Kansas Energy Incentives: Catalog of Existing Kansas Energy-related Incentives Prepared by Scott W. White for the Kansas Energy Council July 2007

The goal of this project was to develop a catalog of all State of Kansas incentives for the production of energy or promotion of energy conservation. The main product is an Excel workbook that lists the nearly 80 energy-related incentives contained in Kansas statutes, and this document serves as a guide to using that workbook.

The Excel workbook has three worksheets containing similar content: Tables A, B, and C. Table A is the complete catalog and is designed so that it can be imported into a searchable database. There are nine columns of data, the descriptions for which are listed in Table 1.

Table 1: Key to catalog headers

Header	Information
	Kansas Statute number: some incentives include a range of statutes, which are included
Statute_NO	here when relevant.
	Original bill number of the incentive. This information was not easily available for all
	statutes. Combined with Statute_NO in Table 2, but could be added to the database in the
Orig_Bill	future.
	This is the common name of the incentive (i.e. Kansas Electric Transmission Authority
STATUTE_NAME	Act) or one assigned to succinctly describe it. This column is not included in Table 2.
YEAR	The year the incentives bill was passed into law.
FUELS	First order descriptor of the incentive. This is not included in Table 2.
	The date the incentive expires – when applicable. Some incentives expire on a specific
	date, while others expire a certain amount of time after they are first claimed (such as a
SUNSET_DATE	tax exemption for the first 10 years of a project). Not all incentives have sunset dates.
	When possible this is the measured cost of the incentive as claimed (in tax credits) or
	appropriated. Most of this data is from the Fiscal Notes or Supplemental Notes that
	accompany the bills. For those tax credits that must be claimed via the Department of
COST	Revenue, the value is from the most recent data, which is before June 2007.
KEYWORDS	This is a searchable list of keywords that describe the incentive.
SUMMARY	A short summary of the incentive.

Tables B and C are abbreviated versions of Table A, each designed to print in a different format. Table B is designed to print across one landscape-formatted page; Table C is a further abbreviated version, designed to print across one portrait-formatted page and is included (in slightly condensed form) in this report as Table 2. Neither Table B nor C were intended to be used as a searchable database.

Table 2: Kansas Energy Incentives Catalog

Statute / Bill Numbers	Year	Incentive Description	Cost	Keywords
10-1202		Municipal utilities are authorized to issue general obligation bonds to acquire, construct, alter, repair, improve, or enlarge any utility and empowered to issue and sell revenue bonds in payment of the cost of such actions.		Municipal gas, electric and water utilities
12-801	2006	Cities are authorized upon a majority of the electors to issue general obligation bonds to acquire, construct, or extend any works for the purpose of supplying the city and its inhabitants with natural or artificial gas, electric light, or heating.		bonds, city, electric, natural gas, utility
12-834	2006	Allows use of bonds for purchasing, extending and improving natural gas, electric light, or heating utilities upon election in 2nd or 3rd class cities		natural gas, electric, heat, bonds, utility
12-842	2006	Grants 2nd or 3rd class cities full power and authority to purchase, procure, provide and contract for the construction of, and to construct and operate, gas plants, electric-light plants, electric power or heating plants, natural-gas wells, and petroleum-oil wells. They are also granted the right to lease, contract or purchase natural-gas or petroleum lands.		electric, oil, natural gas, powers
12-899		Municipal energy agencies may sell revenue bonds from time to time without an election.		MEA, bonds, municipal energy agency
12-8,112		Allows governing bodies in several SE KS counties to join together to provide natural gas distribution systems and to issue bonds to fund such acquisitions.		gas distribution, bonds, jurisdiction, Crawford, Neosho, Bourbon, Allen, Linn
13-1,213		First class cities may issue bonds upon election of people to purchase, construct or extend gas, electric, or heating plants.		bonds, natural gas, electric, heat, municipal utilities
13-1,235		Grants power to first class cities that own and operate a municipal electric-light plants to grant another entity to generate, distribute or sell electric power within the city.		public utilities, distribution, electric, generation, municipal utilities
13-1,253		Empowers first class cities to issue and sell revenue bonds for the purposes of reconstruction, alteration, repair, improvement, extension, or enlargement of electric or natural gas utilities.		electricity, natural gas, utilities, bonds
14-1,041		Allows any 2nd class city situated in a recognized and established natural gas field the power and authority to acquire a drilling site by lease or purchase and to drill upon said land for the production of natural gas		natural gas, production, sales, drilling
17-618		This incentive grants eminent domain to be used by sundry corporations that generate or use electric power. It also grants same rights to oil companies, pipeline companies, and for the piping of gas in the same manner as provided in K.S.A. 26-501 to 26-516		oil, natural gas, pipelines, electric, transmission, eminent domain
17-12a201		The Uniform Securities Act exempts public utility holding companies regist public utility holding company act of 1935 from requirements of K.S.A. 20 12a301 through 17-12a306 and 17-12a504.		securities, utilities, holding companies

