

**Testimony to the House Taxation Committee
In Opposition to H.B. 2740**

March 2, 2018

Chairman Johnson and members of the committee:

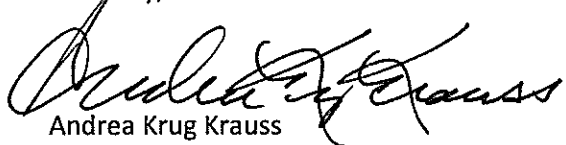
I am writing this testimony in opposition to HB 2740 due to the massive property tax burden it will place on rural property owners. In recent years, rural areas have been hit hard with mill levy increases. This is especially true in those areas where oil producing properties have historically been a large component of the property tax base. The sharp decline in the oil price, which began in 2014, has led to a sharp decline in the value of these oil producing properties. As a result, county commissions all over northwest Kansas have increased mill levies in order to avoid cutting county budgets.

These same counties in northwest Kansas have also been suffering through a period of depressed prices for elevated crops and livestock. Decreased farm revenues combined with increased property taxes have made it very difficult for many farmers to stay solvent. The property taxes on my family's crop ground have increase by 80% in the last three years. The effect has been even greater on our pasture land, with an increase of 105% over that same three year period. Quite simply put, the property tax proposed by HB 2740 will put many agricultural producers out of business.

In addition, as a member of the USD 407 school board, I am opposed to HB 2740 as a way to fund K-12 education. Our schools are in desperate need of infrastructure upgrades. The only way we can ever hope to be able to afford to make these upgrades is through a very small bond issue. Our voters simply will not support a large school bond and if this bill passes, they will not support a school bond of any size. As a result, our school buildings will continue to deteriorate with absolutely no means of making the necessary upgrades.

For these reasons, I believe this legislation is very ill-advised and should be immediately be removed from further consideration.

Sincerely,



Andrea Krug Krauss

Russell, KS