the amount certified  
30 by the director of property valuation in calculating the final tax levy rate  
31 as required by K.S.A. 2009 Supp. 79-1803, and amendments thereto, and  
32 the taxes imposed by this section shall be billed and collected in the same  
33 manner that property taxes are billed and collected.

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