

Senate Committee on Assessment and Taxation

March 21, 2013

Testimony by Doug Mays
Representing Riley Communities, LLC

House Bill 2135

House Bill 2135 is makes a technical change to the beginning date from which the existing property tax exemption for on-post military housing applies. The current statutory language, enacted last session, applies to all taxable years beginning December 31, 2010. HB 2135 amends K.S.A. 2012 Supp. 79-201a to apply to all taxable years beginning with 2006, when modern construction and rehabilitation of the on-post military housing began at Ft. Riley.

This amendment is necessary in order to assure continuation of the Legislature's intent that on-post military housing be completely exempt from property taxation. When originally enacted in 2012, it was assumed that applying the exemption beginning with 2011 was sufficient. Recently, however, communications from two taxing units in which portions Ft. Riley lie have indicated their intent to pursue collection of property taxes for the years 2006-2010.

If levied, the potential \$2.3 million tax burden that would be imposed could create serious consequences Ft. Riley and Kansas. Both the number of homes and the quality of the homes on Fort Riley play an important role in helping the First Infantry Division to carry out its very important mission for the United States Army. With another round of Defense Base Realignment and Closure (BRAC) possible, it is imperative that this issue be put to bed permanently.

I ask for your favorable consideration of HB 2135.