

Kansas Department of Revenue  
Office of Policy and Research  
109 SW 9<sup>th</sup> St.  
Topeka, KS 66601-3506



Phone: 785-296-6093  
Fax: 785-296-7928  
www.ksrevenue.gov

Mark Burghart, Secretary

Laura Kelly, Governor

### Notice of Hearing on Proposed Administrative Regulations

A public hearing will be conducted by the Department of Revenue on Friday, May 24, 2024, at 1:30 p.m., in the Secretary's Conference Room on the fourth floor of the Mills Building, 109 SW 9<sup>th</sup> St., Topeka, KS 66612, regarding the proposed revocation of K.A.R. 92-3-7, 92-3-10, 92-3-11, 92-3-12a, 92-3-14, and 92-3-19. K.A.R. 92-3-7, 92-3-10, 92-3-11, 92-3-12a, and 92-3-14 are regulations governing motor fuel carrier tanks and measurements. Since these regulations were adopted, major inspection functions have been transferred from the Department of Revenue to the Department of Agriculture and the State Highway Patrol. K.A.R. 92-3-19 provides rules for determining a motor fuel distributor's "principal business" for purposes of the 2.5% handling allowance in K.S.A. 79-3408. Since K.A.R. 92-3-19 was adopted, K.S.A. 79-3408 has been amended to remove the "principal business" requirement.

The Department of Revenue does not anticipate any significant economic or environmental impact on local governmental agencies or units or the general public because of the changes to these regulations. Copies of the proposed regulations and the Economic Impact Statements may be found online at <https://www.ksrevenue.gov/prproposedregulations.html>, or by contacting Taylor Murray at [taylor.murray@ks.gov](mailto:taylor.murray@ks.gov).

This 60-day notice of the public hearing shall constitute a public comment period for the purpose of receiving written comments from the public on the proposed regulations. All interested parties may submit written public comments prior to the hearing to Taylor Murray, Office of Policy and Research, Mills Building, 109 SW 9<sup>th</sup> St., Topeka, Kansas 66601-3506 or via email at [taylor.murray@ks.gov](mailto:taylor.murray@ks.gov). Additionally, interested parties wanting to participate remotely may contact Taylor Murray at [taylor.murray@ks.gov](mailto:taylor.murray@ks.gov) to obtain remote access information.

All interested parties will be given a reasonable opportunity to present their views, either orally or in writing or both, concerning the proposed regulations. In order to give all parties an opportunity to present their views, it may be necessary to request that each participant limit any oral presentation to five minutes.

Any individual with a disability may request accommodation in order to participate in the public hearing and may request the proposed regulations and economic impact statements in an accessible format. Requests for accommodation to participate in the hearing should be made at least five working days in advance of the hearing by contacting Taylor Murray at (785) 296-6093 or via email at [taylor.murray@ks.gov](mailto:taylor.murray@ks.gov). Individuals with hearing and/or speech disabilities may contact the Kansas Relay Center at 1-800-766-3777 for communication accommodations. Disabled parking is located on the north side of the Mills Building on either side of 9<sup>th</sup> Street. The north entrance to the Mills Building is accessible.

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# Proposed

92-3-7. (Authorized by K.S.A. 66-1304, K.S.A. 1965 Supp. 55-512; effective Jan. 1, 1966; revoked P-\_\_\_\_\_.)

APPROVED

JAN 22 2024

DEPT. OF ADMINISTRATION

APPROVED

FEB 27 2024

ATTORNEY GENERAL

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92-3-10 and 92-3-11. (Authorized by K.S.A. 83-125, K.S.A. 1965 Supp. 55-512;  
effective Jan. 1, 1966; revoked P-\_\_\_\_\_.)

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DEPT. OF ADMINISTRATION

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**Proposed**

**92-3-12a.** (Authorized by and implementing K.S.A. 55-512; effective May 1, 1986;

revoked P-\_\_\_\_\_.)

**APPROVED**

**JAN 22 2024**

**DEPT. OF ADMINISTRATION**

**APPROVED**

**FEB 27 2024**

**ATTORNEY GENERAL**

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**MAR 13 2024**

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92-3-14. (Authorized by K.S.A. 55-512; implementing L. 1985, Ch. 345, Sec. 1; effective Jan. 1, 1966; amended May 1, 1979; amended May 1, 1986; revoked P-\_\_\_\_\_.)

