



City of Lawrence

CITY MANAGER'S OFFICE

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CITY MANAGER

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CITY COMMISSION
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COMMISSIONERS
ROBERT J. SCHUMM
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Via electronic mail

March 2, 2012

Re: House Bill 2735

Honorable Gary Hayzlett
Chair, House Standing Committee on Transportation
Docking State Office Building, Rm. 783
Topeka, KS 66612

Dear Chairman Hayzlett,

On behalf of the Governing Body of the City of Lawrence, I am writing to express our opposition to House Bill 2735. The proposed legislation pertains to railroad rights-of-way that have been railbanked under the Federal Rails-to-Trails Act. The legislation requires the trail operator to pay taxes on the value of the land and improvements.

In 1988, the City of Lawrence was the first Kansas city to utilize the federal act to create the Haskell Rail Trail. The approximate one mile trail corridor runs adjacent to the Haskell Indian Nations University in Lawrence, and provides a well-constructed and maintained recreational path in an older area of the City. It has been a valuable amenity for our residents since it opened to the public in 1991. The City entered into an interim trail use agreement with the Atchison, Topeka and Santa Fe Railway (now BNSF). The agreement allows the City to use the railroad right-of-way for trail use. The underlying title to the land remains with BNSF.

Under the proposed legislation, there is no tax exemption for municipal operators. The City would not be able to apply for a tax exemption of the rights-of-way as it is not the fee simple owner of the land. Section 1 of the bill indicates that taxes would be assessed beginning from the date of issuance of a notice of interim trail use. The City first received such notice from the Interstate Commerce Commission in 1983.

If this bill is adopted as proposed, the City, a tax exempt entity, would have to pay taxes on property of which the City is not the fee simple title holder. The trail is used exclusively for a municipal recreation use. It seems unfair to place this financial burden on local taxpayers. The City of Lawrence opposes decisions from the State that place additional tax burdens on local taxpayers. For these reasons, the City of Lawrence respectfully requests that you not recommend passage of House Bill 2735. If you would like more information about the City's position on this legislation, please contact our City Manager, David Corliss, at dcorliss@lawrenceks.org or by telephone at (785) 832-3400.

Sincerely,


Aron E. Cromwell, Mayor

cc: City Commission
David L. Corliss, City Manager