

MINUTES OF THE SENATE ASSESSMENT AND TAXATION COMMITTEE

The meeting was called to order by Chairperson Les Donovan at 9:30 am on Wednesday, January 28, 2015, 548-S of the Capitol.

All members were present

Committee staff present:

Chris Courtwright, Legislative Research Department
Edward Penner, Legislative Research Department
Adam Siebers, Office of Revisor of Statutes
Gordon Self, Office of Revisor of Statutes
Judy Seitz, Kansas Legislative Committee Assistant

Conferees appearing before the Committee:

Randall Allen, Executive Director, Kansas Association Counties
Jim Zakoura, President, Smoky Hills Pipeline Company, LLC
Ron Gaches, Williams Companies and TransCanada
Michael Gillaspie, Manager Governmental Affairs, ONEOK, Inc.

Others in attendance:

[See Attached List](#)

Hearing on: SB48 — Sunset of property tax exemption for new qualifying pipeline property and retention of exemption for existing exemptions.

Adam Siebers briefed the Committee on this bill introduced by the Ways and Means Committee which removes the property tax exemption for pipeline property.

Randall Allen testified in support of **SB48**. ([Attachment 1](#)) He said this bill would have a positive impact on state and county revenues.

Jim Zakoura presented testimony in favor of **SB48**. ([Attachment 2](#)) He stated that current legislation to incent pipeline construction is too broad and needs legislative policy direction to advance Kansas interests. Mr. Zakoura said that legislative support is needed for new pipeline infrastructure in Kansas. He said that he sees this as an economic development issue, not a tax issue. He took questions from the Committee.

Ron Gaches spoke in opposition to **SB48**. ([Attachment 3](#)) Mr. Gaches also stated that the pipelines that feed the natural gas liquids facilities and crude oil refineries are vital to future growth.

Michael Gillaspie testified in opposition to **SB48**. ([Attachment 4](#)) He said that when their company decides to spend millions of dollars on a project, it takes several years for that project to be finished and this exemption is important for future investment. Mr. Gillaspie took questions from the Committee.

CONTINUATION SHEET

MINUTES of the Committee on Assessment and Taxation at 9:30 am on Wednesday, January 28, 2015, 548-S of the Capitol.

Kent Eckles, Executive Director, Kansas Petroleum Council, submitted written testimony in opposition to **SB48**. ([Attachment 5](#))

The hearing was closed on **SB48**.

Adjournment

The meeting was adjourned at 10:27am.