

## 2020 Kansas Statutes

**12-3418. Same; exercise of powers constitutes governmental function; tax exemption for property acquired, exceptions.** The exercise of the powers granted by this act will be in all respects for the benefit of the people of the state, for the increase of their commerce and prosperity, and for the improvement of their health and living conditions, and the activities and operations of a port authority will constitute the performance of essential governmental functions. No port authority shall be required to pay any taxes or assessments upon any property acquired and used by it or leased to another under the provisions of this act or upon the income therefrom, and any bonds issued under the provisions of this act, their transfer and the income therefrom (including any profit made on the sale thereof) shall at all times be free from taxation within the state except that property acquired by a port authority shall be exempt from ad valorem property tax only until the calendar year in which the same is rented, leased, subleased or developed and returns revenue to such authority in excess of the amount necessary to retire the obligations of the port authority and pay administrative costs of the port authority, and in such year such property shall be placed upon the tax rolls and thereafter ad valorem property taxes shall be paid thereon as is provided by law. The provisions of this subsection shall not apply to Kansas retailers' sales tax, ad valorem property tax on industrial-use facilities or any intangible tax.

All sales of: (1) Tangible personal property and services purchased directly by any port authority for use exclusively by such authority; (2) tangible personal property or services purchased by a port authority for constructing, maintaining, equipping, reconstructing, repairing, enlarging, remodeling or furnishing port facilities other than an industrial-use facility; and (3) tangible personal property or services purchased with funds of a political subdivision by a contractor for constructing, reconstructing, repairing, enlarging or remodeling a port or industrial-use facility for any port authority shall be exempt from the Kansas retailers' sales tax imposed by K.S.A. 79-3603, and amendments thereto.

**History:** L. 1969, ch. 89, § 18; L. 1980, ch. 70, § 7; L. 1981, ch. 76, § 13; L. 1987, ch. 75, § 13; L. 2010, ch. 44, § 10; July 1.