

**Written Testimony of Westar Energy
Opposing SB257
Before Senate Committee on Assessment and Taxation
March 16, 2015**

Chairman Donovan and members of the Committee: Thank you for the opportunity to express concerns regarding SB257 and its impact on Westar Energy.

As you know, the current tax exemption for renewable resources and technologies has been in place for a number of years. Businesses like Westar Energy and individual renewable developers have made long-term business decisions for the use of renewables based partly on a tax policy they expected would remain in place for the lifetime of their investment. We believe that policy should be honored.

SB257 applies a new tax policy to a long term investment decision made just a few years ago and is a strategy Kansas should avoid.

All property taxes on Westar-owned facilities are state assessed and included on every customer's electric bill as a property tax surcharge. Our estimates, were this bill to become law, indicate property taxes on our renewable facilities would be higher than the current Payment In Lieu Of Taxes (PILOT) payments we make to counties where our renewable facilities are located. Westar Energy, as a tax collector for the state, will pass along those higher costs to our customers through the property tax surcharge.

If this bill were to move forward, we would propose the language be changed to prospective, thus grandfathering existing facilities as well as those under development or contract, and that the bill only impact projects that were developed after the date this legislation is enacted.

We appreciate your consideration of our position as you discuss SB257.