

Testimony to the House Taxation Committee

On HB 2406

April 4, 2017

Mr. Chairman and Members of the Committee:

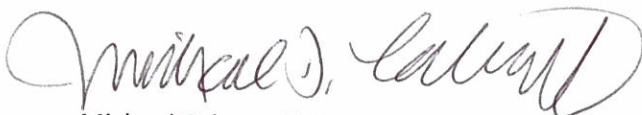
Pratt Community College appreciates the opportunity to provide testimony in support of House Bill 2406, to repeal the ten-year property tax exemption of pipeline property that run at least 190 miles in the state of Kansas for certain pipeline property purchased after June 30, 2017.

In Pratt County for 2016 White Cliffs Pipeline is the third largest taxpayer. White Cliff Pipeline paid \$602,844 that goes to support all taxing districts in Pratt County, including Pratt County, the City of Pratt, USD 382, and Pratt Community College. If HB 2406 is not passed Pratt Community College alone would lose \$165,431 annually from the operating budget. This would require an additional 1.1 mill increase in the mill levy just for the college.

The fourteen counties that White Cliffs Pipeline runs through in Kansas would lose approximately \$9.5 million of annual revenue. The statewide valuation of the existing White Cliffs Pipeline is \$67.5 million. The state receives 20 mills for school finance so not passing HB 2406 would result in the state of Kansas losing \$1.3 million for school finance.

These fourteen counties have an average tax base of less than \$100 million versus the state wide average of over \$300 million so any reduction in funding from not passing HB 2406 would have a disproportionately high impact to the taxpayers of these fourteen counties.

In short, the original pipeline exemption was brought about by the TransCanada Keystone Pipeline, however, several other pipelines have qualified for the exemption since then. Without positive action on House Bill 2046, White Cliffs Pipeline will receive tax reductions of \$10.8 million that will significantly impact the State of Kansas and the fourteen counties. Thank you very much for the opportunity to provide testimony in support of House Bill 2406.



Michael Calvert, PhD

Pratt Community College, President