

MINUTES OF THE SENATE ASSESSMENT AND TAXATION COMMITTEE

The meeting was called to order by Chairperson David Corbin at 10:45 a.m. on February 11, 2003, in Room 519-S of the Capitol.

All members were present except:

Committee staff present: Chris Courtwright, Legislative Research Department
April Holman, Legislative Research Department
Gordon Self, Revisor of Statutes Office
Shirley Higgins, Committee Secretary

Conferees appearing before the committee: Steve Miller, Sunflower Electric Power Corporation
David Eyerly, enXco
Troy Helming, Kansas Wind Power, LLC
Barbara J. Hinton, Legislative Post Auditor
Christy Caldwell, Greater Topeka Chamber of Commerce
Martha Smith, Kansas Manufactured Housing
Bill Yanek, Kansas Association of Realtors
Ed Jaskinia, Associated Landlords of Kansas

Others attending: See attached list.

Senator Corbin called the Committee's attention to the minutes of the past three meetings. Senator Buhler moved to approve the minutes of the January 29, February 4, and February 5 meetings, seconded by Senator Donovan. The motion carried.

Continued hearing on: SB 85—Property taxation; eliminating wind energy resources property exemptions

Steve Miller, Sunflower Electric Power Corporation, testified in opposition to **SB 85**. Because use of renewable generation sources is growing in Kansas, Sunflower investigated the potential for adding wind generation to its portfolio of generation assets and recently announced the purchase of the first 30 MW of wind energy from the RES North America project in Wichita County. However, if the bill is passed, the cost for power from this project would increase more than 20 percent, and neither RES nor Sunflower could absorb the cost. As a result, the project would be killed. Mr. Miller pointed out that the project will bring more jobs to the area and, in addition, add a new source of generation actively supported by the Legislature in the last few years. (Attachment 1)

Les Evans, President of Windpower, Inc., testified in opposition to **SB 85**. He pointed out that the Legislature exempted renewable energy resources from property taxation specifically to encourage development within the state. He followed with an itemization of wind generation projects occurring after the exemption was enacted. In his opinion, passage of the bill will send a message that the rules of the game are not stable in Kansas and are subject to change at any time. Additionally, he is concerned that the bill targets only wind energy technology, thus, discouraging the development of wind generation resources in the state while encouraging other renewable energy resources or technologies. (Attachment 2)

In response to questions from Senator Corbin, Mr. Evans expressed his opinion that **SB 85** should not be addressed in the Taxation Committee. Mr. Evans contended that the issue is not tax related but, instead, specifically concerns the appropriateness of wind power development in the Flint Hills, which is a subject that would be better handled by either the Utilities or Environment Committee. He reasoned if the bill truly was meant to address a tax issue, it would not have specifically targeted wind power but would have included all forms of renewable energy.

David Eyerly, enXco, testified in opposition to **SB 85**, noting that enXco owns over 3,000 wind turbines in Minnesota and California and also manages other wind farms in California, Texas, and Iowa. Currently, enXco considers Kansas to be a prime area for wind energy development. However, passage of the bill would

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adversely affect enXco's ability to find a buyer for the power because it would raise the cost of doing business in Kansas. Mr. Eyerly went on to discuss other arguments against the passage of **SB 85** as follows: (1) Wind should not be treated differently from other forms of renewable generation, (2) Passage would send a message that the state's intention was to use legislation merely to attract technology and then remove the incentive once the technology is installed, and (3) It is merely an attempt by a few people to stop potential development in the Flint Hills and will unnecessarily hinder the development of wind power elsewhere in the state. In conclusion, Mr. Eyerly emphasized that removing a supposed incentive as soon as it is used sets a bad precedent, and he suggested that preserving the natural beauty of the Flint Hills should be left to local authorities. (Attachment 3)

Troy Helming, Kansas Wind Power, LLC, gave final testimony in opposition to **SB 85**. He noted that his company is the only Kansas based and Kansas funded developer of wind power. He outlined the reasons wind developers are looking at Kansas, noting that developers do not specifically come to Kansas due to the property tax exemption because there are 23 other windy states which also have an exemption. In this regard, he discussed a table shown in his written testimony which compares the wind power policy in Kansas with other states. He went on to present an overview of his company, emphasizing the it takes two to five years to develop a potential site for a wind farm, and any change in Kansas' policy would force his company to develop in another state. In closing, he observed that it is important for Kansas to begin to focus on reducing dependence on coal from Wyoming and on foreign oil. However, the bill sends an opposite message. (Attachment 4)

Senator Corbin commented that **SB 85** was not introduced with the intent of placing wind farms totally back on the tax roll but rather as a starting point for a discussion on the issue of payment-in-lieu of taxes by wind power companies. He added that the bill was never intended to hold up development of wind farm projects. He noted that if the issue is not resolved before the "turn around" date, he would not object if the bill was killed in Committee. With this, the hearing on **SB 85** was closed.

SB 99—Disclosure of income and expense information in valuation of income producing property for property tax purposes

Barbara J. Hinton, Legislative Post Auditor, testified in support of **SB 99**. She explained that the bill was introduced by the Legislative Post Audit Committee due to the results of a performance audit assessing how accurately counties are valuing large commercial office buildings for tax purposes. It was discovered that relatively few property owners provided income and expense data to county appraisers when asked to do so. During the audit, it was discovered that, of 32 major office buildings in four major Kansas counties, approximately one-fourth were not accurately appraised. She noted that there is no consequence for failure to comply. The bill would create a 10 percent penalty provision similar to the penalty established in the District of Columbia. She reported that the District of Columbia's response rates range from 60 percent to 75 percent whereas the response rate is 11 percent for the four large Kansas counties studied in the audit. (Attachment 5)

Ms. Hinton also reported that the national association of assessing officers (IAAO) recommends the income approach when appraising commercial properties. In order for that method to be accurate, accurate market data is needed on average rents, average expenses, and average vacancies. She explained that the Property Valuation Division (PVD) requires counties to survey property owners every year to get information about income, expense, and vacancy rates so that average rates can be developed for use in mass appraisal. The information is not used by PVD to value any individual building but to develop averages to be used in formulas to produce accurate appraisals. The refusal of property owners to furnish the requested data greatly hampers the ability of PVD to develop the most accurate appraisal possible on commercial buildings. The IAAO recommends statutory penalty provisions to ensure that more accurate information will be gathered.

Mark Beck, Property Valuation Division, stood in response to Committee questions. He reiterated that the concept of the bill is to provide more information and more accurate assessments. He noted that for income-producing property, the appraisal must involve all three methods to appraise value—comparable sales, the cost approach, and the income/expense approach, but the residential side does not involve the same issue. As to

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the form used by counties to gather information on commercial properties, Mr. Beck informed the Committee that the forms are not standardized, and each county develops its own form. He clarified that the producing income addressed in the bill concerns the building producing (market rent), not the business producing.

Senator Oleen reported that the members of the interim post audit committee found the information regarding noncompliance was quite alarming. She suggested that it would be helpful if the Committee and the conferees would read the full post audit performance report on the problem that prompted the introduction of **SB 99**. Ms. Hinton agreed to furnish Committee members with a copy of the post audit report.

Christy Caldwell, Greater Topeka Chamber of Commerce, testified in opposition to **SB 99**. She pointed out that currently a business property owner must provide income and expense information only in the event the owner challenges the value or protests the property tax. However, the bill will require all income-producing property owners to give the county appraiser their income/expense information whether there is an appeal or not. In addition, she noted that the current form for income and expense information provided by the appraiser does not always permit the taxpayer the opportunity to clarify and fully explain the figures. She went on to say that the bill does not ensure that the information the taxpayer is required to provide will be deemed complete and used only for the purpose intended. In her opinion, the 10 percent penalty in assessed value is arbitrary and punitive. She pointed out that an unintended result could be a backlog of appeals before the State Board of Tax Appeals and an increased number of angry taxpayers. (Attachment 6)

Martha Smith, Kansas Manufactured Housing, read testimony in opposition to **SB 99** prepared by Rod Taylor, owner of South Village, Inc., in Topeka. Mr. Taylor complains that, even though most of the large parks in the Topeka area supplied financial information to the appraiser, the appraiser chose to use small run down parks for the model, many not in Topeka. He notes that the annual maximum expenses for the small parks are substantially less than the expenses for South Village which is a larger, nicer, and well maintained park. Documentation regarding the model is attached to his testimony. Mr. Taylor argues that providing requested information to appraisers is burdensome and an invasion of privacy. (Attachment 7)

Bill Yanek, Kansas Association of Realtors, testified in opposition to **SB 99**. In his opinion, the disclosure of income and expense information for valuation purposes should remain voluntary, the 10 percent penalty for not submitting the requested information is too harsh, and non-public business entities should be able to maintain control over business income and expense information dissemination. (Attachment 8)

Ed Jaskinia, Associated Landlords of Kansas, testified in opposition to **SB 99**. He expressed his concerns regarding the right to privacy issue. He pointed out that the income approach is never used to lower property values. He noted that two other valid methods, market and replacement, do not mandate that taxpayers give up their right to privacy. He complained that the bill would allow county appraisers to pick one or all the property owners in their district, basically, to submit their tax returns.

There being no others wishing to testify on **SB 99**, the hearing was closed.

SCR 1603—Urging Congress to enact legislation that would allow the Internal Revenue Service to share corporate tax information with the states

Barbara J. Hinton, Legislative Post Auditor, called the Committee's attention to pages of the relevant performance audit report attached to her written testimony. In looking at Kansas income tax returns for 80 large corporations for tax years 1998 through 2000, it was noticed that the percentage of income the corporations had apportioned to Kansas had dropped 27 percent in just two years. It is possible some major companies operating in Kansas could be under reporting or sheltering income. Because federal regulations prohibit the IRS from sharing information about how much of a corporation's income is apportioned to any state, it is impossible to know whether all the income is being apportioned without auditing each corporation. (Attachment 9) With this, the hearing on **SCR 1603** was closed.

The meeting was adjourned at 11:55 a.m. The next meeting is scheduled for February 12, 2003.

SENATE ASSESSMENT AND TAXATION COMMITTEE GUEST LIST

DATE: February 11, 2003

NAME	REPRESENTING
Richard Cron	KDOR
JP Small	KOCH INDUSTRIES
LES EVANS	XXXXXXXXXX XXXXXXXX, INC.
DAVID EYERLY	enXco
Barb Hinton	Post Audit
Mark Dumb	KDOR
Steve Miller	Sunflower
Bruce Graham	ICEPCo
McCarperder	KCCI
Tom Cochran	KES
Ryan Ringelmann	Damron
Tom R Otto	PTRS
Judy Gron	MIA Kansas
BILL YANEK	KS Assn of REALTORS
Christy Caldwell	Topeka Chamber of Comm
Bill Brady	KI Gov't Consulting
ED JASKINIA	THE ASSOCIATED LANDLORDS OF KANSAS (TOLK)
Tom Hogan	Gray County
Tony Folsom	BOTA

SENATE ASSESSMENT AND TAXATION COMMITTEE GUEST LIST

DATE: February 11, 2003

NAME	REPRESENTING
<i>Mary Davenport</i>	<i>Ks Motor Carriers Assn</i>
<i>TROY HELMING</i>	<i>KS WIND POWER</i>
<i>Randi Tveitaraas Jack</i>	<i>KS Dept. of Commerce</i>
<i>Edd Johnson</i>	<i>KLA</i>
<i>Michael Davis</i>	<i>KFB</i>
<i>Susan Carson</i>	<i>Westar Energy</i>
<i>J.C. Long</i>	<i>Aquila, Inc.</i>
<i>Marge Hester</i>	<i>RTA</i>
<i>Paul Lawrence</i>	<i>Westar Energy</i>
<i>Jack Graves</i>	<i>Wabe - K-M & P & A</i>
<i>Leshie Kaufman</i>	<i>Ks Farm Bureau</i>
<i>Keith Miller</i>	<i>Ks Farm Bureau</i>
<i>Jackie Clark</i>	<i>Hallmark Cards Inc</i>
<i>Woody Moses</i>	<i>Ks. Agg. Prod. Assn</i>
<i>Wendy Williams</i>	<i>KRMCA</i>
<i>SCOTT SCHNEIDER</i>	<i>RES</i>
<i>Ron Seebert</i>	<i>Heio Law Firm</i>

**TESTIMONY SUBMITTED TO THE
SENATE ASSESSMENT AND TAXATION COMMITTEE**

**By
Steve Miller, Senior Manager, External Affairs
SUNFLOWER ELECTRIC POWER CORPORATION**

February 5, 2003

Thank you, Mr. Chairman and members of this Committee for providing Sunflower time to speak today on Senate Bill 85, a proposal to eliminate the property tax exemption for wind generators. We are here today to speak in opposition to this proposal.

