

To: Senate Assessment and Taxation Committee, Senator Caryn Tyson, Chair

From: John Donley, Kansas Farm Bureau

Date: March 17, 2022

Re: SB 565 - Concerning property taxation; relating to classification; CRP-Grasslands

Chairwoman Tyson and members of the Committee, my name is John Donley. I appreciate the opportunity to provide testimony in support of SB 565. Kansas Farm Bureau (KFB) is the state's largest general farm organization representing more than 30,000 farm and ranch families through our 105 county Farm Bureau Associations.

This bill is necessary to transition from changes in the federal conservation reserve program (CRP.) The CRP program was created in the 1985 Farm Bill. The program allowed marginal and environmentally sensitive farm ground to be enrolled in the CRP program. In effect, the program took dryland farm ground and planted it to grassland. At that time, the Kansas legislature inserted the language to keep the CRP-enrolled land valued as dryland farm ground due to to be valued at its historic use for use value appraisal purposes. The 2014 Farm Bill created, and the 2018 Farm Bill expanded the CRP Grasslands Program. The CRP Grassland program allows existing pastureland to be enrolled into a conservation program. The language in K.S.A. 79-1476 now creates a situation where land that has always been grassland and will continue to be grassland could be converted to dryland for property tax purposes. This bill remedies that situation by clarifying that land enrolled in the CRP Grassland program will continue to be valued at its historic use, grassland. This bill is consistent with the longstanding policy regarding use value appraisal.

While this issue has existed for a few years, we are beginning to see appraisal situations that have converted the use of traditional grasslands to cultivated dryland when a county appraiser becomes aware of enrollment in the CRP Grasslands Program. Therefore, it is necessary for this situation to be remedied in SB 565.

Thank you for the opportunity to testify today, and we encourage your support of SB 565. I will stand for questions at the appropriate time.