

February 20, 2023

Senator Caryn Tyson  
Chairwoman, Senate Assessment and Taxation  
Kansas State Capitol  
300 SW 10<sup>th</sup> Street, Room 123-E  
Topeka, Kansas 66612

**Testimony by Mike Kelly, Chairman Johnson County Board of County  
Commissioners, to the Senate Committee on Assessment and Taxation in  
opposition of Senate Bill 252**

Chairwoman Tyson and members of the Committee:

Thank you for allowing Johnson County to offer opponent testimony on SB 252, exempting certain businesses from sales tax and property taxes. This proposal would provide a sales and property tax exemption to for-profit institutions, and in return, increase the taxes of those that can least afford them. Tax exemptions are authorized to encourage a public benefit. For instance, non-profit community health and wellness facilities frequently provide benefits in the form of programming that is specifically intended to fill gaps that are left by private companies.

In addition, SB 252 represents a narrowing of the property tax base. This narrowing is counter-productive to a system that seeks to lower rates for all by broadening the base to which it is applied. Further, this legislation only benefits certain industries, which creates unintended inequities between private market companies, thereby causing a competitive disadvantage to other competing businesses when they compete for leased property, employees, and other business inputs.

Johnson County does not support reductions in state funding, nor changes in state taxation that would reduce resources available for the County to carry out these functions. The loss of revenue that would result from the passage of SB 252 means numerous local government entities would not be able to maintain reasonable service levels with the loss of revenue, both sales and ad valorem, that would occur from the exemption of these certain industries.

Sincerely,



Mike Kelly  
Chairman, Board of County Commissioners  
Johnson County, Kansas

cc: Penny Postoak Ferguson, Johnson County Manager