



To: Chairman Adam Smith, House Taxation Committee
From: Randy Stookey, Kansas Grain and Feed Association, Renew Kansas Biofuels Association
Shahira Stafford, Kansas Cooperative Council
Gary Reser, Kansas Soybean Association
Date: February 1, 2022
Re: **Joint, Written, Proponent Testimony on Senate Bill 318**

Chairman Smith and members of the committee, thank you for the opportunity to provide testimony in support of Senate Bill 318. This testimony is jointly submitted by the Kansas Grain and Feed Association (KGFA), Renew Kansas Biofuels Association (Renew Kansas), Kansas Cooperative Council (KCC), and Kansas Soybean Association (KSA).

Our comments today are specific to one provision added by the Senate Assessment and Taxation Committee that allows the owner of property that has been destroyed or substantially destroyed by an earthquake, flood, tornado, fire, storm, or other declared disaster to apply to the county commission for an abatement or credit of property taxes that are levied against the property. In fact, the full Senate passed this same language last year in Senate Bill 23 by a vote of 38-1.

Across Kansas, our member commercial grain elevators, biofuel facilities, and soybean producers pay millions of dollars annually in property taxes that support schools and state and local 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. Recent increases in property valuations have resulted in large increases in property taxes paid by our industries.

In any given year, high winds, tornados, flooding, and other natural disasters may cause severe structural damage to buildings and other improvements. In those instances, grain bins may be destroyed or rendered unfit for grain storage while it is being repaired. As currently written, Senate Bill 318 would recognize that the ability to utilize a commercial property to generate revenue may be greatly diminished following a natural disaster.

This measure proposes practical and reasonable tax policy to ensure the proper valuation and assessment of a property's actual fair market value when that property has been damaged during a natural disaster. As such we strongly support this provision included in Senate Bill 318 and ask that it remains intact as the bill moves forward. Thank you for allowing us the opportunity to provide our comments today.