

Approved: 3/1/95
Date

MINUTES OF THE SENATE COMMITTEE ON GOVERNMENTAL ORGANIZATION

The meeting was called to order by Chairperson Al Ramirez at 1:30 p.m. on February 20, 1995 in Room 531-N of the Capitol.

All members were present except: Senator Reynolds - Excused
Senator Vidricksen - Excused

Committee staff present: Carolyn Rampey, Legislative Research Department
Fred Carman, Revisor of Statutes
Jacqueline Breymeyer, Committee Secretary

Conferees appearing before the committee: Dr. Sandra J. Terril, Superintendent of Schools
Piper USD 203

Others attending: See attached list

Chairman Ramirez called the meeting to order and asked for action on the February 14 minutes. Senator Papay moved to approve the minutes of February 14. Senator Feleciano gave a second to the motion. The motion carried.

SB 319--school district finance; relating to the meaning of assessed valuation per pupil as applicable to Unified School District number 203, Wyandotte County

The bill permits U.S.D. 203, Piper, Wyandotte County, to receive school district capital improvement state aid and supplemental general state aid based upon the assessed valuation of the district excluding property owned by Sunflower Racing (Woodlands).

Dr. Dale Dennis, Deputy Commissioner, Board of Education, gave a briefing on the bill. Mr. Dennis stated that the bill is patterned after the Johnson County bill of 1991, where the airport authority did not pay its taxes. There is a serious problem with the bond fund and another problem with supplemental general aid. The bottom line is the state aid is based as if they had the 14 million dollars assessed valuation; the reality is that they evidently are not going to receive any funds. Mr. Dennis stated that if they ever do collect the money for this year or next, state aid would be adjusted accordingly.

In response to a question of what has to be done for Sunflower Racing to get their act together, Mr. Dennis replied that he did not know if they would, but if they did, the state would get its money back. Mr. Dennis also responded that there have been similar bills to this one and cited the Johnson County Airport Authority, the Rock Island closing, the flood affecting Wathena-Elwood, and other examples. This bill makes up about 37% of the assessed valuation of the district. There is a serious bond payment coming up in the fall.

Mr. Dennis was asked what would happen if this bill would not pass. He replied that what the district would have to go after some no fund warrants to make the bond payment.

The Chairman stated he had gone to the library and checked on the Johnson County Airport situation with the Gardner-Edgerton school district and the measure passed the House 125-0; the Senate 40-0.

Dr. Sandra Terril, Superintendent of Schools, Piper U.S.D. 203, began testimony on the bill. Copies of her testimony were distributed. Dr. Terril said her testimony gave a little more explanation of what had taken place. The Woodlands racetrack complex lies in the Piper school district boundaries. It makes up approximately 37% of the assessed valuation of the school district in the current budget year (\$14,439,745 of a total of \$39,143,723). Sunflower Racing did not pay its taxes on December 20. Piper's share of its 1994 taxes was to have been \$939,695.22, spread over the four funds for which taxes are levied. The district became aware that not only was it not going to receive the anticipated 1994 taxes, but that Wyandotte County and Sunflower Racing, Inc. were negotiating to lower its property appraisal for tax years 1992, 1993, and 1994 and that the agreement provided for a portion of the tax refund to be made in a cash payment resulting in additional loss of taxes to the school district.

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON GOVERNMENTAL ORGANIZATION-S Statehouse,
at 1:30 p.m. on February 20, 1995.

Dr Terril stated a copy of the "Settlement and Refunding Agreement" was attached to her testimony. As a consequent of the non-payment of taxes and the "Settlement and Refunding Agreement", Piper will lose approximately 1.218 million dollars of local property tax revenue in this school year.

Dr. Terril gave the effects of the situation on the General Fund, Supplemental General Fund, Capital Outlay Fund, and Bond and Interest Fund, and stated that at no time before January 27, 1995 did the district have any official notice of the existence of negotiations between Sunflower Racing, Inc. and Wyandotte County. It was therefore impossible to anticipate or budget for a loss of 37% of local property tax revenue. The choices faced by the district are defaulting on bond and interest payments, breaking the cash basis law by paying from another fund, which is a statutory violation; or asking the State of Kansas for help.

