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Date: March 18, 2021
To: Representative Adam Smith, Chairman, House Taxation Committee
From: Shahira Stafford, Kansas Cooperative Council
RE: Proponent Testimony on Senate Bill 49

Chairman Smith and Members of the Committee,

On behalf of the Kansas Cooperative Council (KCC), thank you for the opportunity to support Senate Bill 49. The KCC is a statewide association that works on behalf of all types of cooperatively structured businesses in Kansas. The industries organized as cooperatives are vast, including agriculture, utility, financial and insurance.

Our agricultural cooperatives have robust grain and agronomy operations that rely heavily on rail to transport product to market. Most of these co-ops are in rural communities that use short line railroads (Class II and Class III) to access the national freight network (Class I), ultimately exporting wheat, corn, sorghum, and other commodities both domestically and overseas.

As industry standards have changed, Class II and Class III railroads must upgrade their tracks to accommodate the high-capacity freight cars common to Class I railroads. Without this ongoing maintenance, grain elevators along the line risk losing rail service and relying only on trucks to transport commodities – which is slower and causes more damage to our state's roads and highways.

The KCC supports extending the tax credit for the Pittsburg Port Authority as proposed in Senate Bill 49. There are five agricultural cooperatives that are served along these lines, including Kanza Co-op, Skyland Grain, and three Isabel Co-op locations.

This tax incentive has proven beneficial in ensuring rail service to our small towns and spurring short line infrastructure investment. Being able to move more commodities in less time will greatly benefit our members and the entire production agriculture chain.

Thank you so much for the opportunity to comment on Senate Bill 49, and we respectfully ask for your support.