

MONTGOMERY COUNTY Chronicle

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House Taxation Committee
State Capitol, 582-N
Topeka, KS

Committee members:

I write this letter to you to offer my view on House Bill 2285 and how it would impact my plans to purchase my parents' business in southeast Kansas.

Much like the previous four generations ahead of me, my entire life has been spent in the small towns of Kansas. Little did my great-great-grandfather, William George, realize when he purchased the People's Vindicator in Erie, Kan., in 1885 that he would set the course for a family legacy in community journalism that stretches to his great-great-grandson in the 21st century.

Throughout the more than 125 years that five generations of my family have published weekly newspapers in southeast Kansas, we have endured world wars, economic depressions, printing shortages, high inflation, infiltration from Walmart and big box stores, fires and floods, and, of course, drastic changes in technology.

However, nothing will impact that legacy more than House Bill 2285.

That's because the impact of that bill, if passed, would dramatically alter the taxable valuation within Montgomery County, where I reside and edit the Montgomery County Chronicle. That anticipated drop in valuation will require an increase in tax levies by the local governments. In short, it means more property taxes at a time when tax relief should be norm.

Sadly, the taxpayers in Montgomery County have been held hostage for several years as local industries protest their tax appraisals. Because those dollars paid by the industries have to be set aside in anticipation of an outcome from ongoing litigation or legislation, levies have to be either remain constant (or constantly high) or increased to make up the difference while the tax protest awaits its resolution.

In my reporting of local governments and their preparations of budgets each summer, I have to tell readers that the final budget numbers have to include a huge asterisk to denote the ongoing tax protests and their impact on local levies. Trust me: I don't delight in having to report annually that taxpayers will not see relief — at a time when considerable industrial expansion within Montgomery County should yield it.

During the past two years, I circled 2013 on my calendar as the year in which my wife and I would purchase my parents' newspaper company in southeast Kansas. My parents own three weekly newspapers over four counties. Included in that purchase would be the acquisition of four different commercial properties, all located in older commercial buildings in aging business districts. My fear is that approval of House Bill 2285, with the tax levy increase that would be required as a result of a valuation decrease, would lose their investment value. Nor will they hold prospective interest, when as a commercial property owner, I would be confronted with local ad valorem tax rates that could reach beyond 200 mills . . . in a county that holds more than 5.2 percent of the state's total business shipments (according to U.S. Census Bureau information, 2007). Who in their right mind would invest in property in a county that would hold claim to having the highest property tax rates in Kansas?

This greatly dampens my enthusiasm to purchase my parents' business.

I'm also fearful that the bill would drastically change Main Street. It's already struggling. And, business owners in small towns can ill afford another heaping dose of taxation. Let's not forget that most of those small-town businesses — hardware stores, beauty salons, pharmacies, newspapers, auto parts dealers, insurance agencies, and gift shops — do not qualify for tax exemptions or tax abatements. They have to shoulder the burden of additional taxation whenever valuations are massaged — including those times when big businesses gets the tax relief.

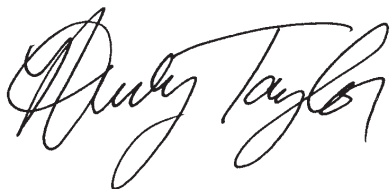
It's difficult for me, as a person who has spent his entire life on Main Street, to be sympathetic toward the industries that are seeking tax breaks. I appreciate their contributions to the economy, their payrolls, and the charitable endeavors in the communities they serve. However, I also see their corporate papers and report on their profitable successes. It bothers me that the folks on Main Street have to work diligently and daily to pay for the rest of society's tax breaks. Most of the business owners I know would love the opportunity for tax relief. However, they choose not to . . . simply because they view their hard work and societal contributions as being greater than tax incentives.

However, House Bill 2285 would tilt those values dramatically. The additional tax burden that will be imposed through a decline in valuation will make small business ownership an unprofitable beast. That's why I've put my purchase plans on hold and have to give hard-core thought if owning property in Kansas is even a viable in the future.

I urge this committee to give thoughtful consideration to the impact this bill will have on small businesses and the people who own them. Also give consideration to the people, such as myself, who wish to fulfill the American dream by continuing their family's business and make Kansas a desirable place to live and work for their own children.

Thank you for your time and consideration.

Sincerely,

A handwritten signature in black ink, appearing to read "Andy Taylor". The signature is fluid and cursive, with the first name "Andy" being more prominent and the last name "Taylor" following in a similar style.

Andy Taylor, editor