



**BUTLER COUNTY**  
**BOARD OF COMMISSIONERS**  
February 21, 2013

House Taxation Committee  
Rep. Richard Carlson, Chairman

Dear Taxation Committee Members,

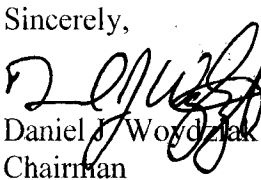
Butler County would like to express our concerns with House Bill 2285, a proposal to change the definition of commercial and industrial machinery and equipment for property tax purposes. Butler County is strongly opposed to this bill as it would create a major tax shift in the assessed valuation base in Butler County. As the bill is proposed Butler County would immediately lose \$74,253,964 in assessed valuation in our County from just one single industry.

The bill as proposed would essentially make all large industrial properties exempt under the current exemption laws. Currently for example the HollyFrontier refinery located in El Dorado, KS is listed for appraisal purposes as real property. However, if this bill were to be enacted into law the majority of the refinery would then become personal property and therefore exempt under current laws. The refinery property has a taxable value of \$307,343,323. Should this bill pass it is estimated the taxable value would immediately drop to \$10,327,466 and eventually as exempt upgrades made to the facility come back on the tax roll, the County would lose an additional \$70 million in assessed valuation.

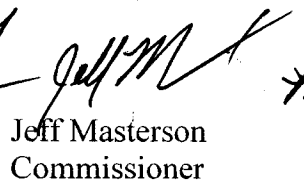
The impact of the change to this single industry would drop the assessed valuation of the County nearly 13.28% and shift the property tax burden further onto residential property owners and retail business. Under K.S.A 79-223, Commercial and industrial machinery and equipment purchased or leased after June 30, 2006 would be exempt. The current exemptions to machinery and equipment coupled with the Legislature's failure to fund the slider payments have placed an even larger burden on the property tax. This bill could potentially reduce assessed valuation in Butler County by as much as 20%, effecting City, School, Community College and Township funding dramatically. County residents would immediately see an increase of 7.07 mills from the County and Community College as a result of this legislation to one single industry in our County.

The bill as drafted is unnecessary and crafted to address a perceived problem with a fertilizer plant and refinery valuation in Coffeyville, while profit margins for this industry are at an all time high. The impact of this bill would be felt statewide and is not warranted. The Butler County Commission stands strongly opposed to this bill and requests our local delegation to oppose the same.

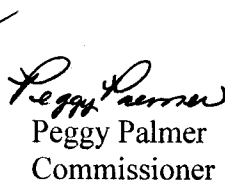
Sincerely,



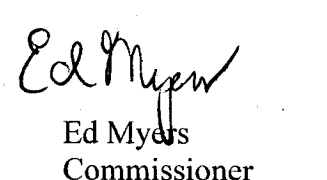
Daniel J. Woydziak  
Chairman




Jeff Masterson  
Commissioner  
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