



**Kansas Grain & Feed Association
Kansas Agribusiness Retailers Association
Renew Kansas**

February 12, 2018

To: House Committee on Taxation
From: Randy Stookey, Senior Vice President & General Counsel
RE: **Testimony in Opposition to House Bill 2367, concerning valuation of property for taxation; duties of county appraiser; appeals**

Chairman Johnson and members of the House Committee on Taxation, thank you for the opportunity to testify in opposition to House Bill 2367. This testimony is being submitted jointly by the Kansas Grain and Feed Association (KGFA), the Kansas Agribusiness Retailers Association (KARA), and 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. KARA is a voluntary trade association that appreciates membership of over 700 agribusiness firms that supply fertilizers, crop protection products, seed, petroleum products, and agricultural services to Kansas farmers. Renew Kansas is the trade association of the Kansas ethanol processing industry.

In many Kansas counties, our members maintain the largest commercial and industrial structures for property tax purposes. Property taxes assessed against our members' properties assist with the funding of schools and all levels of local government.

Recently, however, many of our members across the state have reported significant increases in property tax valuations – sometimes increases of up to 100%, 200%, or more in one year. Therefore, the proposed changes in this bill are of interest to our associations and members.

In 2016, through the passage of House Substitute for Senate Bill 280, positive changes were made to the law governing property valuation for ad valorem tax purposes, and to the process for valuing a property and appealing an initial valuation. Those changes were made to ensure that the property taxpayers were given the right to due process and a fair hearing. We testified in support of those changes which clarified and strengthened the appellate rights of aggrieved property owners following an initial decision by the administrative board in a property valuation matter.

House Bill 2367 would amend current law by removing protections currently afforded to property owners and taxpayers. The bill changes property valuation procedures and gives county appraisers increased access to taxpayer information.

Under current law, a county appraiser may not request an appraisal of property that was conducted for the purpose of obtaining mortgage financing, any fee appraisal with an effective date more than 12 months prior to January 1 of the valuation year under appeal, or documents detailing individual lease agreements. While these protection for taxpayers was purposefully placed into law by the legislature in 2016, House Bill 2367 would remove this protection.

House Bill 2367 would also remove requirements on county appraisers when a computer assisted mass appraisal system indicates an increase in a commercial property's value by 5% or more if the property's valuation was previously reduced as the result of an appeal. This protection was purposefully granted to property owners and taxpayers in order to avoid annual litigation over non market-rate appraisals.

As House Bill 2367 would work to remove important protections to taxpayers, passage of this bill would do harm to our sound public policy of ensuring fairness in the assessment and collection of property taxes in our state.

For the reasons stated above, our associations stand in opposition to House Bill 2367. We would respectfully request that the committee not work this bill or pass it out of committee. Thank you for allowing us to testify, and we will stand for questions at the appropriate time.