Statute_NO/				
Orig_Bill	YEAR	SUMMARY	COST	KEYWORDS
17-4,651 - 17- 4,678/ HB2018	2003	The Renewable Energy Electric Generation Cooperative Act provides several incentives for small energy producers and investors, including the ability to form a cooperative with only five members, the ability to sell power at wholesale, exemption from the Kansas securities act, exemption from lawsuits affecting easement or lease and more.		wind, solar, thermal, photovoltaic, biomass, hydropower, geothermal, renewable
55-112		Exempts natural gas gathering lines from certain federal transportation standards.		natural gas, transportation, pipelines, drilling, tax exemption
55-1,106		Exempts direct sales of natural gas from the rate averaging or pricing system.		natural gas, direct sales
55-211		Authorizes the boards of any school district in Kansas to lease ground for oil and gas drilling. Any moneys that arise from such leases shall become part of the funds of that school district.		oil, natural gas
55-1,803		Creates the Kansas propane education and research council, which among other things is charged with developing programs to provide research and development to improve existing propane technology and to increase efficiency of propane use.	\$.005 per gallon of propane	propane
65-3,001 65- 3,024		The Air Quality Control Act is an incentive to build and operate larger facilities that pollute the air by exempting emissions over 4,000 tons from emission fees.		electric generation, coal, natural gas, air pollution
65-3,424g		The waste-tire management fund provides grants of up to 75% of start-up costs for programs to recover energy from tire combustion.		rubber tires
65-3,431		This statute is an incentive for waste-processors to recover energy by permitting the secretary of KDHE to exempt waste-processors from annual fees when the waste is treated to recover substantial amounts of energy.		hazardous waste, waste to energy, fee exemption
66-104b		Statute exempts, with exceptions, electric cooperative public utilities, that have a nonprofit membership corporation, from jurisdiction, regulation, supervision and control of the state corporation commission.		Rural electric cooperatives, utilities, electricity
66-117		Allows higher rates of returns for utilities that produce energy from renewable energy or encourages energy efficiency or energy conservation.		renewable energy, energy efficiency, property tax
66-1,182		Exempts certain new transmission lines from environmental study if it's placed on a right-of-way with an existing transmission line, prevents cities or counties to have jurisdiction over the siting of transmission lines.		electric transmission

