

Approved May 7, 1992

Minutes of the House Committee on Taxation. The meeting was called to order by Joan Wagnon, Chairperson, at 9:10 a.m. on Friday, March 20, 1992 in room 519-S of the Capitol.

All members were present except:

Rep. Bill Roy, excused.

Committee staff present:

Tom Severn & Chris Courtwright, Legislative Research; Bill Edds and Don Hayward, Revisors; Linda Frey, Committee Secretary; Douglas E. Johnston, Committee Assistant.

Conferees appearing before the committee:

Written testimony regarding HB 2845 was distributed to the committee from William A. Martin, representing the Kansas Industrial Developers Association (Attachment 1).

The Chair brought up HB 2125 for discussion and action.

Updated information regarding HB 2125 was distributed from the Rooks County Commissioners (Attachment 2).

David R. Collins, Ph.D., Petroleum Economist for the Kansas Geological Survey, testified in regard to HB 2125 (Attachment 3).

In response to a question from Rep. Bruce Larkin, Dr. Collins said his figures for tax losses were based on the total mill levy for all schools, cities and counties. Dr. Collins said if the House school finance plan or some form of statewide uniform mill levy is passed, it will reduce these revenue losses by more than 50 percent. Once school levies, which constitute more than half property tax revenues in most counties, go to a uniform mill levy the exemptions will be a loss to the state, not the counties, he said.

The Chair noted that including natural gas wells in the bill would double the fiscal note.

Rep. Rex Crowell noted a discrepancy in the figures for Chautauqua County. Dr. Collins agreed.

Brad Welch, Kearny and Greeley County Appraiser, answered questions regarding a memorandum from Legislative Research that was distributed to the committee (Attachment 4). Welch compared his figures on the proposed property tax exemption for certain low production gas wells to those for Kearny and Greeley Counties in the Legislative Research memorandum.

CONTINUATION SHEET

MINUTES OF THE House COMMITTEE ON Taxation, room 519-S, State-house, at 9:10 a.m. on Friday, March 20, 1992.

Ann Papay, Grant and Stanton County Appraiser, said the figures in the Legislative Research memorandum for Grant and Stanton Counties were accurate.

Rep. Bob Krehbiel said the memorandum and Dr. Collins' figures are accurate within \$5 million or \$6 million.

Papay agreed that Dr. Collins' figures are probably accurate.

Rep. Crowell said he was not in disagreement with the gas figures, but that there are gross misstatements of fact in the revenue loss columns.

Rep. Krehbiel made a motion to include low production gas wells of 60 mcf per day or less in the bill. Rep. Jo Ann Pottorff seconded the motion.

In response to a question from Rep. Vince Snowbarger, Rep. Krehbiel said once an oil or gas well is plugged it is prohibitively expensive to reenter.

Don Schnacke, representing the Kansas Independent Oil & Gas Association, replied to a question from Rep. Bob Vancrum by saying the Department of Revenue has a regulation requiring oil well owners to prove wells are performing at low enough levels to qualify for exemptions. He said gas wells would also be covered by the rule if they were included in the bill.

Rep. Joan Adam noted the loss of \$5 million in property tax revenues that would result from exempting low production gas wells of 60 mcf per day from the property tax.

Rep. Krehbiel said his constituents would support exempting the low production gas wells.

Rep. Gene Shore spoke against the motion of Rep. Krehbiel.

The motion failed with 6 for and 10 against.

Rep. Krehbiel made a motion to report HB 2125 favorable for passage. Rep. Pottorff seconded the motion.

Rep. Krehbiel closed on his motion. He said the energy industry in Kansas is shrinking and that HB 2125 was desperately needed to alleviate the economic strain on the industry. He said in 1982 there were 219 wells operating in Kansas while in 1992 there are 27. At the same time production has been declining. In 1987 total

CONTINUATION SHEET

MINUTES OF THE House COMMITTEE ON Taxation, room 519-S, State-house, at 9:10 a.m. on Friday, March 20, 1992.

production was 60.5 million barrels and total taxes were \$90.5 million. In 1988 total production was 58.8 million barrels and total taxes were \$90.5 million. In 1989, total production was 55.2 million barrels and total taxes were \$84.6 million. In 1990, total production was 55.1 million barrels and total taxes went up to \$113.4 million. While production is declining, the industry is disappearing and total taxes are going up, he said.

The motion carried.

William L. Ervin, Chief Municipal Accounting Section for the Department of Revenue, requested a bill be introduced allowing local municipalities to use the set off program.

Rep. Gwen Welshimer made a motion to introduce a bill as requested by Ervin. Rep. Adam seconded the motion which carried.

The meeting adjourned at 10:00 a.m. The next meeting will be March 23 at 9:00 a.m.

GUEST LIST

COMMITTEE: House Delegation

DATE: 3/20/92

NAME (PLEASE PRINT)	ADDRESS	COMPANY/ORGANIZATION
Alan Steppat	Topeka	Pete McGill & Associates
Dave Cunningham	Topeka	PVD
David McCreary	Wenatchee	Self
Julie Hunt	Topeka	W. Rosa
Ron Hein	"	"
Jim Luning	"	KPL
Ken Peterson	"	KPC
WALTER DUNN	"	E K O G A
BEV BRADLEY	Topeka	KS Assoc of Counties
Rebecca Rin	Topeka	Cassina Aircraft
IRVIN METZ	"	K.F.F.T.
Cheri Metz	"	K.F.F.T.
Red Mearge	"	Prop Tax Cap for KS
Donald W. Cook	" K	KFFT
Jack Brown	OK	RFFT
Brad Welch	LAKIN, KS	Kearny / Greeley County
Ann Baganz	Wyers, KS	Hunt / Stanton Co.
Bob Corkins	Topeka	KCCI
Bill FAVIN	D. J. Adams Topeka	D J A.
DOUGLAS CRAIG	"	"
Rogers Brazier	Topeka	AOA
MARK A. BURGHART	"	REVENUE
Wes Schunk	"	KTOEN
Lee Huland	Lawrence	Ronan Geo. Levey

Remarks before the  
HOUSE TAXATION COMMITTEE

Regarding HB 2845

by William A. Martin  
Kansas Industrial Developers Association

The Kansas Industrial Developers Association (KIDA) is made up of 150 economic development professionals from across Kansas. KIDA members work on a daily basis to create jobs through the attraction of new business and the expansion of existing business.

