



To: House Taxation Committee
Date: March 6, 2019
Subject: **Neutral Testimony on House Bill 2345**
From: Shahira Stafford, Kansas Cooperative Council

Honorable Chairman Johnson and Members of the Committee,

Thank you for the opportunity to provide comments on House Bill 2345. The Kansas Cooperative Council (KCC) represents all types of cooperatively structured businesses including agriculture marketing and supply, rural electric, telecom, credit unions, the farm credit system, and risk management cooperatives. Co-ops differ from other businesses because they are member-owned and operate for the mutual benefit of their members.

There are seven principals by which cooperatives put their values into practice. One of those is Concern for Community. Cooperatives work toward the sustainable development of their communities through policies that strengthen their local schools and fellow businesses. Co-ops strongly believe in serving the community in which they live and do business. Our members understand the need to fund local services and understand the financial pressure some municipalities are under.

Because cooperatives largely serve rural communities, they are often the largest employer and/or the highest property tax payer in the county. While they understand the importance of supporting their local government and infrastructure through their tax dollars, in recent years, grain warehouse facilities across the state have seen double, even triple digit increases in their property valuation and total tax bill. For many, double-digit increases come on the heels of a significant increases the prior year, or multiple years.

The KCC supports the current public vote requirement as a means of moderating the property tax spikes our members have experienced. House Bill 2345 will allow cities and counties to adjust their proposed budgets to the highest level of funding during the previous seven years without a public vote. The KCC is generally opposed to more exceptions to the election requirement and is concerned, in particular, that this bill could make it easier for cities and counties to increase their budgets and in turn raise property taxes.

Thank you, again, for the chance to comment today.

Kansas Cooperative Council
www.kansasco-op.coop
(785) 845-8535