As many of you know, we were organized in 1957 to provide reliable wholesale power to the six rural electric cooperatives in western Kansas that own Sunflower. Since that time we have built or acquired generators that have a capacity to produce up to 595 MW of electrical power. In addition to our generating capacity, we own and operate a 1,200-mile system of high voltage transmission lines throughout our service area.

Because use of renewable generation sources is growing in Kansas, Sunflower has been investigating the potential for adding wind generation to its portfolio of generation assets. Our efforts in this area were inspired, to a large degree, by the Kansas Legislature as you have passed laws that have resulted in the large amount of interest in renewable power production all across our State.

In December, Sunflower became a member of ACES Power Marketing, an organization owned by twelve generation and transmission cooperatives in the Midwest. ACES evaluates energy risk for those of us who are not large enough to have our own energy risk management departments. After consideration of the input received from ACES and Sunflower staff, our Board of Directors authorized negotiations with RES that led to our announcement yesterday that Sunflower will purchase the first 30 MW of wind energy from the RES North America (RES) project in Wichita County.

This project, which is being developed by Central Plains, LLC, a subsidiary of RES North America, has the potential for a total capacity of 100 MW, but Sunflower has agreed, pending Rural Utilities Service (RUS) and Kansas Corporation Commission (KCC) approval, to purchase the first 30 MW and hopes that other utilities will join with us to see this project be fully developed.

Our understanding is that the project will create from 100 to 150 jobs during the construction period and will result in ten permanent jobs in Wichita County once the project is online and fully subscribed.

If the Legislature approves and the Governor signs this legislation, our cost for power from this project would increase by more than 20%. Without question, neither RES nor Sunflower could absorb that cost. Passage of this bill would essentially kill this newly

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Attachment 1*

announced project. That is the simplest way I can convey to you why we oppose this bill.

Sunflower has always worked hard to create jobs in western Kansas. We organized the western Kansas Rural Economic Development Alliance, a group of 46 counties that is comprised of people who are working to improve our economic well being in our part of the world. We have prepared USDA grant and loan applications for 21 projects in western Kansas that have resulted in many needed improvement and new businesses including:

- New grandstands in Cheyenne County
- Desperately needed fire trucks in many rural counties
- Library and hospital additions
- A new cabinet company in Decatur County
- A new feed supplement company in Finney County
- New large-scale dairies
- Additions to elevators, and
- A new dental office in Wichita County near the location of the proposed Sunflower Electric Wind Farm.

This project will help us bring more jobs to the area and add a new source of generation that has been actively supported by the Legislature's actions in the last few years. Mr. Chairman, and members of the Committee, I urge you to defeat this proposal.

With that, I would be happy to answer any questions the Committee may have regarding my testimony.

Sunflower Electric Wind Farm To Be Built in Western Kansas

February 4, 2003

HAYS, KS - Sunflower Electric Power Corporation and Renewable Energy Systems (RES), an international wind farm developer, announced today the construction of the Sunflower Electric Wind Farm in Wichita County, near Leoti, Kansas.

Sunflower will purchase the first 30 MW of the wind-generated energy produced by the project that has been designed to produce up to 100 MW as additional customers join the project. The first phase of construction is scheduled for completion by the end of 2003, but is subject to the approval of the Rural Utilities Service (RUS) and the Kansas Corporation Commission (KCC).

Central Plains Power, LLC, a subsidiary of RES North America, LLC, RES's U.S. development arm, working closely with the Wichita County Economic Development Corporation, will build the facility. The project is expected to have a workforce of approximately 100 to 150 construction jobs, and when fully subscribed, as many as 10 permanent jobs.

Sharla Krenzel, Director of the Wichita County Economic Development Corporation said, "As this project becomes a reality, we're very thankful for the cooperation between RES North America and Sunflower, and we're quite excited about the economic impact this project will bring to Wichita County."

Tom Fair, Development Director for RES North America said, "We couldn't be more pleased with Sunflower's commitment to renewable energy and with the strong support of the community for this project." He added that he anticipated other regional utilities would join in the project to maximize its potential.

When fully developed, the wind farm will be comprised of between 60 and 75 wind turbines mounted atop tubular steel towers over 200 feet in height, laid out in rows on a 6,000 acre project site. The site, located in eastern Wichita County, is entirely cultivated farmland, which Fair says is ideally suited for wind farm development. "Our studies and consultation with agencies indicates very low environmental sensitivity. Extensive wind monitoring has proved that there is an excellent wind energy resource, and with Sunflower's large transmission line already passing through the area, there is no need to build any new overhead high voltage power lines for the project."

Sunflower's President and CEO, Chris Hauck said, "Sunflower is very pleased to be able to include this renewable energy supply in its portfolio of generation assets." Hauck added, "This long-term 30 MW renewable energy purchase is a significant commitment because it amounts to approximately ten percent of our average Member System requirement." He continued, "We are honored that the wind farm has been named to reflect our position as

host utility and because we expect it will be operated to the same high standards we demand of ourselves.”

About Sunflower Electric Power Corporation (Sunflower)

Sunflower Electric Power Corporation is a regional wholesale power supplier that owns and operates a 595 MW portfolio of gas and coal-fired generating plants and a 1,200-mile transmission system for the needs of its six member cooperatives that serve 120,000 people spread throughout a 21,000 square mile area in western Kansas. Sunflower also provides power to regional utilities in Kansas and in ten states.

About RES North America

RES North America, LLC is a member of the Renewable Energy Systems group (RES), one of the world's leading wind energy developers. RES has offices in nine countries and several thousand MW of wind power capacity on its books at various stages of development. In 2001, an RES company completed construction of what was then the world's largest wind farm at King Mountain, Texas (280 MW) and has to date built over 540 MW of wind power capacity in the USA. RES possesses all the capabilities required to develop, construct and operate successful wind farm projects.

Members of the media, for further information, contact:



Tom Fair, Development Director, (561) 630-5206



Steve Miller, Sr. Manager, External Affairs, (785) 623-3364



Sharla Krenzel, Director, (620) 375-2182

Testimony on Senate Bill 85
Senate Assessment & Taxation Committee
February 5, 2002

Les Evans, President
Windpower, Inc.

Chairman Corbin and committee members, my name is Les Evans and I am an independent consultant providing consulting services to the wind industry. Prior to my consulting business, I worked for over 23 years for Westar Energy. I am an electrical engineer by training and worked in a variety of areas in the Generation and Corporate Development departments at Westar Energy, with the last job I held being the Director of Generation Strategy. As Director of Generation Strategy I had responsibility for long range generation supply planning, R&D and technology assessment which included overseeing the installation/assessment of the first two utility scale wind turbines installed in the state of Kansas.

I am here today to speak against Senate Bill 85. The Kansas legislature amended Kansas Statute 79-201 to specifically encourage the development of renewable energy resources or technologies in the state by exempting them from property tax for all taxable years commencing after December 31, 1998. The legislature defined "renewable energy resources or technologies" to include wind, solar, thermal, photovoltaic, biomass, hydropower, geothermal and landfill gas resources or technologies. Effective December 31, 2000, the legislature in statute 79-258 reaffirmed its intent to exempt renewable energy resources from taxation and also exempted peak load plants from taxation for four years and other generation except nuclear for a period of ten years.

Since the property tax exemption of renewable energy sources December 31, 1998, the following activity in wind generation has occurred in the state:

1. A two unit, 1.5 MW wind project was constructed by Westar Energy and Aquila in the spring of 1999 and continues to operate successfully today.
2. A 170 unit, 112 MW wind farm was constructed by FPL Energy in Gray County with the output being sold to Aquila. The Gray County Wind Farm went into commercial operation late in the year 2001.
3. February 4, 2003, Sunflower Electric Power Corp. and Renewable Energy Systems (RES), announce the plans to construct Sunflower Electric Wind Farm in Wichita County.
4. Three developers have applied for Conditional Use Permits (CUP) in Butler County to each build a nominal 100 MW wind farm.
5. There are at a minimum ten developers actively pursuing the development of wind projects currently in the state.

One of the primary reasons for this activity is directly attributable to the property tax exemption for renewable energy resources. The property tax exemption for renewable

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energy resources is having the desired effect; it is encouraging the development of wind energy resources in Kansas.

If SB 85 is passed it will have the direct opposite effect on the development of wind generating resources in the state. It will discourage the development of wind resources in the state and send a very chilling warning to not only the wind development community, but the general business community at large. That message is simply the following: The rules of the game are not stable in Kansas and are subject to change at any time.

An additional concern regarding SB 85 is the rationale for specifically targeting only wind energy technology for repeal of the property tax. If the intent of the bill is to increase property tax revenues why not include all renewable energy resources or technologies? Additionally, why stop with just the renewable energy resources or technologies? Why not repeal the four year property tax exemption for peak load plants and the ten year exemption for other generation? This bill as written would specifically discourage the development of wind generation resources in the state while encouraging other renewable energy resources or technologies, peak load plants and all other forms of generation except nuclear.

By opposing this bill the Kansas legislature will send a clear message to the wind industry and the business community in general that the business environment in Kansas is stable and that incentives meant to encourage development will remain in place for the long term.

I would encourage each of you to oppose Senate Bill 85 as written.

Senate Assessment and Taxation Committee

Senator Dave Corbin, Chairman

In Opposition to Senate Bill 85

Property Taxation: Eliminating Wind energy resources property exemptions

By David Eyerly, Project Development Consultant, enXco.

February 11, 2003

I would like to thank the Chairman, and members of this committee, for the opportunity to submit my testimony to you today against the passage of Senate Bill 85.

My name is David Eyerly. I am a Project Development Consultant with enXco. EnXco is one of the largest wind developers in the world. We own over 3,000 wind turbines in Minnesota and California. We have developed and manage other wind farms in California, Texas and Iowa.

Currently enXco is seeking to develop wind farms throughout the Midwest. We consider Kansas to be a prime area for wind development. Several Kansas counties have a wind resource that could be developed for the production of energy. They are Greeley, Wallace, Sherman, Washington, Marshall, Clay, Riley, Wabaunsee, Morris, Chase, Geary, Butler, Cowley, Barber, Pratt, Stafford, Barton, Rush, Ness, Hodgeman, Pawnee, Edwards, Kiowa, Comanche, Clark, Ford, Gray, Haskell, Seward, Wichita and Stevens Counties.

The passage of this legislation would have an immediate impact upon enXco's decision-making process.

There are three things developers look for when choosing a site. They are: first, a good wind resource; second, we look for access to transmission lines to take the power to market; and third, we seek a buyer for the power. Passage of this bill will not effect the wind, nor change the transmission availability. However, passage of Senate Bill 85 would affect our ability to find a buyer for the power. Stately simply, passage of this Bill would raise our cost of doing business in this State.

I would like to present several rational arguments against passage of Senate Bill 85.

► In 1998 the General Assembly made a decision to exempt renewable energy from property taxation based on good decision-making. These are technologies that offer substantial benefit to the residents of Kansas, but would not come to market as quickly without some incentives to remove the high capital cost of related equipment. The list of renewable energies now includes solar, wind, geothermal, photovoltaic, biomass, hydropower, and landfill gas. All of these technologies share three commonalities:

1. They are all non-polluting, sparing Kansans from health concerns that they would otherwise have with conventional fossil-fuel generation of electricity.
2. All of these technologies are renewable. They form part of an inexhaustible means of meeting our State's (and our Nation's) energy needs.
3. All of these technologies—wind included—have a higher capital cost to build and erect than conventional fossil fuel generating facilities. There are

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absolutely no Kansas Utilities that will tell you Wind is their least-cost means of producing power.

The logic used to make the decision to exempt these technologies from taxation in 1998, still exists, and it has not changed. Wind should not be treated differently from these other forms of renewable generation of electricity. You should ask yourself why those in favor of this proposed legislation would eliminate Wind-produced electricity, but not the other forms of producing renewable energy.