KIDA strongly believes that property tax abatements granted by cities for all taxing jurisdictions are extremely important for Kansas to remain competitive in its effort to create new jobs. Restricting the ability to grant abatements on school levies could jeopardize that competitiveness.

KIDA believes city governments can and should be trusted to make rational, informed decisions regarding abatement requests. Legislation passed in 1990 requires cities to develop policies for granting abatements and methods of monitoring them. Cities are also required to perform a cost benefit analysis before granting an abatement.

KIDA supports retaining the current ability to grant tax abatements for all jurisdictions. If problems regarding tax abatements develop as a new school finance plan is implemented, KIDA would be anxious to assist in finding ways to correct them.

House Taxation  
Attachment 1  
03-20-92

NO. 1 HRABE, Stockton  
CLERK OF DISTRICT  
GENE C. JACO, Plainville  
COMMISSIONER 2ND DISTRICT  
CHARLES J. ALLPHIN, Palco  
COMMISSIONER 3RD DISTRICT

# COUNTY OF ROOKS



STEVEN P. FLOOF  
ADM. DIST. JUDGE  
TOM SCOTT, Hays  
DIST. JUDGE  
NANCY M. CONYAC, Stockton  
MAGISTRATE JUDGE  
23RD JUDICIAL DIST.

CLARA STRUTT  
CLERK  
DOROTHY MARSTON  
TREASURER  
ROSALEE SPRICK  
REGISTER OF DEEDS

VIRGINIA DOUGHTY  
CLERK OF THE COURT  
LEONARD J. DIX  
ATTORNEY  
DAVID S. DENTON  
SHERIFF

STOCKTON, KANSAS

67669

March 18, 1992

TO: Representative Joan Wagnon, Chairperson  
Members of House Taxation Committee

From: Rooks County Commissioners

RE: HB 2125 Property tax exemption for "Stripper" Wells

It is our understanding that a bill is being drafted to exempt ad valorem taxes on "stripper" wells.

Rooks is primarily an agricultural and oil producing county. The mineral severance tax affected our oil valuation, oil prices fell, wells were shut-in and/or temporarily abandoned, causing a loss of oil valuation from \$72,480,445 assessed value in 1984 to \$23,106,243 in 1991.

Our county total valuation dropped from \$100,994,252 in 1984 to \$53,379,963 in 1991 because of oil, exemptions of livestock, farm machinery, and inventories. Since the inception of the mineral severance tax, the State of Kansas has collected a total of \$22,364,310.27 from Rooks County alone, reimbursed Rooks County \$1,565,502.72, with the State retaining \$20,798,807.55 thru 1991.

We are appalled at the prospect of any bill being considered which would further affect taxpayers in Rooks County, whether its the total working interest on wells producing less than 4 BOPD, \$3,936,804 in valuation or the entire tax. We protest the introduction or passage of any bill containing any further ad valorem tax exemptions.

House Taxation  
Attachment 2  
03-20-92

CLARA STRUTT  
CLERK  
DOROTHY MARSTON  
TREASURER  
ROSALEE SPRICK  
REGISTER OF DEEDS



VIRGINIA DOUGHTY  
CLERK OF THE COURT  
LEONARD J. DIX  
ATTORNEY  
DAVID S. DENTON  
SHERIFF

STOCKTON, KANSAS

67669

March 16, 1992

To Whom It May Concern:

This is to advise you that as of January 1, 1992, Rooks County had 1,660 producing oil wells on 757 producing leases with a total taxable valuation on those producing leases of \$23,194,050.

There were 22 leases producing less than 1 barrel of oil per day per well, with a total taxable valuation of \$79,941.

There were 270 leases producing from 1 barrel to less than 3 barrels of oil per day per well, with a total taxable valuation of \$2,765,143.

There were 232 leases producing from 3 barrels of oil per day per well to less than 5 barrels per well per day, with a taxable valuation of \$6,124,616.

There were 117 leases producing from 5 barrels of oil per day to less than 7 barrels of oil per day per well, with a valuation of \$4,120,463.

There were 23 leases producing 7 to less than 8 barrels of oil per day per well, with a taxable valuation of \$1,450,848.

There were 24 leases producing from 8 to less than 9 barrels of oil per day per well with a taxable valuation of \$1,300,984.

There were 15 leases producing from 9 to less than 10 barrels of oil per day per well with a taxable valuation of \$1,111,570.

There were 54 leases producing 10 or more barrels per day per well with a taxable valuation of \$6,240,485.

Stripper wells are those defined as producing less than 10 barrels of oil per day per well.

If those "stripper" wells are exempted from taxation, Rooks County's tax base will drop by \$16,953,565.

Sincerely,

*Marvin J. Drake*  
\_\_\_\_\_  
Chairman, Rooks County Commissioner

*Laura J. Jace*  
\_\_\_\_\_  
Rooks County Commissioner

*Charles J. Alphin*  
\_\_\_\_\_  
Rooks County Commissioner

NO. 1 HRABE, Stockton  
 COM. DISTRICT 1ST DISTRICT  
 GENE C. JACO, Plainville  
 COMMISSIONER 2ND DISTRICT  
 CHARLES J. ALLPHIN, Palco  
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STOCKTON, KANSAS

67669

March 18, 1992

	<u>Oil Valuation</u>	<u>Total County Valuation</u>	<u>Severance Tax</u>
1983	70,422,195	98,427,510	\$ 88,548.83
1984	72,480,445	100,994,252	\$362,389.64
1985	65,753,476	94,161,789	\$315,918.66
1986	33,263,133	61,401,861	\$203,071.29
1987	23,746,688	51,622,579	\$140,975.73
1988	20,520,960	48,335,863	\$135,308.70
1989	17,417,233	48,244,388	\$ 89,584.20
1990	22,932,051	53,436,317	\$ 96,522.34
1991	23,106,243	53,379,963	\$133,183.83

The total working interest valuation for leases that are producing less than 10 barrels of oil per day per well is \$12,342,409 for 1991.

