

Testimony in Support of HB 2443

January 20, 2026

Chair and members of the committee, thank you for the opportunity to testify today.

My name is Alan R. Staab, and I am here in support of House Bill 2443. I am affiliated with Golden Gas Service Company, which is developing a project that would be affected by this legislation.

Purpose of the Amendment

HB 2443 adds subsection (b)(3) to K.S.A. 79-5a01 to clarify that certain new natural gas storage facilities are not classified as public utilities for property tax purposes.

Specifically, the amendment applies only to facilities that are:

- constructed after January 1, 2026,
- situated entirely within one county in this state, and
- do not cross any state boundary line.

The purpose of the amendment is to ensure that facilities with these characteristics are assessed consistently with other large industrial facilities that are entirely local in nature.

Background

Kansas' public utility classification framework addresses assets that span multiple counties or states and operate under regulated utility models. These assets typically serve large retail customer bases and are assessed through a centralized, statewide process.

By contrast, certain natural gas storage facilities are physically located entirely within a single county, do not cross state boundaries, and do not provide retail utility service. These facilities operate under market-based contractual arrangements and have a physical and operational footprint that is comparable to other large industrial facilities that are locally assessed today.

Despite these differences, under current statute such facilities may be classified under a centralized utility assessment framework that was not designed for assets of this type.

What the Amendment Does

HB 2443 clarifies that qualifying natural gas storage facilities described in K.S.A. 79-5a01 subsection (b)(3) are excluded from the definition of "public utility" for property tax classification purposes.

The amendment applies prospectively and is based on objective facility characteristics, including location, timing of construction, and geographic footprint, rather than ownership structure.

What the Amendment Does Not Do

This amendment:

- does not create a property tax exemption,
- does not reduce county or school funding,
- does not affect existing facilities, and
- does not apply to pipelines or interstate utility systems.

Counties retain full authority to assess and collect property taxes on qualifying facilities under existing local assessment frameworks.

Conclusion

HB 2443 corrects a classification mismatch, not a tax policy outcome. It follows the structure of existing exclusions in K.S.A. 79-5a01 by using clear, objective criteria to distinguish between statewide utility assets and facilities that are entirely local in nature.

By clarifying classification prospectively, the amendment provides certainty to counties, assessors, and taxpayers while preserving Kansas' established property tax framework.

Thank you for the opportunity to provide testimony. I would be happy to answer any questions.