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# Proposed

92-3-19. (Authorized by K.S.A. 79-3419; implementing K.S.A. 79-3408, as amended by L. 1985, Ch. 328, Sec. 1, 79-3411; effective May 1, 1986; revoked P-\_\_\_\_\_.)

APPROVED

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DEPT. OF ADMINISTRATION

APPROVED

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# Kansas Administrative Regulations Economic Impact Statement (EIS)

Kansas Department of Revenue  
Agency

Taylor Murray  
Agency Contact

785-296-6093  
Contact Phone Number

92-3-7, 92-3-10, 92-3-11, 92-3-12a, and 92-3-14  
K.A.R. Number(s)

Permanent     Temporary

Is/Are the proposed rule(s) and regulation(s) mandated by the federal government as a requirement for participating in or implementing a federally subsidized or assisted program?

Yes    If yes, continue to fill out the remaining form to be included with the regulation packet submitted in the review process to the Department of Administration and the Attorney General. Budget approval is not required; however, the Division of the Budget will require submission of a copy of the EIS at the end of the review process.

No    If no, do the total annual implementation and compliance costs for the proposed rule(s) and regulation(s), calculated from the effective date of the rule(s) and regulation(s), exceed \$1.0 million over any two-year period through June 30, 2024, or exceed \$3.0 million over any two-year period on or after July 1, 2024 (as calculated in Section III, F)?

Yes    If yes, continue to fill out the remaining form to be included with the regulation packet submitted in the review process to the Department of Administration, the Attorney General, AND the Division of the Budget. The regulation(s) and the EIS will require Budget approval.

No    If no, continue to fill out the remaining form to be included with the regulation packet submitted in the review process to the Department of Administration and the Attorney General. Budget approval is not required; however, the Division of the Budget will require submission of a copy of the EIS at the end of the review process.

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**Section I**

Brief description of the proposed rule(s) and regulation(s).

K.A.R. 92-3-7, 92-3-10, 92-3-11, 92-3-12a, and 92-3-14 are regulations governing motor fuel carrier fuel tanks and measurements. In the years since these regulations were adopted, major inspection functions have been transferred from the Department of Revenue to the Department of Agriculture and the State Highway Patrol. These regulations are no longer used.

**Section II**

Statement by the agency if the rule(s) and regulation(s) exceed the requirements of applicable federal law, and a statement if the approach chosen to address the policy issue(s) is different from that utilized by agencies of contiguous states or the federal government. *(If the approach is different or exceeds federal law, then include a statement of why the proposed Kansas rule and regulation is different.)*

These regulations are not mandated by federal law.

**Section III**

Agency analysis specifically addressing the following:

- A. The extent to which the rule(s) and regulation(s) will enhance or restrict business activities and growth;

No effect on business activities and growth based on these revocations.

- B. The economic effect, including a detailed quantification of implementation and compliance costs, on the specific businesses, sectors, public utility ratepayers, individuals, and local governments that would be affected by the proposed rule(s) and regulation(s) and on the state economy as a whole;

No economic effect based on these revocations.

- C. Businesses that would be directly affected by the proposed rule(s) and regulation(s);

None.

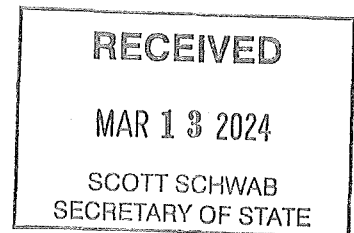
- D. Benefits of the proposed rule(s) and regulation(s) compared to the costs;

N/A

- E. Measures taken by the agency to minimize the cost and impact of the proposed rule(s) and regulation(s) on business and economic development within the State of Kansas, local government, and individuals;

N/A

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F. An estimate of the total annual implementation and compliance costs that are reasonably expected to be incurred by or passed along to businesses, local governments, or members of the public.  
*Note: Do not account for any actual or estimated cost savings that may be realized.*

Costs to Affected Businesses – \$0.00

Costs to Local Governmental Units – \$0.00

Costs to Members of the Public – \$0.00

**Total Annual Costs – \$0.00**

(sum of above amounts)

Give a detailed statement of the data and methodology used in estimating the above cost estimate.

The Department no longer enforces these regulations. Accordingly, revoking these regulations has no anticipated economic effect.

