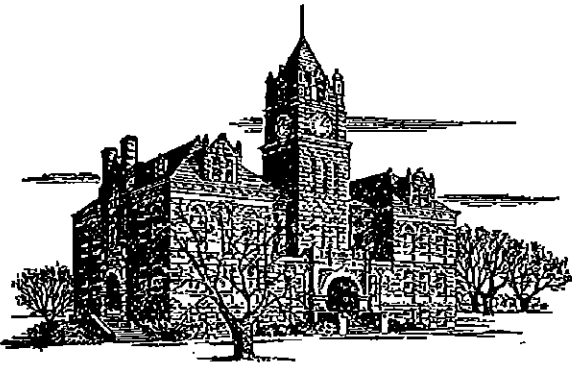


OFFICE OF THE COUNTY COMMISSION

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COUNTY COMMISSIONERS
RANDY DALLKE
ROGER K. FLEMING
DANIEL HOLUB



MARION COUNTY COURTHOUSE

WRITTEN TESTIMONY IN OPPOSITION OF HB 2285

*provided to Randall Allen and Melissa Wangemann
for presentation by KAC
February 20, 2013*

Marion County is providing this written testimony to go on record as opposing HB 2285.

When analyzing the effect of this bill on Marion County, we determined this bill will reduce Marion County's total appraised value by \$5,611,952, and when our average mill levy of .153227 is applied this will reduce the county's annual tax revenue by approximately \$859,903.00. The total tax base of the County is only around \$6.5 million.

The 2006 exemption passed by the legislature (HB 2583) reduced our annual revenue by over \$700,000.00. It did include a provision that the State would provide funding to the counties (a percentage of lost revenue) for a ten-year period of time. After the first year's payment, the State reneged on this in direct violation of HB 2583 and the counties were forced to make cuts and raise mill levies to compensate. Small business owners and residential property owners ended up paying for this tax exemption. Any gain made by small businesses in our county was more than offset by increases in property tax on their homes and businesses. The stated purpose of this bill did not happen in Marion County-- it just increased the cost of living due to property tax increases. HB 2285 will have the same effect. At this time we feel obligated to ask - Does the M&E exemption have any documentation that it actually achieved its stated purpose?

A similar bill was introduced in the House, approved and forwarded to the Senate at the close of the 2012 session. According to news media coverage at the time this was to buy time to define "what constitutes real and personal business property." This issue was actually decided by the Kansas Court of Tax Appeals in January 2012 about five months earlier, siding with Montgomery County's interpretation of existing rules. With this in mind Marion County feels this bill is not so much about defining real and personal property as it is the Legislature redefining this property to bypass a court decision that did not end well for Coffeyville Resources.

For many years the definitions as interpreted by the Court of Tax Appeals have existed statewide. Now one company who enjoyed 10 years of city and county tax abatements takes issue as these abatements expire, and with the help of the State Chamber of Commerce, tries to get the rules changed for their benefit.

In your deliberations it is imperative to keep in mind the impact passage of this bill will have on "small business owners" and "residential property owners" statewide.

Thank you for your time.

Sincerely,

Board of County Commissioners

Handwritten signature of Randy Dallke in black ink.

Randy Dallke, Chairman

Handwritten signature of Roger K. Fleming in black ink.

Roger K. Fleming, Member

Handwritten signature of Daniel Holub in black ink.

Daniel Holub, Member