

**HOUSE BILL No. 2327**

By Representatives Xu, Alcalá, Amyx, Boyd, Carlin, Carr, Featherston, Haskins, Haswood, Hougland, Melton, Meyer, D. Miller, V. Miller, Ohaebosim, Oropeza, Osman, Poskin, S. Ruiz, Sawyer Clayton and Winn

2-7

1 AN ACT concerning property taxation; relating to exemptions;  
2 discontinuing exemption of new qualifying pipeline property that  
3 experiences a spill or leak and providing for recoupment of certain  
4 property taxes; amending K.S.A. 79-227 and repealing the existing  
5 section.  
6

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

8 Section 1. K.S.A. 79-227 is hereby amended to read as follows: 79-  
9 227. (a) The following described property, to the extent herein specified,  
10 shall be exempt from all property taxes levied under the laws of the state  
11 of Kansas: Any new qualifying pipeline property.

12 (b) The provisions of subsection (a) shall apply from and after  
13 purchase or commencement of construction or installation of such property  
14 and for the 10 taxable years immediately following the taxable year in  
15 which construction or installation of such property is completed.

16 ~~(c) The provisions of this section shall apply to all taxable years~~  
17 ~~commencing after December 31, 2005.~~ *On and after July 1, 2023, the*  
18 *provisions of subsections (a) and (b) shall not apply to any new qualifying*  
19 *pipeline property that experienced or experiences a spill or leak of crude*  
20 *oil, natural gas liquids or other substances.*

21 *(1) For any property exempt pursuant to the provisions of this section*  
22 *on and before June 30, 2023, that experienced a spill or leak of crude oil,*  
23 *natural gas liquids or other substances on or before June 30, 2023, such*  
24 *exemption shall cease and expire on June 30, 2023.*

25 *(2) For any property exempt pursuant to the provisions of this section*  
26 *that experiences a spill or leak of crude oil, natural gas liquids or other*  
27 *substances after June 30, 2023, such exemption shall immediately cease*  
28 *on the date of such spill or leak. In such event, there also shall be a*  
29 *recoupment of property taxes in an amount equal to the tax that would*  
30 *have been levied upon such property except for such exemption for all*  
31 *taxable years, for which such exemption was in effect, except no earlier*  
32 *than July 1, 2023. Such recoupment tax shall become due and payable in*  
33 *such year as provided by K.S.A. 79-2004, and amendments thereto. A lien*  
34 *for such taxes shall attach to the real property subject to the same on*

1 *November 1 in the year such taxes become due and all such taxes*  
2 *remaining due and unpaid after the date prescribed for the payment*  
3 *thereof shall be collected in the manner provided by law for the collection*  
4 *of delinquent taxes. Moneys collected from the recoupment tax shall be*  
5 *credited by the county treasurer to the several taxing subdivisions within*  
6 *which such real property is located in the proportion that the total tangible*  
7 *property tax levies made in the preceding year for each such taxing*  
8 *subdivision bear to the total of all such levies made in that year by all*  
9 *such taxing subdivisions. Such moneys shall be credited to the general*  
10 *fund of the taxing subdivision or, if such taxing subdivision is making no*  
11 *property tax levy for the support of a general fund, such moneys may be*  
12 *credited to any other tangible property tax fund of general application of*  
13 *such subdivision.*

14 (d) As used in this section:

15 (1) "New qualifying pipeline property" means any real or tangible  
16 personal property purchased, constructed or installed for incorporation in  
17 and use as part of a new qualifying pipeline, construction of which begins  
18 after December 31, 2005.

19 (2) "Qualifying pipeline" has the meaning provided by K.S.A. 79-  
20 32,223, and amendments thereto.

21 Sec. 2. K.S.A. 79-227 is hereby repealed.

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