► There is a principle here that passage of this law would violate. This incentive (a property tax exemption) has the desired affect of attracting investment in renewable energies to Kansas. Although the other technologies are—like Wind technology—rapidly developing due to such incentives, none of the others has yet proposed large-scale production within the State. If the State eliminates the incentive the moment it is used, this would send a dangerous signal of the State's intention to use legislation merely to attract technology, and then remove that incentive once the technology is installed. The very act of even holding this hearing must be sending similar shock waves through other renewable industries as it is through the Wind Industry. All renewable industries must have the ability to trust that an incentive such as this is a permanent intent of the Legislature to encourage actual construction, not just a temporary means to pacify a “green” constituency.

► This committee must realize that the intent of this proposed legislation is merely an attempt by a few people to stop potential development within a limited territory. Those who suddenly find themselves opponents to wind technology have another concern altogether: They are concerned about preserving the natural beauty of the Flint Hills. I understand, and appreciate their concerns. By passage of this legislation, however, they will be defeating that very purpose. For a wind developer, a difference between a fifteen-mile an hour average wind speed, and a sixteen-mile per hour average wind speed can mean the difference between building, or searching for a different site. By removing this property tax exemption for the entire State, they remove from developers the opportunity to find marginally attractive areas on which to build. The Flint Hills generally has a higher wind velocity than the surrounding areas of the State, just because of their greater height. By removing this tax exemption, developers will have to give up on marginal properties (those lying on the periphery of the Flint Hills, or in areas in the Flint Hills already disturbed) and actually force us to find, acquire, and permit development only on those “high impact” areas that offer a slightly better wind speed. So, instead of preserving the majestic Flint Hills views, passage of this legislation would raise our operating costs to the point where we would ONLY consider the most desirable view areas—merely because they are also the windiest of locations. Right now, most experienced developers are looking seriously at sites out of sensitive areas, simply because at heart, we are tremendous environmentalist. That is usually the very issue that brought us individually, and collectively, into this industry. Please do not listen to the misguided intentions of a few people who really do not understand how this legislation would affect the way Developers as a whole operate. This legislation would discourage development of wind farms throughout the State, but concentrate our efforts into only the highly prized areas.

► The intent to remove the tax incentive on ONLY wind technology may be a creative means of a few to find another way to hinder development on the Flint Hills. But at the same time, it places an unnecessary hindrance on the many Counties that could support wind technology that are NOT on the Flint Hills. If this myopic means of stopping Wind development in the Flint Hills is allowed to succeed, then it is unnecessarily hindering development elsewhere within the State. I would argue that a better way to preserve the Flint Hills would be done by local—or even regional—legislation written to that effect.

► Some of the proponents of this legislation have argued that by having an exemption for this particular form of renewable energy places an undesired burden on their local budgets. Perhaps that is true. And in recognition of that issue, most stable developers have agreed to meet with local officials and arrive at a figure that seems reasonable to compensate for their additional budgetary expenditures. This comes in the form of an “in lieu of taxes” gift to the local budgetary units. You have heard argument from some that this “gift,” by its voluntary nature, is harmful to the budgetary process. Those who would argue that this gift should become a required tax do not apparently understand the original intent of the Kansas Legislature in exempting renewable energies—including wind—from taxation. The original intent was that bringing these technologies to Kansas would provide a long-term benefit for the State that far outweighs the temporary budget issue. We would argue that this gift should remain a gift—to be given freely, when it is within our ability to do so, and at a rate that makes sense with changing budgets, changing technologies, and changing expenses of both the State, and the developer.

On the whole, Wind Produced technologies should continue to receive incentives to locate in Kansas. Local communities are able to zone according to their local needs. But Kansas would not, and will not, be benefited by passage of Senate Bill 85.

I strongly urge you to consider the points I’ve made above: That Wind is every bit as renewable as the other listed technologies; that removing a supposed incentive as soon as it is used is a very bad precedent; that preserving the natural beauty of the Flint Hills should be left to the local authorities; and that taxing an industry in its infancy may destroy a valuable long-term friend for the State of Kansas.

I strongly urge this committee to vote against passage of Senate Bill 85 because it’s passage would ultimate harm Kansas.

Thank you.

David Eyerly
Project Development Consultant
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 913-888-WIND ~ eFax 208-977-0845

Presenter: Troy A Helming, Chairman & CEO
 February 11, 2003

Why are wind developers looking at Kansas?

1. It's very windy in Kansas.
2. KS was ranked #1 in the country in 2001: made headlines & got wind developers looking at KS, a state that up until then, had been largely neglected.
3. The technology has matured, so wind is growing in all windy states.
4. It is NOT because of the property tax exemption: 23 other states (most all of the windy ones) have it
5. The transmission grid is in poor shape in Kansas, but it's better than many other windy states.

Wind Power Policy in the U.S.

Policy Type	How Many States Have It?	Kansas?	Kansas?
Property Tax Incentives*	24	YES	
Grants	16	YES	
Renewable Portfolio Standard	15 + 3 pending		NO
Net Metering	38		NO
State Agency Green Power Purchase requirements	14		NO
Loan Programs	24		NO
Mandatory Utility Green Power Option	5		NO
Public Benefit Funds	15		NO
Outreach Programs	36 + territories		NO
Sales Tax Incentives	17		NO

Source: Database of State Incentives for Renewable Energy (www.dsireusa.org)

* States with property tax incentives: CA, CT, IL, IN, IA, KS, MD, MA, MN, MT, NV, NH, NY, NC, ND, OH, OR, RI, SD, TX, VT, VA, WV, WI

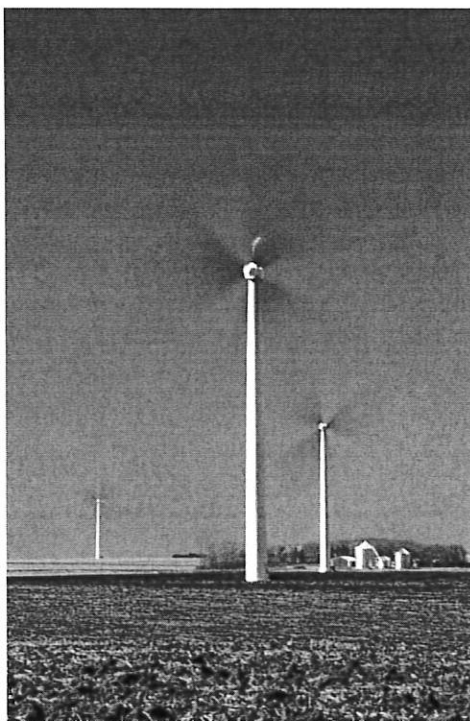
*Senate Assessment & Taxation
 2-11-03
 Attachment 4*

Kansas Wind Power LLC Overview

- 9 Full-time employees today
- (1) 30 MW project going online this year, will add (4) more employees in Lenexa, (8) more at site
- (1) 45 MW project and (1) 150 MW project going online in 2004, adding (22) more employees total
- It takes 2 to 5 years to develop a potential site for a wind farm: wind studies, transmission studies, etc.
- Pro-forma models are very complicated, take all factors into account, including property taxes
- Costs @ \$500,000 per site to develop to the point where you can get a Power Purchase Agreement
- Funding raised by KWP to develop 30 sites: 18 in Kansas, 12 in other states
- We are the only Kansas-based and Kansas-funded wind development company (other foreign or out-of-state companies have set up Kansas subsidiaries here).
- We would sure like to be able to develop in Kansas, but any change would force us to develop in OK, TX, CO and ND

Economic Impact to Kansas

- Today, Kansas imports **\$200 Million** per year of COAL from Wyoming and burns it to generate over 70% of our electricity
- Kansas has historically been a net exporter of energy
- In 2001, for the first time in decades, Kansas became a net importer of energy
- Each 100 MW wind farm = **\$300 Million** in direct, indirect and induced economic impact to the local community, county and state (source: Iowa State Input Output model, 2000)
- Remove the property tax exemption = NO WIND DEVELOPMENT IN KANSAS for at least 4 years
- Modify the property tax exemption = NO WIND DEVELOPMENT IN KANSAS for at least 2 years
- All current projects would immediately die, costing the state hundreds of millions of dollars
- NO tax revenue would come to the state from wind farms in any form with a modified bill
- A change of any kind would send a HUGE message to the wind industry: stay out of Kansas.





LEGISLATURE OF KANSAS
LEGISLATIVE DIVISION OF POST AUDIT

800 SOUTHWEST JACKSON STREET, SUITE 1200
TOPEKA, KANSAS 66612-2212
TELEPHONE (785) 296-3792
FAX (785) 296-4482
E-MAIL: lpa@lpa.state.ks.us

Barbara J. Hinton

February 3, 2003

Senator David Corbin, Chair
Senate Assessment and Taxation Committee
Room 143-N, Statehouse
Topeka, Kansas 66612

Dear Senator Corbin:

As you may know, the Legislative Post Audit Committee has introduced 2 bills that have been referred to your Committee:

- **SB 99** which would give county appraisers the authority to levy penalties against property owners or businesses that fail to provide requested income and expense information.
- **SCR 1603**, which would encourage Congress to support the adoption of legislation that would allow the IRS to share corporations' tax information with states.

Both bills are the result of audit recommendations we've made in 2 recent audit reports.

SB 99 During a performance audit assessing how accurately counties are valuing large commercial buildings for tax purposes, we learned that relatively few property owners (only about 11% in 4 counties we looked at) provided income and expense data to county appraisers when asked to do so. Counties use this information to develop average income and expense rates for mass appraisal purposes. The more information that's available, the more accurate the averages are, which should contribute to more uniform and accurate estimates of appraised value countywide.

State law authorizes the Property Valuation Division (and by extension the county appraisers) to require building owners to furnish income and expense information, but there's no consequence for failure to comply. The District of Columbia has established a penalty equal to 10% of the property taxes due for failure to return requested information. Its response rates range from 60% to 75%. This bill would create a similar penalty in Kansas. It also would allow the Board of Tax Appeals to abate the penalty if excusable neglect on the part of the property owner is shown.

*Senate Assessment + Taxation
2-11-03
Attachment 5*

Testimony before the Senate Assessment and Taxation Committee
SB 99
February 11, 2003
By Christy Caldwell
Greater Topeka Chamber of Commerce

Mr. Chairman and members of the Committee, I am Christy Caldwell, Vice President of Government Relations for the Greater Topeka Chamber of Commerce and I am here today to oppose SB 99.

There are three methods available to appraise income producing property: comparable sales, the cost approach and the income/expense approach. County appraisers currently may request income and expense information from a taxpayer, but it is not a requirement that the business owner provide this information. However, in the event a taxpayer challenges their value or protests their property tax, they must then provide income and expense information as currently required in the law.

If approved, SB 99 will require all income-producing property owners to give the county appraiser their income/expense information, whether there is an appeal or not. If the taxpayer does not provide this information within 90 days of the mailing of a form, or, the information is deemed incomplete or inaccurate by the appraiser, a penalty is imposed by increasing the assessed value by 10% and the only recourse to remove of the penalty is to appear before the state board of tax appeals. Even when a taxpayer attempts to comply with current requests for income and expense information, there can be difficulty because the form provided by the appraiser does not always permit the taxpayer the opportunity to clarify and fully explain their figures. In some instances the taxpayer is reluctant to release information they consider proprietary.

SB 99 does not give us confidence these issues will be addressed and that information the taxpayer will be required to provide will be deemed complete and used only for the purpose intended. The county also continues to have other methods to appraise the property. Additionally, we believe the 10% penalty in assessed value is arbitrary and punitive. Mr. Chairman, we are unclear and question why this proposed change in the law is needed. We are also concerned that the unintended result may well be a backlog of appeals before the state board of tax appeals and an increased number of angry taxpayers. We respectfully ask the committee to not approve SB 99.



A MANUFACTURED HOME COMMUNITY

4637 S.E. SOUTH VILLAGE PARKWAY
TOPEKA, KANSAS 66609

(785) 862-2131

**WRITTEN TESTIMONY
BEFORE THE
SENATE COMMITTEE ON ASSESSMENT AND TAXATION**

TO: Senator David Corbin and
Members of the Committee

From: Rod Taylor
South Village Inc.

RE: Senate bill 99

My name is Rod Taylor, I am the owner and operator of a local Manufactured home community, South Village located in southern Topeka. This community has 358 home sites available and is considered if not the best in the Topeka area, one of the best. It is well maintained in all respect, streets, trees, and other amenities are constantly upgraded.

