



Since 1894

To: Senate Committee on Assessment and Taxation
Sen. Caryn Tyson, Chair

From: Aaron M. Popelka, V.P. of Legal and Governmental Affairs, Kansas Livestock Association

Re: **SB 374 AN ACT concerning renewable energy; relating to property taxation; discontinuing the property tax exemption for certain renewable energy facilities; amending K.S.A. 79-201 and repealing the existing section.**

Date: March 15, 2022

The Kansas Livestock Association (KLA), formed in 1894, is a trade association representing more than 5,700 members on legislative and regulatory issues. KLA members are involved in many aspects of the livestock industry, including seed stock, cow-calf, and stocker cattle production; cattle feeding; dairy production; swine production; grazing land management; and diversified farming operations.

Thank you, Chairwoman Tyson, and members of the Committee, for giving the Kansas Livestock Association (KLA) the opportunity to share our views on SB 374. KLA supports SB 374 as way to ensure equal treatment of new construction and broaden the rural tax base.

KLA members have long held a policy that states: *"THEREFORE BE IT RESOLVED, the Kansas Livestock Association supports legislation to require wind power facilities to pay local property taxes."* When wind developments occur in rural counties, the influx of workers, strain on local roads, and use of other local services can place a burden on local budgets. Any increase in local budgets is born by the existing tax base, which in rural Kansas is usually agricultural producers and rural homeowners. In addition, the current system, where wind developers offer payments in lieu of taxes for the first ten years, is often used as leverage against counties not to zone, enact setbacks from homes, or take other action to protect the property rights of landowners not participating in the wind development.

Requiring the owners of wind developments to pay property taxes from year one is also a fairness issue. If a KLA member constructs a beef feedyard, dairy, or other livestock facility, it is immediately appraised at fair market value and subject to property tax, as are homes, barns, sheds, and other structures used in other agricultural pursuits. Wind towers should receive similar tax treatment as other for-profit enterprises in rural counties.

KLA appreciates the opportunity to appear as a proponent of SB 374. We ask that the Committee recommend the bill favorable for passage when it works the bill.