



Testimony in Opposition to HB 2740 • Kansas House Tax Committee • March 5–6, 2018

Good afternoon, Chairman Johnson and members of the House Committee on Taxation. I am Lucas Heinen from Brown County. I am president of the Kansas Soybean Association, here to present its testimony in opposition to HB 2740.

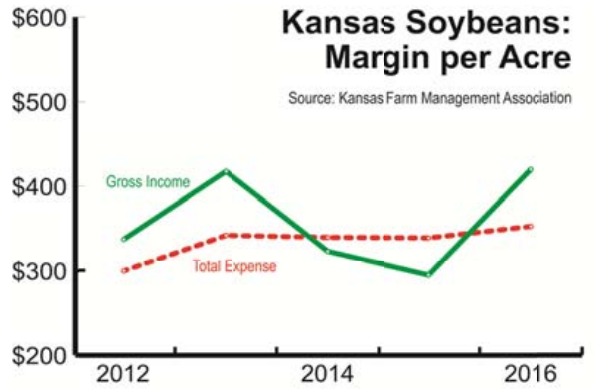
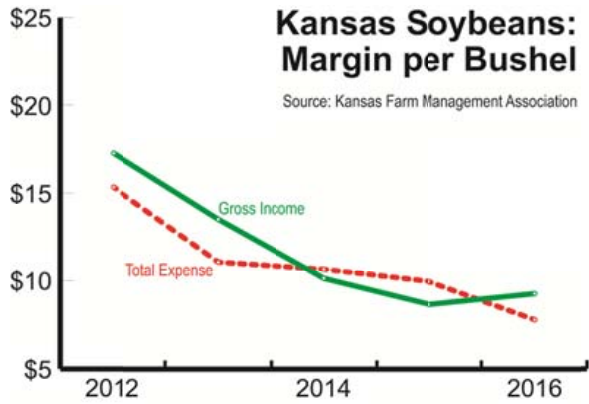
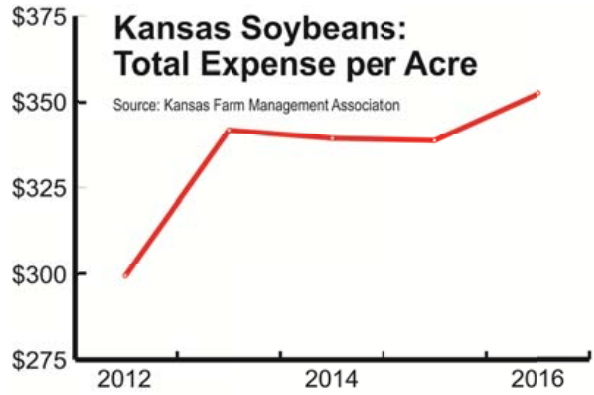
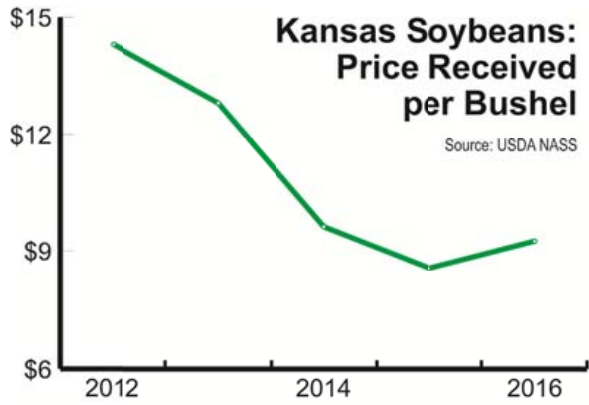
Here is an example of the effect of continually increasing state and local taxes on one of my neighbors in northeastern Kansas. Over a five-year period, from 2013 to 2017, his property taxes on 48 acres of unimproved cropland increased, on average, about 15.5 percent per year. What was a \$1,145 property-tax bill in 2013 was \$2,045 last year, a nearly 80 percent increase overall. The actual amount that benefited the local school district and community college rose from \$537 to \$964 per year over that period. Per acre, he went from paying about \$24 to about \$43, with local education's share going from about \$11 to about \$20. We suggest agricultural property owners already are doing their fair share.

Kansas was the 10th-ranked state for soybean production at 189 million bushels in 2017, narrowly missing the record set in 2016. The Kansas Department of Agriculture (KDA) reports that oilseeds, mainly soybean, in Kansas have a direct output of more than \$1.28 billion and provide 1,079 jobs in the state. Adding induced impacts, the oilseed industry supports 4,467 jobs and creates a total economic contribution of about \$1.8 billion. Furthermore, soybean meal is a major ingredient in livestock feeds. Kansas has more than 2.2 million cattle and 1.8 million hogs on feed and anticipates a growing poultry industry, according to KDA.

Kansas soybean farmers, however, face adversity in sustaining and increasing that economic contribution. As the attached graphs illustrate, falling soybean prices and rising expenses are making for incredibly thin margins.

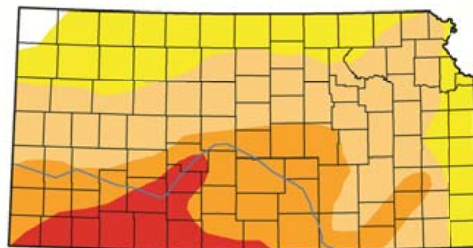
Instead of doubling the statewide mill levy for schools, the state could become an even more committed partner with the soybean industry. Challenges include housing and labor shortages; a lack of processing plants in the state; aging highways, bridges and railroads; uncertainty in our free-trade agreements; and burdensome federal regulations. Take a look at the U.S. Drought Monitor for Kansas, also attached, and you can understand farmers' increased anxiety.

The Kansas Soybean Association encourages state cooperation and assistance in addressing those obstacles. An increased property-tax mill levy for schools, however, would be counterproductive to ongoing strategies for growing the state's agricultural economy. That is why our association respectfully asks each of you to vote against advancing HB 2740.



**U.S. Drought Monitor
Kansas**

February 27, 2018
(Released Thursday, Mar. 1, 2018)
Valid 7 a.m. EST



Intensity:

- D0 Abnormally Dry
- D1 Moderate Drought
- D2 Severe Drought
- D3 Extreme Drought
- D4 Exceptional Drought

The Drought Monitor focuses on broad-scale conditions. Local conditions may vary. See accompanying text summary for forecast statements.

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<http://droughtmonitor.unl.edu/>