



**Kansas Grain and Feed Association
Kansas Cooperative Council
Renew Kansas Biofuels Association**
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To: House Committee on Taxation
From: Randy Stookey, Senior Vice President of Government Affairs, KGFA, RKBA
Shahira Stafford, Kansas Cooperative Council
Date: February 17, 2021
Re: **Joint Written Proponent Testimony on House Bill 2197, relating to buildings or improvements destroyed or substantially destroyed by natural disaster**

Chairman Smith and members of the committee, thank you for the opportunity to provide testimony in support of House Bill 2197. This testimony is jointly-submitted by the Kansas Grain and Feed Association (KGFA), Kansas Cooperative Council (KCC), and Renew Kansas Biofuels Association (Renew Kansas).

The 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. The KCC represents cooperatively structured businesses including agriculture grain storage, marketing and supply, utility, financial and consumer cooperatives. Renew Kansas is the trade association of the Kansas biofuels processing industry.

Across Kansas, our member commercial grain elevators and biofuel facilities 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.

House Bill 2197 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 proper valuation and assessment of a property's actual fair market value when that property 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 House Bill 2197. We respectfully request that the committee pass the bill out favorably.