KANSANS FOR CLEAN ENERGY

jobs. rural prosperity. sustainable resources.

Senate Assessment & Taxation, March 16, 2015
In Opposition to SB 257

Chairman and members of the committee,
I am Zack Pistora on behalf of Kansans for Clean Energy, a coalition of **agricultural, energy, environmental and faith-based** groups across the state. On behalf of the advocate community, I appreciate the opportunity to speak in opposition of Senate Bill 257.

As currently written, it appears that SB 257's change to a 10 year property tax exemption would not only affect new wind farms announced but also the 20 existing wind farms and the 7 wind farms currently under construction or with Power Purchase Agreements (PPAs) in Kansas.

Currently, payments in lieu of taxes (sometimes referred to as PILOT) are made to 20 rural counties hosting wind farms totaling over $10 million annually. With the additional wind farms under construction or with PPAs, 7 additional counties will be receiving donation agreements and community contributions that will go straight to the counties' budgets to help pay for basic, local needs such as public safety and new roads.

Altering the property tax exemption policy would put these donation agreements and PILOT payments in jeopardy. If a bill like this passes, wind developers would likely reconfigure contracts with counties hosting wind farms and they could lose this additional funding stream.

Counties have been competing to host wind farms in their area, because they understand the economic benefits of wind energy. Capitalizing on this asset gives counties like Ford county an opportunity to construct a state of the art sports auditorium without increasing the taxes of locals to pay for it, or Haskell County the chance for new helmets at their fire department, or Elk County the ability to increase their county budget to cover basic needs of their residents.

Additionally, the $13 million in landowner payments and the 13,000 jobs allow for cash flow to go right back into those counties where those Kansans live and shop.

Through outreach events across the state, we have heard from the horse's mouth the benefits donation agreements have had on rural Kansans.

Passing a bill that retroactively affects the property taxes and PILOT payments of existing and developing wind farms is punitive. It doesn't reflect the policy that rural Kansas needs and deserves to thrive. This is not about the industry; this is about Kansas. This bill will have negative impacts to counties hosting wind farms and property owners of the renewables.

We understand there may be concerns that the renewable industry is not on equal footing with other sources of generation. It is important to note that the unaccounted externalities of fossil fuel dependency, such as the costs of pollution, water consumption, national security risks, and detriment to public health, carry an unequal social burden between energy resources, thus equal economic treatment does not inherently guarantee social equity. On those grounds, we urge you to embrace the advantages of clean energy and ask you to oppose SB 257 outright. However, if you feel compelled to treat renewable energy in the same way as other forms of energy in respect to property taxes, we ask you to consider this bill's impact to counties and their PILOT agreements under contract. In order to protect those counties from the devastating financial losses, we urge this committee to consider grandfathering the 20 existing wind farms and the 7 currently under construction or signed PPAs. If a change is made, please assure that SB 257 it is not damaging to these 27 rural counties.