I would like to voice my objections to SB99. First let me state that I have been in appeals since 1996 and have supplied not only income and expenses, but every financial document we had in our possession or requested by them. I am still pending in the 1999 and 2000 years. During the appeals my valuation has raised from \$2,210,820 in 1997 to \$4,563,000 in 2001. During this time my income & expenses were disregarded as being out of line. The rent factor was not high enough so the Shawnee County Appraiser chose to use a projected rent factor that was 17% higher than our actual rent charges. When they looked at my expenses this time they found them to be too high and used a percentage from a model they had developed.

Here in lies the root of the problem. After going through the appeal process I was finally given the basis for their model. Even though most of the large parks in the Topeka area had supplied financial information to the appraiser, the appraiser chose to use small run down parks for their model, many not even in Topeka. These ancillary parks are small, not well maintained with the exception of one (Meadowood) that was used in the 1997 model but dropped in 1998's model, and bear no resemblance to the nicer larger parks that this model was used to valuate. I have included this documentation.

The annual maximum expenses for these parks was 24,465 with the one exception in 1997 that was dropped in the 1998 model. This then became the model for large well maintain communities so the value could be artificially raised. South Village expenses are more than double that amount every month.

Why should we be burdened with this every year when the appraisers choose to use their own select communities for this model. Not only is this time consuming and burdensome, I feel it is an invasion of privacy. If indeed they were used properly an initial model could be established and used for many years with normal inflation adjustments.

Please don't burden us with this new proposed bill, especially with the 10% penalty clause. However after my valuation increased, 10% would have been a blessing.

I realize this may not be the case across all of Kansas, but it is in Shawnee County. Many small communities across Kansas will be affected by a law that they never knew was passed. I urge you to reject this bill.

Rod Taylor

Senate Assessment & Taxation
2-11-03
Attachment 7

SOUTH VILLAGE, INC.

1998

E & G MHP	7516 NW US 24	Silver Lake, KS 66539
Diaz MHP	1431 NW Logan	Topeka, KS 66608
Frye MHP	2000 SE 2 nd	Topeka, KS 66607
Schaller MHP	1953 N. Kansas Ave.	Topeka, KS 66608
Dicks Trailer Park	206 West 1 st St.	Willard, KS 66615
Trails MHP	7939 SW Topeka	Wakarusa, KS 66546
Lakewood MHP	205 SE 25 th	Topeka, KS 66605

1997

Diaz MHP	1431 NW Logan	Topeka, KS 66608
Frye MHP	2000 SE 2 nd	Topeka, KS 66607
Countryside MHP	6235 SE Hwy 40	Tecumseh, KS 66542
Dicks Trailer Park	206 West 1 st St.	Willard, KS 66615
E & G MHP	7516 NW US 24	Silver Lake, KS 66539
Lakewood MHP	205 SE 25 th	Topeka, KS 66605
Meadowood MHP	1900 NW Lyman	Topeka, KS 66608
Schaller MHP	1953 N. Kansas Ave.	Topeka, KS 66608
Trails MHP	7939 SW Topeka	Wakarusa, KS 66546

229

*Parts Used in
Expense Calculation*

SHAWNEE COUNTY INCOME/EXPENSE FORM FOR MOBILE HOME PARKS

PARCEL ID: [REDACTED] ADDRESS: [REDACTED]
 PERSON TO CONTACT: [REDACTED] PHONE NO: [REDACTED]

Total Sites: [REDACTED] How many of these sites are uninhabitable? [REDACTED] AUG 07 1997

Approximate year the mobile home park was built: [REDACTED]
 How many sites are occupied by owner or staff? [REDACTED]
 Occupancy (list as a percent) in 1995 [REDACTED] 1996 [REDACTED] 1997 [REDACTED]

SHAWNEE COUNTY
APPRAISER

Are any tenant utilities included in the monthly rental fee? [REDACTED]
 Which utilities are included (please circle)? [REDACTED]

Please list lot rental rates (include owner/staff lots--do not include uninhabitable sites or rents for mobile homes):

	1996 Rates	1997 Rates
# of Singles @ [REDACTED]	\$ [REDACTED] /mo.	\$ [REDACTED] /mo.
# of Singles @ [REDACTED]	\$ [REDACTED] /mo.	\$ [REDACTED] /mo.
# of Doubles @ [REDACTED]	\$ [REDACTED] /mo.	\$ [REDACTED] /mo.
# of Doubles @ [REDACTED]	\$ [REDACTED] /mo.	\$ [REDACTED] /mo.



Total Sites [REDACTED] (should equal total sites listed above)
 How many mobile homes do you have to rent? [REDACTED]. How much does each rent for excluding the site rent (list the site rent above)? [REDACTED]:

INCOME:

	1996
1. Gross Potential Rental Income** (see below for explanation)	5760
2. Vacancy (list dollar amount lost to vacancy).....	
3. Collection Loss.....	
4. Other Income (Laundry, Vending Machines, etc).....	
TOTAL INCOME	550.00

OPERATING EXPENSES:

	1996
5. Management Costs.....	None
6. Payroll (include taxes, benefits, workman's comp).....	None
7. Office Expenses & Supplies.....	None
8. Legal & Accounting.....	None
9. Advertising.....	None
10. Insurance.....	1150.00
11. Repairs & Maintenance.....	17.00
12. Major Items of Repair or Replacement (specify).....	None
13. Utilities.....	800.00
14. Security.....	None
15. Grounds & Landscaping.....	None
16. Miscellaneous Expenses.....	None
17. Real Estate Taxes & Personal Property Taxes.....	400.00
18. Depreciation.....	None
19. Mortgage/Interest.....	None
20. Reserves for Replacement.....	None
TOTAL OPERATING EXPENSES	2850.00

SIGNATURE _____ DATE [REDACTED]
 Print Name [REDACTED]

**Gross Potential Income would be: as if all of the useable lots were 100% occupied all year including owner/staff-occupied lots. Calculate gross potential income for the lots only. Do not include rent for mobile homes.

SHAWNEE COUNTY INCOME/EXPENSE FORM FOR MOBILE HOME PARKS

PARCEL ID: [REDACTED] ADDRESS: [REDACTED]
 PERSON TO CONTACT: [REDACTED] PHONE NO: [REDACTED]
 Total Sites: [REDACTED] How many of these sites are uninhabitable? [REDACTED]
 Approximate year the mobile home park was built: [REDACTED]
 How many sites are occupied by owner or staff? 1
 Occupancy (list as a percent) in 1995 _____ 1996 100% 1997 100%
 Are any tenant utilities included in the monthly rental fee? [REDACTED]

Please list lot rental rates (include owner/staff lots--do not include uninhabitable sites or rents for mobile homes):

	1996 Rates	1997 Rates
# of Singles [REDACTED] @	\$ [REDACTED] /mo.	\$ [REDACTED] /mo.
# of Singles _____ @	\$ _____ /mo.	\$ _____ /mo.
# of Doubles _____ @	\$ _____ /mo.	\$ _____ /mo.
# of Doubles _____ @	\$ _____ /mo.	\$ _____ /mo.

Total Sites [REDACTED] (should equal total sites listed above)

How many mobile homes do you have to rent? [REDACTED] How much does each rent for excluding the site rent (list the site rent above)? _____

INCOME:

- 1. Gross Potential Rental Income** (see below for explanation) 31,600.00 *31,620*
- 2. Vacancy (list dollar amount lost to vacancy)..... _____
- 3. Collection Loss..... _____
- 4. Other Income (Laundry, Vending Machines, etc)..... _____

TOTAL INCOME

1996
 31,600.00
 1860.00 + 600.00 = 2460
 50x12 = 600
 1860
 2460

OPERATING EXPENSES:

- 5. Management Costs..... 356.55
- 6. Payroll (include taxes, benefits, workman's comp)..... 210.00
- 7. Office Expenses & Supplies..... 57.75
- 8. Legal & Accounting..... 1,201.43
- 9. Advertising..... 3,862.58
- 10. Insurance..... 4,950.66
- 11. Repairs & Maintenance..... _____
- 12. Major Items of Repair or Replacement (specify)..... _____
- 13. Utilities. Water - Trash + RPL..... 2,611.64
- 14. Security..... 1,258.26
- 15. Grounds & Landscaping..... _____
- 16. Miscellaneous Expenses..... 8,096.40
- 17. Real Estate Taxes & Personal Property Taxes..... _____
- 18. Depreciation..... _____
- 19. Mortgage/Interest..... _____
- 20. Reserves for Replacement..... _____

TOTAL OPERATING EXPENSES

24,465.27 + 600.00
 DATE 8-25-97 \$ 25,065.27

SIGNATURE [REDACTED]
 Print Name [REDACTED]

**Gross Potential Income would be: as if all of the useable lots were owner/staff-occupied lots. Calculate gross potential income for the mobile homes.

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 SHAWNEE COUNTY
 APPRAISER

7-4

SHAWNEE COUNTY INCOME/EXPENSE FORM FOR MOBILE HOME PARKS

PARCEL ID: [REDACTED] ADDRESS [REDACTED]
 PERSON TO CONTACT: [REDACTED] PHONE NO [REDACTED]
 Total Sites: [REDACTED] How many of these sites are uninhabitable? _____
 Approximate year the mobile home park was built: [REDACTED]
 How many sites are occupied by owner or staff? 1
 Occupancy (list as a percent) in 1995 _____ 1996 1 1997 1
 Are any tenant utilities included in the monthly rental fee? [REDACTED]

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 SHAWNEE COUNTY
 APPRAISER

Please list lot rental rates (include owner/staff lots--do not include uninhabitable sites or rents for mobile homes):

	1996 Rate	1997 Rates
# of Singles @ [REDACTED]	\$ [REDACTED] /mo.	\$ [REDACTED] /mo.
# of Singles @ [REDACTED]	\$ [REDACTED] /mo.	\$ [REDACTED] /mo.
# of Doubles @ [REDACTED]	\$ [REDACTED] /mo.	\$ [REDACTED] /mo.
# of Doubles @ [REDACTED]	\$ [REDACTED] /mo.	\$ [REDACTED] /mo.

Total Sites [REDACTED] (should equal total sites listed above)
 How many mobile homes do you have to rent? [REDACTED] How much does each rent for excluding the site rent (list the site rent above)? _____

INCOME:

- Gross Potential Rental Income** (see below for explanation) 16,200
 - Vacancy (list dollar amount lost to vacancy)..... _____
 - Collection Loss..... _____
 - Other Income (Laundry, Vending Machines, etc) [REDACTED] 7,000
- TOTAL INCOME** 23,200

OPERATING EXPENSES:

- Management Costs..... _____
 - Payroll (include taxes, benefits, workman's comp)..... _____
 - Office Expenses & Supplies..... 562
 - Legal & Accounting..... 487
 - Advertising..... _____
 - Insurance..... 970
 - Repairs & Maintenance..... 3178
 - Major Items of Repair or Replacement (specify)..... _____
 - Utilities..... 7024
 - Security..... _____
 - Grounds & Landscaping..... _____
 - Miscellaneous Expenses..... _____
 - Real Estate Taxes & Personal Property Taxes..... 2431
 - Depreciation..... 692
 - Mortgage/Interest..... _____
 - Reserves for Replacement..... _____
- TOTAL OPERATING EXPENSES** 15344

SIGNATURE [REDACTED] DATE 7/21/97
 Print Name [REDACTED]

**Gross Potential Income would be: as if all of the useable lots were 100% occupied all year including owner/staff-occupied lots. Calculate gross potential income for the lots only. Do not include rent for mobile homes.

SHAWNEE COUNTY INCOME/EXPENSE FORM FOR MOBILE HOME PARKS

PARCEL ID: [REDACTED] ADDRESS: [REDACTED]
 PERSON TO CONTACT: [REDACTED] PHONE NO.: [REDACTED]
 Total Sites: [REDACTED] How many of these sites are uninhabitable? None
 Approximate year the mobile home park was built: [REDACTED]
 How many sites are occupied by owner or staff? None
 Occupancy (list as a percent) in 1995 98% 1996 86 1997 99%
 Are any tenant utilities included in the monthly rental fee? [REDACTED]
 Which utilities are included (please circle)?: [REDACTED]

RECEIVED
 JUL 30 1997
 SHAWNEE COUNTY
 RAISER

Please list lot rental rates (include owner/staff lots--do not include uninhabitable sites or rents for mobile homes):

		1996 Rates	1997 Rates
# of Singles	@	\$ [REDACTED] /mo.	\$ [REDACTED] /mo.
# of Singles	@	\$ [REDACTED] /mo.	\$ [REDACTED] /mo.
# of Doubles	@	\$ [REDACTED] /mo.	\$ [REDACTED] /mo.
# of Doubles	@	\$ [REDACTED] /mo.	\$ [REDACTED] /mo.

