





Kansas Grain and Feed Association Kansas Agribusiness Retailers Association Renew Kansas Biofuels Association

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To: Senate Committee on Assessment and Taxation

From: Randy Stookey, Senior Vice President of Government Affairs

Date: February 6, 2020

Re: Joint Proponent Testimony on Senate Bill 295, prohibiting property tax valuation increase solely as the result of normal repair, replacement or maintenance of existing structure.

Chairman Tyson and members of the committee, thank you for the opportunity to provide testimony in support of Senate Bill 295. This testimony is submitted jointly on behalf of the Kansas Grain and Feed Association (KGFA), the Kansas Agribusiness Retailers Association (KARA), and Renew Kansas Biofuels Association.

KGFA is the state association of the grain receiving, storage, processing and shipping industry in Kansas. KGFA's membership includes over 950 Kansas business locations and represents 99% of the commercially licensed grain storage in the state. KARA is an agribusiness industry trade association with membership of over 700 companies across Kansas. Renew Kansas Biofuels Association is the trade association of the Kansas biofuels industry.

Across Kansas, our member grain elevators, biofuel processing plants, and agribusiness facilities pay millions of dollars annually in property taxes that support local schools and government. The ability of our members to operate a competitive or profitable business is often determined by the amount of fixed costs on their operation - such as property taxes.

In recent years, however, the property tax burden on our members has grown exponentially through dramatic, unreasonable, and unrealistic increases in assessed property valuations. The increases in property valuations have resulted in immense increases in property taxes paid by our members. For this reason, our associations oppose exceptions to the existing election requirement (property tax lid) set forth in Kansas law, and would oppose any other legislation that might further increase property taxes, erode transparency, or weaken the right to appeal.

Senate Bill 295 would amend Kansas property tax law by clarifying that the valuation for all real property shall not be increased solely as the result of normal repair, replacement or maintenance of structures, equipment or improvements on the property.

The changes put forth by Senate Bill 295 are practical, taxpayer-friendly, and represent good public policy as it encourages property owners to invest in their property without the concern of an increase in their property tax burden. For these reasons, we would support the bill.

Thank you for allowing us the opportunity to testify in support of Senate Bill 295. We respectfully request that the committee pass the bill out favorably.