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Date: March 16, 2023  
To: Senator Caryn Tyson, Chairwoman, Senate Assessment and Taxation Committee  
From: Shahira Stafford, Kansas Cooperative Council  
RE: **Neutral, Written-only Testimony on Senate Bill 263**

Madam Chair and Members of the Committee,

On behalf of the Kansas Cooperative Council (Co-op Council), thank you for the opportunity to provide comments on Senate Bill 263. The Co-op Council is a statewide association that works on behalf of all types of cooperatively structured businesses in Kansas. Some of the industries organized as cooperatives include agriculture, utility, financial, and insurance. Simply, cooperatives differ from other businesses because they are member-owned, member-controlled, and profits are returned to its member-patrons.

The Co-op Council supports uniform tax treatment on similar properties across the state. Guidance documents issued by the Property Valuation Division (PVD) of the Kansas Department of Revenue (KDOR) are valuable tools for county taxpayers, but only if they contain accurate data and reliable conclusions.

Kansas grain elevators have been in legal battles regarding the tax classification of equipment and machinery for years. In October 2022, the Kansas Supreme Court ruled in *Dodge City Cooperative Exchange vs. County Commissioners of Gray County* giving clear guidance to county appraisers that, under Kansas law, elevator commercial and industrial machinery and equipment should be appropriately classified as personal property and not a fixture to the realty. The significance of this case for our members is paramount.

The Co-op Council, along with our friends at the Kansas Grain and Feed Association, continue to work with PVD on revisions to their Grain Elevator Valuation Guide. The agency has also retained a certified general appraiser and expert in commercial, agricultural properties to further review the guide and incorporate more changes requested by the industry.

We appreciate the intent of this bill, which would add layers of checks and balances through the rules and regulations promulgation process. However, we suggest delaying an implantation date as the industry continues to seek accurate data in the property valuation guides for grain warehousing.

Thank you for allowing the Kansas Cooperative Council to comment on Senate Bill 263, and we appreciate this legislation being introduced.