The total working interest valuation for leases that are producing less than 4 barrels of oil per day per well is \$3,926,804 for 1991.



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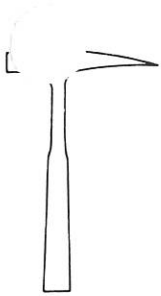
TOTAL COUNTY ASSESSED VALUE	OIL ASSESSED VALUE	DIFFERENCE (RE, PP, UT)	SEV. TAX REIMBURSED (7% OF STATE)	STATES 8%	RETAINED BY STATE	
\$ 86,632,251						
+11,795,259			Pt. Year			
98,427,510	\$70,422,195	\$28,005,315	\$ 88,548.33	\$1,264,976.14	\$1,176,427.81	
+ 2,566,742	+ 2,058,250	+ 508,492				
100,994,252	72,480,445	28,513,807	362,389.64	5,176,994.86	4,814,605.22	
- 6,832,463	- 6,726,969	- 105,494				
94,161,789	65,753,476	28,408,313	315,918.66	4,513,123.71	4,197,205.05	
-32,759,928	-32,490,343	- 269,585				
61,401,861	33,263,133	28,138,728	203,071.29	2,901,018.43	2,697,947.14	
- 9,779,282	- 9,516,445	- 262,837				
51,622,579	23,746,688	27,875,891	140,975.73	2,013,924.71	1,872,948.98	
- 3,286,716	- 3,225,728	- 60,988				
48,335,863	20,520,960	27,814,903	135,308.70	1,932,981.43	1,797,672.73	
- 91,475	- 3,103,727	+ 3,012,252				
48,244,388	17,417,233	30,827,155	89,584.20	1,279,774.28	1,190,190.08	
+ 5,191,929	+ 5,514,818	- 322,889				
53,436,317	22,932,051	30,504,266	96,522.34	1,378,890.57	1,282,368.23	
- 56,354	+ 174,192	- 230,546				
53,379,963	23,106,243	30,273,720	133,183.83	1,902,626.14	1,769,442.31	
			TOTAL	1,565,502.72	22,364,310.27	20,798,807.55

Mineral Severance Tax passed in 1983, became effective in July, 1983.  
 Drilling in Iowa Twp. and Stockton City occurred during 1982, 1983, 1984.

Oil Price in:	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991
Exempt	25.62	23.53	22.80	21.63	16.78	16.43	15.43	14.93	17.43	19.43
Tax	30.23	27.78	21.81	20.69	16.05	15.71	14.76	14.28	16.77	18.58

1982 & 1983, no Severance Tax; used Independent and Major price. Affected by windfall profit tax.

March 18, 1992



## KANSAS GEOLOGICAL SURVEY

1930 Constant Ave., Campus West  
The University of Kansas  
Lawrence, Kansas 66047  
913-864-3965

Materials submitted to the House Taxation Committee,  
relating to House Bill 2125

March 20, 1992

Submitted by: David R. Collins, Ph.D.  
Petroleum Economist  
Kansas Geological Survey

Representative Joan Wagnon and Members of the Committee:

These materials are submitted following further analysis of HB2125 as currently amended by the committee:

1. A graph showing the relationship between oil prices and drilling activity in Kansas from January 1, 1970, to the present.
2. A table showing estimated exemptions by county resulting from HB2125 in terms of oil production and oil leases.
3. A graph showing the tendency for the % of oil leases exempted to exceed the % of oil production exempted.
4. A table showing estimated exemptions by county resulting from HB2125 in terms of gas production and gas leases.
5. A graph showing the tendency for the % of gas leases exempted to exceed the % of gas production exempted.
6. A table giving estimated impacts by county on property valuations and property tax revenue resulting from the exemptions on oil and gas production under HB2125.

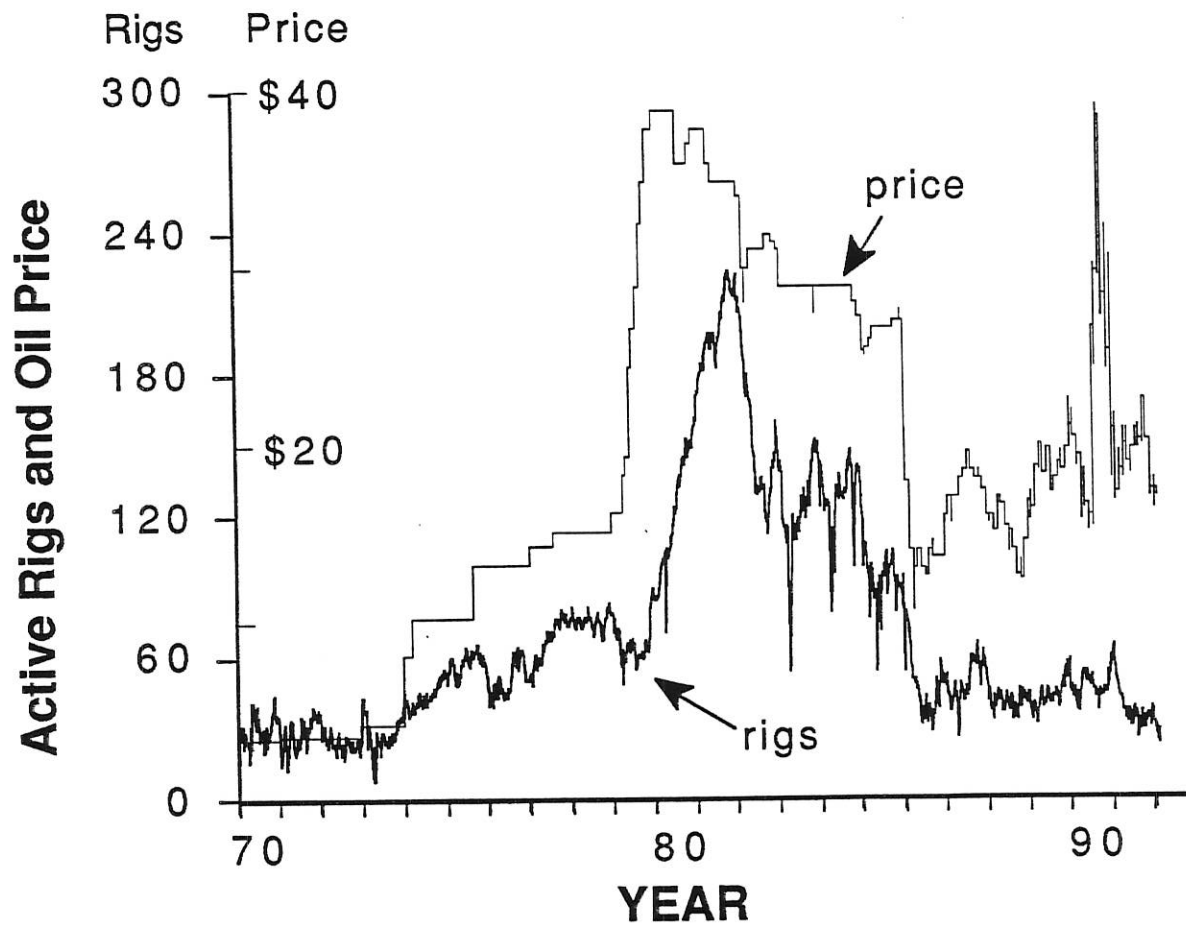
I would be glad to attempt to answer any questions the committee may have for me.