In closing, Dr. Terril stated that the district is requesting only the state aid that Piper U.S.D. 203 would have received if The Woodlands were excluded from the tax rolls. The district is asking for help through SB 319 to help the district from suffering harm through actions of entities over which they have no control.
(Attachment 1)

Comments were made about what forms of redress were offered to the district. The most serious problem is the bonded interest payments. Dr. Terril commented that when the budget was set last year, what was certified was an evaluation of \$39 million dollars; that has changed in midstream. Dr. Terril introduced John Chapman, Assistant Superintendent for business, who was present to answer questions.

Dr. Terril reemphasized that the valuation is set by the county and that valuation is what the district has to use when it builds its budget. If the Woodlands as a business does not succeed, it will be completely removed from the tax rolls and, at that time, the shift would go to the taxpayers. The concern now is the September 1, 1995 bond payment. The 5.94 million dollars is the bond amount that was issued in December of 1992. This includes the new elementary school, an addition to the high school and renovation of the 1920 school.

One of the members commented that a budget was built based on gambling and its losing now. Why wasn't an attorney hired to provide some relief. The district has a big stake in the decision that will be made here. The Woodlands may go under; it seems that the district could sue the corporation - whoever it is.

Dr. Terril said that next year the Woodlands will be at the reduced valuation. Taxes will be levied based on a truer evaluation. If the Woodlands is not in business in July of this year, they will be dropped completely and the mill levy will be based on a true evaluation of the school district. This would be a sizable increase of 14 to 15 mills to make up the 37%.

It was commented that this major tax increase would be a depressing factor on the value of residences; it is hoped that the Woodlands will survive.

Dr. Terril stated that the bond issue was based on the previous ten year growth of the student population of between 6% and 7%; this growth rate has continued.

Mr. Chapman clarified that it is the September payment that the district cannot make without this help. He also commented that the district has the 11th highest tax levy in the State of Kansas.

Dr. Terril related what happened when Lakeside Speedway went bankrupt. The county and the city have a developmental corporation that took the land to resell it. The county forgave the taxes. One of the members stated that if that would happen to the Woodlands, the state should take a first lien on the property.

The Revisor was asked for input. He stated that it is an insurmountable problem; the solution the district has come up with seems like the only one that makes sense. If the Legislature won't go along with what they are trying to do here in Committee, there is always the possibility of defaulting on the bonds. He would not guess what that effect would have on the rest of the bond issues in the State of Kansas.

Bill Curtis, Kansas Association of School Boards, was asked why the Board doesn't take on this issue. Mr. Curtis replied that Dr. Terril is correct-the process of appraisal lies solely with the county. There is nothing in the statutes that requires the county to consult with the city, school district, fire district, etc., if they choose to change the assessed value of a property in midstream. Unfortunately what is being talked about here is magnitude; the basic issue of law remains the same - the school district has no authority to appraise property.

Several other comments regarding the district's situation were made by the various parties. One of the committee responded that the only way out she can see is to help the district through this bill. The Chairman thanked all who appeared and adjourned the meeting at 2:18 p.m.
The next meeting is scheduled for February 21, 1995.

TESTIMONY ON SENATE BILL 319

By

Dr. Sandra J. Terril
Superintendent of Schools
Piper USD 203
February 20, 1995

I am Sandra Terril, Superintendent of Schools in Piper USD 203. I appreciate the opportunity to appear before you on SB 319.

Piper USD 203 is a school district of approximately 1300 students located in the northwestern corner of Wyandotte County. The Woodlands racetrack complex, which is officially known as Sunflower Racing, Inc. lies in the Piper school district boundaries. It has been a part of the district's valuation since 1990. Sunflower Racing's property makes up approximately 37% of the assessed valuation of the school district in the current budget year (\$14,439,745 of a total of \$39,143,723). Sunflower Racing did not pay its taxes on December 20th. This is the third time it has been delinquent since 1991. Piper's share of its 1994 taxes was to have been \$939,695.22, spread over the four funds for which we levy taxes. In the course of gathering information on this situation so that we could make plans for the future, we became aware that not only were we not going to receive the anticipated taxes for 1994, but that Wyandotte County and Sunflower Racing, Inc. were negotiating to lower its property appraisal for tax years 1992, 1993, and 1994 and that the agreement provided for a portion of the tax refund to be made

*Senate Governmental Organization
Attachment 1
2-20-95*

in a cash payment resulting in additional loss of taxes to the school district. A copy of the "Settlement and Refunding Agreement" that was reached is attached to the written copy of our testimony. It was obtained by the district on Thursday, February 16, 1995.