Total Sites [REDACTED] (should equal total sites listed above)
 How many mobile homes do you have to rent? [REDACTED] How much does each rent for excluding the site rent (list the site rent above)? _____

INCOME:

	1996	
1. Gross Potential Rental Income** (see below for explanation)	<u>44,460</u>	44,460
2. Vacancy (list dollar amount lost to vacancy).....	<u>5,355</u>	
3. Collection Loss.....	<u>2,690</u>	
4. Other Income (Laundry, Vending Machines, etc).....		
TOTAL INCOME	<u>36,415</u>	36,435

OPERATING EXPENSES:

	1996	
5. Management Costs <i>owner managed</i>		
6. Payroll (include taxes, benefits, workman's comp).....		
7. Office Expenses & Supplies.....	<u>2,360</u>	
8. Legal & Accounting.....		
9. Advertising.....	<u>170</u>	
10. Insurance.....	<u>317</u>	
11. Repairs & Maintenance.....	<u>3,442</u>	
12. Major Items of Repair or Replacement (specify).....		
13. Utilities.....	<u>14,479</u>	
14. Security.....		
15. Grounds & Landscaping.....		
16. Miscellaneous Expenses.....	<u>214</u>	
17. Real Estate Taxes & Personal Property Taxes.....	<u>3,664</u>	
18. Depreciation.....		
19. Mortgage/Interest.....	<u>7,788</u>	
20. Reserves for Replacement <i>10% of total</i>	<u>4,298</u>	
TOTAL OPERATING EXPENSES	<u>36,732</u>	36,433

SIGNATURE: [REDACTED] DATE: 7-19-97
 Print Name: [REDACTED]

**Gross Potential Income would be: as if all of the useable lots were 100% occupied all year including owner/staff-occupied lots. Calculate gross potential income for the lots only. Do not include rent for mobile homes.

SHAWNEE COUNTY INCOME/EXPENSE FORM FOR MOBILE HOME PARKS

PARCEL ID: [REDACTED] ADDRESS: [REDACTED]
 PERSON TO CONTACT: [REDACTED] PHONE NO: [REDACTED]
 Total Sites: [REDACTED] How many of these sites are uninhabitable? 2
 Approximate year the mobile home park was built. [REDACTED]
 How many sites are occupied by owner or staff? None
 Occupancy (list as a percent) in 1995 66% 1996 66% 1997 66%
 Are any tenant utilities included in the monthly rental fee? [REDACTED]

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 SHAWNEE COUNTY
 APPRAISER

[REDACTED]

Please list lot rental rates (include owner/staff lots—do not include uninhabitable sites or rents for mobile homes):

	1996 Rates	1997 Rates
# of Singles [REDACTED] @ [REDACTED]	\$ [REDACTED] /mo.	\$ [REDACTED] /mo.
# of Singles [REDACTED] @ [REDACTED]	\$ [REDACTED] /mo.	\$ [REDACTED] /mo.
# of Doubles [REDACTED] @ [REDACTED]	\$ [REDACTED] /mo.	\$ [REDACTED] /mo.
# of Doubles [REDACTED] @ [REDACTED]	\$ [REDACTED] /mo.	\$ [REDACTED] /mo.

Total Sites [REDACTED] (should equal total sites listed above)

How many mobile homes do you have to rent? [REDACTED]. How much does each rent for excluding the site rent (list the site rent above)? [REDACTED]

INCOME:

	1996
1. Gross Potential Rental Income** (see below for explanation)	<u>9600</u>
2. Vacancy (list dollar amount lost to vacancy).....	<u>3600</u>
3. Collection Loss.....	<u>600</u>
4. Other Income (Laundry, Vending Machines, etc).....	
TOTAL INCOME	<u>5400</u>

OPERATING EXPENSES:

	1996
5. Management Costs.....	<u>1000</u>
6. Payroll (include taxes, benefits, workman's comp).....	<u>—</u>
7. Office Expenses & Supplies.....	<u>250</u>
8. Legal & Accounting.....	<u>250</u>
9. Advertising.....	<u>—</u>
10. Insurance.....	<u>250</u>
11. Repairs & Maintenance.....	<u>1000</u>
12. Major Items of Repair or Replacement (specify) <u>A/C</u>	<u>500</u>
13. Utilities..... <u>Water, Sewer, Trash</u>	<u>600</u>
14. Security.....	<u>—</u>
15. Grounds & Landscaping.....	<u>500</u>
16. Miscellaneous Expenses.....	
17. Real Estate Taxes & Personal Property Taxes.....	<u>350</u>
18. Depreciation.....	<u>—</u>
19. Mortgage/Interest.....	<u>—</u>
20. Reserves for Replacement.....	
TOTAL OPERATING EXPENSES	<u>4700</u>

SIGNATURE [REDACTED]
 Print Name [REDACTED]

DATE 8/05/97

**Gross Potential Income would be: as if all of the useable lots were 100% occupied all year including owner/staff-occupied lots. Calculate gross potential income for the lots only. Do not include rent for mobile homes.

SHAWNEE COUNTY INCOME/EXPENSE FORM FOR MOBILE HOME PARKS

PARCEL ID: _____ ADDRESS: _____
 PERSON TO CONTACT: _____ PHONE NO: _____
 Total Sites: _____ How many of these sites are uninhabitable? 0
 Approximate year the mobile home park was built. _____
 How many sites are occupied by owner or staff? 1
 Occupancy (list as a percent) in 1995 92.2 1996 96.9 1997 96.3
 Are any tenant utilities included in the monthly rental fee? _____
 Which utilities are included (please circle)? _____
 List Amenities (Please Circle): _____

RECEIVED
JUL 31 1997
 SHAWNEE COUNTY
 APPRAISER

Please list lot rental rates (include owner/staff lots--do not include uninhabitable sites or rents for mobile homes):

		1996 Rates	1997 Rates	
# of Singles	@	\$ _____ /mo.	\$ _____ /mo.	_____
# of Singles	@	\$ _____ /mo.	\$ _____ /mo.	_____
# of Doubles	@	\$ _____ /mo.	\$ _____ /mo.	_____
# of Doubles	@	\$ _____ /mo.	\$ _____ /mo.	_____

Total Sites _____ (should equal total sites listed above)
 How many mobile homes do you have to rent? 1. How much does each rent for excluding the site rent (list the site rent above)? _____

INCOME:

	1996
1. Gross Potential Rental Income** (see below for explanation)	349,740
2. Vacancy (list dollar amount lost to vacancy).....	(7,622)
3. Collection Loss.....	_____
4. Other Income (Laundry, Vending Machines, etc).....	5,784
TOTAL INCOME	347,902

OPERATING EXPENSES:

	1996
5. Management Costs.....	17,333
6. Payroll (include taxes, benefits, workman's comp).....	49,241
7. Office Expenses & Supplies.....	2,875
8. Legal & Accounting.....	588
9. Advertising.....	15,090
10. Insurance.....	3,577
11. Repairs & Maintenance.....	11,969
12. Major Items of Repair or Replacement (specify).....	8,355
13. Utilities.....	50,322
14. Security.....	_____
15. Grounds & Landscaping.....	13,365
16. Miscellaneous Expenses.....	6,143
17. Real Estate Taxes & Personal Property Taxes.....	22,715
18. Depreciation.....	52,212
19. Mortgage/Interest.....	79,288
20. Reserves for Replacement.....	_____
TOTAL OPERATING EXPENSES	333,073

SIGNATURE _____ DATE 7-29-97
 Print Name _____

**Gross Potential Income would be: as if all of the useable lots were 100% occupied all year including owner/staff-occupied lots. Calculate gross potential income for the lots only. Do not include rent for mobile homes.

SHAWNEE COUNTY INCOME/EXPENSE FORM FOR MOBILE HOME PARKS

PARCEL ID: [REDACTED] ADDRESS: [REDACTED]
 PERSON TO CONTACT: [REDACTED] PHONE NO: [REDACTED]

Total Sites: [REDACTED] How many of these sites are uninhabitable? _____
 Approximate year the mobile home park was built. [REDACTED] AUG 07 1997
 How many sites are occupied by owner or staff? [REDACTED]
 Occupancy (list as a percent) in 1995 _____ 1996 _____ 1997 on the average
 Are any tenant utilities included in the monthly rental fee? Yes _____ No _____ SHAWNEE COUNTY APPRAISER

Which utilities are included (please circle)? [REDACTED]
 List Amenities (Please Circle): [REDACTED]

Other _____
 Please list lot rental rates (include owner/staff lots--do not include uninhabitable sites or rents for mobile homes):

	1996 Rates	1997 Rates
# of Singles @	\$ none/mo.	\$ none/mo.
# of Singles @	\$ [REDACTED]/mo.	\$ [REDACTED]/mo.
# of Doubles @	\$ none/mo.	\$ none/mo.
# of Doubles @	\$ [REDACTED]/mo.	\$ [REDACTED]/mo.

Total Sites [REDACTED] (should equal total sites listed above)
 How many mobile homes do you have to rent? NONE How much does each rent for excluding the site rent (list the site rent above)? we only rent out lots or space to park a trailer

INCOME:

	1996
1. Gross Potential Rental Income** (see below for explanation)	[REDACTED] = 4320yr
2. Vacancy (list dollar amount lost to vacancy).....	_____
3. Collection Loss.....	<u>not lately</u>
4. Other Income (Laundry, Vending Machines, etc).....	<u>none</u>
TOTAL INCOME	_____

OPERATING EXPENSES:

	1996
5. Management Costs.....	_____
6. Payroll (include taxes, benefits, workman's comp).....	<u>none</u>
7. Office Expenses & Supplies.....	_____
8. Legal & Accounting.....	_____
9. Advertising.....	<u>word of mouth only</u>
10. Insurance.....	<u>10 yr liability ins</u>
11. Repairs & Maintenance.....	<u>500 replacement of water hydrant</u>
12. Major Items of Repair or Replacement (specify).....	<u>500</u>
13. Utilities.....	<u>water pump repair 400 yr to pump with 402 worth</u>
14. Security.....	<u>lights 1200 month</u>
15. Grounds & Landscaping.....	<u>mowing about 400 yr</u>
16. Miscellaneous Expenses.....	_____
17. Real Estate Taxes & Personal Property Taxes.....	_____
18. Depreciation.....	_____
19. Mortgage/Interest.....	<u>none</u>
20. Reserves for Replacement.....	<u>none</u>
TOTAL OPERATING EXPENSES	_____

SIGNATURE [REDACTED] DATE 8-3-97
 Print Name [REDACTED]

**Gross Potential Income would be: as if all of the useable lots were 100% occupied all year including owner/staff-occupied lots. Calculate gross potential income for the lots only. Do not include rent for mobile homes.

SHAWNEE COUNTY INCOME/EXPENSE FORM FOR MOBILE HOME PARKS

PARCEL ID: [REDACTED] ADDRESS: [REDACTED]
 PERSON TO CONTACT: [REDACTED] PHONE NO: [REDACTED]
 Total Sites: [REDACTED] How many of these sites are uninhabitable? None
 Approximate year the mobile home park was built. [REDACTED]
 How many sites are occupied by owner or staff? 70%
 Occupancy (list as a percent) in 1995 50% 1996 75% 1997 90%
 Are any tenant utilities included in the monthly rental fee? Yes 1 No 1
 Which utilities are included (please circle)? [REDACTED]
 List Amenities (Please Circle): [REDACTED]

Other [REDACTED]
 Please list lot rental rates (include owner/staff lots--do not include uninhabitable sites or rents for mobile homes):

	1996 Rates	1997 Rates
# of Singles [REDACTED] @	\$ [REDACTED] /mo.	\$ [REDACTED] /mo.
# of Singles [REDACTED] @	\$ [REDACTED] /mo.	\$ [REDACTED] /mo.
# of Doubles [REDACTED] @	\$ [REDACTED] /mo.	\$ [REDACTED] /mo.
# of Doubles [REDACTED] @	\$ [REDACTED] /mo.	\$ [REDACTED] /mo.

maybe \$5 diff.

