



Kansas Grain and Feed Association
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January 26, 2021

To: Senate Committee on Assessment and Taxation
From: Randy Stookey, Senior Vice President of Government Affairs, KGFA
Re: **Proponent Testimony on Senate Bill 49, extending the time period and expanding eligibility for the single city port authority income tax credit**

Chairman Tyson and members of the committee, thank you for the opportunity to provide testimony in support of Senate Bill 49. This testimony is submitted by the Kansas Grain and Feed Association (KGFA).

KGFA is the state association of the grain receiving, storage, processing and shipping industry in Kansas. The KGFA's membership includes over 950 Kansas business locations and represents 99% of the commercially licensed grain storage in the state.

Kansas agricultural commodity producers continue to grow record bushels of corn, sorghum, wheat, soybeans and other commodities. Across Kansas, our member commercial grain elevators work with those farmers to receive, store, and transport grain.

It is vital for our state economy that Kansas grains are able to be efficiently and economically transported to market. While many grain elevators rely on transporting grain by commercial trucks, others are located on rail lines and are able to take advantage of that more efficient mode of transportation.

Senate Bill 49 would extend an important tax credit for the single city port authority. This existing tax credit has proven instrumental in helping to defray the costs of upgrades and maintenance to certain sectors of rail line that our members depend on to transport grain. These upgrade and maintenance projects include the installation of crossties and ballast, and tamping and regulating.

This specific rail line is vital to grain elevators that ship grain to Wichita for interchange with the Union Pacific and the Burlington Northern Santa Fe. Without continued maintenance and service of the line, the elevators along this line would be forced to transport their grain by truck over Kansas highways. Loss of access to rail transport would increase the costs of transporting grain, decrease the property values of the affected grain elevators, and add hundreds of trips by grain trucks onto Kansas roads.

Maintenance of these rail lines will be especially important as we increase exports of our agricultural commodities. As such, this bill represents an investment in the Kansas economy. For these reasons, we support this measure to extend the current income tax credit.

Thank you for allowing us the opportunity to testify in support of Senate Bill 49. We respectfully request that the committee pass the bill out favorably.