As a consequence of the non-payment of taxes and the "Settlement and Refunding Agreement", Piper will lose approximately 1.218 million dollars of local property tax revenue in this school year. This amount is a combination of the taxes which will not be paid (assessed valuation of \$14,439,745 times mill levy of 65.077 equals \$939,695) and our share of the mandated cash refund which is calculated to be approximately \$278,000. The document calculating this effect is attached, but it should be noted that this calculation has been done without the input of Wyandotte County, so it's validity is not assured. The loss of 1.218 million dollars assumes that no more taxes will be paid by The Woodlands in tax year 1994. It should also be noted that although we are speaking of only one tax year, the effect will be spread over two school/fiscal years.

The effect of this situation by fund is discussed below:

General Fund--We will experience a loss of approximately \$656,000 in local property tax revenue. This money will be made up by the State of Kansas under the current school finance law which provides for failure of the local district to generate its expected property tax revenue.

Supplemental General Fund--We will experience a loss of approximately \$165,000 in local property tax revenue. Assuming that SB 319 is passed, we will recover approximately \$117,600 of this money in FY 95.

Capital Outlay Fund--We will experience a loss of approximately \$78,000 in local property tax revenue. None of this loss can be made up. Future budget considerations by the local Board of Education will adjust for this loss.

Bond and Interest Fund--We will experience a loss of approximately \$319,000 in local property tax revenue. Assuming that SB 319 is passed, we will recover approximately \$114,000 in FY 95. This fund is of special interest to us as we have just completed a building project and projections show that without the assistance of SB 319, we will fall approximately \$170,000 short of having enough money in the Bond and Interest fund to make the September 1, 1995 principal and interest payment. There was no indication of this shortfall prior to the end of January 1995. The district will, in the future, have the opportunity to adjust for this loss of revenue. If The Woodlands does not pay its taxes in FY 96, the cost to the state will be approximately the same as in FY 95.

We have asked for this consideration based on similar legislation, SB 285 on April 12, 1991 when USD 231 in Johnson County experienced a similar situation.

It should be noted that at no time before January 27, 1995 did

we have any official notice of the existence of negotiations between Sunflower Racing, Inc. and Wyandotte County. Therefore, it was impossible to anticipate or budget for a loss of 37% of our local property tax revenue. We are now faced with the choice of defaulting on bond and interest payments, which is unthinkable, breaking the cash basis law by paying from another fund, which is a statutory violation, or asking the State of Kansas for help. SB 319 is the result of efforts to do the latter. Our concern is for the effects of this "Settlement and Refunding Agreement" on the 1994-95 and 1995-96 school year revenues only. The future burden on the local taxpayers to make up for this valuation is understood. We are requesting only the state aid that Piper USD #203 would have received if Sunflower Racing, The Woodlands, were excluded from our tax rolls and for which we received no taxes this year.

We have sought and been granted the help of Deputy Commissioner Dale Dennis and Senator Al Ramirez for which we are most grateful, and we now ask for your help in preventing the 1300 students of USD 203 from suffering harm through the actions of entities over which neither we nor they have any control.

RECEIVED BY
FEB - 2 1995
WY. CO. COUNSELORS OFFICE

SETTLEMENT AND REFUNDING AGREEMENT

THIS SETTLEMENT AND REFUNDING AGREEMENT is made and entered into this 19th day of JANUARY, 1995, by and between SUNFLOWER RACING, INC. (hereinafter "Taxpayer"), and WYANDOTTE COUNTY, KANSAS (hereinafter "the County").