Total Sites [REDACTED] (should equal total sites listed above)
 How many mobile homes do you have to rent? [REDACTED] How much does each rent for excluding the site rent (list the site rent above)? [REDACTED]

INCOME:

1. Gross Potential Rental Income** (see below for explanation)	1996	
	<u>19,865</u>	- 24,610
2. Vacancy (list dollar amount lost to vacancy).....	<u>9,745</u>	
3. Collection Loss.....		
4. Other Income (Laundry, Vending Machines, etc).....		
TOTAL INCOME		

OPERATING EXPENSES:

	1996
5. Management Costs.....	<u> </u>
6. Payroll (include taxes, benefits, workman's comp).....	<u> </u>
7. Office Expenses & Supplies.....	<u>35.00</u>
8. Legal & Accounting.....	<u>45.00</u>
9. Advertising..... <i>auto travel</i>	<u>905.00</u>
10. Insurance.....	<u>227.00</u>
11. Repairs & Maintenance.....	<u>93.80</u>
12. Major Items of Repair or Replacement (specify).....	<u>1745.00</u>
13. Utilities.....	<u>2813.00</u>
14. Security.....	<u> </u>
15. Grounds & Landscaping..... <i>Maintenance</i>	<u>120.00</u>
16. Miscellaneous Expenses..... <i>trash + [REDACTED]</i>	<u>536.00</u>
17. Real Estate Taxes & Personal Property Taxes.....	<u>788.00</u>
18. Depreciation.....	<u>2166.00</u>
19. Mortgage/Interest.....	<u> </u>
20. Reserves for Replacement.....	<u> </u>
TOTAL OPERATING EXPENSES	<u>9380.00</u>

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 APPRAISER

SIGNATURE [REDACTED] DATE 7-22-97
 Print Name [REDACTED]

**Gross Potential Income would be: as if all of the useable lots were 100% occupied all year including owner/staff-occupied lots. Calculate gross potential income for the lots only. Do not include rent for mobile homes.

SHAWNEE COUNTY INCOME/EXPENSE FORM FOR MOBILE HOME PARKS

PARCEL ID: [REDACTED] ADDRESS: [REDACTED]
 PERSON TO CONTACT: [REDACTED] PHONE NO: [REDACTED]

Total Sites: [REDACTED] How many of these sites are uninhabitable? 0

Approximate year the mobile home park was built. [REDACTED]

How many sites are occupied by owner or staff? 0

Occupancy (list as a percent) in 1995 100% 1996 100% 1997 100%

Are any tenant utilities included in the monthly rental fee? [REDACTED]

Which utilities are included (please circle)? [REDACTED]

List Amenities (Please Circle): [REDACTED]

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 SHAWNEE COUNTY
 APPRAISER

Please list lot rental rates (include owner/staff lots--do not include uninhabitable sites or rents for mobile homes):

	1996 Rates	1997 Rates
# of Singles [REDACTED] @	\$ [REDACTED] /mo.	\$ [REDACTED] /mo.
# of Singles [REDACTED] @	\$ [REDACTED] /mo.	\$ [REDACTED] /mo.
# of Doubles [REDACTED] @	\$ [REDACTED] /mo.	\$ [REDACTED] /mo.
# of Doubles [REDACTED] @	\$ [REDACTED] /mo.	\$ [REDACTED] /mo.

Total Sites [REDACTED] (should equal total sites listed above)

How many mobile homes do you have to rent? [REDACTED]. How much does each rent for excluding the site rent (list the site rent above)? [REDACTED]

INCOME:

	1996
1. Gross Potential Rental Income** (see below for explanation)	<u>10,560 8,700</u>
2. Vacancy (list dollar amount lost to vacancy).....	<u> -</u>
3. Collection Loss.....	<u> -</u>
4. Other Income (Laundry, Vending Machines, etc).....	<u> -</u>
TOTAL INCOME	<u>10,560 8,700</u>

OPERATING EXPENSES:

	1996	
5. Management Costs.....	<u> -</u>	
6. Payroll (include taxes, benefits, workman's comp).....	<u> -</u>	
7. Office Expenses & Supplies.....	<u> -</u>	
8. Legal & Accounting.....	<u> 60</u>	
9. Advertising.....	<u> -</u>	
10. Insurance.....	<u> 470</u>	
11. Repairs & Maintenance.....	<u> 568</u>	
12. Major Items of Repair or Replacement (specify).....	<u> 2,268</u>	- Mower, garage door opener
13. Utilities.....	<u> 2,195</u>	
14. Security.....	<u> -</u>	
15. Grounds & Landscaping.....	<u> -</u>	
16. Miscellaneous Expenses.....	<u> -</u>	
17. Real Estate Taxes & Personal Property Taxes.....	<u> 1,082</u>	
18. Depreciation.....	<u> 1,818</u>	
19. Mortgage/Interest.....	<u> 3,721</u>	
20. Reserves for Replacement.....	<u> -</u>	
TOTAL OPERATING EXPENSES	<u>12,182</u>	

SIGNATURE [REDACTED]

Print Name [REDACTED]

DATE 7-27-97

**Gross Potential Income would be: as if all of the useable lots were 100% occupied all year including owner/staff-occupied lots. Calculate gross potential income for the lots only. Do not include rent for mobile homes.

RS

SHAWNEE COUNTY INCOME/EXPENSE FORM FOR MOBILE HOME PARKS

PARK NAME: [REDACTED]
ADDRESS: [REDACTED]
PARCEL ID: [REDACTED]

PERSON TO CONTACT: [REDACTED] PHONE NO: [REDACTED]

Approximate year the mobile home park was built. [REDACTED]
Total Sites: [REDACTED] How many of these sites are uninhabitable? 2
How many sites are occupied by owner or staff? 0
Occupancy (list as a percent) in 1997 _____ 1998 98%

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SHAWNEE COUNTY APPRAISE

Are any tenant utilities included in the monthly rental fee? [REDACTED]

List Amenities (Please Circle): [REDACTED]

Please list lot rental rates (include owner/staff lots--do not include uninhabitable sites or rents for mobile homes):

	1997 Rates	1998 Rates
# of Singles [REDACTED] that will accomodate 16x80	\$____/mo.	\$____/mo. [REDACTED]
# of Singles _____ that will accomodate 14x70	\$____/mo.	\$____/mo. [REDACTED]
# of Singles _____ that are smaller than 14x70	\$____/mo.	\$____/mo.
# of Singles _____ that are RV sites	\$____/mo.	\$____/mo.
# of Doubles [REDACTED] @	\$____/mo.	[REDACTED] no.
# of Doubles _____ @	\$____/mo.	\$____/mo.
# of Doubles _____ @	\$____/mo.	\$____/mo.
# of Doubles _____ @	\$____/mo.	\$____/mo.

Total Sites [REDACTED] should equal total sites listed above)
How many mobile homes do you have to rent? [REDACTED] How much does each rent for excluding the site rent (list the site rent above)? _____

INCOME:

[REDACTED]

Potential Rental Income** (see below for explanation) _____
Vacancy (list dollar amount lost to vacancy)..... _____
Collection Loss..... _____
Other Income (Laundry, Vending Machines, etc)..... _____

1997
<u>N/A</u>
<u>''</u>
<u>''</u>
<u>''</u>

TOTAL INCOME

if all of the usable lots were 100% occupied all year the gross potential income for the lots only. Do not

SHAWNEE COUNTY INCOME/EXPENSE FORM FOR MOBILE HOME PARKS

PARK NAME [REDACTED]
ADDRESS [REDACTED]
PARCEL ID: [REDACTED]

[REDACTED]

OPERATING EXPENSES:

1997

- 5. Management Costs.....
- 6. Payroll (include taxes, benefits, workman's comp).....
- 7. Office Expenses & Supplies.....
- 8. Legal & Accounting.....
- 9. Advertising.....
- 10. Insurance.....
- 11. General Repairs & Maintenance.....
- 12. Major Items of Repair or Replacement (specify).....
-
- 13. Utilities (please separate).....
 - Water.....
 - Sewer.....
 - Trash.....
 - Water & Sewer...
 - Electric.....
 - Gas/Oil.....
 - Other
- 14. Security.....
- 15. Grounds & Landscaping.....
- 16. Miscellaneous Expenses.....
- 17. Real Estate Taxes & Personal Property Taxes.....
- 18. Depreciation.....
- 19. Mortgage/Interest.....
- 20. Reserves for Replacement.....

TOTAL OPERATING EXPENSES

Signature [REDACTED] Date 8-20-98
Print Name [REDACTED]

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SHAWNEE COUNTY INCOME/EXPENSE FORM FOR MOBILE HOME PARKS

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28

PARK NAME: [REDACTED]
 ADDRESS: [REDACTED]
 PARCEL ID: [REDACTED] SHAWNEE COUNTY APPRAISER
 PERSON TO CONTACT: [REDACTED] PHONE NO: [REDACTED]

AUG 07 1998

Approximate year the mobile home park was built. [REDACTED]
 Total Sites: [REDACTED] How many of these sites are uninhabitable? None
 How many sites are occupied by owner or staff? 5
 Occupancy (list as a percent) in 1997 _____ 1998 _____

Are any tenant utilities included in the monthly rental fee? [REDACTED]

List Amenities (Please Circle): [REDACTED]

Please list lot rental rates (include owner/staff lots--do not include uninhabitable sites or rents for mobile homes):

	1997 Rates	1998 Rates
# of Singles _____ that will accomodate 16x80	\$ _____ /mo.	\$ _____ /mo.
# of Singles _____ that will accomodate 14x70	\$ _____ /mo.	\$ _____ /mo.
# of Singles _____ that are smaller than 14x70	\$ _____ /mo.	\$ _____ /mo.
# of Singles _____ that are RV sites	\$ _____ /mo.	\$ _____ /mo.
# of Doubles _____ @ [REDACTED]	\$ _____ /mo.	\$ _____ /mo.
# of Doubles _____ @ [REDACTED]	\$ _____ /mo.	\$ _____ /mo.
# of Doubles _____ @ [REDACTED]	\$ _____ /mo.	\$ _____ /mo.
# of Doubles _____ @ [REDACTED]	\$ _____ /mo.	\$ _____ /mo.

Total Sites [REDACTED] (should equal total sites listed above)
 How many mobile homes do you have to rent? [REDACTED] How much does each rent for excluding the site rent (list the site rent above)? _____

INCOME:

	1997
1. Gross Potential Rental Income** (see below for explanation)	_____
2. Vacancy (list dollar amount lost to vacancy).....	_____
3. Collection Loss.....	_____
4. Other Income (Laundry, Vending Machines, etc).....	<u>None</u>
TOTAL INCOME	_____

**Gross Potential Rental Income would be as if all of the usable lots were 100% occupied all year including owner/staff-occupied lots. Calculate gross potential income for the lots only. Do not include rent for mobile homes.

7-14

SHAWNEE COUNTY INCOME/EXPENSE FORM FOR MOBILE HOME

PARK NAME: [REDACTED]
ADDRESS: [REDACTED]
PARCEL ID: [REDACTED]

OPERATING EXPENSES:

1997

- 5. Management Costs.....
- 6. Payroll (include taxes, benefits, workman's comp).....
- 7. Office Expenses & Supplies.....
- 8. Legal & Accounting.....
- 9. Advertising.....
- 10. Insurance.....
- 11. General Repairs & Maintenance.....
- 12. Major Items of Repair or Replacement (specify).....
- 13. Utilities (please separate).....
 - Water.....
 - Sewer.....
 - Trash.....
 - Water & Sewer...
 - Electric.....
 - Gas/Oil.....
 - Other
- 14. Security.....
- 15. Grounds & Landscaping.....
- 16. Miscellaneous Expenses.....
- 17. Real Estate Taxes & Personal Property Taxes.....
- 18. Depreciation.....
- 19. Mortgage/Interest.....
- 20. Reserves for Replacement.....