Respectfully submitted,

David R. Collins, Ph.D.

House Taxation  
Attachment 3  
03-20-92

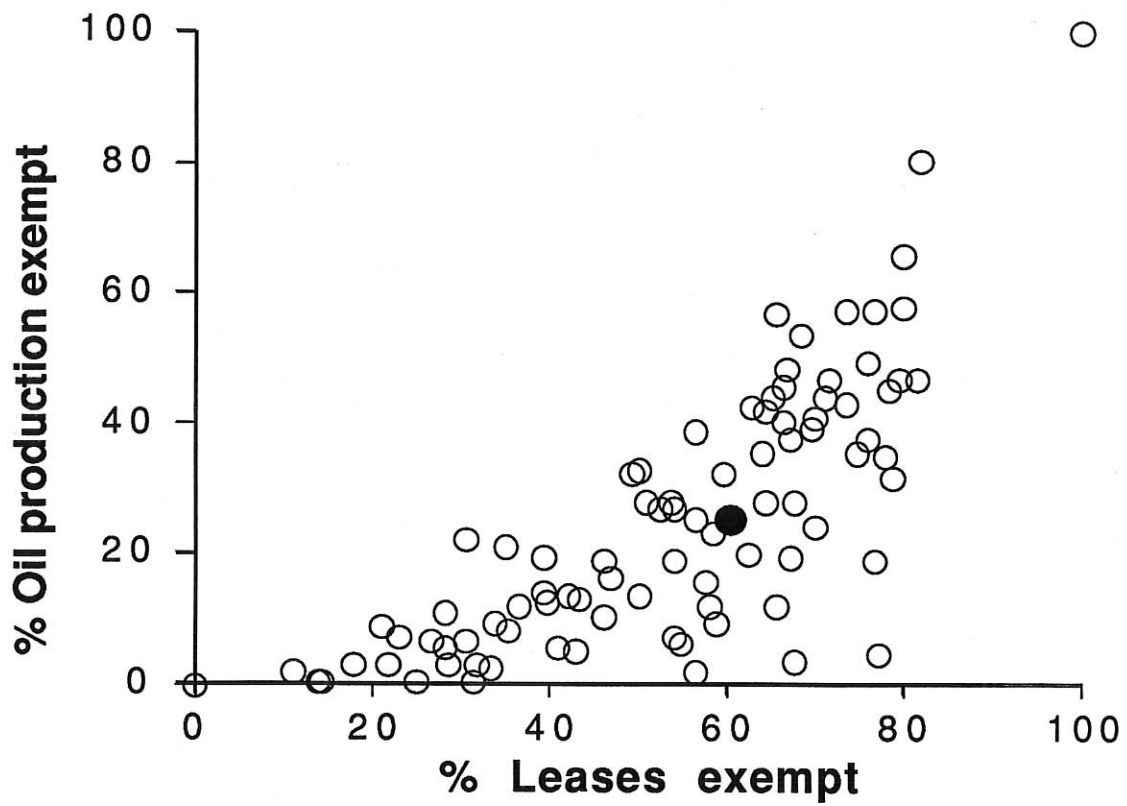
# DRILLING IN KANSAS



COUNTY	Total Oil (barrels)	Exempt Oil (barrels)	%	Total Leases	Ex. Leases	%
ALLEN	513798	222014	43.2	353	259	73.4
ANDERSON	304210	118782	39.0	168	117	69.6
ATCHISON	0	0	0.0	0	0	0.0
BARBER	867210	212426	24.5	419	292	69.7
BARTON	2805876	1174387	41.9	1166	748	64.2
BOURBON	129279	36029	27.9	56	36	64.3
BROWN	2601	1252	48.1	3	2	66.7
BUTLER	2196992	558501	25.4	616	346	56.2
CHASE	22291	17876	80.2	11	9	81.8
CHAUTAUQUA	528153	239089	45.3	422	331	78.4
CHEROKEE	0	0	0.0	0	0	0.0
CHEYENNE	62785	10327	16.4	15	7	46.7
CLARK	448782	7493	1.7	110	62	56.4
CLAY	0	0	0.0	0	0	0.0
CLOUD	0	0	0.0	0	0	0.0
COFFEY	189357	77545	41.0	170	119	70.0
COMANCHE	374286	73908	19.7	119	80	67.2
COWLEY	1126344	513991	45.6	514	340	66.1
CRAWFORD	34266	19831	57.9	50	40	80.0
DECATUR	257459	99878	38.8	87	49	56.3
DICKINSON	30018	14048	46.8	16	13	81.3
DONIPHAN	0	0	0.0	0	0	0.0
DOUGLAS	82310	12752	15.5	61	35	57.4
EDWARDS	469105	15984	3.4	206	139	67.5
ELK	191738	68003	35.5	125	80	64.0
ELLIS	4026827	1093701	27.2	1131	609	53.8
ELLSWORTH	534744	235508	44.0	221	144	65.2
FINNEY	1555490	137792	8.9	142	30	21.1
FORD	110781	11351	10.2	37	17	45.9
FRANKLIN	225295	10653	4.7	262	202	77.1
GEARY	2388	787	32.9	2	1	50.0
GOVE	1004002	54761	5.5	229	64	27.9
GRAHAM	1775779	477136	26.9	417	219	52.5
GRANT	805670	2743	0.3	29	4	13.8
GRAY	129289	3833	3.0	23	5	21.7
GREELEY	385366	1342	0.3	16	4	25.0
GREENWOOD	892740	442764	49.6	463	351	75.8
HAMILTON	1485	0	0.0	1	0	0.0
HARPER	464748	188364	40.5	248	164	66.1
HARVEY	183506	35171	19.2	76	35	46.1
HASKELL	1318391	39194	3.0	173	55	31.8
HODGEMAN	647690	89188	13.8	148	62	41.9
JACKSON	6226	154	2.5	3	1	33.3
JEFFERSON	50680	6861	13.5	16	8	50.0
JEWELL	0	0	0.0	0	0	0.0
JOHNSON	228570	27689	12.1	95	55	57.9
KEARNY	495012	10509	2.1	64	7	10.9
KINGMAN	738749	327163	44.3	381	270	70.9
KIOWA	587800	118168	20.1	234	146	62.4
LABETTE	35592	3428	9.6	29	17	58.6
LANE	931864	64602	6.9	232	61	26.3
LEAVENWORTH	198779	9906	5.0	75	32	42.7
LINCOLN	0	0	0.0	0	0	0.0
LINN	179439	34334	19.1	86	66	76.7

