



**Kansas Grain and Feed Association  
Kansas Agribusiness Retailers Association  
Renew Kansas Association**  
816 SW Tyler, Topeka, Kansas 66612 | 785.234.0461

March 14, 2019

To: House Committee on Taxation  
From: Randy E. Stookey, Senior Vice President of Government Affairs  
RE: **Joint Proponent Testimony on HB 2340, distribution of property taxes paid under protest**

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Chairman Johnson and members of the committee, thank you for the opportunity to provide testimony on House Bill 2340. This testimony is submitted jointly on behalf of the Kansas Grain and Feed Association (KGFA), the Kansas Agribusiness Retailers Association (KARA), and Renew Kansas 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 Association is the trade association of the ethanol and biofuels industry in Kansas.

Across Kansas, our member grain elevators, ethanol plants, and agribusiness facilities pay millions of dollars annually in property taxes that help fund schools and provide local government services. In recent years, however, that property tax burden has grown exponentially. Our members generally operate on tight margins, and the ability to operate a competitive or profitable business often is determined by the amount of fixed costs such as taxes.

We understand the intent of House Bill 2340 is to prohibit the county treasurer from distributing any portion of taxes that exceed the preceding year's taxes until such time as the tax appeal is final. This amendment to Kansas law is a common-sense, practical change that benefits both the property owner and the taxing authority. The tax authority would be better able to accurately budget for the upcoming budget cycle by identifying, and then temporarily excluding, any funds that are still subject to an appeal. This creates a bright-line standard in the budget process that would set aside funds from being encumbered or otherwise included in the budget process. This would allow for a more accurate budget, and would also preclude the need to create a budget line-item for refunds to a taxpayer following a taxpayer's appeal.

An important addition to the language of the bill would be to include "classification" in addition to "valuation" as the grounds of a taxpayer protest appeal which trigger this provision, as property classification is a highly-contested issue in commercial property tax appeals.

Thank you for allowing us the opportunity to testify in support of House Bill 2340.