

**HOUSE BILL No. 2229**

By Committee on Taxation

1-31

1 AN ACT concerning property taxation; relating to classification and  
2 taxation of certain oil and gas equipment and materials; amending  
3 K.S.A. 79-329 and repealing the existing section.  
4

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

6 Section 1. K.S.A. 79-329 is hereby amended to read as follows: 79-  
7 329. For the purpose of valuation and taxation, *certain oil and gas*  
8 *property, certain equipment and material used in operating oil and gas*  
9 *wells and certain equipment and material temporarily used at an oil or*  
10 *gas well site, shall be treated as follows:*

11 (a) All oil and gas leases and all oil and gas wells, producing or  
12 capable of producing oil or gas in paying quantities, together with all  
13 casing, tubing or other material therein, and all other equipment and  
14 material used in operating the oil or gas wells are hereby declared to be  
15 personal property and shall be assessed and taxed as ~~such~~ *the mineral*  
16 *leasehold estate pursuant to subclass 2 of class 2 of subsection (a) of*  
17 *section 1 of article 11 of the constitution of the state of Kansas.*

18 (b) *Equipment and material used at an oil or gas well site: (1) On a*  
19 *temporary basis; (2) not attached to the real property; and (3) used in*  
20 *servicing, testing, acidizing or fracking, casing installation, pulling or*  
21 *resetting, cementing or setting, fishing, packing, jetting, perforating or*  
22 *logging the oil or gas well shall not be considered equipment and material*  
23 *used in operating the oil or gas well pursuant to subsection (a), and are*  
24 *hereby declared to be personal property and shall be assessed and taxed*  
25 *as commercial machinery and equipment pursuant to subclass 5 of class 2*  
26 *of subsection (a) of section 1 of article 11 of the constitution of the state of*  
27 *Kansas.*

28 Sec. 2. K.S.A. 79-329 is hereby repealed.

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