Yes      If the total implementation and compliance costs exceed \$1.0 million over any two-year period through June 30, 2024, or exceed \$3.0 million over any two-year period on or after July 1, 2024, and prior to the submission or resubmission of the proposed rule(s) and regulation(s), did the agency hold a public hearing to find that the estimated costs have been accurately determined and are necessary for achieving legislative intent? If applicable, document when the public hearing was held, those in attendance, and any pertinent information from the hearing.  
 No  
 Not Applicable

N/A

Provide an estimate to any changes in aggregate state revenues and expenditures for the implementation of the proposed rule(s) and regulation(s), for both the current fiscal year and next fiscal year.

N/A

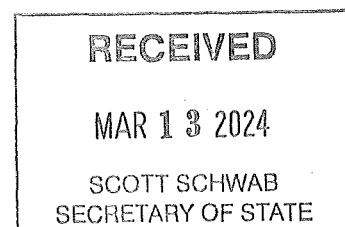
Provide an estimate of any immediate or long-range economic impact of the proposed rule(s) and regulation(s) on any individual(s), small employers, and the general public. If no dollar estimate can be given for any individual(s), small employers, and the general public, give specific reasons why no estimate is possible.

\$0.00

G. If the proposed rule(s) and regulation(s) increases or decreases revenues of cities, counties or school districts, or imposes functions or responsibilities on cities, counties or school districts that will increase expenditures or fiscal liability, describe how the state agency consulted with the League of Kansas Municipalities, Kansas Association of Counties, and/or the Kansas Association of School Boards.

N/A

DOB APPROVAL STAMP (If Required)



H. Describe how the agency consulted and solicited information from businesses, associations, local governments, state agencies, or institutions and members of the public that may be affected by the proposed rule(s) and regulation(s).

N/A

**Section IV**

Does the Economic Impact Statement involve any environmental rule(s) and regulation(s)?

Yes If yes, complete the remainder of Section IV.

No If no, skip the remainder of Section IV.

A. Describe the capital and annual costs of compliance with the proposed rule(s) and regulation(s), and the persons who would bear the costs.

N/A

B. Describe the initial and annual costs of implementing and enforcing the proposed rule(s) and regulation(s), including the estimated amount of paperwork, and the state agencies, other governmental agencies, or other persons who would bear the costs.

N/A

C. Describe the costs that would likely accrue if the proposed rule(s) and regulation(s) are not adopted, as well as the persons who would bear the costs and would be affected by the failure to adopt the rule(s) and regulation(s).

N/A

D. Provide a detailed statement of the data and methodology used in estimating the costs used.

N/A

DOB APPROVAL STAMP (If Required)

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SCOTT SCHWAB  
SECRETARY OF STATE

# Kansas Administrative Regulations Economic Impact Statement (EIS)

Kansas Department of Revenue  
Agency

Taylor Murray  
Agency Contact

785-296-6093  
Contact Phone Number

92-3-19

K.A.R. Number(s)

Permanent     Temporary

Is/Are the proposed rule(s) and regulation(s) mandated by the federal government as a requirement for participating in or implementing a federally subsidized or assisted program?

Yes    If yes, continue to fill out the remaining form to be included with the regulation packet submitted in the review process to the Department of Administration and the Attorney General. Budget approval is not required; however, the Division of the Budget will require submission of a copy of the EIS at the end of the review process.

No    If no, do the total annual implementation and compliance costs for the proposed rule(s) and regulation(s), calculated from the effective date of the rule(s) and regulation(s), exceed \$1.0 million over any two-year period through June 30, 2024, or exceed \$3.0 million over any two-year period on or after July 1, 2024 (as calculated in Section III, F)?

Yes    If yes, continue to fill out the remaining form to be included with the regulation packet submitted in the review process to the Department of Administration, the Attorney General, AND the Division of the Budget. The regulation(s) and the EIS will require Budget approval.

No    If no, continue to fill out the remaining form to be included with the regulation packet submitted in the review process to the Department of Administration and the Attorney General. Budget approval is not required; however, the Division of the Budget will require submission of a copy of the EIS at the end of the review process.

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**Section I**

Brief description of the proposed rule(s) and regulation(s).

K.S.A. 79-3408(b) provides a “handling allowance,” a small percentage that is subtracted when calculating the tax-per-gallon on motor fuel in recognition of the fact that some fuel is routinely lost during handling. When this regulation was adopted, K.S.A. 79-3408 only permitted the allowance if a distributor’s “principal business” was “the business of marketing motor vehicle fuels or petroleum products.” When adopted, K.A.R. 92-3-19 provided the rules for determining a distributor’s principal business. 1986 HB 3030 deleted the principal business requirement from the statute, making this regulation no longer necessary.

