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February 21, 2013

Chairman Richard Carlson
House Taxation Committee
State Capitol, Room 582-N
Topeka, KS 66612

Re: H.B.2285

Dear Chairman Carlson and Members of the Committee:

I am the Riley County Appraiser. On behalf of my office and the Board of Riley County Commissioners, I oppose H.B. 2285.

If enacted, H.B. 2285 will likely cause an immediate drop in property tax revenue to Riley County and all taxing entities within Riley County. There are only three options Riley County would have to respond to such a gigantic revenue loss. The first option would be to make a dramatic cut in local services. The second option would be to simply shift that entire lost revenue to smaller commercial property owners, and to residential and agricultural property owners. The third option would be to institute a combination of the first two options. Given those three local options, there is no reason to abandon a tax system which has worked well over many years.

Historically, large commercial property taxpayers and county appraisers have both understood that fixtures are an assessable part of the value of those large commercial enterprises. Case law developed over decades provided certainty to taxpayers and appraisers alike. That certainty helped provide stability to the local property tax base, because citizens and their local government knew what the rules were.

H.B. 2285 was generated by a single local dispute over fixtures at a large commercial enterprise. That isolated dispute continues to wind its way through the appellate court system. In our opinion, it is not logical to change existing law applicable statewide, to change the rules, based upon a dispute between isolated parties. That is particularly true when the litigation involving those parties is unresolved.

There is no good reason to devastate local property tax bases across the state, introduce tax base instability, and discard a well-known set of rules on fixture assessment which have served Kansas taxpayers well for so long.

Please do not pass to the House floor H.B. 2285. It will harm not only Riley County, but many other Kansas counties.

Sincerely,

Greg McHenry
Riley County Appraiser

cc: Board of Riley County Commissioners
Senator Tom Hawk
Representative Sydney Carlin

Representative Vern Swanson
Representative Tom Phillips
Representative Ron Highland