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## **HOUSE COMMITTEE ON TAXATION**

## Proponent Testimony HB 2609 – Extending Property Tax Exemptions for Pollution Control Devices and Peak Load Plants

Feb. 15, 2024

## Presented by: Reagan McCloud, Manager of Government Relations Kansas Electric Cooperatives, Inc.

Chairman Smith, Vice Chair Bergkamp, Ranking Member Sawyer, and members of the House Committee on Taxation, thank you for the opportunity to submit comments in support of HB 2609. I am Reagan McCloud, Manager of Government Relations for Kansas Electric Cooperatives, Inc. (KEC), the statewide service association for 29 member, not-for-profit cooperatives providing electric service in 103 of 105 Kansas counties.

HB 2609 simplifies current law pertaining to electric public utility property by exempting all such property from property tax liability for ten years. Current law divides tax-exempt utility property into three groups: new construction equipment, peaking load equipment, and pollution control devices. Current law then further divides the number of years of tax exemption from six to twelve years.

HB 2609 will level the playing field by grouping each type of property within the same number of years of exemption, rather than the six-to-twelve-year structure as the statute is currently written. This bill provides necessary clarification within existing statutes as well as the continuation of much-needed tax exemptions due to expected growth in the renewable energy sector, which will help keep costs down.

KEC is aware of the proposed amendments to HB 2609, is supportive of the concepts behind the amendments, and supports inclusion of elements of HB 2768. We appreciate the opportunity to submit testimony on HB 2609 and will stand for questions.

## Reagan McCloud

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