

Senate Committee Assessment and Taxation

Testimony on SB 317

Steve Woolf, Superintendent, USD 112 Central Plains

February 15, 2012

Thank you for the opportunity to address this committee concerning Senate Bill 317. We realize you have many difficult decisions in front of you this session and we hope this bill is one less decision you have to make on the floor.

We are EXTREMELY concerned about Senate Bill 317. This bill would transfer gas plants in our state and, in particular, One Oak in our school district, to being deemed as Personal Property. That would mean that all of the improvements they have done since 2006 would not be taxed or taxed at a very, very low rate. If that occurs and the gas plant does not pay its fair share of taxes, we will automatically have a steep increase in property tax for every property owner in our 600 square mile school district to offset the loss. This would work out to be nearly a 14% increase in property tax over what our property owners currently pay. Keeping the current effort that the governor's plan calls for, we would have to increase our mill levy from the current 45.527 to 52.841. All of the employees of the gas company, local business owners, farmers, and homeowners would have to foot this burden to educate our children. I have been fortunate in that I have never had a complaint directed to me over what our tax payers pay to educate our children because we all share equally in the effort and are careful with their hard earned dollar. Visiting with my fellow tax payers in our school district, they would be most upset if their neighbor, the gas companies, would be allowed to not contribute at the level we currently have set.

We work hard to keep our taxes down and decreased our school property tax 10% for everyone including the gas plant when we voted to consolidate two districts into one. One Oak has spent the last year investing in growth in their plant so they can make even more profit. We are very happy for them and support them. They would actually be scheduled to add nearly \$21 million additional valuation for our school district this coming year. That would allow a sizeable tax cut (in the 10% range) for every property owner in our district including our gas company - One Oak.

Passing this bill would have the reverse effect of causing us to have to raise our tax rate for all property owners excluding the gas plants that would get a huge cut in taxes. We trust that you see the huge problem this would create for us as well as dozens of other locations in the state of Kansas.

Please help the property owners of our school district and the state of Kansas by making sure that Senate Bill 317 is not made into law. It could be devastating to local taxpayers.

I would be happy to answer any additional questions you have now or at the appropriate time.

Sn. Assmnt & Tax
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Attachment # 5