



KANSAS STATUTES AND REGULATIONS FOR SAND ROYALTY TAX

KANSAS DEPARTMENT OF REVENUE
DIVISION OF TAX OPERATIONS
SAND ROYALTY TAX
TOPEKA KS 66625

Compiled February, 2013

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Chapter 79: TAXATION

Article 42.—MINERAL SEVERANCE TAX

82a-309. Distribution of proceeds from sale of sand products taken from river beds owned by state. (a) Of compensation received for sand products sold pursuant to K.S.A. 70a-102 and amendments thereto, \$.0375 per ton sold shall be returned as follows:

(1) If the sand products are taken from the bed of the river at a location which is within the boundaries of a drainage district, the board of directors of the district from which the sand products were taken shall be entitled to receive $\frac{2}{3}$ of the amount returned and the remaining $\frac{1}{3}$ shall be divided among the remaining drainage districts in the county, to be used for bank stabilization, soil conservation, or maintenance and operation of flood control systems, in proportion to the frontage on such river.

(2) If the sand products are taken from the bed of the river at a location which is not within the boundaries of a drainage district, the proceeds attributable to such sand products shall be returned to the counties which have adopted this act and have notified, prior to July 1 following the adoption of this act, the director of taxation of such adoption, and through which such river flows, in proportion to the mileage of the river bank in such county. Moneys paid to a county pursuant to this paragraph shall be disbursed or used as follows:

(A) If there are one or more drainage districts organized under the laws of this state which are located in such county along a river that is the property of the state of Kansas and which operate and maintain river flood control improvements in or along such river, the county shall disburse such moneys to each such drainage district, to be used for bank stabilization, soil conservation, or maintenance and operation of flood control systems, in proportion to each district's frontage on such a river.

(B) If there is no drainage district organized under the laws of this state which is located in such county along a river that is the property of the state of Kansas, the county may use the moneys for construction, operation and maintenance of public improvements located along, in or over such a river or for the preservation of land and development and maintenance of public areas along such river or tributaries adjacent to such river.

(b) The unencumbered balance of any moneys which were distributed to a county pursuant to this section as it existed before its amendment on July 1, 1995, and which remain in the county treasury on July 1, 1995, shall be distributed in the manner provided by this section as amended on July 1, 1995. History: L. 1929, ch. 143, § 4; L. 1931, ch. 318, § 4; L. 1933, ch. 331, § 1; L. 1933, ch. 249, § 6; L. 1937, ch. 387, § 1; L. 1961, ch. 311, § 7; L. 1992, ch. 109, § 2; L. 1995, ch. 238, § 2; L. 1996, ch. 144, § 2; July 1.

Agency 92:—KANSAS DEPARTMENT OF REVENUE

Article 9.—Minerals and Natural Products Leases on Navigable Stream Beds

92-9-1. Bidders; notice; form of bids. (a) Legal notice to bidders for oil and gas lease land in navigable streambeds shall be published by the director of taxation in a paper of general circulation in the county in which the lands subject to oil and gas leases are situated once each week for a period of four consecutive weeks.

(b) The highest and best bid from a responsible bidder shall be accepted by the director of taxation, reserving the right to reject any bid and republish. Separate sealed bids accompanied by a certified check or bank draft in the amount of the bid payable to the director of taxation for each tract shall be submitted on forms supplied by the department of revenue and filed with the director of taxation, in accordance with the publication notice concerning the bids.

(c) Each bidder shall have the right to bid on all or any portion of the lands set forth in the publication notice, and the successful bidder shall reimburse the director of taxation for the publication costs. However, this regulation shall apply only to the removal of oil and gas from navigable streambeds.

(Authorized by K.S.A. 70a-103; implementing K.S.A. 2001 Supp. 70a-102, K.S.A. 70a-103; effective Jan. 1, 1966; amended March 29, 2002.)

92-9-2 Cash bonus; rental. Bids for the leasing of oil and gas rights in navigable streams will be considered on the basis of a cash bonus, annual delay rental, and the amount of royalty to be paid shall not be less than 12 1/2 % of the gross proceeds at the prevailing market rate. Leases will be executed on a standard Kansas lease form. No lease shall be for a period longer than five years and the lessee shall agree to pay an annual rent in advance on land so long as drilling is delayed.

(Authorized by K.S.A. 71-102, 71-103; effective Jan. 1, 1966.)

92-9-3. Survey; expense of. If the lessee of oil and gas rights requests a survey to determine acreage, a survey may be authorized by the director of taxation, if the lessee agrees to pay the cost. In lieu of this survey, the United States government survey or other official survey of the tract may be used.

(Authorized by K.S.A. 70a-103; implementing K.S.A. 70a-106; effective Jan. 1, 1966; amended March 29, 2002.)

92-9-4. Wells; operation and management. Each oil lessee and gas lessee leasing wells pursuant to K.S.A. 70-101, and amendments thereto, shall furnish the director of taxation on demand accurate and reliable information concerning wells situated in Kansas. On demand, each lessee shall furnish certified copies of pipeline runs and gas balancing statements to the director of taxation. Title requirements and leases shall be without covenants of warranty.

(Authorized by K.S.A. 70a-103; implementing K.S.A. 2001 Supp. 70a-102, K.S.A. 70a-103; effective Jan. 1, 1966; amended March 29, 2002.)

92-9-5. Location of operations. The lessee shall notify the director of taxation before commencing operations on any navigable streambed.

(Authorized by K.S.A. 70a-103; implementing K.S.A. 2001 Supp. 70a-102, K.S.A. 70a-103; effective Jan. 1, 1966; amended March 29, 2002.)

92-9-6 (Authorized by K.S.A. 70a-102, 70a-103; effective Jan. 1, 1966; amended Jan. 1, 1974; revoked July 3, 1989.)

92-9-6a Returns; rates and restrictions. (a) On or before the 15th day of each month, each lessee shall file a return with the director stating the amount of material withdrawn, returned, stored and sold, and the name of the person(s) to whom the material was sold during the preceding month. The lessee shall remit with the return 15¢ per ton for all river sand sold during the preceding month. Each lessee shall maintain this information for a period of two years.

(b) Each lessee shall not take, move or remove material from any navigable stream within:

(1) 500 feet of any bridge pier or abutment;

(2) 200 feet of any stabilized bank or structure built or authorized by the United States government.

A lessee shall not remove sand from any stream bed or channel within a distance of 1,500 feet of the nearest tipple erected and maintained and used for the purpose of taking sand from the river. The distances of 500 and 200 feet are to be construed as minimum distances with greater distances required as necessary to preserve stream bed and bank stability.

(Authorized by and implementing K.S.A. 70a-102, 70a-103; effective July 3, 1989.)

92-9-7. (Authorized by K.S.A. 71-102, 71-103; effective Jan. 1, 1966; revoked March 29, 2002.)

92-9-8. (Authorized by K.S.A. 71-102, 71-103; effective Jan. 1, 1966; revoked July 27, 2001.)