



**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
Shahira Stafford, Kansas Cooperative Council
Date: February 2, 2021
Re: **Joint Proponent Testimony on Senate Bill 23: Written Only**

Chairwoman Tyson and members of the committee, thank you for the opportunity to provide testimony in support of Senate Bill 23. This testimony is jointly-submitted by the Kansas Grain and Feed Association (KGFA) and the 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. 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.

Across Kansas, our member commercial grain elevators pay millions of dollars annually in property taxes that support schools and state and local 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 industry.

In any given year, high winds, tornados, flooding, and other natural disasters may cause severe structural damage to buildings and other improvements. In those instances, grain bins may be destroyed or rendered unfit for grain storage while it is being repaired.

Senate Bill 23 would allow the owner of property that has been destroyed or substantially destroyed by an earthquake, flood, tornado, fire, storm, or other declared disaster to apply to the county commission for an abatement or credit of property taxes that are levied against the property. This is an entirely reasonable measure, as the ability to utilize a commercial property to generate revenue may be greatly diminished following a natural disaster.

This bill proposes practical and reasonable tax policy to ensure the use of actual fair market value of property that has been damaged during a natural disaster. As such we support this measure.

Thank you for allowing us the opportunity to testify in support of Senate Bill 23. We respectfully request that the committee pass the bill out favorably.