AN ACT concerning property taxation; relating to exemptions; qualifying pipeline property; sunset of exemption for future taxpayers and retention of exemptions for existing taxpayers; amending K.S.A. 2014 Supp. 79-227 and repealing the existing section.

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

Section 1. K.S.A. 2014 Supp. 79-227 is hereby amended to read as follows: 79-227. (a) The following described property, to the extent herein specified, shall be exempt from all property taxes levied under the laws of the state of Kansas: Any new qualifying pipeline property.

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

(c) Subject to the provisions of subsection (d)(1), the provisions of this section shall apply to all taxable years commencing after December 31, 2005.

(d) As used in this section:

(1) "New qualifying pipeline property" means any real or tangible personal property purchased, constructed or installed for incorporation in and use as part of a new qualifying pipeline, construction of which begins after December 31, 2005, but such term does not apply to any pipeline, construction of which began after December 31, 2014; nor to any pipeline, construction of which began before January 1, 2015, in which the completion of trenching and installation of at least 50 miles of new pipeline has not occurred prior to such date. Any property exempt from all property taxes levied under the laws of the state of Kansas on December 31, 2014, pursuant to the provisions of this section, as this section existed prior to the effective date of this act, shall continue to be exempt from all such property taxes in accordance with requirements of this section.

(2) "Qualifying pipeline" has the meaning provided by K.S.A. 2014 Supp. 79-32,223, and amendments thereto.

Sec. 2. K.S.A. 2014 Supp. 79-227 is hereby repealed.

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