



Senate Assessment & Taxation Committee
Written Testimony in Opposition to SB 374
Submitted by J. Kent Eckles

Tuesday, March 15th, 2022

Madam Chair and members of the committee, my name is Kent Eckles on behalf of the Kansas Chamber. We appreciate the opportunity to submit written testimony in opposition to SB 374, which would eliminate property tax exemptions currently enjoyed by the renewable energy sector.

This bill unfairly targets the renewable energy sector for special tax treatment, which puts that sector at a competitive disadvantage to more traditional energy sources. Every other energy source in the State of Kansas has at least a 10-year property tax abatement, so singling out the renewable energy sector is not only bad policy, but it's anti-free market.

There are two major, negative consequences that would result from enactment of this bill. First, several wind projects that would consider locating in the State of Kansas will now choose to locate in other states with more equitable tax treatment. The loss of those projects would also mean a loss of tax revenues for Kansas counties, a loss of lease payments for landowners and a loss of construction jobs.

Secondly, for those projects that are still able to proceed in Kansas, the increased burden of higher taxation will lead to higher electric rates ultimately borne by consumers. The legislature has had multiple discussions over the years and even recently commissioned a study to ascertain how to get Kansas' electric rates regionally competitive with our neighboring states. This bill would only hinder Kansas electric rates from being competitive on a regional basis.

Thank you for the opportunity to present testimony in opposition to SB 374. We urge the committee to not pass this bill favorably.