Statute_NO/				
Orig_Bill	YEAR	SUMMARY	COST	KEYWORDS
		Requires every utility which provides retail electric services to enter		
		into contracts for parallel generation with any of their residential		
		customers who own a renewable generator with a capacity of 25		
		kw or less, or a commercial customer who owns a renewable		
		generator of 200 kw or less. Fair and equitable compensation for		
		said parallel generation shall not be less than 150% of utility's		
		monthly system average cost of energy, avoided costs, per kwh.		
		Parallel generation that is larger than 200 kw shall be compensated		
		at no less than 100% of utility's monthly system average cost of		
66,1,184/		energy, avoided costs, per kwh. An amendment in 2007 does not		renewable energy,
HB2145		require utilities to purchase more than 4% of their total capacity		parallel generation,
Sen. Sub.	2001/2007	from parallel generation.		compensation
		Adopts International Energy Conservation Code (IECC) 2006 as		electricity, natural
66-1,227/		the energy efficiency standard for new commercial and residential		gas, thermal
HB2036	2007	buildings.	\$0	efficiency
		Requires seller of previously unoccupied single-family or multi-	, ,	electricity, natural
66-1,228/		family unit of four units or less to disclose the energy efficiency of		gas, thermal
HB2036	2007	the building on a form created by the KCC.	\$0	efficiency
		Allows electric utilities to seek recovery of costs associated with	, ,	electric
		transmission of electric transmission related costs, through a		transmission,
66-1,237		separate transmission delivery charge included in customers' bills.		electric utilities
,,		Authorizes KDFA to assist owners or operators of electric		electric
		transmission lines in marketing bonds to finance the construction		transmission,
		and upgrade of such lines if the majority of the costs of the		construction,
66-1,241/		construction and upgrade are for construction and upgrade of lines		upgrade, bonds,
HB2018	2003	located in Kansas.		KDFA
		Allows public utilities to recover costs from retail customers for the		electric
		construction and upgrade of electric transmission lines. Municipal		transmission, bonds,
		or cooperative utility shall recover such assessed costs from the		electric utilities,
		utility's retail customers in a manner approved by the utility's		municipal utilities,
66-1,247		governing body.		electric cooperatives
•		Creates the energy grants management fund and allows		renewable energy,
		disbursement of funds for renewables, EE&C. This fund is run by		energy efficiency,
74-617	1983	the Kansas Corporation Commission.		KCC
		Allows the issuance of bonds to finance the construction,		KDFA, bonds,
		renovation or repair of hydropower plants 2 - 25 MW, or facilities		electric generation,
		that are produce electricity using hydrogen with limited emissions		hydropower,
74-8,939		and for research in connection with related technologies.		hydrogen
		Allows the issuance of bonds to finance the construction, purchase		KDFA, pollution
		and installation of pollution control devices at electric generation		control, electric
74-8,940		facilities.		generation
		Exempts revenue bonds, which are used for the use of		KDFA, pollution
		constructing, purchasing or installing pollution control devices at		control, electric
		electric generation facilities, from state, county, and municipal		generation, tax
74-8,941		taxation, except Kansas estate taxes.		exemption
		Allows the issuance of bonds to finance the construction or		
		upgrading of electric transmission lines and exempts said bonds		KDFA, transmission,
		from state, county, and municipal taxation, except Kansas estate		electric generation,
74-8,946		taxes.		tax exemption

