

HOUSE Substitute for SENATE BILL No. 147

AN ACT concerning taxation; amending K.S.A. 17-1513, 17-1618, 17-7510, 17-7511, 17-7512, 56-1a608, 79-201f, 79-201k and 79-4508 and K.S.A. 2003 Supp. 17-2036, 17-2718, 17-4634, 17-4877, 17-7503, 17-7504, 17-7505, 17-7507, 17-7509, 17-76125, 17-76139, 45-321, 56-1a606, 56-1a607, 56a-1201, 56a-1202, 56a-1203, 79-5a01, 79-2017, 79-32101, 79-32105, 79-32206, 79-3603, as amended by section 2 of 2004 Senate Bill No. 384, 79-3606, as amended by section 18 of 2004 House Bill No. 2713, 79-3607 and 82a-2101 and repealing the existing sections; also repealing K.S.A. 2003 Supp. 17-7508.

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

Section 1. K.S.A. 2003 Supp. 79-2017 is hereby amended to read as follows: 79-2017. In Douglas, Sedgwick, Johnson, Wyandotte and Shawnee counties, all taxes on personal property that remain due and unpaid on February 16 or June 1 shall be collected in the following manner:

The county treasurer on or before March 25 shall send a notice by mail to the person, firm, unincorporated association, company or corporation to whom such taxes were assessed, and which remain unpaid on February 16 of any year, to its post office address as shown by the current tax roll.

The county treasurer on or before June 27 shall send a notice by mail to the person, firm, unincorporated association, company or corporation to whom such taxes were assessed, and which remain unpaid on June 1 of any year, to its post office address as shown by the current tax roll.

Failure to receive any such tax notice shall not relieve such person, firm, unincorporated association, company or corporation defaulting in payment of personal taxes from any interest and costs attached thereto. Such notice shall state the amount of personal tax charged against the party, and notify the party that the tax may be paid by paying the amount of the tax as assessed and interest the amount of which shall be computed in accordance with the provisions of K.S.A. 79-2004a, and amendments thereto, on the delinquent tax.

The county treasurer is hereby authorized to accept payment of delinquent taxes in full without payment of the interest due upon such delinquent taxes if the amount of the interest due is less than \$5 and is further authorized to accept as payment in full, any interest payment in an amount not less than \$5 less than the full amount of the interest due.

Should such taxes, due and unpaid on February 16 remain unpaid for a period of 25 days after the mailing of such notice, or taxes due and unpaid on June 1 remain unpaid for a period of 14 days after the mailing of such notice, the county treasurer shall issue a warrant signed by the treasurer directed to the sheriff of the county, commanding the sheriff to levy the amount of such unpaid taxes and the amount of the interest thereon, together with the sheriff's fees for collecting the taxes, upon any personal property, tangible or intangible, of the person, firm, unincorporated association, company or corporation to whom such taxes were assessed.

To allow the time necessary for preparation of such warrants, the county treasurer shall not receive any payment of delinquent personal property taxes or interest thereon, due and unpaid on February 16, during a period beginning the 26th day after mailing of notices and extending through the last regular business day of April in any year or taxes or interest due and unpaid on June 1, during a period beginning the 15th day after mailing of such notices and extending through the regular business day of July 15 in any year. Such warrant shall be delivered to the sheriff by the county treasurer before the first regular business day in May and the 15th regular business day in July in each year. Upon receipt of such tax warrant, the sheriff shall proceed to collect such taxes the same as upon execution, except that where such taxes were levied and assessed pursuant to K.S.A. 79-329 through 79-334, and amendments thereto, they shall be collected as follows:

The sheriff shall cause notice to be given by registered mail to the purchaser of the oil and gas from such lease of the amount of such delinquent taxes and the name of the person against whom they were assessed and from and after the receipt of such notice such purchaser shall not pay to the person owing the taxes any of the proceeds of the sale of any oil or gas from such lease, but shall pay them to the sheriff until the full amount of such taxes and costs are paid after which the purchaser may resume the payments for such oil or gas to such person, but this exception shall not prevent the levy of an execution and sale of the leasehold interest or the physical personal property on any such lease for the payment of delinquent taxes owed by the owner thereof.

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Missouri Public  
Service Commission

Exhibit No. 4

Case No(s). GU-2005-0095  
Date 3-8-05 Rptr JVT

The sheriff, as soon as the sheriff collects the tax warrant, shall make a return thereof and shall make a return of all tax warrants delivered to the sheriff on or before October 1 of the year following the year in which the tax was levied. If the warrant so returned shows that the tax has been collected, the sheriff shall pay the tax to the county treasurer. If such return shows that such tax has not been collected, then the county treasurer shall file with the clerk of the district court of the treasurer's county an abstract of the total amount of unpaid taxes and interest due plus penalties and costs. The clerk shall enter the total amount of the unpaid taxes in the appearance docket and note the entry in the general index. No fee shall be charged for either such entry. The total amount shall become a judgment in the same manner and to the same extent as any other judgment under the code of civil procedure and shall become a lien on real estate from and after the time of the filing thereof. A transcript of the judgment may be filed with the clerk of the district court in any other county and when the judgment is entered in the manner provided above, the judgment shall become a lien upon real estate located in such county in the same manner as is provided in case of other judgments. No fee shall be made for making the entry. Execution, garnishment or other proceedings in aid of execution may issue within the county or to any other county on the judgment in the same manner as on judgments under the code of civil procedure except that any real estate taken upon execution for the collection of such taxes shall be sold without appraisalment. None of the exemptions provided for in the code of civil procedure shall apply to any such judgment but no such judgment secured for taxes on personal property shall be levied against a homestead.