WHEREAS, Sunflower is the fee simple owner of the real estate and improvements commonly known as the Woodlands racetrack located 9700 Leavenworth Road, Kansas City, Kansas (hereinafter "the subject property"); and

WHEREAS, the subject property includes a total of 393.2617 acres of improved and unimproved land. The improved portion of the subject property includes approximately 222 acres of land, two grandstands, two racing tracks and associated buildings and site improvements. The unimproved portion of the subject property is vacant land consisting of approximately 171 acres; and

WHEREAS, the subject property was appraised by the County for tax year 1990 at a value approximating \$33,130,000 noting the property was "partially completed" and for tax year 1991 at a value approximating of \$59,500,000; and

WHEREAS, the subject property as appraised by the County for tax years 1992, 1993 and 1994 in amounts of \$59,508,760, \$58,686,010 and \$57,758,980, respectively; and

WHEREAS, the Taxpayer has filed timely tax protest petitions for tax years 1990 through 1994, inclusive, and also filed equalization appeals for tax years 1990 through 1992, inclusive; and

WHEREAS, the 1990 and 1991 tax equalization and protest appeals were consolidated for hearing before the Board of Tax Appeals (the "BOTA"). The BOTA rendered its decision upholding the value of the County which was then followed by Taxpayer appeals to successive appellate forums; and

WHEREAS, the Kansas Supreme Court issued its opinion on December 9, 1994, affirming the decision of the District Court of Wyandotte County, Kansas and upholding the County valuations for 1990 and 1991; and

WHEREAS, Taxpayer has filed a timely Motion for Rehearing or Modification of the decision of the Supreme Court which motion remains pending before the Court at this time; and

WHEREAS, the Taxpayer's tax equalization and protest appeals for tax year 1992 were tried before the BOTA on or about December 6, 1993, and a decision was rendered by the BOTA on May 18, 1994, establishing a value of \$40,957,000 for the 1992 tax year. The BOTA further ordered that the 171.1 acres of unimproved land was to be classified as "vacant" and assessed at 12% of its fair market value. The BOTA order further ordered that the farmhouses and associated land would be classified and assessed as residential ; and

WHEREAS, Petitions for Reconsideration were timely filed at the BOTA by the Taxpayer and by the County in regard to the 1992 tax year. On January 4, 1995, the BOTA issued its order on reconsideration which modified the 1992 valuation to \$41,953,720; and

WHEREAS, the 1993 tax protest appeal (Docket No. 94-2399) is presently pending before the BOTA and subject to hearing sometime during calendar year 1995; and

WHEREAS, Taxpayer has filed a timely tax protest with the County Treasurer of Wyandotte County in regard to the 1994 tax year which protest will subsequently be docketed for hearing before the Wyandotte County Appraiser; and

WHEREAS, Taxpayer and the County have engaged in extensive negotiations to attempt to reach an accord on the proper valuation for tax years 1990 through 1994 and further to establish a negotiating framework for a subsequent agreement to establish the proper valuation for the subject property for tax year 1995; and

WHEREAS, the parties at this time desire to fully resolve all pending valuation issues in regard to tax years 1990 through 1994, inclusive, on the subject property and to provide for a credit and refund of any tax overpayments made by Taxpayer to the County for tax years 1992 and 1993 and resulting from this Settlement Agreement.

NOW, THEREFORE, FOR GOOD AND VALUABLE CONSIDERATION, the sufficiency of which is hereby acknowledged, the parties hereby agree as follows:

1. The parties agree that the BOTA concluded values for 1990 and 1991 are appropriate and proper values for the 1990 and 1991 tax years and that as a part of the consideration for the execution of this document, Taxpayer agrees to immediately withdraw its pending motion for rehearing or modification in the Kansas Supreme Court.

2. As further consideration for the execution of this Agreement, the parties acknowledge and accept the concluded and modified value of \$41,953,720 for 1992 as announced by the BOTA in its January/1995 order on reconsideration.

3. The parties have further negotiated and come to a stipulated agreement with regard to percentages of physical depreciation applying to reproduction cost new of the building improvements, physical depreciation with regard to site improvements and functional and economic depreciation or obsolescence on the subject property. The parties have reached agreement on these issues for each of the tax years 1992, 1993 and 1994. The calculations and concluded values for those years as shown on the attached Exhibit "A" are adopted and made a part hereof as though fully set forth.

4. The parties further agree and recognize that the gross receipts and handle for subject property (the Woodlands)

have continued to decline for each of the 1993 and 1994 tax years. The parties further agree and recognize that the continuing declines in receipts and handle, together with increasing competition from other gaming interests, will have a continued negative impact on the market value of the subject property for tax year 1995.

