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Date: February 23, 2021
To: Representative Adam Smith, Chairman, House Taxation Committee
From: Shahira Stafford, Kansas Cooperative Council
RE: Proponent Testimony on House Bill 2272

Mr. Chairman and Members of the Committee,

On behalf of the Kansas Cooperative Council (KCC), thank you for the opportunity to support House Bill 2272. The KCC is a statewide association that works on behalf of all types of cooperatively structured businesses in Kansas. The industries organized as cooperatives are vast, including agriculture, utility, financial and insurance.

Our agricultural cooperatives in particular have been battling against drastically high property taxes on their commercial grain storage in recent years. One of our co-op 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 also recently consulted with a certified general appraiser and expert in commercial, agricultural properties to further review the guide and incorporate more changes requested by the industry.

Understandably, the KCC is in strong support of comprehensive property tax reform in Kansas. Many of our members are currently muddling through the long and arduous appeals process that can sometimes take several years. It seems reasonable that the property taxes paid that are under protest are escrowed and set aside until an appeal is final. This ensures that the county or other taxing jurisdiction does not account for funds in their budget that could be returned.

The KCC believes that HB 2272 is just another step toward removing barriers to property tax relief that our members and all Kansans so desperately need. Thank you for the opportunity to comment, and we respectfully ask that you pass this bill favorably.