Statute_NO/	VEAD	CHMMADV	COST	KEVWODDG
Orig_Bill	YEAR	SUMMARY Requires every utility which provides retail electric services to enter	U031	KEYWORDS
		into contracts for parallel generation with any of their residential		
		customers who own a renewable generator with a capacity of 25		
		kw or less, or a commercial customer who owns a renewable		
		generator of 200 kw or less. Fair and equitable compensation for said parallel generation shall not be less than 150% of utility's		
		monthly system average cost of energy, avoided costs, per kwh.		
74-99b84/		Parallel generation that is larger than 200 kw shall be compensated		
SENATE		at no less than 100% of utility's monthly system average cost of		
Sub. for		energy, avoided costs, per kwh. An amendment in 2007 does not		Bioscience
Sub. for HB2647	2004	require utilities to purchase more than 4% of their total capacity from parallel generation.		Authority, ethanol, biodiesel
74-99d03/	2001	Adopts International Energy Conservation Code (IECC) 2006 as		Signification
74-9909/		the energy efficiency standard for new commercial and residential		KDFA, Electric
HB2263	2005	buildings.	\$73,450+	Transmission, KETA
		Describes called af any involvement wind single family or world:		Energy efficiency,
		Requires seller of previously unoccupied single-family or multi- family unit of four units or less to disclose the energy efficiency of		conservation, state buildings, state
75-1,259		the building on a form created by the KCC.		agencies
,		Allows electric utilities to seek recovery of costs associated with		ethanol, biodiesel,
		transmission of electric transmission related costs, through a		biofuels, state
75-3,744a	2003	separate transmission delivery charge included in customers' bills.		vehicles
		Authorizes KDFA to assist owners or operators of electric transmission lines in marketing bonds to finance the construction		energy efficiency,
		and upgrade of such lines if the majority of the costs of the		conservation,
		construction and upgrade are for construction and upgrade of lines		performance
75-37,112		located in Kansas.		contracts
		Allows public utilities to recover costs from retail customers for the		
		construction and upgrade of electric transmission lines. Municipal or cooperative utility shall recover such assessed costs from the		energy efficiency,
		utility's retail customers in a manner approved by the utility's		conservation, fund,
75-37,113		governing body.	<\$5,000,000/yr	KDFA
		Creates the energy grants management fund and allows		ethanol, biodiesel,
75-37,117		disbursement of funds for renewables, EE&C. This fund is run by		hybrid vehicles, alternative fuels
75-37,117		the Kansas Corporation Commission.		renewable energy,
				biomass, wind,
				solar, thermal,
		Allered the Second of the edge to Consequence the consequences		photovoltaic, PV,
		Allows the issuance of bonds to finance the construction, renovation or repair of hydropower plants 2 - 25 MW, or facilities		hydropower, geothermal, landfill
79-201/		that are produce electricity using hydrogen with limited emissions		gas, property, tax
SB45	1999	and for research in connection with related technologies.		exemption
		Allows the issuance of bonds to finance the construction, purchase		oil, petroleum,
70.001+		and installation of pollution control devices at electric generation		leases, property, tax
79-201t		facilities. Exempts revenue bonds, which are used for the use of		exemption electricity,
		constructing, purchasing or installing pollution control devices at		independent power
79-256/		electric generation facilities, from state, county, and municipal		producer, property,
HB2266	2001	taxation, except Kansas estate taxes.		tax exemption
				electricity,
		Allows the issuance of bonds to finance the construction or		independent power producer, pollution
		upgrading of electric transmission lines and exempts said bonds		control, property, ad
79-257/		from state, county, and municipal taxation, except Kansas estate		valorem, tax
HB2266	2001	taxes.		exemption

Statute_NO/	VEAD	CLIMMADV	COST	KEVWODDO
Orig_Bill	YEAR	SUMMARY Exempts from property taxes the property of public electric	6031	KEYWORDS
		utility peaking power plants and pollution control devices		
		from property taxes for a period of time (4 or 10 years).		electricity, peaking
		Said property must be for an electric generation facility or		power, utilities,
79-258/		addition to an electric generation facility, which came in		property, tax
HB2266	2001	service on or after January 1, 2001.		exemption
		, ====================================		electricity,
		Exempts from property and ad valorem taxes, electric		transmission,
		transmission lines property, including all towers, poles and		property, tax
		other necessary appurtenances to such lines, which will be		exemption, ad
79-259		connected to an electric generation facility.		valorem
		Incentive to help promote growth in refineries in Kansas by		
		exempting any new, expanded, or restored refinery		
		property from taxes. New refinery property is defined as		petroleum,
		purchase or construction that begins after December 31,		refineries, property,
79-32,138		2005.		tax exemption
		The Alternative Fuel Tax Credit is an incentive for tax-		
		payers to purchase alternative-fuel vehicles (bi-fuel and		
		flex-fuel), with the goal of increasing the consumption (and		historia etheresi
		demand) of biofuels. The user can expect a tax credit of up		biofuels, ethanol,
		to \$3,000 for a motor vehicle weighing less than 10,000 lbs, \$5,000 for a heavy duty vehicle weighing between 10,000		biodiesel, alternative-fuel
		and 26,000 lbs, and \$50,000 for vehicles weighing more		vehicles, flex-fuel
79-32,201		than 26,000 lbs.	\$413,000	vehicles, tax credit
75 02,201		The biomass to energy plant income tax credit began with	Ψ+10,000	vernoies, tax erealt
		the 2006 tax year, for expenditures in new construction or		
		expansion of the capacity in an existing plant. The credit is		
		10 percent of the taxpayer's qualified investment on the first		
		\$250 million invested, and 5 percent of the taxpayer's		
		qualified investment that exceeds \$250 million. In addition		
		to the income tax credit, a taxpayer shall be entitled to a		
		deduction from Kansas adjusted gross income of the		
		amortizable costs of a new facility. Such deduction shall be		
		equal to 55 percent of the amortizable costs of the facility		
79-32, 233-		for the first taxable year, and 5 percent for the next nine		
237		taxable years.		biomass, tax credit
		The Ethyl Alcohol Production Incentive is available to		
		qualified ethanol producers, who will be paid an incentive of		
		\$0.05 for each gallon of ethanol sold by the producer who		
79-34,160		is in production prior to July 1, 2001 and \$0.075 for each gallon if they begin producing or expand after July 1, 2001		
79-34,160		and produce more than 5 million gallons per year. The		
79-34,163		incentive is only good for the first 15 million gallons per		tax credit, ethanol,
HB2011	2001	year. The law sunsets 7/1/2001.	\$20,865,117	ethyl alcohol
	2001	The Biodiesel Fuel Producer Incentive provides a \$0.30 per	φ20,000,117	Saryi Gloonoi
		gallon incentive for the producer. The program allows for		
		\$3.5 million to be moved from the Motor Vehicle Fuel Tax		biodiesel,
79-34, 155-		each year. The program is administered by the Dept. of		production, tax
159/ SB388	2006	Revenue. The law sunsets 7/1/2016.	\$3,500,000/yr	credit

