



Kansas Grain and Feed Association
Renew Kansas Biofuels Association
816 SW Tyler, Topeka, Kansas | 785.220.5211

March 11, 2025

To: Senate Committee on Assessment and Taxation
From: Randy Stookey, Senior Vice President of Government Affairs and General Counsel
Re: **Joint Proponent Testimony with Proposed Amendment on House Bill 2083, providing a property tax exemption for new energy storage systems and excluding new energy storage systems from the commercial and industrial machinery and equipment exemption.**

Chairperson Tyson and members of the committee, thank you for the opportunity to provide testimony on House Bill 2083. This testimony is submitted jointly on behalf of the Kansas Grain and Feed Association (KGFA) and Renew Kansas Biofuels Association (Renew Kansas).

KGFA represents the grain receiving, storage, processing, and shipping industry in Kansas, with over 950 member business locations accounting for 99% of the state's commercially licensed grain storage. Renew Kansas serves as the trade association for the Kansas biofuels industry.

Our members—grain elevators and biofuel processing plants—are vital corporate citizens and significant employers across Kansas. They provide well-paying jobs and contribute millions of dollars annually in property taxes to support schools and local governments. However, the competitiveness of these businesses often hinges on managing fixed costs, particularly property taxes. For this reason, our associations support legislation that reduces the property tax burden for our members and all taxpayers.

House Bill 2083 amends K.S.A. 79-266 to define energy storage systems (ESS), clarifying that such systems qualify for a 10-year property tax exemption. At the same time, the bill modifies K.S.A. 79-223 to exclude all ESS—regardless of size—from the permanent property tax exemption for commercial and industrial machinery and equipment.

Our member industrial facilities could benefit from the addition of industrial ESS, which are much smaller than utility-scale systems. We believe industrial-scale ESS machinery should be treated like any other machinery and equipment for property tax purposes—qualifying for the existing permanent exemption under K.S.A. 79-223.

Because HB 2083 would eliminate the permanent exemption for industrial-scale ESS, we would propose an amendment to clarify that industrial-scale energy storage systems (possibly up to a limited megawatt threshold) are properly classified as commercial and industrial machinery and equipment—retaining eligibility for the permanent property tax exemption under K.S.A. 79-223.

If such an amendment is not possible, we would seek an amendment to K.S.A. 79-266 to refine the definition of energy storage systems to ensure industrial-scale ESS qualifies for the proposed 10-year property tax exemption.

Thank you for the opportunity to testify. We respectfully urge the Committee to amend the bill accordingly and pass it out favorably.