COUNTY	Total Oil (barrels)	Exempt Oil (barrels)	%	Total Leases	Ex. Leases	%
LOGAN	234067	16370	7.0	65	15	23.1
LYON	57759	33154	57.4	30	22	73.3
MCPHERSON	788255	454191	57.6	447	342	76.5
MARION	285407	132963	46.6	241	191	79.3
MARSHALL	0	0	0.0	0	0	0.0
MEADE	498299	59064	11.9	140	92	65.7
MIAMI	265327	94681	35.7	285	213	74.7
MITCHELL	0	0	0.0	0	0	0.0
MONTGOMERY	404335	141078	34.9	438	341	77.9
MORRIS	148474	28199	19.0	50	27	54.0
MORTON	1327996	75392	5.7	103	42	40.8
NEMAHA	192941	5161	2.7	39	7	17.9
NEOSHO	156103	49631	31.8	198	156	78.8
NESS	2248726	271753	12.1	568	206	36.3
NORTON	183695	104294	56.8	49	32	65.3
OSAGE	918	918	100.0	2	2	100.0
OSBORNE	138198	17364	12.6	38	15	39.5
OTTAWA	0	0	0.0	0	0	0.0
PAWNEE	387221	91107	23.5	156	91	58.3
PHILLIPS	709171	300030	42.3	153	96	62.7
POTTAWATOMIE	1512	1512	100.0	1	1	100.0
PRATT	1105134	246087	22.3	657	200	30.4
RAWLINS	441701	93445	21.2	86	30	34.9
RENO	711158	64417	9.1	222	75	33.8
REPUBLIC	0	0	0.0	0	0	0.0
RICE	1336124	623436	46.7	653	466	71.4
RILEY	71879	1925	2.7	7	2	28.6
ROOKS	2939082	830939	28.3	768	412	53.6
RUSH	491882	68412	13.9	142	56	39.4
RUSSELL	3262745	1222366	37.5	931	625	67.1
SALINE	127478	68588	53.8	98	67	68.4
SCOTT	177244	19415	11.0	43	12	27.9
SEDGWICK	301600	59129	19.6	117	46	39.3
SEWARD	1377722	85592	6.2	227	124	54.6
SHAWNEE	0	0	0.0	0	0	0.0
SHERIDAN	310331	39890	12.9	65	28	43.1
SHERMAN	8179	5387	65.9	5	4	80.0
SMITH	0	0	0.0	0	0	0.0
STAFFORD	2138755	686501	32.1	707	421	59.5
STANTON	466719	965	0.2	21	3	14.3
STEVENS	602941	43298	7.2	137	74	54.0
SUMNER	868718	280988	32.3	293	144	49.1
THOMAS	354323	23583	6.7	59	18	30.5
TREGO	870166	244418	28.1	328	166	50.6
WABAUNSEE	113877	9648	8.5	17	6	35.3
WALLACE	262251	1141	0.4	16	5	31.3
WASHINGTON	0	0	0.0	0	0	0.0
WICHITA	31912	0	0.0	4	0	0.0
WILSON	205167	76756	37.4	256	194	75.8
WOODSON	679507	190904	28.1	454	307	67.6
WYANDOTTE	90	90	100.0	1	1	100.0
STATE	55411776	1405513	25.4	1851111147	60.2	

