

55-1624. FERC-ordered refunds of tax reimbursements; recovery. (a) As used in this act, royalty interest owners include overriding royalty interest owners and royalty interests include overriding royalty interests.

(b) On and after the effective date of this act, no first seller of natural gas shall maintain any action against royalty interest owners to obtain refunds of reimbursements for *ad valorem* taxes attributable to royalty interests, ordered by the federal energy regulatory commission.

(c) It is hereby declared that under Kansas law:

(1) The period of limitation of time for commencing civil actions to recover such refunds attributable to reimbursements of *ad valorem* taxes on royalty interests during the years 1983 through 1988 has expired and such refunds claimed to be owed by royalty interest owners are uncollectible;

(2) first sellers of natural gas are prohibited from utilizing billing adjustments or other set-offs as a means of recovering from royalty owners any such claimed refunds; and

(3) first sellers of natural gas took every opportunity to protect their rights involving Kansas *ad valorem* tax reimbursements attributable to royalty interest owners.

(d) Upon entry of a final order by a court having jurisdiction, or a final order of a governmental authority having jurisdiction, that requires first sellers to make refunds of reimbursements for *ad valorem* taxes on royalty interests during the years 1983 through 1988 notwithstanding this section or if this section is determined to be unconstitutional, in whole or in part, nothing in this section shall be construed to have affected the rights and remedies available to any party under the laws of the state of Kansas, including those applicable in any action that a first seller of natural gas may bring against a royalty interest owner to obtain such a refund.

History: L. 1998, ch. 122, § 7; Apr. 30.