

## HOUSE BILL No. 2443

By Committee on Taxation

Requested by Representative Hoheisel on behalf of CATALYST

1-14

1 AN ACT concerning property taxation; relating to public utilities;  
2 providing that certain natural gas storage facilities shall not be  
3 classified as public utilities; amending K.S.A. 79-5a01 and repealing  
4 the existing section.

5

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

7 Section 1. K.S.A. 79-5a01 is hereby amended to read as follows: 79-  
8 5a01. (a) As used in this act, the terms "public utility" or "public utilities"  
9 means every individual, company, corporation, association of persons,  
10 brokers, marketers, lessees or receivers that now or hereafter own, broker  
11 or market natural gas inventories stored for resale in an underground  
12 formation in this state; or now or hereafter are in control, manage or  
13 operate a business of:

14 (1) A railroad or railroad corporation, if such railroad or railroad  
15 corporation owns or holds, by deed or other instrument, an interest in  
16 right-of-way, track, franchise, roadbed or trackage in this state;

17 (2) transmitting to, from, through or in this state telegraphic  
18 messages;

19 (3) transmitting to, from, through or in this state telephonic messages;

20 (4) transporting or distributing to, from, through or in this state  
21 natural gas, oil or other commodities in pipes or pipelines; or engaging  
22 primarily in the business of storing natural gas in an underground  
23 formation;

24 (5) generating, conducting or distributing to, from, through or in this  
25 state electric power;

26 (6) transmitting to, from, through or in this state water if for profit or  
27 subject to regulation of the state corporation commission; and

28 (7) transporting to, from, through or in this state cargo or passengers  
29 by means of any vessel or boat used in navigating any of the navigable  
30 watercourses within or bordering upon this state.

31 (b) The terms "Public utility" or "public utilities" shall not include:

32 (1) Rural water districts established under the laws of the state of  
33 Kansas; or

34 (2) any individual, company, corporation, association of persons,  
35 lessee or receiver owning or operating an oil or natural gas production

1 gathering line—which that is situated within one county in this state and  
2 does not cross any state boundary line;

3       (3) any individual, company, corporation, association of persons,  
4 lessees or receiver owning or operating a natural gas storage facility  
5 constructed after January 1, 2026, that is situated within one county in  
6 this state and does not cross any state boundary line;

7       (4) any individual, company, corporation, association of persons,  
8 lessee or receiver owning any vessel or boat operated upon the surface of  
9 any manmade waterway located entirely within one county in the state;

10     (4)(5) for all taxable years commencing after December 31, 1998, any  
11 natural gas distribution system—which that is owned and operated by a  
12 nonprofit public utility described by K.S.A. 66-104c, and amendments  
13 thereto, and—which is operated predominantly for the purpose of providing  
14 fuel for the irrigation of land devoted to agricultural use; or

15     (5)(6) any individual, company, corporation, association of persons,  
16 lessees or receivers to the extent any activity or facility of such entity  
17 generates, markets or sells electricity at wholesale only, has no retail  
18 customers and is generated by an electric generation facility or addition to  
19 an electric generation facility that is actually and regularly used  
20 predominantly to produce and generate electricity utilizing renewable  
21 energy resources or technologies as defined in K.S.A. 79-201, and  
22 amendments thereto.

23       (c) The provisions of subsection (a)—as amended by this act shall be  
24 applicable to all taxable years commencing after December 31, 2008 2025.

25       Sec. 2. K.S.A. 79-5a01 is hereby repealed.

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