

To: Senate Assessment and Taxation Committee
From: Erik Sartorius, Executive Director
Date: March 14, 2022
RE: Testimony in opposition to Senate Bill 554 – Written Only

Good morning, Madam Chair and Committee Members and thank you for allowing the League of Kansas Municipalities to offer testimony in opposition to Senate Bill 554.

League member cities support a broad tax base and believe the existing property tax base should be protected. Our Statement of Municipal Policy encourages “the legislature to resist any proposal to further exempt any specific property classification from taxation, including industry-specific exemptions.” Senate Bill 554 falls within this policy.

A zoo is commonly defined as “a parklike area in which live animals are kept in cages or large enclosures for public exhibition.” In most instances, zoos charge an admission fee for the privilege of viewing the animals. It begs reality that the commercial space to display animals should be equated to “land devoted to agricultural use.” The bill references that these are zoos that hold a Class C Exhibitor License issued by the U.S. Department of Agriculture. USDA requires a Class C license for “individuals and businesses who exhibit [warm-blooded] animals to the public for compensation (e.g., prizes, stipends, products, or publicity that directly benefits that person’s business, including donations).” By the license referenced in the bill itself, these are commercial enterprises.

Further the legislation provides that land “devoted to the production of plants, animals, or horticultural products that is incidentally used for agritourism activity” is to be considered devoted to agricultural use. This provision presents one big question; how incidental must the agritourism activity be? If this provision is read broadly, it could include some of these enterprises that rely primarily on a commercial or business function -- the sale of a product -- and not the actual production of it. If that is the case, it can hardly be said that these properties are devoted to an agricultural purpose.

The League is opposed to this bill and would ask that the Committee not recommend it favorably for passage.