



PUBLIC POLICY STATEMENT

SENATE COMMITTEE ON ASSESSMENT and TAXATION

RE: Support for SB 317

February 1, 2012
Topeka, Kansas

Testimony provided by:
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Assistant Director
KFB Governmental Relations

Chairman Donovan and members of the Senate Committee on Assessment and Taxation, thank you for the opportunity to appear in support of SB 317. I am Brad Harrelson, Assistant Director—Governmental Relations for Kansas Farm Bureau. KFB is the state's largest general farm organization representing more than 40,000 farm and ranch families through our 105 county Farm Bureau Associations.

As you are aware, production agriculture is very capital intensive and requires substantial investment in land, machinery and equipment. Kansas agricultural producers are the largest land owners in the state. Because of these unique requirements, often accompanied by high risk and marginal returns, property taxes place a substantial burden on farmers and ranchers, and often becomes a deterrent to such investment. Stability in classification of property is essential to the long term business decisions made by ag producers, and continued success of the state's largest industry.

For as long as heavy equipment and machinery has been used in Kansas, the machines and equipment that businesses use to operate have been classified as personal property, not real property. The Kansas Supreme Court has held repeatedly that machinery and equipment serves the business and not the land to which it is attached. Therefore, such machinery is personal property.

Sn. Assmnt & Tax
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Attachment # 10