5. The parties further agree that they will continue to hold good faith negotiations to establish the value for tax year 1995 and that as a part of the market value analysis for 1995, the County agrees to establish and recognize a minimum of two separate parcels for appraisal of the subject property. At a minimum, the property will be divided along a line near or approximate to the eastern boundary of the actual horse track which shall separate improved property to the west from unimproved property to the east. In addition, all that property lying east of the boundary line shall be appraised as a wasteland parcel (with appraisal support). The Taxpayer shall continue to have the right to present argument to the County for division of the property in more than two parcels. The parties hereto recognize that the BOTA has noted that approximately 171 acres of the Taxpayer property is unimproved vacant ground.

6. The Taxpayer has paid real property taxes under protest for tax year 1992 in the amount of \$2,777,386.90 and for tax year 1993 in the amount of \$2,673,617.15. The parties

agree that the aforementioned tax payments are exclusive of special assessment payments. The parties further agree that as a result of the modified valuations for the subject property for the 1992 and 1993 tax years, the Taxpayer shall be entitled to tax refunds for each of said years. The parties agree that the refund due to the Taxpayer from the County for 1992 shall be in the amount of \$844,165.30. The parties agree that the refund due to the Taxpayer from the County for 1993 shall be in the amount of \$829,134.76. The parties further agree that in lieu of payment of the full amount of the refund for each of the years 1992 and 1993, the County shall instead credit that portion of said refunds due to the Taxpayer necessary to pay the first one-half of real property taxes and special assessments due to the County from the Taxpayer for 1994, pursuant to the modified 1994 market valuation noted on Exhibit A. The remainder of the 1992 and 1993 tax refunds after credit against the 1994 first half tax and special assessment liability shall be forthwith refunded to the Taxpayer.

7. The County further agrees that upon execution of this Settlement Agreement, it will modify and reissue the real estate tax statement for 1994 at the informal hearing to

reflect the modified valuation and total tax due and reflected in Exhibit "A".

8. The Taxpayer further agrees that in consideration of the agreements contained herein and upon execution of this Agreement, it will proceed forthwith to withdraw the motion for rehearing or reconsideration for tax years 1990 and 1991, and will further waive any rights of appeal for tax years 1990 through 1994, inclusive. The parties mutually agree to cooperate in the drafting and presentation of documents to the Board of Tax Appeals, as necessary, to receive any required approval of said Board for these stipulations.

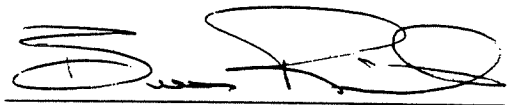
9. The parties specifically agree that the terms and provisions of this Agreement are contractual in nature and not mere recitals. This Agreement shall be binding on and shall enure to the benefit of each party and its respective affiliates, subsidiaries, officers, directors, partners, shareholders, commissioners, employees, agents, predecessors, successors, assigns or other representatives of each of the parties hereto.

10. This Agreement supersedes any and all other representations, discussions and agreements, oral or written, by and between the parties hereto relative to settlement or compromise of their tax disputes. The Agreement contains the entire understanding of the parties with respect to their settlement and compromise of tax disputes. Each party

represents and warrants that the execution and delivery of this Agreement and consummation of the transactions contemplated hereby has been duly authorized by all necessary corporate or governmental action or approval and that the execution and delivery of this Agreement constitutes a legal, valid and binding obligation of each party.

IN WITNESS WHEREOF, the parties have signed this Settlement and Refunding Agreement as of the day and year first above written.

SUNFLOWER RACING, INC.

By:  _____

Office: _____

WYANDOTTE COUNTY, KANSAS

By: _____

Office: _____

By: _____

Office: _____

By: _____

Office: _____

represents and warrants that the execution and delivery of this Agreement and consummation of the transactions contemplated hereby has been duly authorized by all necessary corporate or governmental action or approval and that the execution and delivery of this Agreement constitutes a legal, valid and binding obligation of each party.

IN WITNESS WHEREOF, the parties have signed this Settlement and Refunding Agreement as of the day and year first above written.

SUNFLOWER RACING, INC.

