



Kansas Grain and Feed Association
Renew Kansas Biofuels Association
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February 13, 2025

To: House Committee on Taxation
From: Randy Stookey, Senior Vice President of Government Affairs and General Counsel
Re: **Joint Neutral Testimony on House Concurrent Resolution 5011, proposing to amend section 1 of article 11 of the constitution of the state of Kansas to provide that valuations of residential property shall be determined based on the lesser of the fair market value or the average fair market value of the residential portion**

Chairperson Smith and members of the House Tax Committee, thank you for the opportunity to provide testimony on House Concurrent Resolution 5011. 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 contribute greatly to Kansas and our state economy. These industries employ Kansans across the state and pay millions of dollars annually in property taxes that help fund schools and local government.

The ability of our members to operate a competitive business is often determined by the amount of fixed costs on their operation, such as property taxes. In recent years, the property tax burden on these industries has grown through unreasonable increases in assessed valuations and increased mill levies.

For this reason, our associations support legislation that would reduce the property tax burden on all classes of real property. Such reductions would free up capital to reinvest in assets and employees.

The proposed measure, HCR 5011, seeks to bring stability to residential property values for ad valorem property tax purposes. This is a laudable and necessary goal due to the recent increase in residential home values and the accompanying rise in property taxes. In as much as this measure would bring stability, and protect homeowners against large, annual, increases in property taxes, we agree with the policy.

However, limiting the proposal to residential properties would result in an unavoidable shift directly onto other property classes such as agricultural, commercial, and industrial. Rather than help our industry, this bill would exacerbate the current problem by shifting the tax burden onto the remaining taxpayers.

If this bill were to move forward, we would ask that it be amended to provide a rolling average formula for commercial properties. Thank you for allowing us the opportunity to testify on HCR 5011.