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Date: February 18, 2021

To: Senator Caryn Tyson, Chairwoman, Senate Assessment and Taxation Committee

From: Shahira Stafford, Kansas Cooperative Council

RE: Proponent Testimony on Senate Bill 98: Written Only

Madam Chair and Members of the Committee,

On behalf of the Kansas Cooperative Council (KCC), thank you for the opportunity to support Senate Bill 98. 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.

As you are aware by now, our agricultural cooperatives in particular have been battling against drastically high property taxes on their commercial grain storage in recent years. We greatly appreciate the Legislature for allowing the grain industry to voice their concerns during informational hearings in 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.

While we are making progress, there is much more work to be done. Many of our members are still seeing sharp hikes in their appraised valuations and continue to muddle through the long and arduous appeals process.

Current law allows a taxpayer to appeal a decision by the Board of Tax Appeals for a new trial with the district court. As we understand it, Kansas statutes are not clear regarding which party carries the burden of proof in certain valuation matters, thus the parties have had to rely upon various Kansas case law regarding burden of proof in classification disputes. SB 98 would clarify in statute that the county appraiser bears the burden of proof in determining the taxpayer's classification of personal or real property, and thus their property tax valuation.

The KCC believes that SB 98 is another step toward removing barriers to property tax relief that our members and all Kansans so desperately need. Thank you so much for the opportunity to comment on SB 98, and we respectfully ask for your support.