At the time of filing the abstract of the taxes, interest, penalties and costs with the clerk of the district court, the county treasurer shall serve notice, in writing, on the county counselor of such filing. It shall be the duty of the county counselor to commence such proceedings as are necessary for the collection of such judgment. If execution is not issued within five years from the date of the entry of any such judgment, or if five years shall have intervened between the date of the last execution issued on such judgment and the time of issuing another writ of execution thereon, such judgment shall become dormant, and shall cease to operate as a lien on the real estate of the delinquent taxpayer. Such dormant judgment may be revived in like manner as dormant judgments under the code of civil procedure. Any such judgment remaining uncollected after ~~20~~ *seven* years may be allowed to become dormant if the county commissioners determine, after consideration of all relevant facts, that it is not reasonable to expect that such judgment will be collected. The board of county commissioners may allow such judgments to become dormant at any time if the original amount of the judgment was less than \$50.

Sec. 2. K.S.A. 79-201k is hereby amended to read as follows: 79-201k. (a) It is the purpose of this section to promote, stimulate and develop the general welfare, economic development and prosperity of the state of Kansas by fostering the growth of commerce within the state; to encourage the location of new business and industry in this state and the expansion, relocation or retention of existing business and industry when so doing will help maintain or increase the level of commerce within the state; and to promote the economic stability of the state by maintaining and providing employment opportunities, thus promoting the general welfare of the citizens of this state, by exempting aircraft used in business and industry, from imposition of the property tax or other ad valorem tax imposed by this state or its taxing subdivisions. Kansas has long been a leader in the manufacture and use of aircraft and the use of aircraft in business and industry is vital to the continued economic growth of the state.

(b) The following described property, to the extent herein specified, is hereby exempt from all property or ad valorem taxes levied under the laws of the state of Kansas:

*First.* For all taxable years commencing after December 31, ~~1988~~ *2002*, all aircraft ~~actually and regularly~~ *used exclusively predominantly* to earn income for the owner in the conduct of the owner's business or industry. *If the owner's business or industry is the leasing of aircraft, the lessee's use of the aircraft shall not be considered in determining this exemption. For purposes of this provision, "predominantly" means: (1) At*

least 80% of the total use of the aircraft; or (2) utilization of the aircraft such that all of the aircraft costs are deductible for federal income tax purposes.

Sec. 3. K.S.A. 79-201f is hereby amended to read as follows: 79-201f. The following described property, to the extent herein specified, shall be and is hereby exempt from all property or ad valorem taxes levied under the laws of the state of Kansas:

(a) Personal property which is moving in interstate commerce through or over the territory of the state of Kansas, *except public utility inventories subject to taxation pursuant to K.S.A. 79-5a01 et seq., and amendments thereto;*

(b) Personal property which has been shipped into the state of Kansas from outside the state which is stored in a warehouse or storage area operated by a warehouseman if such warehouseman keeps records of such property showing point of origin, date of receipt, type and quantity, date of withdrawal and ultimate destination notwithstanding (1) that the final destination of such personal property is unknown at the time of storage in Kansas or (2) that the interstate movement of such personal property has been interrupted for not more than five years by such storage in Kansas for reasons relating to the convenience, pleasure or business of the shipper or owner of the property unless the ultimate destination of the property is within the state of Kansas; and

(c) goods, wares and merchandise which are manufactured, assembled, joined, processed, packaged or labeled within this state, during the period of time in which they are stored in a warehouse or storage area operated by a warehouseman if such warehouseman keeps records of such property showing point of origin, date of receipt, type and quantity, date of withdrawal and ultimate destination. In order to qualify goods, wares and merchandise in any such warehouse or storage area for the exemption from taxation under this subsection, the owner of such goods, wares and merchandise must show by verified statement that the final destination of at least 30% of the sale or shipments from such warehouse or storage area during the previous calendar year were shipped in interstate commerce to a point outside the state of Kansas, and the amount of exempt property shall be computed as follows: The owner shall furnish the county appraiser with a report of the monthly average inventory for the preceding calendar year and a report of the value of shipments for final destination outside the state for each month of the previous calendar year. The owner shall be entitled to exemption of a percent of the average monthly inventory equivalent to the percent of value of total shipments to the value of shipments that were made in interstate commerce to points outside the state.

(d) For the purposes of this section, "warehouseman" means any person, except a public utility as defined in K.S.A. 79-5a01 and amendments thereto, who is engaged in the business of storing goods for hire or who stores such person's own goods.

The provisions of this section shall apply to all taxable years commencing after December 31, 1983.

Sec. 4. K.S.A. 2003 Supp. 79-5a01 is hereby amended to read as follows: 79-5a01. (a) As used in this act, the terms "public utility" or "public utilities" ~~shall mean~~ *means* every individual, company, corporation, association of persons, *brokers*, lessees or receivers that *now or hereafter own, control and hold for resale stored natural gas in an underground formation in this state, or now or hereafter are in control, manage or operate a business of:*

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

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

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

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

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