



KANSAS COOPERATIVE COUNCIL
816 SW TYLER ST., STE 300, TOPEKA, KS 66612
WWW.KANSASCO-OP.COOP

Date: March 6, 2018

To: Rep. Steven Johnson
House Taxation Committee

From: Mandy Roe, Director of Member Services
Kansas Cooperative Council

RE: HB 2740: Mill Levy Increase

Mr. Chairman and Members of the Committee,

Thank you for the opportunity to provide testimony in opposition to HB 2740. The Kansas Cooperative Council (KCC) represents all types of cooperatively structured businesses including agriculture marketing and supply, rural electric, telecom, credit unions, the farm credit system and risk management cooperatives. Co-ops differ from other businesses because they are member-owned and operate for the mutual benefit of members.

Cooperatives largely serve rural communities and are often the largest employer and/or the highest property tax payer in the county. The KCC was pleased to have the opportunity to present to the House Committee on Taxation on February 13, 2018 regarding property valuation of grain elevators and the struggles cooperatives have faced because of rising property valuations.

HB 2740 would exacerbate that problem by increasing the mill levy. A brief survey of our membership showed we have cooperatives that would see upwards of a \$45,000 property tax increase each year. The bill would create cumulative increase of 93 percent over their property taxes for 2017. That type of property tax burden doesn't allow for a cooperative or any business to be successful.

There are seven cooperative principles by which cooperatives put their values into practice. One of those is Concern for Community. Cooperatives work toward the sustainable development of their communities through policies approved by their members. They positively impact their local schools, fellow businesses and strengthen their community by giving back.

Co-ops strongly believe in service and work to help the communities they serve. However, the KCC believes HB 2740 would have a detrimental impact on cooperative businesses and the rural communities they serve. HB 2740 would nearly double the property tax burden on cooperatives when commodity prices are low and co-ops are struggling to pay their already increasing property taxes.

On behalf of the Kansas Cooperative Council, thank you again for the opportunity to share our opposition to HB 2740. The KCC would respectfully request, that the committee not take further action on HB 2740.

Mandy Roe
Director of Member Services
mandy@kansasco-op.coop
(785) 221-1647