



**Senate Committee on Assessment and Taxation  
Testimony in Support of Senate Bill 274  
Presented by Eric Stafford, Vice President of Government Affairs**

**Wednesday, March 15, 2023**

Madam Chair and members of the committee, my name is Eric Stafford, Vice President of Government Affairs for the Kansas Chamber. The Kansas Chamber appreciates the opportunity to submit testimony in support of Senate Bill 274, a bill that requires appraisers to use the cost approach when determining the fair market value of special purpose property.

We have seen special property such as self-storage units become significantly overvalued in their property tax liability in recent years as appraisers have relied on income generated by the facilities. While income should be a factor for appraisals conducted for financing purposes, it should **not** be considered when determining the value of the property itself.

SB 274 states “For ad valorem property tax purposes, the fair market value of special purpose property shall be determined based solely on the value of the land and real property improvements and **shall exclude the value of the business operating on the property.**” The bold, underlined language is one of the primary components of this bill where these industries like the self-storage industry often see their appraisals for property tax purposes inflate real estate values by using income as a factor in determining fair market value.

In closing, we ask for this committee’s support of Senate Bill 274, and are happy to answer questions at the appropriate time.