



**Kansas Grain and Feed Association  
Kansas Cooperative Council**

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To: Senate Committee on Assessment and Taxation  
From: Randy Stookey, Senior Vice President of Government Affairs, KGFA  
Date: February 11, 2020  
Re: **Joint Proponent Testimony on Senate Bill 242, relating to agricultural improvement destroyed or substantially destroyed by natural disaster**

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Chairman Tyson and members of the committee, thank you for the opportunity to provide testimony in support of Senate Bill 242. This testimony is jointly-submitted by Kansas Grain and Feed Association (KGFA) and Kansas Cooperative Council (KCC). KGFA is the state association of the grain receiving, storage, processing and shipping industry in Kansas. KGFA's membership includes over 950 Kansas business locations and represents 99% of the commercially licensed grain storage in the state. KCC represents cooperatively structured businesses including agriculture grain storage, marketing and supply, utility, financial and consumer cooperatives.

Across Kansas, our member grain elevators pay millions of dollars annually in property taxes that support local schools and government. The ability of our members to operate a competitive or profitable business is often determined by the amount of fixed costs on their operation - such as property taxes. Recent increases in property valuations have resulted in large increases in property taxes paid by our members.

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.

Senate Bill 242 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 elevator that has been damaged during a natural disaster. While certain producer-owned grain elevators could derive a benefit from this bill, KGFA and KCC would ask that the bill be amended to extend the tax abatement/credit to public grain warehouses in Kansas, so as to ensure balanced tax policy between producer-owned grain storage and public grain warehouses.

Thank you for allowing us the opportunity to testify in support of Senate Bill 242. We respectfully request that the committee consider our amendment and pass the bill out favorably.