Statute_NO/				
Orig_Bill	YEAR	SUMMARY	COST	KEYWORDS
				sales, tax
				exemption, motor
		A retailers' sales tax exemption is granted for all sales of		fuels, electric
		motor-vehicle fuel upon which a sales or excise tax has been		transmission,
		paid; to transmit or transport electricity, coke, gas, water,		petroleum, natural
		steam or similar substances used in production operations		gas, pipeline,
		from the point of generation; control pollution at the plant or		transport,
		facility where the pollution is produced by the manufacturing or		pollution control
79-3,606		processing operation; and other equipment and property.		equipment
		Fuel which is consumed in creating power, heat or steam for		tax exemption,
		processing or for generating electricity qualifies for an		fuel oil, coal,
79-3,704		exemption from the Kansas Compensating Tax		natural gas
		An exemption from the mineral severance tax is granted to		
		natural gas producers who have a gross production value of		
		less than \$87 per day and who use fuel in connection with the		
		operation and development for, or production of, oil or gas in		
		the lease or production unit where severed, or for fuel that is		
		lawfully flared or vented. An exemption is also granted to oil		
		producers whose average daily production is less than certain		tax exemption, oil,
79-4,217		benchmarks.		natural gas, small
		Producers are provided a credit against the mineral severance		
		tax levied under K.S.A. 79-4217, and amendments thereto,		
		upon the severance and production of oil, in an amount equal		
		to 3.67% of the gross value of oil severed and taxable under		
		this act; likewise, producers of natural gas are allowed a credit		
		against the tax levied under K.S.A. 79-4217, and amendments		
	ļ	thereto, upon the severance and production of gas, in varying		tax credit, oil,
79-4,219		amounts.		natural gas, small
		The Cellulosic alcohol tax credit is an income tax credit		
		equivalent to the 10% of the investors first \$250 million		
		invested and 5% for the qualified investment that exceeds		
00000		\$250 million. The credit cannot exceed the user's tax liability,		cellulosic ethanol,
SB303	2006	though any excess can be carried forward for up to 14 years.		tax credit
		The High Performance Incentive Program (HPIP) provides an		
		investment tax credit to companies that pay above average		
		wages. Employer must invest 2% of payroll into training or		
		Dept. of Commerce workforce training program. Employer		
		then eligible for tax credit equal to 10% of investment that		investment, tax
		exceeds \$50,000, but cannot use both HPIP and Kansas		credit, HPIP,
		Enterprise Zone tax credits.		workforce training
		The Agriculture Value Added Loan program provides loans for		
		feasibility studies for up to 50% of the study cost. Loans are		, ,
		forgivable if study does not go forward, otherwise there are		loan, feasibility
		conditions to pay back.		study
				economic
		CDBG - Economic Development Loans provide funds for job	\$35,000 per	development,
	<u></u>	creation of up to \$35,000 per job with a maximum of \$750,000.	job	jobs