## Exemptions related to oil production and leases, by county



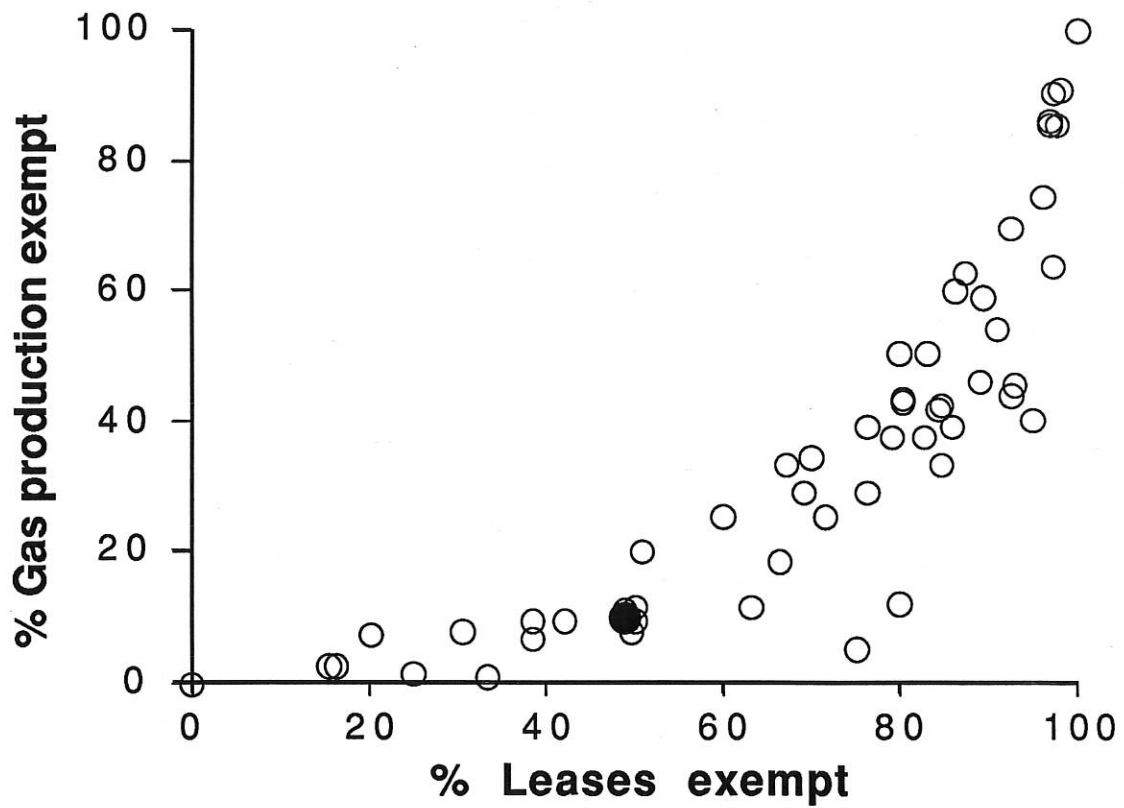
COUNTY	Total Gas Production (mcf)	Total Leases	Exempt Gas Production (mcf)	%	Exempt Leases	%
ALLEN	55160	9	55160	100.0	9	100.0
ANDERSON	637	1	637	100.0	1	100.0
ATCHISON	509711	8	6170	1.2	2	25.0
BARBER	14111627	585	3550281	25.2	419	71.6
BARTON	551759	36	332017	60.2	31	86.1
BOURBON	3831	3	3831	100.0	3	100.0
BROWN	0	0	0	.0	0	.0
BUTLER	900	1	900	100.0	1	100.0
CHASE	288847	27	133916	46.4	24	88.9
CHAUTAUQUA	493430	39	208846	42.3	33	84.6
CHEROKEE	0	0	0	.0	0	.0
CHEYENNE	253056	39	161025	63.6	38	97.4
CLARK	4413685	183	1286273	29.1	126	68.9
CLAY	0	0	0	.0	0	.0
CLOUD	0	0	0	.0	0	.0
COFFEY	2390	1	2390	100.0	1	100.0
COMANCHE	7710501	163	615562	8.0	81	49.7
COWLEY	719923	78	284679	39.5	67	85.9
CRAWFORD	0	0	0	.0	0	.0
DECATUR	0	0	0	.0	0	.0
DICKINSON	0	0	0	.0	0	.0
DONIPHAN	0	0	0	.0	0	.0
DOUGLAS	3337	2	3337	100.0	2	100.0
EDWARDS	3464513	240	1487948	42.9	193	80.4
ELK	398621	25	167439	42.0	21	84.0
ELLIS	0	0	0	.0	0	.0
ELLSWORTH	130499	14	59226	45.4	13	92.9
FINNEY	32173664	890	3674455	11.4	446	50.1
FORD	1514195	38	144959	9.6	19	50.0
FRANKLIN	58415	59	58415	100.0	59	100.0
GEARY	0	0	0	.0	0	.0
GOVE	0	0	0	.0	0	.0
GRAHAM	0	0	0	.0	0	.0
GRANT	103012315	1387	2582741	2.5	215	15.5
GRAY	130992	3	905	.7	1	33.3
GREELEY	5433810	134	408383	7.5	41	30.6
GREENWOOD	27962	5	3318	11.9	4	80.0
HAMILTON	9920256	340	1996106	20.1	172	50.6
HARPER	5195663	250	1775328	34.2	175	70.0
HARVEY	524446	74	474146	90.4	72	97.3
HASKELL	33594543	654	2334129	6.9	251	38.4
HODGEMAN	56754	4	2767	4.9	3	75.0
JACKSON	0	0	0	.0	0	.0
JEFFERSON	159886	13	53741	33.6	11	84.6
JEWELL	0	0	0	.0	0	.0
JOHNSON	209695	27	146542	69.9	25	92.6
KEARNY	57038154	1288	5362281	9.4	493	38.3
KINGMAN	12071933	581	4054340	33.6	389	67.0
KIOWA	11628901	251	1339417	11.5	159	63.3
LABETTE	224232	44	192229	85.7	43	97.7
LANE	0	0	0	.0	0	.0
LEAVENWORTH	1980700	114	572842	28.9	87	76.3
LINCOLN	0	0	0	.0	0	.0
LINN	45196	20	18337	40.6	19	95.0

