



Little
Government
Relations

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March 23, 2021

Testimony in Opposition to HB 2445 House Taxation

Chairman Smith and Members of the House Taxation Committee:

The Northeast Johnson County cities of Merriam, Mission, Prairie Village, and Westwood Hills express their strong opposition to HB 2445 which would provide for property tax exemption for health clubs.

HB 2445 presents a major concern, and that is the potential precedent it creates for other businesses and entities to seek property tax exemption. We are concerned this legislation unnecessarily favors health clubs over other businesses in our communities. Creating a property tax exemption for for-profit businesses sets a dangerous precedent that could compromise the ability of cities, school districts, special districts, and other jurisdictions to collect adequate funding to provide essential services in the future. Additionally, this legislation only benefits health clubs that own their own facilities, thereby giving a competitive disadvantage to health clubs that rent their spaces and who also pay property taxes through monthly rent to their landlord.

Those of us with health clubs in our cities are concerned of the detrimental impacts HB 2445 would have on our property tax revenues. For example, Genesis Health Club in Merriam, Kansas, pays roughly \$81,000 in annual property tax, \$18,900 of which goes to the City of Merriam and \$36,364 going to local schools.

We understand the unique challenges the prolonged pandemic has created for our businesses, including our health clubs, but we do not believe HB 2445 is the answer to best help our communities. Additionally, we are apprehensive about how this may interact with other COVID recovery-related legislation still in play, such as HB 2142, SB 286, and others, that also provide for property tax reimbursement due to business shutdown or capacity limitation.

For these reasons we ask you to oppose HB 2445. Thank you for your consideration and I welcome any questions you may have on this matter.

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