



Kansas Agricultural Alliance

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To: Senate Committee on Assessment and Taxation, Sen. Caryn Tyson, Chair

From: Kansas Agricultural Alliance, Jesse McCurry, President

Date: March 11, 2020

RE: Neutral with concerns, Joint Testimony on SB 457, related to soil surveys for agricultural land.

The Kansas Agricultural Alliance (KAA) is composed of statewide farm, livestock, commodity, cooperative, agri-business and agri-service organizations. KAA's mission is to promote the general welfare of agriculture and rural communities within Kansas and the U.S., with special emphasis upon legislative activities affecting agriculture, rural areas and cooperative services.

Chairwoman Tyson and members of the committee, thank you for allowing the Kansas Agriculture Alliance to submit testimony regarding our concerns with SB 457. While we feel the bill is well intentioned, it does raise some practical issues concerning the agricultural community in Kansas. Therefore, we are providing written neutral testimony in hopes that the committee will address our concerns.

The use value formula in the state of Kansas is a formula designed to be based on the most accurate and current data available to the state at the time valuations are calculated. At the core of the formula is the soil type that is used to determine the overall productivity of the land, which is a key component to the income based appraisal process.

The Natural Resource and Conservation Service of the United States Department of Agriculture (NRCS) is constantly working to improve soil survey information through a variety of projects. When complete, each project undergoes extensive QA/QC processes and all changes are published to the Web Soil Survey once each year. Oftentimes, there are only subtle changes to the soil information. There is a process for landowners to appeal the findings of the survey to ensure the accuracy of the data. Through this manner, NRCS is attempting to provide the most accurate data possible, which the Department of Revenue then utilizes to determine soil types for valuation purposes.

SB 457 raises several concerns, as we will outline below:

1. By locking in the date of the map to be used, the bill would prevent producers from appealing their soil type information to most accurately reflect the productivity of their land; thus, potentially, artificially locking in an incorrect (and potentially higher) valuation moving forward.

2. By locking in the date of the map to be used, the data in the formula would not be as current; therefore, the valuation of the land may become skewed in many different ways. Eventually, this could create uniform and equal constitutional challenges.

3. If land is sold, locking in a past and inaccurate soil classification could cause sellers problems as realtors would have to make a decision to use the outdated property tax classification or the most current NRCS data. This could create a liability for both the seller and realtor.

4. The NRCS model is a constantly evolving database, by freezing the date, it creates an issue of how to verify a past outdated model. This issue must be resolved to ensure that producers could challenge the accuracy of an appraisal should there be an actual mistake by the appraiser in regard to the soil classifications.

Once again, thank you for providing the Kansas Agriculture Alliance with the chance to relay our concerns with SB 457. It is also important to note that the changes in soil type may reduce the valuations of land in many cases. For these reasons, the Alliance urges caution when working this bill as the committee moves forward.