TOTAL OPERATING EXPENSES

Signature: [REDACTED]
Print Name: [REDACTED]

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SHAWNEE COUNTY INCOME/EXPENSE FORM FOR MOBILE HOME PARKS

AUG 04 1998

PARK NAME: [REDACTED]

ADDRESS: [REDACTED]

PARCEL ID: [REDACTED]

SHAWNEE COUNTY APPRAISER

PERSON TO CONTACT: [REDACTED]

Approximate year the mobile home park was built. [REDACTED]

Total Sites: [REDACTED] How many of these sites are uninhabitable? none

How many sites are occupied by owner or staff? none

Occupancy (list as a percent) in 1997 80% 1998 70%

Are any tenant utilities included in the monthly rental fee? [REDACTED]

List Amenities (Please Circle): [REDACTED]

Please list lot rental rates (include owner/staff lots--do not include uninhabitable sites or rents for mobile homes):

	1997 Rates	1998 Rates
# of Singles _____ that will accomodate 16x80	\$ _____ /mo.	\$ _____ /mo.
# of Singles _____ that will accomodate 14x70	\$ _____ /mo.	\$ _____ /mo.
# of Singles _____ that are smaller than 14x70	\$ _____ /mo.	\$ _____ /mo.
# of Singles _____ that are RV sites	\$ _____ /mo.	\$ _____ /mo.
# of Doubles _____ @	\$ _____ /mo.	\$ _____ /mo.
# of Doubles _____ @	\$ _____ /mo.	\$ _____ /mo.
# of Doubles _____ @	\$ _____ /mo.	\$ _____ /mo.
# of Doubles _____ @	\$ _____ /mo.	\$ _____ /mo.

Total Sites _____ (should equal total sites listed above)
How many mobile homes do you have to rent? _____ How much does each rent for excluding the site rent (list the site rent above)? _____

INCOME:

1. Gross Potential Rental Income** (see below for explanation)	1997 <u>2440.00</u>
2. Vacancy (list dollar amount lost to vacancy).....	<u>2350.00</u>
3. Collection Loss.....	<u>570.00</u>
4. Other Income (Laundry, Vending Machines, etc).....	
TOTAL INCOME	<u>17130.00</u> <u>21480.00</u>

**Gross Potential Rental Income would be as if all of the usable lots were 100% occupied all year including owner/staff-occupied lots. Calculate gross potential income for the lots only. Do not include rent for mobile homes.
960.00
11.480.00

SHAWNEE COUNTY INCOME/EXPENSE FORM FOR MOBILE HOME PARKS

PARK NAME: [REDACTED]
 ADDRESS: [REDACTED]
 PARCEL ID: [REDACTED]

OPERATING EXPENSES:

1997

5. Management Costs.....			
6. Payroll (include taxes, benefits, workman's comp).....			
7. Office Expenses & Supplies.....		357.00	
8. Legal & Accounting.....		40.00	
9. Advertising.....			
10. Insurance.....		268.00	
11. General Repairs & Maintenance.....		5089.00	
12. Major Items of Repair or Replacement (specify).....			
13. Utilities (please separate).....			
Water.....	914.96	915	} 2,546
Sewer.....			
Trash.....	402.00	402	
Water & Sewer.....			
Electric.....	512.20	512	
Gas/Oil.....	717.16	717	
Other.....			
14. Security.....	Light		95.00
15. Grounds & Landscaping.....			
16. Miscellaneous Expenses.....			
17. Real Estate Taxes & Personal Property Taxes.....			625.72
18. Depreciation.....			2448.00
19. Mortgage/Interest.....			
20. Reserves for Replacement.....			
TOTAL OPERATING EXPENSES			11,147.00

Signature: [REDACTED] Date: [REDACTED]
 Print Name: [REDACTED]

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SHAWNEE COUNTY INCOME/EXPENSE FORM FOR MOBILE HOME PARKS

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PARK NAME: [REDACTED]
 ADDRESS: [REDACTED]
 PARCEL ID: [REDACTED]

AUG 06 1998

PERSON TO CONTACT: [REDACTED] PHONE NO: [REDACTED] SHAWNEE COUNTY APPRAISER

Approximate year the mobile home park was built: [REDACTED]
 Total Sites: [REDACTED] How many of these sites are uninhabitable?
 How many sites are occupied by owner or staff?
 Occupancy (list as a percent) in 1997 100% 1998 100%

Are any tenant utilities included in the monthly rental fee? [REDACTED]

List Amenities [REDACTED]

Please list lot rental rates (include owner/staff lots--do not include uninhabitable sites or rents for mobile homes):

	1997 Rates	1998 Rates
# of Singles [REDACTED] that will accomodate 16x80	\$ [REDACTED] /mo.	\$ [REDACTED] /mo.
# of Singles [REDACTED] that will accomodate 14x70	\$ [REDACTED] /mo.	\$ [REDACTED] /mo.
# of Singles [REDACTED] that are smaller than 14x70	\$ [REDACTED] /mo.	\$ [REDACTED] /mo.
# of Singles [REDACTED] that are RV sites	\$ [REDACTED] /mo.	\$ [REDACTED] /mo.
# of Doubles [REDACTED] @	\$ [REDACTED] /mo.	\$ [REDACTED] /mo.
# of Doubles [REDACTED] @	\$ [REDACTED] /mo.	\$ [REDACTED] /mo.
# of Doubles [REDACTED] @	\$ [REDACTED] /mo.	\$ [REDACTED] /mo.
# of Doubles [REDACTED] @	\$ [REDACTED] /mo.	\$ [REDACTED] /mo.

Total Sites [REDACTED] (should equal total sites listed above)
 How many mobile homes do you have to rent? [REDACTED] How much does each rent for excluding the site rent (list the site rent above)? [REDACTED]

INCOME:	1997
1. Gross Potential Rental Income** (see below for explanation)	<u>8,700⁰⁰</u>
2. Vacancy (list dollar amount lost to vacancy).....	<u>0</u>
3. Collection Loss.....	<u>0</u>
4. Other Income (Laundry, Vending Machines, etc).....	<u>0</u>
TOTAL INCOME	<u>8,700⁰⁰</u>

**Gross Potential Rental Income would be as if all of the usable lots were 100% occupied all year including owner/staff-occupied lots. Calculate gross potential income for the lots only. Do not include rent for mobile homes.

SHAWNEE COUNTY INCOME/EXPENSE FORM FOR MOBILE HOME PARKS

PARK NAME: [REDACTED]
ADDRESS: [REDACTED]
PARCEL ID: [REDACTED]

OPERATING EXPENSES:

1997

5. Management Costs.....	_____
6. Payroll (include taxes, benefits, workman's comp).....	_____
7. Office Expenses & Supplies.....	_____
8. Legal & Accounting.....	40
9. Advertising.....	-
10. Insurance.....	580
11. General Repairs & Maintenance.....	795
12. Major Items of Repair or Replacement (specify).....	_____
.....	_____
13. Utilities (please separate).....	_____
Water.....	_____
Sewer.....	_____
Trash.....	501
Water & Sewer...	963
Electric.....	525
Gas/Oil.....	_____
Other	_____
14. Security.....	_____
15. Grounds & Landscaping.....	_____
16. Miscellaneous Expenses.....	_____
17. Real Estate Taxes & Personal Property Taxes.....	698
18. Depreciation.....	1,818
19. Mortgage/Interest.....	3,310
20. Reserves for Replacement.....	_____
TOTAL OPERATING EXPENSES	<u>9,230</u>

Signature: [REDACTED] Date: 8-4-98
Print Name: [REDACTED]

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7-19

SHAWNEE COUNTY INCOME/EXPENSE FORM FOR MOBILE HOME PARKS

R8

PARK NAME: [REDACTED]
 ADDRESS: [REDACTED]
 PARCEL ID: [REDACTED]

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AUG 11 1998

PERSON TO CONTACT: [REDACTED] PHONE NO: [REDACTED]

Approximate year the mobile home park was built. [REDACTED]
 Total Sites: [REDACTED] How many of these sites are uninhabitable? 2
 How many sites are occupied by owner or staff? 0
 Occupancy (list as a percent) in 1997 60% 1998 60%

Are any tenant utilities included in the monthly rental fee? [REDACTED]

Please list lot rental rates (include owner/staff lots--do not include uninhabitable sites or rents for mobile homes):

	1997 Rates	1998 Rates
# of Singles _____ that will accomodate 16x80	\$ _____ /mo.	\$ _____ /mo.
# of Singles _____ that will accomodate 14x70	\$ _____ /mo.	\$ _____ /mo.
# of Singles _____ that are smaller than 14x70	\$ _____ /mo.	\$ _____ /mo.
# of Singles _____ that are RV sites	\$ _____ /mo.	\$ _____ /mo.
# of Doubles _____ @	\$ _____ /mo.	\$ _____ /mo.
# of Doubles _____ @	\$ _____ /mo.	\$ _____ /mo.
# of Doubles _____ @	\$ _____ /mo.	\$ _____ /mo.
# of Doubles _____ @	\$ _____ /mo.	\$ _____ /mo.

Total Sites _____ (should equal total sites listed above)
 How many mobile homes do you have to rent? [REDACTED] How much does each rent for excluding the site rent (list the site rent above)? [REDACTED]

INCOME:

	1997
1. Gross Potential Rental Income** (see below for explanation)	_____
2. Vacancy (list dollar amount lost to vacancy).....	_____
3. Collection Loss.....	_____
4. Other Income (Laundry, Vending Machines, etc).....	_____
TOTAL INCOME	<u>0</u>

**Gross Potential Rental Income would be as if all of the usable lots were 100% occupied all year including owner/staff-occupied lots. Calculate gross potential income for the lots only. Do not include rent for mobile homes.

7-20

SHAWNEE COUNTY INCOME/EXPENSE FORM FOR MOBILE HOME PARKS

PARK NAME [REDACTED]

ADDRESS [REDACTED]

PARCEL ID [REDACTED]

OPERATING EXPENSES:

1997

5. Management Costs.....		1200.00
6. Payroll (include taxes, benefits, workman's comp).....		0
7. Office Expenses & Supplies.....		0
8. Legal & Accounting.....		0
9. Advertising.....		0
10. Insurance.....		104.00 600.00
11. General Repairs & Maintenance.....		1500.00
12. Major Items of Repair or Replacement (specify).....		750.00
air conditioner 5000 water Htr 2500		
13. Utilities (please separate).....		
Water.....		352.03
Sewer.....		194.75
Trash.....		96.12
Water & Sewer...		
Electric.....		300.00
Gas/Oil.....		
Other		
14. Security.....		0
15. Grounds & Landscaping.....		0
16. Miscellaneous Expenses.....		0
17. Real Estate Taxes & Personal Property Taxes.....		571.40
18. Depreciation.....		0
19. Mortgage/Interest.....		0
20. Reserves for Replacement.....		0
TOTAL OPERATING EXPENSES		5,068.30

Signature [REDACTED]

Date 8/3/98

Print Name [REDACTED]

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SHAWNEE COUNTY INCOME/EXPENSE FORM **RECEIVED** MOBILE HOME PARKS

PARK NAME: [REDACTED]
 ADDRESS: [REDACTED]
 PARCEL ID: [REDACTED]

AUG 14 1998

SHAWNEE COUNTY APPRAISER

PERSON TO CONTACT: [REDACTED] PHONE NO: [REDACTED]

Approximate year the mobile home park was built. [REDACTED]
 Total Sites: [REDACTED] How many of these sites are uninhabitable? _____
 How many sites are occupied by owner or staff? _____
 Occupancy (list as a percent) in 1997 _____ 1998 _____

Are any tenant utilities included in the monthly rental fee? [REDACTED]
 [REDACTED]

List Amenities (Please Circle): [REDACTED]
 [REDACTED]

Please list lot rental rates (include owner/staff lots--do not include uninhabitable sites or rents for mobile homes):

	1997 Rates	1998 Rates
# of Singles _____ that will accomodate 16x80	\$ _____ /mo.	\$ _____ /mo.
# of Singles _____ that will accomodate 14x70	\$ _____ /mo.	\$ _____ /mo.
# of Singles _____ that are smaller than 14x70	\$ _____ /mo.	\$ _____ /mo.
# of Singles _____ that are RV sites	\$ _____ /mo.	\$ _____ /mo.
# of Doubles _____ @ _____	\$ _____ /mo.	\$ _____ /mo.
# of Doubles _____ @ _____	\$ _____ /mo.	\$ _____ /mo.
# of Doubles _____ @ _____	\$ _____ /mo.	\$ _____ /mo.
# of Doubles _____ @ _____	\$ _____ /mo.	\$ _____ /mo.