Statute_NO/				
Orig_Bill	YEAR	SUMMARY	COST	KEYWORDS
		The Carbon Dioxide Reduction Act provides incentives for		
		the sequestration of carbon dioxide through underground		
		storage by allowing any carbon dioxide capture,		
		sequestration and utilization property and any electric		carbon dioxide,
		generation unit which captures and sequesters all carbon		CO2, electrical
		dioxide and other emissions to be exempt from all property		generation,
		taxes for a period of five taxable years. It also provides for		sequestration,
		accelerated depreciation on carbon dioxide capture,		property, tax
		sequestration or utilization machinery and equipment. The		exemption,
		KCC is responsible for administering the regulatory aspects		accelerated
HB2419	2007	of the Act.	\$950,000	depreciation
		Expands the sales tax exemption to include repairs to		
		electric transmission and distribution lines in addition to		
		buildings and facilities and adds windstorms, ice loading and		sales, tax
		attendant winds and terrorism to the current list of included		exemption, electric
HB2240	2007	causes of repairs (fire, flood, tornado, lightning, explosion, or earthquake).	\$17,277,000	transmission, distribution lines
1102240	2001	Authorizes two community colleges to install wind turbines	\$17,277,000	distribution lines
		for the purpose of education and generating electricity after		
		each conducts a study and finds that there will be a net		
		energy cost savings over a 20 year period or the turbines are		
		a science project that will benefit the colleges and not have a		
		net energy cost savings. Both schools may use bonds		wind, community
		through KDFA to fund the projects. Both projects will be		wind, parallel
Senate Sub.		considered parallel generation so long as they have a net		generation, bonds,
For HB2145	2007	capacity less than 1.5 MW.		KDFA
		Requires all state agencies to purchase vehicles that run on		
		E85 (ethanol) fuel so long as said vehicle does not cost	\$250 or less	E85, biodiesel,
		more than \$250 more than the alternative and said model	per new	ethanol, state
SB262	2007	comes with an engine that can use that fuel.	vehicle	agencies, vehicles
		The bill creates a monetary incentive for licensed retail motor		
		fuel dealers selling renewable fuels and for licensed retail		
		dealers of biodiesel beginning in 2009 and ending in 2026. If		
		retail dealer sales are more than 10% renewable fuels (in 2009 - the percentage escalates), they are eligible for a		
		\$0.065/gallon incentive. If they fail to meet the threshold,		motor fuels, retail
Senate Sub.		they are eligible for a \$0.045/gallon payment. An incentive	\$1,500,000/	sales, gasoline,
For HB2145	2007	payment for biodiesel of \$0.03/gallon is also made available.	year	diesel
	2007	Incentives for alternative-fuel fueling stations is amended to	J Gai	diocoi
		permit any such station placed in service on or after January		
		1, 2009 to be eligible for an income tax credit equal to 40		
		percent of the total amount expended, not to exceed	\$100,000 or	
		\$100,000 for each fueling station. The tax credit may be	less per	motor fuels, retail
Senate Sub.		carried forward for four years after the taxable year in which	fueling	sales, gasoline,
For HB2145	2007	the expenditure was made.	station	diesel
		Law removes a potential barrier to a consumer blending their		
		own biodiesel by clarifying that a consumer purchasing		
		biodiesel, blending it with regular diesel, and consuming it for		
		the individual's own use would not need to be licensed and		Lander of
		bonded as a manufacturer as long as the fuel was		biodiesel
		purchased from a distributor or retailer who is the holder of a		consumption,
LIBO010	2007	valid, unsuspended and unrevoked motor-vehicle fuels or		blending, motor
HB2013	2007	special fuels distributor's or retailer's license.	<u> </u>	fuels