**Section II**

Statement by the agency if the rule(s) and regulation(s) exceed the requirements of applicable federal law, and a statement if the approach chosen to address the policy issue(s) is different from that utilized by agencies of contiguous states or the federal government. *(If the approach is different or exceeds federal law, then include a statement of why the proposed Kansas rule and regulation is different.)*

This regulation is not mandated by federal law.

**Section III**

Agency analysis specifically addressing the following:

A. The extent to which the rule(s) and regulation(s) will enhance or restrict business activities and growth;

No effect on business activities and growth based on this revocation.

B. The economic effect, including a detailed quantification of implementation and compliance costs, on the specific businesses, sectors, public utility ratepayers, individuals, and local governments that would be affected by the proposed rule(s) and regulation(s) and on the state economy as a whole;

No economic effect based on this revocation.

C. Businesses that would be directly affected by the proposed rule(s) and regulation(s);

None.

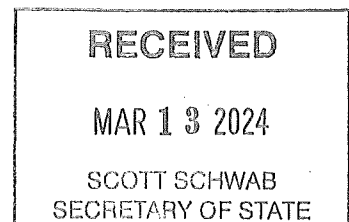
D. Benefits of the proposed rule(s) and regulation(s) compared to the costs;

N/A

E. Measures taken by the agency to minimize the cost and impact of the proposed rule(s) and regulation(s) on business and economic development within the State of Kansas, local government, and individuals;

N/A

DOB APPROVAL STAMP (If Required)



F. An estimate of the total annual implementation and compliance costs that are reasonably expected to be incurred by or passed along to businesses, local governments, or members of the public.  
*Note: Do not account for any actual or estimated cost savings that may be realized.*

Costs to Affected Businesses – \$0.00  
Costs to Local Governmental Units – \$0.00  
Costs to Members of the Public – \$0.00  
**Total Annual Costs – \$0.00**  
(sum of above amounts)

Give a detailed statement of the data and methodology used in estimating the above cost estimate.  
This regulation is no longer enforced; revoking it has no anticipated economic effect.

- Yes
  - No
  - Not Applicable
- If the total implementation and compliance costs exceed \$1.0 million over any two-year period through June 30, 2024, or exceed \$3.0 million over any two-year period on or after July 1, 2024, and prior to the submission or resubmission of the proposed rule(s) and regulation(s), did the agency hold a public hearing to find that the estimated costs have been accurately determined and are necessary for achieving legislative intent? If applicable, document when the public hearing was held, those in attendance, and any pertinent information from the hearing.

N/A

Provide an estimate to any changes in aggregate state revenues and expenditures for the implementation of the proposed rule(s) and regulation(s), for both the current fiscal year and next fiscal year.

N/A

Provide an estimate of any immediate or long-range economic impact of the proposed rule(s) and regulation(s) on any individual(s), small employers, and the general public. If no dollar estimate can be given for any individual(s), small employers, and the general public, give specific reasons why no estimate is possible.

\$0.00

G. If the proposed rule(s) and regulation(s) increases or decreases revenues of cities, counties or school districts, or imposes functions or responsibilities on cities, counties or school districts that will increase expenditures or fiscal liability, describe how the state agency consulted with the League of Kansas Municipalities, Kansas Association of Counties, and/or the Kansas Association of School Boards.

N/A

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H. Describe how the agency consulted and solicited information from businesses, associations, local governments, state agencies, or institutions and members of the public that may be affected by the proposed rule(s) and regulation(s).

N/A

**Section IV**

Does the Economic Impact Statement involve any environmental rule(s) and regulation(s)?

- Yes If yes, complete the remainder of Section IV.
- No If no, skip the remainder of Section IV.

A. Describe the capital and annual costs of compliance with the proposed rule(s) and regulation(s), and the persons who would bear the costs.

N/A

B. Describe the initial and annual costs of implementing and enforcing the proposed rule(s) and regulation(s), including the estimated amount of paperwork, and the state agencies, other governmental agencies, or other persons who would bear the costs.

N/A

C. Describe the costs that would likely accrue if the proposed rule(s) and regulation(s) are not adopted, as well as the persons who would bear the costs and would be affected by the failure to adopt the rule(s) and regulation(s).

N/A

D. Provide a detailed statement of the data and methodology used in estimating the costs used.

N/A

DOB APPROVAL STAMP (If Required)