By: _____

Office: _____

WYANDOTTE COUNTY, KANSAS

By: R. Wayne Langston

Office: County Counselor

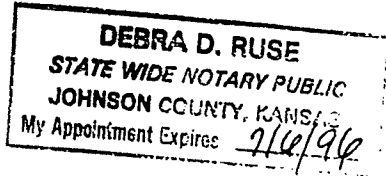
By: Robert C. Gardner

Office: County Appraiser

STATE OF KANSAS)
) ss.
COUNTY OF JOHNSON)

On this 18 day of January, 1995, before me at my office in said County and State, personally appeared Bruce Rimbo, to me personally known and known to me to be the person who executed the above and foregoing instrument on behalf of SUNFLOWER RACING, INC., a corporation, described therein, who, being by me duly sworn, did say that he is the President of said corporation, and that the seal affixed to the foregoing instrument is the corporate seal of said corporation, and that said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors, and said officer acknowledged said instrument to be the free act and deed of said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal on the day and year last above written.



Debra D. Ruse
Notary Public in and for said
County and State

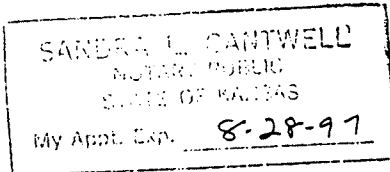
My Commission Expires:

STATE OF KANSAS)

COUNTY OF WYANDOTTE)

On this 19th day of January, 1995, before me at my office in said County and State, personally appeared R. Wayne Lampson and Robert C. Gardner to me personally known and known to me to be the persons who executed the above and foregoing instrument on behalf of WYANDOTTE COUNTY KANSAS, described therein, who, being by me duly sworn, did say that they are the County Counselor and County Appraiser of said County, and that the seal affixed to the foregoing instrument is the seal of said County, and that said instrument was signed and sealed in behalf of said County by authority of its County Commissioners, and said persons acknowledge said instrument to be the free act and deed of said County.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal on the day and year last above written.



Sandra L. Cantwell
Notary Public in and for
said County and State

My Commission Expires:

August 28, 1997

EXHIBIT "A"

1992, 1993, 1994 MARKET VALUE - THE WOODLANDS
SUNFLOWER RACING, INC.

	BOTA ORDER TAX YEAR 1992	VALUE FOR TAX YEAR 1993	VALUE FOR TAX YEAR 1994
Reprod. Cost New	\$52,457,533	\$52,457,533	\$52,457,533
Physical Dep.			
5.00%	(\$2,622,877)		
7.50%		(\$3,934,315)	
10.00%			(\$5,245,753)
	-----	-----	-----
RCN less Phy. Dep	\$49,834,656	\$48,523,218	\$47,211,790
Less Ex/Func Dep			
34.00%	(\$16,943,783)	(\$16,497,894)	(\$16,052,005)
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RCNLD	\$32,890,873	\$32,025,324	\$31,159,775
Land	\$ 2,039,033	\$ 2,039,033	\$ 2,039,033
Site Improvements			
2.00%	\$ 7,023,814	\$ 6,883,338	
4.00%			\$ 6,742,861
	-----	-----	-----
TOTAL VALUE	\$41,953,720	\$40,947,695	\$39,941,669

CALCULATION OF EFFECT OF COUNTY
WOODLANDS AGREEMENT ON PIPER TAX DISTRIBUTIONS

Tax year synopsis according to agreement:

- 1990- 1) Appraised at \$33,130,000 (partially completed)
2) Timely tax protest petition and equalization appeal
- 1991- 1) Appraised at \$59,500,000
2) Timely tax protest petition and equalization appeal
3) 1990 and 1991 appeals consolidated and county appraisal upheld by BOTA.
4) Wyandotte County District Court and Kansas Supreme Court uphold 1990 and 1991 county appraisal.
5) Woodlands filed petition with Kansas Supreme Court for Rehearing or Modification of decision.
- 1992- 1) Appraised at \$59,508,760
2) Timely tax protest petition and equalization appeal
3) BOTA established value of \$40,957,000
4) County and Woodlands requested reconsideration and BOTA modified appraisal to \$41,953,720.
- 1993- 1) Appraised at \$58,686,010
2) Timely tax protest petition and equalization appeal
3) Pending before BOTA
- 1994- 1) Appraised at \$57,758,980
2) Timely tax protest petition filed (without paying?)
- 1995- 1) Continue to negotiate on appraisal
2) At least two parcels with conceded possibility of more than two
3) Designation of a wasteland (?) parcel