Statute_NO/				
Orig_Bill	YEAR	SUMMARY	COST	KEYWORDS
		The Renewable Electric Cogeneration Facility income tax		
		credit is equal to 10% of taxpayer's qualified investment for		
		the first \$50 million and an amount equal to 5% of the		
		amount that exceeds \$50 million. The program is for taxable		
		years commencing after December 31, 2006 and before January 1, 2012. Before making a qualified investment, a		
		taxpayer shall apply to the secretary of commerce to enter		
		into an agreement for a tax credit. In addition to the income		
		tax credit, a taxpayer shall be entitled to a deduction from		
		Kansas adjusted gross income of the amortizable costs of a		
		new facility, the deduction of which shall be equal to 55% of		
		the amortizable costs of the facility for the first taxable year,		renewable, electric,
HB2038	2007	and 5% for the next nine taxable years.		tax credit, KDFA
		The Storage and Blending Equipment Tax Credit applies to		
		any equipment which is used for storing and blending		
		petroleum-based fuel and biodiesel, ethanol or other biofuel and is installed at a fuel terminal, refinery or biofuel		
		production plant. This does not include equipment used only		
		for denaturing ethyl alcohol. The income tax credit is equal to		
		10% of the taxpayer's qualified investment for the first \$10		
		million invested and an amount equal to 5 percent of the		
		amount that exceeds \$10 million. Program is for taxable		
		years commencing after December 31, 2006 and before		
		January 1, 2012. Before making a qualified investment, a		
		taxpayer shall apply to the secretary of commerce to enter		
		into an agreement for a tax credit. In addition to the income		
		tax credit, a taxpayer shall be entitled to a deduction from Kansas adjusted gross income of the amortizable costs of a		biodiesel, ethanol,
		new facility, the deduction of which shall be equal to 55% of		tax credit, blending,
		the amortizable costs of the facility for the first taxable year,		petroleum, fuel
HB2038	2007	and 5% for the next nine taxable years.		terminal
		The bill creates a ten-year property tax exemption and		
		creates a payment-in-lieu-of-taxes requirement, beginning		
		with the 2007 tax year, for certain new nuclear generation		
		facilities in Kansas. The property tax exemption applies from		
		the time of purchase or start of construction and continues		
		for ten years after completion of the new facility. The		
		property tax exemption applies only to projects begun after		
		December 31, 2006. The bill requires the owners of new		
		property eligible for the exemption to pay to the appropriate		
		taxing subdivisions a payment-in-lieu-of-taxes (PILOT) equal		
		to the amount that would have been levied upon the real		
		portion of such property for the duration of the exemption		
				nuclear, property,
HB2038	2007	created by the bill.		tax exemption, PILOT
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Statute_NO/				
Orig_Bill	YEAR	SUMMARY	COST	KEYWORDS
		Tax credits and incentives available to cellulosic alcohol		
		production plants (for 10 years) are expanded by the bill to		
		include other forms of biomass-to-energy plants. As defined,		
		biomass includes any organic matter available on a		
		renewable or recurring basis, including solid and liquid		
		organic waste (excluding petroleum oil, natural gas, coal and		
		lignite, and any products of those substances); and corn or		
		grain sorghum suitable for human consumption. Such a plant		
		is defined as producing at least 500,000 gallons per year or		
		an equivalent of 500,000 gallons of ethanol and is also		cellulosic ethanol,
HB2038	2007	eligible for KDFA financing and accelerated depreciation.		tax credit, KDFA
		This law authorizes the Kansas Development Finance		
		Authority to issue revenue bonds to pay for energy		
		conservation measures for or on behalf of state agencies,		
		subdivisions of the state, and federal entities with facilities in		
		Kansas. Bonds and interest are payable from revenue		
		derived from the use, lease, occupation or operation of the		
		facilities and other moneys available to the state, local, or		
		federal entity. This bill also transfers authority for the Facility		
		Conservation Improvement Program from the Department of		
		Administration to the Kansas Corporation Commission and		
		removes the \$5,000,000 per fiscal year cap on energy		
		conservation improvements for state facilities and authorizes		
		the KCC to approve the amounts necessary for energy		KDFA, energy
HB2169	2007	conservation improvements.		conservation
		By September 30, 2003, the Kansas Corporation		
		Commission was required to establish standard provisions,		
		including applicable fees of interconnection agreements		1400
		between electric public utilities and generators of electricity		KCC,
		from renewable resources. This provision of the bill is		transmission,
LIDO010	2002	applicable to parallel electricity generators, as well as to		renewable,
HB2018	2003	renewable energy cooperatives.		electricity
		This incentive enacts new law and amends prior law		
		regarding municipal utilities and the extent to which those utilities are regulated by the Kansas Corporation Commission		
		(KCC). The bill exempts municipal natural gas and electric		
		utilities from KCC regulation for those services provided		
		more than three miles from the municipality's boundary under		
		certain circumstances that include: The number of customers		
		served in the outlying area constitutes 40% or less of the		
		utility's total customers; Rates and charges are no greater		
		than, and terms and conditions of service are the same for		
		customers in the outlying area as for customers inside the		
		municipality. (Rates and charges for customers in the		
		outlying area may be		
		increased a maximum of 10% per year until they are equal to		
		those for customers inside the municipality.); The		
		municipality provides to the KCC an annual report stating the		
		number of customers served in the outlying area and the		KCC, municipal
		total number of customers served by the utility as of the end		utilities, electricity,
HB2597	2007			
HB2597	2007	of the prior calendar year.		natural gas

