

Testimony Provided to the

House Committee on Taxation - March 19, 2015

Mark Lawlor, Clean Line Energy Partners

In Opposition to H.B. 2396

Chairman Kleeb, Vice-Chairman Suellentrop, Ranking Member Sawyer and Members of the Committee,

As a member of the Wind Coalition and employee of the wind industry, I respectfully submit the following in opposition to H.B. 2396.

Raising taxes on one of our state's fastest growing industries will have a dramatic and negative effect on our economy. This tax hike will drive up the cost of every ratepayer's utility bills as this new tax will ultimately be paid by the consumer.

This new tax would negatively impact investment in our state and stifle job growth in the growing wind industry.

Our economy has grown under the current property tax structure bringing more than \$5.5 billion of capital investment to the state, creating over 3,000 jobs and paying more than \$9 million in annual land payments. The industry also distributes millions of dollars to local counties each year through gift agreement (also referred to as PILOTs or "payments in lieu of taxes"). Counties with wind projects enjoy these payments and are not advocating for this tax hike.

The wind industry has invested in this Kansas energy source, created Kansas jobs, benefited rural communities, all without appreciable impact on ratepayers. In fact, this wind energy translates into savings for electricity customers. Kansas lies in the Southwest Power Pool, where wind power saved customers \$1.2 billion in 2013 alone.

The tax hike in H.B. 2396 will only serve to drive a growing renewable energy industry to other states. Like all industries, the renewable industry relies on a stable investment environment when allocating resources. Proposals like this to change the rules of the road have sent the wrong message to investors. This is not the investment environment we strive to create here in Kansas. Please vote to protect Kansas jobs and oppose S.B. 2396.

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