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COUNTY	Total Gas Production (mcf)	Total Leases	Exempt Gas Production (mcf)	%	Exempt Leases	%
LOGAN	0	0	0	.0	0	.0
LYON	0	0	0	.0	0	.0
MCPHERSON	509561	103	463134	90.9	101	98.1
MARION	1046332	161	903856	86.4	156	96.9
MARSHALL	0	0	0	.0	0	.0
MEADE	9001120	254	1642329	18.2	168	66.1
MIAMI	0	0	0	.0	0	.0
MITCHELL	0	0	0	.0	0	.0
MONTGOMERY	908543	106	398681	43.9	98	92.5
MORRIS	0	0	0	.0	0	.0
MORTON	45629373	1040	5048280	11.1	506	48.7
NEMAHA	0	0	0	.0	0	.0
NEOSHO	47361	13	47361	100.0	13	100.0
NESS	0	0	0	.0	0	.0
NORTON	0	0	0	.0	0	.0
OSAGE	0	0	0	.0	0	.0
OSBORNE	0	0	0	.0	0	.0
OTTAWA	0	0	0	.0	0	.0
PAWNEE	2048367	125	771754	37.7	99	79.2
PHILLIPS	0	0	0	.0	0	.0
POTTAWATOMIE	0	0	0	.0	0	.0
PRATT	3268355	190	1279088	39.1	145	76.3
RAWLINS	0	0	0	.0	0	.0
RENO	797766	59	403171	50.5	49	83.1
REPUBLIC	0	0	0	.0	0	.0
RICE	1190323	104	450140	37.8	86	82.7
RILEY	0	0	0	.0	0	.0
ROOKS	0	0	0	.0	0	.0
RUSH	763105	90	415155	54.4	82	91.1
RUSSELL	0	0	0	.0	0	.0
SALINE	0	0	0	.0	0	.0
SCOTT	321312	20	161205	50.2	16	80.0
SEDGWICK	38116	3	38116	100.0	3	100.0
SEWARD	32658152	711	3126541	9.6	299	42.1
SHAWNEE	0	0	0	.0	0	.0
SHERIDAN	0	0	0	.0	0	.0
SHERMAN	329955	28	194754	59.0	25	89.3
SMITH	0	0	0	.0	0	.0
STAFFORD	1213618	91	529756	43.7	73	80.2
STANTON	14445653	516	3665166	25.4	310	60.1
STEVENS	136655977	1660	3142815	2.3	270	16.3
SUMNER	233878	50	173866	74.3	48	96.0
THOMAS	0	0	0	.0	0	.0
TREGO	0	0	0	.0	0	.0
WABAUNSEE	0	0	0	.0	0	.0
WALLACE	10480	1	10480	100.0	1	100.0
WASHINGTON	0	0	0	.0	0	.0
WICHITA	150232	5	10806	7.2	1	20.0
WILSON	382055	66	326855	85.6	64	97.0
WOODSON	100619	8	63322	62.9	7	87.5
WYANDOTTE	0	0	0	.0	0	.0
STATE TOTAL	559864392	13034	56821649	10.1	6369	48.9



## Exemptions related to gas production and leases, by county

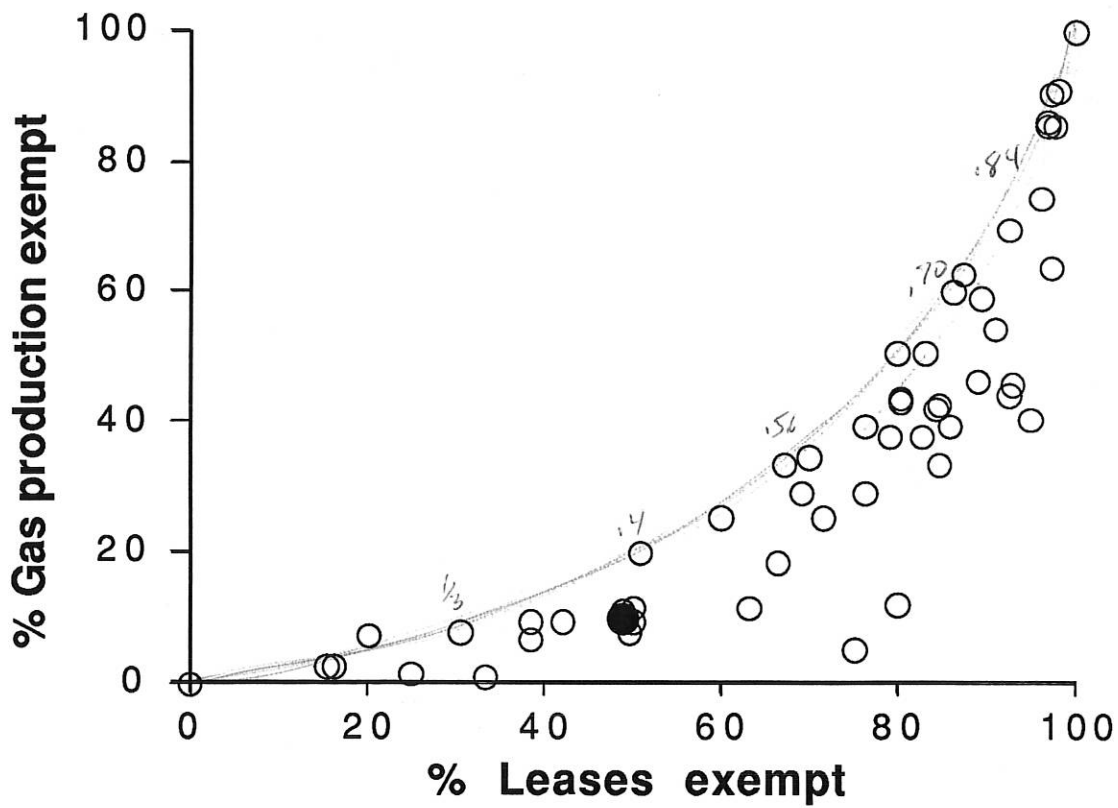


COUNTY	<u>Worst Case for Oil</u>		<u>Worst Case for Gas</u>		<u>Combined</u>
	AV loss (\$1000)	Tax loss (\$)	AV loss (\$1000)	Tax loss (\$)	Tax loss (\$)
ALLEN	284	29820	33	3500	33320
ANDERSON	178	16910	2	200	17110
ATCHISON	0	0	180	23000	23000
BARBER	1009	122089	2032	246000	368089
BARTON	6494	766292	200	23400	789692
BOURBON	103	12978	11	1400	14378
BROWN	6	768	0	0	768
BUTLER	2286	283464	2	250	283714
CHASE	92	9476	74	7600	17076
CHAUTAUQUA	884	9900	88	9850	19750
CHEROKEE	0	0	0	0	0
CHEYENNE	55	6160	78	8740	14900
CLARK	95	8835	1127	104800	113635
CLAY	0	0	0	0	0
CLOUD	0	0	0	0	0
COFFEY	205	8610	7	294	8904
COMANCHE	200	21205	278	28900	50105
COWLEY	2745	354120	230	29700	383820
CRAWFORD	35	3960	0	0	3960
DECATUR	550	58828	0	0	58828
DICKINSON	91	9828	0	0	9828
DONIPHAN	0	0	0	0	0
DOUGLAS	15	320	9	1240	1560
EDWARDS	63	6860	1020	111200	118060
ELK	181	21225	43	5075	26300
ELLIS	6350	654425	0	0	654425
ELLSWORTH	1281	137097	40	4300	141397
FINNEY	624	83600	6482	622000	705600
FORD	61	8140	92	12300	20440
FRANKLIN	26	2782	60	6400	9182
GEARY	4	384	0	0	384
GOVE	350	34630	0	0	34630
GRAHAM	2583	325000	0	0	325000
GRANT	4	209	2631	158000	158209
GRAY	28	3080	0	0	3080
GREELEY	3	300	115	11500	11800
GREENWOOD	2015	290160	483	69600	359760
HAMILTON	0	0	1915	203000	203000
HARPER	1771	210708	1225	144500	355208
HARVEY	246	29783	380	45600	75383
HASKELL	338	22358	4053	267500	289858
HODGEMAN	587	71569	1	120	71689
JACKSON	2	250	0	0	250
JEFFERSON	27	3375	173	21800	25175
JEWELL	0	0	0	0	0
JOHNSON	23	3519	162	24800	28319
KEARNY	36	1771	10585	50800	52571
KINGMAN	2604	263044	3164	319600	582644
KIOWA	71	6580	611	56800	63380
LABETTE	5	600	32	3840	4440
LANE	403	46767	0	0	46767
LEAVENWORTH	25	3375	290	39300	42675
LINCOLN	0	0	0	0	0
LINN	34	2346	13	900	3246

