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Date: March 16, 2020
To: Representative Steven Johnson, Chairman, House Taxation Committee
From: Shahira Stafford, Kansas Cooperative Council
RE: Senate Bill 294, notice and public hearing requirements to exceed certified tax rate

Mr. Chairman, and Members of the Committee,

Thank you for the opportunity to provide testimony in support of Senate Bill 294 on behalf of the Kansas Cooperative Council (KCC). The KCC is a trade association representing all forms of cooperatively-structured businesses in Kansas. Its mission is to promote, support, and advance the interests, business success, and understanding of agricultural, utility, credit, and consumer cooperatives and their members through legislation and regulatory efforts, education, and public relations. Simply, cooperatives differ from other businesses because they are member-owned, member-controlled, democratically-governed, and profits are returned back to the patrons.

Our agricultural cooperatives in particular have been battling against drastically high property taxes on their commercial grain storage in recent years. One of our coop members saw nearly 700% valuation increases on two of their facilities from 2017 to 2018.

Since then, the KCC, along with our friends at the Kansas Grain and Feed Association, have continued difficult, yet productive discussions with the Kansas Department of Revenue's Property Valuation Division (PVD) on revisions to their Grain Elevator Property Valuation Guide. This guide is used by county appraisers across the state in determining how these complex properties are assessed and valued.

The PVD has also recently consulted with a certified general appraiser and expert in commercial, agricultural properties to further review the guide and potentially incorporate more changes requested by the industry. This is promising, and we are hopeful that more progress can be made toward consistency and uniformity in grain elevator tax assessments.

While we are making progress, there is much more work to be done. Many of our members are still seeing sharp hikes in their appraised valuations and continue to muddle through the long and arduous appeals process. The KCC strongly supports comprehensive property tax reform at the state level, and we believe that the provisions in SB 294 will increase transparency to the taxpayer and help remove barriers to property tax relief that all Kansans so desperately need.

Thank you for allowing us to share our support of SB 294.