Statute_NO/				
Orig_Bill	YEAR	SUMMARY	COST	KEYWORDS
<u> </u>		The Kansas Energy Development Act is authorized to enact		
		income tax credits, financing, accelerated depreciation, and		KDFA, oil
		property tax exemptions for several types of energy- related		refineries, cellulosic
		projects. Projects for which those tax incentives are created		ethanol, ICCG,
		by the Act are oil refineries, crude oil and natural gas liquids		ICGPP, crude oil,
		pipelines, integrated coal or coke gasification (ICCG) nitrogen		natural gas
House Sub.		fertilizer plants, cellulosic alcohol plants, and integrated coal		pipelines,
for SB 303	2006	gasification power plants (ICGPP).	10 years	expansion
		This incentive reduces the motor vehicle fuel tax rate on E85		
		fuels by \$.07 per gallon effective January 1, 2007 to \$0.17 per		
		gallon until July 1, 2020. On and after July 1, 2020, the tax on		
		E85 fuels \$0.11 per gallon or \$0.07 below the tax on most		
		other fuels. The bill defines E85 fuels to mean an alternative		
		fuel that is a blend of denatured ethanol and hydrocarbon that		
70.04.44/		typically contains 85% ethanol by volume, but at a minimum	****	
79-34,141/	0000	must contain 70 percent ethanol by volume and complies with	\$200,000+/	F05 f
SB544	2006	ASTM specification D5798-99.	year	E85, fuel tax
		Repealed KSA 66-1213, which pertained to public utility loans		
		or credit pledged to persons or companies having an affiliated		
		interest in the company and required that a utility subject to the jurisdiction of the KCC apply to the Commission for		
		approval before the utility could loan money or pledge its		
		credit to its affiliate. Although the bill exempted utilities from		
		the requirement for obtaining the Commission's approval as a		
		precondition for making a loan or pledging credit to an		
repealed 66-		affiliate, the utility must still report to the Commission the		
1213/ Sub.		terms and conditions of any such loan or pledge within ten		public utilities,
for HB 2290	2000	days after making the loan or pledge.		loans, KCC
		For the placement into service of a new integrated coal or		,
		coke gasification nitrogen fertilizer plant or the expansion of		
		an existing integrated coal or coke gasification nitrogen		
		fertilizer plant. Income tax credit equal to 10 percent of the		
		taxpayer's qualified investment for the first \$250,000 invested		IGCC, integrated
		and an amount equal to 5 percent of the amount that exceeds		coal gasification,
		\$250,000. Program is for taxable years commencing after		coke gasification
		December 31, 2005 and before January 1, 2011. The credit		nitrogen fertilizer,
HB2038	2007	shall be taken in 10 equal annual installments.		income, tax credit
		For the placement into service of a new integrated coal		
		gasification power plant or the expansion of an existing		
		integrated coal gasification power plant. Income tax credit		
		equal to 10 percent of the taxpayer's qualified investment for		
		the first \$250,000 invested and an amount equal to 5 percent		ICCC integrated
		of the amount that exceeds \$250,000. Program is for taxable		IGCC, integrated
HB2020	2007	years commencing after December 31, 2005 and before		coal gasification,
HB2038	2007	January 1, 2011.	L	income, tax credit