COUNTY	<u>Worst Case for Oil</u>		<u>Worst Case for Gas</u>		<u>Combined</u>
	AV loss (\$1000)	Tax loss (\$)	AV loss (\$1000)	Tax loss (\$)	Tax loss (\$)
LOGAN	103	10200	0	0	10200
LYON	123	13821	0	0	13821
MCPHERSON	2337	252400	352	38000	290400
MARION	920	9200	770	77000	86200
MARSHALL	0	0	0	0	0
MEADE	408	31000	1080	83200	114200
MIAMI	144	17280	0	0	17280
MITCHELL	0	0	0	0	0
MONTGOMERY	390	50700	270	35000	85700
MORRIS	147	14725	0	0	14725
MORTON	545	37060	5064	339000	376060
NEMAHA	43	4472	0	0	4472
NEOSHO	88	11880	42	5700	17580
NESS	1368	145020	0	0	145020
NORTON	474	56900	0	0	56900
OSAGE	2	215	0	0	215
OSBORNE	100	99500	0	0	99500
OTTAWA	0	0	0	0	0
PAWNEE	321	34026	218	23000	57026
PHILLIPS	1993	221240	0	0	221240
POTTAWATOMIE	3	180	0	0	180
PRATT	1212	141804	527	61700	203504
RAWLINS	324	42120	0	0	42120
RENO	300	37800	275	34600	72400
REPUBLIC	0	0	0	0	0
RICE	3058	321081	203	21300	342381
RILEY	4	464	0	0	464
ROOKS	3962	419972	0	0	419972
RUSH	395	43055	150	16200	59255
RUSSELL	5889	665330	0	0	665330
SALINE	339	33200	0	0	33200
SCOTT	98	11860	126	15250	27110
SEDGWICK	412	52300	33	4100	56400
SEWARD	363	41750	2700	310500	352250
SHAWNEE	0	0	0	0	0
SHERIDAN	204	25700	0	0	25700
SHERMAN	30	3570	143	17000	20570
SMITH	0	0	0	0	0
STAFFORD	2622	317260	195	23600	340860
STANTON	1	112	8002	672000	672112
STEVENS	353	14120	3460	131500	145620
SUMNER	1762	251900	33	4700	256600
THOMAS	64	8130	0	0	8130
TREGO	1518	170000	0	0	170000
WABAUNSEE	71	8020	0	0	8020
WALLACE	10	920	8	740	1660
WASHINGTON	0	0	0	0	0
WICHITA	0	0	22	2400	2400
WILSON	196	20800	462	49000	69800
WOODSON	576	59333	53	5460	64793
WYANDOTTE	0	0	0	0	0
STATE	67991	6997296	62109	5095959	12093255

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## Exemptions related to gas production and leases, by county



**MEMORANDUM****3/19/1992**

**TO: Reps Joan Wagnon and Bob Krehbiel**  
**FROM: Chris Courtwright, KLRD**  
**RE: Property Tax Exemption for Low Production Gas Wells**

This memo is in response to your request for information on the proposed property tax exemption for certain low production (60 mcf per day or less) gas wells. These data were given to me by Alan Steppat and are based on a survey of certain county appraisers.

House Taxation  
Attachment 4  
03-20-92

	<u># of wells exempted</u>	<u>Assessed Valuation</u>	<u>1991 Total Assessed Value</u>	<u>Percent of AV to be Exempt</u>	<u>1991 Countywide Rural Average Levies</u>	<u>Exemption Value in Tax Dollars based on '91 Rural Levies</u>
Finney	428	\$10,990,000	\$282,771,905	3.89%	102.17	\$1,122,848
Grant	240	\$9,100,000	\$256,378,677	3.55%	60.29	\$548,639
Greeley	40	\$123,000	\$27,564,628	0.45%	95.40	\$11,734
Hamilton	164	\$3,400,000	\$42,334,847	8.03%	99.74	\$339,116
Harper	?	\$2,015,000	\$53,808,819	3.74%	118.92	\$239,624
Haskell	200	\$4,740,000	\$116,405,144	4.07%	65.67	\$311,276
Kearny	192	\$2,790,000	\$185,166,017	1.51%	58.54	\$163,327
Kingman	217	\$1,901,000	\$73,133,670	2.60%	111.10	\$211,201
Meade	136	\$2,750,000	\$65,142,089	4.22%	102.22	\$281,105
Morton	429	\$9,830,000	\$117,398,779	8.37%	67.26	\$661,166
Seward	271	\$4,240,000	\$164,837,172	2.57%	94.45	\$400,468
Stanton	331	\$13,012,000	\$67,314,426	19.33%	79.33	\$1,032,242
Sumner	?	\$670,000	\$109,984,949	0.61%	132.65	\$88,876
<b>Total These Counties</b>		<b>\$65,561,000</b>	<b>\$1,562,241,122</b>	<b>4.20%</b>		<b>\$5,411,621</b>