



Testimony in Opposition to Senate Bill 259

January 22, 2020

Mr. Chairman and Members of the Committee,

Thank you for the opportunity to speak today in opposition to Senate Bill 259. I am Brenda Kliewer, president/CEO of McPherson Co-Op Credit Union. We were formed in 1946 and we serve 3,325 members in the McPherson area, all of whom are tied to CHS and Jayhawk Pipeline either as employees, retirees or family members of the refinery operation.

I grew up in the financial services industry. My dad is a retired banker, and I've been with the credit union for 17 years. For all of those 17 years, I've watched the banking industry – at both the state and federal level - fight to keep other financial institutions out of the marketplace and to limit consumer access to other lenders, like credit unions. That includes:

- Perpetuating Field of Membership restrictions that largely keep credit unions out of rural communities;
- Supporting bans on public funds, which prevent local taxpayer entities – like our cities, counties and schools – from being able to use any other financial institutions;
- Fighting at the federal level for a lending cap that generally blocks credit unions from being able to enter or grow in the small business and ag lending markets; and
- Writing and promoting legislation this session (Senate Bill 239) that would raise taxes on Kansas credit unions who are trying to help fulfill the small business and ag lending needs of their members.

Yet, despite all these efforts, banks have not been successful in making us go away. Now, they've turned to a different approach – of wanting to be treated like us, not in every way, but only in the ways that would give them an unfair advantage in the market. Before you today, is more legislation written and promoted by the banking industry (Senate Bill 259, formerly known as Senate Bill 238), which would create a double standard for banks, granting them the same tax status as not-for-profit cooperatives in certain markets but without the same requirements or restrictions that cooperatives are tied to.

I think we can all agree that promoting rural Kansas is a worthy endeavor. It's what credit unions like mine seek to do every day. But, Senate Bill 259 does not provide rural Kansans with any accountability that they will see the benefits of this legislation. I ask the committee to oppose Senate Bill 259 on the basis of accountability and tax fairness, and instead consider these two policy options:

If the legislature wants to do more to serve rural Kansas,

1. Why not remove the market restraints that are limiting consumer access in these very communities – like the Field of Membership and public deposits restrictions?
2. Instead of providing a tax exemption to one lender without any of the same guarantees other lenders provide you to ensure the dollars are passed onto consumers, why not provide this tax exemption directly to farmers, ag producers and rural Kansans?

Thank you for your consideration. I would stand for your questions at the Chairman's discretion.

Brenda Kliewer
President/CEO
McPherson Co-Op Credit Union