

By Committee on Taxation

AN ACT concerning property tax; relating to exemptions for certain electric generation facilities; providing a property tax exemption for new electric generation facilities and new pollution control devices and additions constructed or installed at electric generation facilities; sunsetting the current property tax exemptions for certain existing electric generation facilities; amending K.S.A. 79-257 and 79-258 and repealing the existing sections.

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

New Section 1. (a) The following described property, to the extent herein specified, shall be exempt from all property or ad valorem taxes levied under the laws of the state of Kansas:

- (1) Any new electric generation facility.
- (2) Any new addition to a new or existing electric generation facility.
- (3) Any new pollution control device constructed or installed on or after January 1, 2025, at a new or existing electric generation facility.

(b) The provisions of this section shall apply from and after 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) As used in this section:

(1) "Existing electric generation facility" means an electric generation facility described in K.S.A. 66-104(e) or 66-128(b)(2)(C), and amendments thereto, that is in existence on December 31, 2024. "Existing electric generation facility" does not include an electric generation facility that converts wind, solar, biomass, landfill gas or any other renewable source of energy to electricity.

(2) "New addition" means any real or tangible personal property constructed or

installed on or after January 1, 2025, for incorporation in and use as part of a new or existing electric generation facility.

(3) "New electric generation facility" means an electric generation facility described in K.S.A. 66-104(e) or 66-128(b)(2)(C), and amendments thereto, and the commencement of construction of such facility began on or after January 1, 2025. "New electric generation facility" includes any electric generation facility that utilizes nuclear energy for the generation of electricity. "New electric generation facility" does not include any electric generation facility that converts wind, solar, biomass, landfill gas or any other renewable source of energy to electricity.

(d) The provisions of this section shall apply to all taxable years commencing after December 31, 2024.

Sec. 2. K.S.A. 79-257 is hereby amended to read as follows: 79-257. The following described property, to the extent herein specified, shall be exempt from all property or ad valorem taxes levied under the laws of the state of Kansas:

(a) All electric generation facilities described in subsection (e) of K.S.A. 66-104, and amendments thereto.

(b) The provisions of subsection (a) shall apply:

(1) Except as provided in paragraph (2), from and after commencement of construction of such property and for the 12 taxable years immediately following the taxable year in which construction of such property is completed; or

(2) for peak load plants, from and after commencement of construction of such property and for the six taxable years immediately following the taxable year in which construction of such property is completed.

(c) All pollution control devices purchased for or constructed or installed at electric

generation facilities described in subsection (e) of K.S.A. 66-104, and amendments thereto.

(d) The provisions of subsection (c) shall apply:

(1) Except as provided in paragraph (2), from and after purchase or commencement of construction or installation of such property and for the 12 taxable years immediately following the taxable year in which such property is purchased or construction or installation of such property is completed; or

(2) for a peak load plant, from and after purchase or commencement of construction or installation of such property and for the six taxable years immediately following the taxable year in which such property is purchased or construction or installation of such property is completed.

(e) The provisions of this section shall apply to all taxable years commencing after December 31, 2000, but only to property for which the applicant filed an application for exemption pursuant to this section on or before December 31, 2024. No application for exemption pursuant to this section shall be filed after December 31, 2024.

Sec. 3. K.S.A. 79-258 is hereby amended to read as follows: 79-258. 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:

(a) All electric generation facilities and additions to electric generation facilities described in subsection (b)(2)(C) of K.S.A. 66-128, and amendments thereto.

(b) The provisions of subsection (a) shall apply: (1) Except as provided in paragraph (2), from and after commencement of construction of such property and for the 10 taxable years immediately following the taxable year in which construction of such property is completed; or (2) for a peak load plant, from and after commencement of construction of such peak load plant and for the four taxable years immediately following the taxable year in which construction of

such property is completed.

(c) All pollution control devices purchased for or constructed or installed at electric generation facilities described in subsection (b)(2)(C) of K.S.A. 66-128, and amendments thereto.

(d) The provisions of subsection (c) shall apply: (1) Except as provided in paragraph (2), 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 such property is purchased or construction or installation of such property is completed; or (2) for a peak load plant, from and after purchase or commencement of construction or installation of such property and for the four taxable years immediately following the taxable year in which such property is purchased or construction or installation of such property is completed.

(e) As used in this section, "peak load plant" means an electric generation facility used during maximum load periods.

(f) The provisions of this section shall apply to all taxable years commencing after December 31, 2000, but only to property for which the applicant filed an application for exemption pursuant to this section on or before December 31, 2024. No application for exemption pursuant to this section shall be filed after December 31, 2024.

Sec. 4. K.S.A. 79-257 and 79-258 are hereby repealed.

Sec. 5. This act shall take effect and be in force from and after its publication in the statute book.

Property Tax Exemptions

COMPARISON CHARTS

CURRENT LAW	INDEPENDENT POWER PRODUCER	UTILITY
Coal Plant	12 years	10 years
Nuclear	12	10
Natural Gas	12	10
Natural Gas Peaker	6	4
Air Pollution Control Devices	12	10
Solar	10	10
Wind	10	10

HB2609	INDEPENDENT POWER PRODUCER	UTILITY
Coal Plant	12 years	10 years
Nuclear	12	10
Natural Gas	12	10
Natural Gas Peaker	12	10
Air Pollution Control Devices	12	10
Solar	12	10
Wind	12	10

HB2768	INDEPENDENT POWER PRODUCER	UTILITY
Coal Plant	10 years	10 years
Nuclear	10	10
Natural Gas	10	10
Natural Gas Peaker	10	10
Air Pollution Control Devices	10	10
Solar	10	10
Wind	10	10