Total Sites [REDACTED] (should equal total sites listed above)
 How many mobile homes do you have to rent? [REDACTED] How much does each rent for excluding the site rent (list the site rent above)? [REDACTED]

INCOME:

- Gross Potential Rental Income** (see below for explanation) 17920
 - Vacancy (list dollar amount lost to vacancy)..... _____
 - Collection Loss..... _____
 - Other Income (Laundry, Vending Machines, etc) STORAGE 7500
Bldg LEASE
- TOTAL INCOME** 25420

1997 17920 ACTUAL FROM TAX RETURN

**Gross Potential Rental Income would be as if all of the usable lots were 100% occupied all year including owner/staff-occupied lots. Calculate gross potential income for the lots only. Do not include rent for mobile homes.

SHAWNEE COUNTY INCOME/EXPENSE FORM FOR MOBILE HOME PARKS

PARK NAME [REDACTED]
ADDRESS [REDACTED]
PARCEL ID [REDACTED]

OPERATING EXPENSES:

1997

5. Management Costs.....	<u>303</u>
6. Payroll (include taxes, benefits, workman's comp).....	
7. Office Expenses & Supplies.....	<u>369</u>
8. Legal & Accounting.....	<u>65</u>
9. Advertising.....	
10. Insurance.....	<u>989</u>
11. General Repairs & Maintenance.....	<u>3402</u>
12. Major Items of Repair or Replacement (specify).....	<u>1</u>
.....	
13. Utilities (please separate).....	<u>7313</u>
Water.....	
Sewer.....	
Trash.....	
Water & Sewer...	
Electric.....	
Gas/Oil.....	
Other	
14. Security.....	
15. Grounds & Landscaping.....	
16. Miscellaneous Expenses.....	<u>262</u>
17. Real Estate Taxes & Personal Property Taxes.....	<u>2182</u>
18. Depreciation.....	<u>2400</u>
19. Mortgage/Interest.....	
20. Reserves for Replacement.....	
TOTAL OPERATING EXPENSES	<u>17285</u>

Sig [REDACTED] Date 8-10-98
Print Name [REDACTED]

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SHAWNEE COUNTY INCOME/EXPENSE FORM FOR MOBILE HOME PARKS

PARK NAME: [REDACTED]

ADDRESS: [REDACTED]

PARCEL ID: [REDACTED]

PERSON TO CONTACT: [REDACTED] PHONE NO: [REDACTED]

Approximate year the mobile home park was built. [REDACTED]

Total Sites: [REDACTED] How many of these sites are uninhabitable? none

How many sites are occupied by owner or staff? 1

Occupancy (list as a percent) in 1997 1/2 1998 3/4

Are any tenant utilities included in the monthly rental fee? [REDACTED]

List Amenities (Please Circle): [REDACTED]

Please list lot rental rates (include owner/staff lots--do not include uninhabitable sites or rents for mobile homes):

	1997 Rates	1998 Rates
# of Singles _____ that will accomodate 16x80	\$ _____ /mo.	\$ _____ /mo.
# of Singles _____ that will accomodate 14x70	\$ _____ /mo.	\$ _____ /mo.
# of Singles _____ that are smaller than 14x70	\$ _____ /mo.	\$ _____ /mo.
# of Singles _____ that are RV sites	\$ _____ /mo.	\$ _____ /mo.
# of Doubles _____ @	\$ _____ /mo.	\$ _____ /mo.
# of Doubles _____ @	\$ _____ /mo.	\$ _____ /mo.
# of Doubles _____ @	\$ _____ /mo.	\$ _____ /mo.
# of Doubles _____ @	\$ _____ /mo.	\$ _____ /mo.

Total Sites [REDACTED] (should equal total sites listed above)
 How many mobile homes do you have to rent? [REDACTED] How much does each rent for excluding the site rent (list the site rent above)? [REDACTED]

INCOME:

	1997
1. Gross Potential Rental Income** (see below for explanation)	<u>usable</u>
2. Vacancy (list dollar amount lost to vacancy).....	<u>3/4</u>
3. Collection Loss.....	<u>no tr. trash sewr</u>
4. Other Income (Laundry, Vending Machines, etc).....	<u>none</u>
TOTAL INCOME	<u>4000.00</u>

**Gross Potential Rental Income would be as if all of the usable lots were 100% occupied all year including owner/staff-occupied lots. Calculate gross potential income for the lots only. Do not include rent for mobile homes.

SHAWNEE COUNTY INCOME/EXPENSE FORM FOR MOBILE HOME PARKS

PARK NAME: [REDACTED]
ADDRESS: [REDACTED]
PARCEL ID: [REDACTED]

OPERATING EXPENSES:

1997

- 5. Management Costs.....
 - 6. Payroll (include taxes, benefits, workman's comp).....
 - 7. Office Expenses & Supplies.....
 - 8. Legal & Accounting.....
 - 9. Advertising.....
 - 10. Insurance.....
 - 11. General Repairs & Maintenance.....
 - 12. Major Items of Repair or Replacement (specify).....
 - 13. Utilities (please separate).....
 - Water.....
 - Sewer.....
 - Trash.....
 - Water & Sewer...
 - Electric.....
 - Gas/Oil.....
 - Other
 - 14. Security.....
 - 15. Grounds & Landscaping.....
 - 16. Miscellaneous Expenses.....
 - 17. Real Estate Taxes & Personal Property Taxes.....
 - 18. Depreciation.....
 - 19. Mortgage/Interest.....
 - 20. Reserves for Replacement.....
- TOTAL OPERATING EXPENSES**

Signature [REDACTED] Date 8-13-1998
Print Name [REDACTED]

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7-25



TO: SENATE ASSESSMENT AND TAXATION COMMITTEE
FROM: BILL YANEK, KAR DIRECTOR OF GOVERNMENTAL RELATIONS
DATE: February 11, 2003
SUBJECT: Senate Bill 99 – Disclosure of income and expense information in valuation of income-producing property for property tax purposes

Thank you for the opportunity to testify. On behalf of the Kansas Association of REALTORS®, I appear today to oppose SB 99.

The Kansas Association of REALTORS® concerns with Senate Bill 99 fall into three categories.

1. The disclosure of income and expense information for valuation purposes should be voluntary. The current system allows for the gathering of such data if the taxpayer wants to appeal their valuation. This disclosure should remain voluntary. If the taxpayer forgoes the opportunity to provide such information, they run the risk of failing in any appeal effort.

2. The 10% penalty for non-submittal of income and expense information is too onerous for taxpayers. The 10% assessment penalty is too harsh especially when considering the accuracy / inaccuracy of county mailing lists – the same lists that would be used to notify taxpayers of appraiser requests.

3. The mandatory disclosure is a privacy issue. SB 99 compels businesses to open up their books to the public. Non-public business entities should be able to maintain control over business income and expense information dissemination.

The Kansas Association of REALTORS® opposes SB 99. We appreciate the opportunity to appear before the committee today.

*Senate Assessment & Taxation
2-11-03
Attachment 8*



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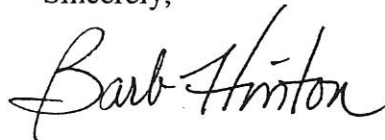
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SCR 1603. During a performance audit examining the reasons for the significant drop in corporate tax receipts last year, we found that a sample of large multi-state corporations had apportioned 1.84% of their total income to Kansas in 1998, but only 1.34% in 2000, a drop of 27% in just 2 years. Without auditing each company, neither we nor the Department of Revenue can know why they allocated less of their total income to Kansas. The Multi-State Tax Commission is very concerned that corporations may be apportioning only small parts of their income to states in which they do business, resulting in large amounts of corporate income not being reported to any state.

Because federal regulations prohibit the Internal Revenue Service from sharing information between the states about how much of a corporation's income is apportioned to any state, it's impossible to know whether all the income is being apportioned without auditing each corporation. This resolution would encourage Congress to adopt legislation allowing the IRS to share information with states regarding how much of a corporation's total corporate income is apportioned to each state. I've attached a copy of the relevant pages from this audit.

I hope your Committee will give favorable consideration to these bills. I'm available to provide background testimony on the Committee's behalf at your convenience. Please call me if you have any questions. I can be reached at 296-3792.

Sincerely,



Barbara J. Hinton
Legislative Post Auditor

Attachment

cc: Representative John Edmonds, Chair
Legislative Post Audit Committee

Senate Assessment & Taxation
2-11-03
Attachment 9



PERFORMANCE AUDIT REPORT

Corporate Income Taxes: Reviewing Factors Affecting the Recent Steep Drop in Those Tax Receipts

**A Report to the Legislative Post Audit Committee
By the Legislative Division of Post Audit
State of Kansas
August 2002**

us it would be very expensive to add the page of itemized credit information to the computerized process. There are less costly solutions, such as using a database rather than spreadsheets.

***Many Multi-State
Corporations Reported
Earning Less in Kansas
In 2000 Than in 1998***

Corporations can operate in many or all states in the country. For income tax purposes, corporations file a federal return showing all the income they earned, then file a return in each state they operate in showing the amount of their total income that came from that state. For example, a Kansas tax return might show that 2% of a company's total income was derived from Kansas.

When we looked at Kansas income tax returns for 80 large corporations for tax years 1998 through 2000, we noticed that the percentage of their income these corporations had apportioned to Kansas had dropped 27% in just 2 years.

These corporations apportioned 1.84% of their total income in 1998, but only 1.34% in 2000.

These figures may seem small, but if the percentage of their income these corporations allocated to Kansas had stayed the same in 2000 as it was in 1998, an additional \$470 million in corporate income would have been subject to Kansas corporate income tax in 2000. It's impossible to know what amount of tax ultimately would have been paid on this amount.

Without auditing each company, there's also no way to know why they allocated less of their total income to Kansas. In general they could have expanded their operations more in other states than in Kansas, or shrunk their operations more in Kansas than in other states. However, it's also possible some major companies operating in Kansas could be under-reporting or sheltering income.

The Multi-State Tax Commission, an agency of state governments established by interstate compact law in 1967, is very concerned that corporations may be under-reporting information on state tax returns nationwide. The Commission has cited an example of a corporation found to be apportioning only about 15% of its total income to the states in which it did business. The remaining 85% if its income wasn't being reported to any state. The Commission doesn't know the exact impact such a practice may have on states' corporate tax revenues, but estimates the impact is very large.

Because regulations prohibit the IRS from sharing information between states about how much of a corporation's total corporate income is apportioned to each state, no one knows whether all corporate income is being accounted for for tax purposes. This issue has to be addressed at the federal level, and the Commission is lobbying Congress to get better reporting and accountability in this area.

Tax Shelter Schemes Likely Are Having an Effect in Kansas as Well, But the Impact Can't Be Determined

Tax shelter schemes have been reported recently as being on the rise. These include moving income to states where it isn't taxed or moving the income offshore. Incorporating, or establishing headquarters in Bermuda is also a popular way to avoid taxes. For example, recent articles have noted that Ingersoll-Rand was reported to have paid about \$27,000 for a Bermuda address to generate \$40 million a year in corporate income tax savings. Also, Tyco International reportedly saved \$400 million last year alone by having a Bermuda address.

Many major corporations also have implemented a tax avoidance strategy based on transferring ownership of the corporation's trademarks and patents to a subsidiary corporation located in a state that doesn't tax royalties, interest, or similar types of intangible income. These Passive Investment Companies (PICs) are often established in Delaware and Nevada. For example, Toys R'Us reportedly sheltered \$55 million in income by having its Delaware-based PIC charge the company's stores for the use of the company name and trademarks. This technique apparently has become so popular that one office building in Delaware is reported to have 500 such corporate headquarters located on its 13th floor alone.

Several Other Factors Will Or Could Significantly Affect Corporate Income Tax Revenues in the Future

During this audit, we identified several factors that could affect the amount of revenue the State will have available from corporate income taxes in fiscal year 2003 and beyond:

- **In July 2002 (fiscal year 2003), the State paid the remaining \$13 million refund resulting from the Supreme Court ruling.**
- **According to the Department's internal records, corporations have about \$127 million in unused tax credits they can take in future years.** Most of these are for the Business and Job Development Credit (\$78 million), and the High Performance Incentive Program Credit, involving the training of employees and investment in equipment (\$39 million). This means that, as the economy recovers and