



**Kansas Grain & Feed Association
Kansas Agribusiness Retailers Association
Renew Kansas**

March 6, 2018

To: House Committee on Taxation
From: Randy Stookey, Senior Vice President & General Counsel
RE: **Testimony in Opposition to House Bill 2740, concerning ad valorem property tax levy**

Chairman Johnson and members of the House Committee on Taxation, thank you for the opportunity to testify in opposition to House Bill 2740. This testimony is being submitted jointly by the Kansas Grain and Feed Association (KGFA), the Kansas Agribusiness Retailers Association (KARA), and Renew Kansas.

KGFA is the state association of the Kansas grain storage and handling industry. KGFA's membership includes over 950 Kansas business locations and represents 99% of the commercially licensed grain storage in the state. KARA is a voluntary trade association that appreciates membership of over 700 agribusiness firms that supply fertilizers, crop protection products, seed, petroleum products, and agricultural services to Kansas farmers. Renew Kansas is the trade association of the Kansas ethanol processing industry.

Our members are good corporate citizens that have a positive economic impact on urban and rural areas all across the state. In many Kansas counties, our members maintain the largest commercial and industrial structures for property tax purposes.

Our members provide good, steady jobs to thousands of Kansans. A high percentage of those jobs require degrees and training in STEM fields or in agribusiness. Our members are also reliant upon good roads. For these reasons, our members know and understand the importance of investment in Kansas schools and of infrastructure.

Property taxes paid by our members make direct investments into schools and local government, and our members appreciate the need for reasonable property tax assessments and mill levies. In recent years, however, many of our members have reported significant increases in property tax valuations – experiencing increases of 100%, 200%, or even more, in one year. These increases are unreasonable and unsustainable.

House Bill 2740 would amend current law by increasing the school mill levy in Kansas from 20 mills to 38.43 mills. As the recent increases in property tax valuations experienced by some in our industries are already unreasonable, the mill levy increases proposed by HB 2740 would be prohibitively burdensome. No industry can exist and continue to provide jobs or public investment when property tax assessments create an economic environment where the business becomes uncompetitive or is no longer viable. As such, passage of HB 2740 would do grievous harm to the grain storage, agribusiness, and ethanol processing industries in our state.

For the reasons stated above, our associations stand jointly in opposition to House Bill 2740. We would respectfully request that the committee not work this bill or pass it out of committee. Thank you for allowing us to testify, and we will stand for questions at the appropriate time