



May 19, 2017

## Testimony in Opposition to SB 251

Mr. Chairman and members of the Committee:

On behalf of thousands of Americans for Prosperity activists across Kansas, I ask you not support SB 251 and the harmful impact it will have on Kansans by raising their monthly utility bills. SB 251 places a supposed fee, unrelated to utility service, on Kansans' monthly utility bills. Kansans already pay more for utilities than residents of other states in our region. Beyond the harmful impact, SB 251 is bad policy as it calls the payment a fee when in reality it is a tax increase.

Kansans already pay more per unit of electricity than residents of neighboring states and SB 251 would place a \$2.25 monthly tax on residential customers' bills. According to data from the Energy Information Administration, residential customers in Kansas paid on average 12.34 cents per kilowatt hour of electricity. Those living in Oklahoma paid 10.14 cents per kilowatt hour, a full cent less. Kansas also has the highest per unit cost of electricity for commercial and industrial users compared to users in neighboring states. SB 251 places a \$10 per month tax on industrial customers' bills.

Similar to electricity, Kansans pay more for water than residents of other states in our region. The organization Food and Water Watch published a survey of the top 500 water systems comparing prices. For customers in publicly owned water systems in the Midwest region, the average annual water bill was \$305.48. For Kansas customers, it was \$364.50, or \$59.02 higher than the regional average and \$48.94 higher than the national average. SB 251 places a \$120 on those using water for irrigation.

SB 251 distorts the meaning of the term fee in an attempt to hide a tax increase. A fee is a payment made in exchange for a good or service. SB 251 places a so-called fee on utility bills that is unrelated to the service provided by utilities and is therefore a tax. Proper tax policy should not confuse fees and taxes.

We also ask that you not weaken the Tax Credit for Low Income Students Scholarship Program as SB 251 does. For many Kansas students, this may be the one chance they have of escaping schools that are not meeting their educational needs.

On behalf of Kansans who already pay above average prices for utilities, I urge you to oppose SB 251 and the proposed tax increase it contains.

Jeff Glendenning  
State Director  
Americans for Prosperity-Kansas

## Electricity Prices

Year	State	Industry Sector Category	Residential	Commercial	Industrial
2015	CO	Total Electric Industry	12.12	9.88	7.40
2015	KS	Total Electric Industry	12.34	10.10	7.61
2015	MO	Total Electric Industry	11.21	9.16	6.44
2015	NE	Total Electric Industry	10.60	8.67	7.59
2015	OK	Total Electric Industry	10.14	7.68	5.35
2015	US	Total Electric Industry	12.65	10.64	6.91

Data from the Energy Information Administration

## Natural Gas Prices

Year	State	Residential	Commercial	Industrial
2015	CO	8.27	7.47	5.74
2015	KS	10.17	8.87	4.24
2015	MO	11.60	9.14	7.58
2015	NE	8.86	6.40	4.56
2015	OK	10.24	8.12	7.51
2015	US	10.38	7.91	3.91

Data from the Energy Information Administration

## Water Prices

<b>Average Annual Household Water Bills, as of January 2015</b>				
<b>Based on the 500 Largest Community Water Systems in the United States and Assuming 60,000 Gallons a Year per Household</b>				
Region and State	System Ownership		Increase Under Private	
	Public	Private	Amount	Percent
<b>Midwest</b>	<b>\$305.48</b>	<b>\$511.05</b>	<b>\$205.57</b>	<b>67%</b>
Illinois	\$300.31	\$586.33	\$286.02	95%
Indiana	\$267.04	\$407.67	\$140.63	53%
Iowa	\$270.87	\$468.75	\$197.88	73%
Kansas	\$364.50			
Michigan	\$324.10			
Minnesota	\$236.49			
Missouri	\$357.76	\$422.41	\$64.65	18%
Nebraska	\$224.32			
North Dakota	\$255.00			
Ohio	\$302.81	\$519.52	\$216.71	72%
South Dakota	\$320.34			
Wisconsin	\$246.45			

Table from Food and Water Watch