

TESTIMONY concerning SB 48
Senate Assessment and Taxation Committee
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Kansas Association of Counties

January 28, 2015

Mr. Chairman and members of the Committee:

Thank you for the opportunity to testify in support of SB 48, a bill which appears to limit the ad valorem property tax exemptions for pipelines to those which have already qualified, and no more. So, for example, the Keystone pipeline constructed from north to south across six counties in Kansas, and the Overland Pass pipeline which enters Kansas in northwest Kansas before traveling into central Kansas would both retain their exemptions. No new pipeline constructed after December 31, 2014 (except for the one caveat described in lines 23-26) would qualify for a property tax exemption.

This bill would have a positive impact on state and county revenues. It would mean that revenues otherwise foregone under current law would instead be due and owing. This is a positive development, and one which will benefit the taxpayers of counties impacted by future pipeline construction.

It is our understanding that when the Keystone pipeline was built through Kansas from Canada to Cushing, Oklahoma, Kansas was the only state to grant a 10-year property tax exemption. The states of North and South Dakota, Nebraska, and Oklahoma did not grant such an exemption. Only Kansas did. We hope that the change in tax policy addressed in SB 48 receives serious consideration by the Legislature and we urge you to recommend SB 48 favorably for passage.

Thank you for listening to my comments.