History of tax payments:

1990 and 1991 - Insufficient information to compute

1992:	Appraised value	\$59,508,760
	Rate of assessment	x 30%
	Assessed value	<u>\$17,852,628</u>
	Mill levy	x 155.573
	Amount of tax	<u>\$ 2,777,387</u>

1993:	Appraised value	\$58,686,010
	Rate of assessment	x 25%
	Assessed value	<u>\$14,671,503</u>
	Mill levy	x 182.232
	Amount of tax	<u>\$ 2,673,617</u>

1994: Appraised value	\$57,758,980
Rate of assessment	<u>x 25%</u>
Assessed value	\$14,439,745
Mill levy	<u>x 183.278</u>
Amount of tax	\$ 2,646,488

Taxes due under agreement:

1990 and 1991 - No change under agreement

1992: Appraised value	\$ 886,980	(12%)
	<u>\$41,066,740</u>	(30%)
Assessed value	\$41,953,720	
	\$ 106,438	
	<u>\$12,320,022</u>	
	\$12,426,460	
Mill levy	<u>x 155.573</u>	
Amount of tax	\$ 1,933,222	

1993: Appraised value	\$ 886,980	(12%)
	<u>\$40,060,715</u>	(25%)
Assessed value	\$40,947,695	
	\$ 106,438	
	<u>\$10,015,179</u>	
	\$10,121,617	
Mill levy	<u>x 182.232</u>	
Amount of tax	\$ 1,844,483	

1994: Appraised value	\$ 886,980	(12%)
	<u>\$39,054,689</u>	(25%)
Assessed value	\$39,941,669	
	\$ 106,438	
	<u>\$ 9,763,672</u>	
	\$ 9,870,110	
Mill levy	<u>x 183.278</u>	
Amount of tax	\$ 1,808,974	

Refunds due under agreement:

1992: Amount of tax paid	\$ 2,777,387
Amount due under agreement	<u>\$ 1,933,222</u>
Refund	\$ 844,165

Our share of refund:

$$\$844,165 \times 54.982 / 155.573 = \$298,341$$

Divided by Fund:

General	.582 x \$298,341 = \$173,635
Supplementary General	.206 x \$298,341 = \$ 61,458
Capital Outlay	.073 x \$298,341 = \$ 21,779
Bond and Interest	.139 x \$298,341 = <u>\$ 41,469</u>
	\$298,341

1993: Amount of tax paid	\$ 2,673,617
Amount due under agreement	\$ 1,844,482
Refund	<u>\$ 829,135</u>

Our share of refund
 $\$829,135 \times 66.22 / 182.232 = \$301,294$

Divided by Fund:

General	.498 x \$301,294 = \$150,044
Supplemental General	.015 x \$301,294 = \$ 4,519
Capital Outlay	.060 x \$301,294 = \$ 18,078
Bond & Interest	.427 x \$301,294 = <u>\$128,653</u>
	\$301,294

Total charges against distribution by fund:

General	\$323,679
Supplemental General	\$ 65,977
Capital Outlay	\$ 39,857
Bond & Interest	<u>\$170,122</u>
	\$599,635

Effect on future tax distributions:

1994 taxes under agreement:	\$1,808,974
1994 first half taxes:	\$ 904,487

Piper share of first half taxes:	
\$904,487 x 65.077 / 183.278	\$321,159

Piper share of first half taxes by fund:

General	.538 x \$321,159 = \$172,784
Supplemental General	.160 x \$321,159 = \$ 51,385
Capital Outlay	.061 x \$321,159 = \$ 19,591
Bond & Interest	.241 x \$321,159 = <u>\$ 77,399</u>
	\$321,159

Application of charges against distribution of first half taxes by fund.

General	\$172,784 - \$323,679 = \$-150,895
Supplemental General	\$ 51,385 - \$ 65,977 = \$- 14,592
Capital Outlay	\$ 19,591 - \$ 39,857 = \$- 20,266
Bond & Interest	\$ 77,399 - \$170,122 = <u>\$- 92,723</u>
	\$-278,476