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Date: February 13, 2020

To: Representative Steven Johnson, Chairman, House Taxation Committee

From: Shahira Stafford, Kansas Cooperative Council

RE: House Bill 2517, property tax abatement for agricultural property destroyed or substantially destroyed by a natural disaster

Mr. Chairman and Members of the Committee,

Thank you for allowing me to testify in support of House Bill 2517. My name is Shahira Stafford, and I am here representing the Kansas Cooperative Council (KCC); but this testimony is submitted jointly with the Kansas Grain and Feed Association (KGFA). The KCC represents all types of cooperatively-structured businesses including agriculture, utility, financial, and consumer coops. KGFA is the state trade association of the grain receiving, storage, processing and shipping industry.

In recent years, certain grain elevators have suffered structural harm caused by high winds, tornados, flooding, and other natural disasters. Following these events, the grain elevator may be destroyed or rendered unfit for grain storage while it is being repaired.

HB 2517 would allow a property owner to apply to the county commission for an abatement or credit of property taxes that are levied against an agricultural improvement property that is destroyed or substantially destroyed by earthquake, flood, tornado, fire, storm, or other natural disaster. The bill defines agricultural improvement property as a farm building or structure, including, but not limited to, a barn, shed, grain bin or outbuilding, utilized for the production of livestock or crops and listed and classified as an agricultural improvement for property taxation purpose.

This bill proposes practical and reasonable tax policy to ensure the use of actual fair market value of a producer-owned grain bin that has been damaged during a natural disaster. **While certain producer-owned grain elevators could derive a benefit from this bill, the KCC and KGFA would ask that the bill be amended to extend the tax abatement to public grain warehouses as well, so as to ensure balanced tax policy between producer-owned grain storage and public grain warehouses.**

On behalf of the cooperative and independent grain elevators in Kansas, the KCC and KGFA stand in support of House Bill 2517, with the proposed amendment mentioned above. Thank you so much for the opportunity to comment today, and I'd be happy to answer questions at the appropriate time.