



**Kansas Grain and Feed Association
Renew Kansas Biofuels Association**
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March 22, 2021

To: House Committee on Taxation
From: Randy Stookey, Senior Vice President of Government Affairs and General Counsel
Re: **Joint Proponent Testimony on Senate Bill 98, confirming the county's burden of proof in certain valuation and classification hearings before the district court**

Chairman Smith and members of the committee, thank you for the opportunity to provide testimony in support of Senate Bill 98. This testimony is submitted jointly on behalf of the Kansas Grain and Feed Association (KGFA) and Renew Kansas Biofuels Association (Renew Kansas).

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. Renew Kansas is the trade association of the Kansas biofuels industry.

Across Kansas, our member grain elevators and biofuel processing plants 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 unreasonable increases in assessed property valuations. These valuation increases have resulted in very sharp increases in property taxes paid by our members. For this reason, our associations oppose any legislation that might further increase property taxes or weaken the right to appeal a valuation.

During an appeal to the board of tax appeals, the county appraiser maintains the burden of proof to demonstrate the validity and correctness of their property classifications and valuations. Kansas law allows a taxpayer to appeal an order of the board of tax appeals, de novo, to the District Court. Such a hearing is a new trial, on the facts, before a new trier of fact – this is not an appeal on the “cold record.”

Senate Bill 98 would clarify that in any such hearing before the District Court - regarding the determination of valuation of residential property or real property used for commercial and industrial purposes for taxation purposes, or the determination of classification of property for assessment purposes - the county appraiser maintains the burden of proof to demonstrate the validity and correctness of that determination or valuation.

The bill clarifies that - in a new hearing before the district court judge - the county continues to maintain the burden to prove its classification and valuation of the property. The provisions in this bill are reasonable, consistent with Kansas legal jurisprudence, and represent sound public policy. For these reasons, we stand in support of the bill.

Thank you for allowing us the opportunity to testify in support of Senate Bill 98. We respectfully request that the committee pass the bill out favorably.