

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 19, 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: Jim Siemens, Retired Reno County Appraiser
Craig Clough, Harvey County Appraiser
Rick Batchelor, McPherson County Appraiser
Ken Meier, Harvey County Appraiser
Larry Sharp, Reno County Commissioner
John Waltner, Mayor of the City of Hesston
Bill Williams, Inman City Council
Meryl Dye, Special Assistant to the City Manager, Hutchinson
John O'Brien, Mayor of Inman
John Grace, Kansas Association of Homes and Services for the
Aging (KAHSA)
Mina Coulter, CEO, Friendly Acres Retirement Community
Pastor A. J. Rymph, Friendly Acres Retirement Community
Dr. Jim Morford, Administrator, Ellsworth Good Samaritan
Retirement Village
Sonia DeRusseau, Administrator, Linn Community Nursing
Home
Ray Vernon, CEO, Wesley Towers
James Krehbiel, CEO, Schowalter Villa
John Arnbrust, Manhattan Chamber of Commerce

Others attending: See attached list.

SB 161—Eliminating property tax exemption for certain housing for the elderly

Jim Siemens, retired Reno County Appraiser, testified in support of **SB 161**. In discussing independent living units at tax exempt care homes in Reno County, he referred to photographs in his handout. He noted that Wesley Towers, the largest care home in Reno County, has a total valuation of approximately \$17,000,000. Of that total, 175 living units are valued at approximately \$11,000,000. He pointed out the high quality construction of the living units and noted that the property tax on the units is zero. He then called attention to a photograph of a modest single family dwelling on the tax roll (page 36) and a duplex on the tax roll comparable to the independent living units (page 34). He went on to say that he is 70 years old with a limited income, and he pays over \$3,000 per year in property taxes on his home. However, many persons living in Wesley Towers have a higher income than his and pay no property taxes, which he believes is unfair. (Attachment 1)

Craig Clough, Harvey County Appraiser, continued testimony in support of **SB 161**, referring to the same handout on which Mr. Siemens based his testimony and calling attention to the portion relating to Harvey County. The estimated property tax loss for the 466 elderly housing units in five facilities in Harvey County with an appraised value of \$34,819,210 is \$467,763. He clarified that licensed non-profit adult care homes (79-201(b) *Second*) and elderly housing owned by municipalities or elderly housing financed with federal monies (79-201(b) *Fourth*) should remain exempt. However, elderly housing units operated by a non-profit corporation (79-201(b) *Fifth*) should be taxable because they are not part of the nursing home facility proper,

CONTINUATION SHEET

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are not owned by a municipality, and are not financed with federal funding. He called attention to a sample photograph of this type of housing (page 43), which has no limits on the expense of construction and no income limits for residents. He then outlined a typical life lease for this type of facility, noting the fees involved limit the facility to persons with higher incomes. In conclusion, he emphasized that the issue concerns fairness. He believes that taxpayers, including retired citizens who cannot afford to live in these units, should not have to subsidize the services of those who can afford to live there. He observed that the issue is not about additional taxes but about sharing the tax burden fairly.

Rick Batchelor, McPherson County Appraiser, continued testimony in support of **SB 161** on behalf of the McPherson County Commission, noting that their concern relates to fairness not taxes. To illustrate, he explained that a unit in one of the facilities of the Cedars in McPherson is currently life-leased by a full professor at the University of New York who spends six to eight weeks there every summer and then returns to New York to teach. He commented that intent of the law did not include offering a property tax exemption to a person with a high income for a summer home. He went on to discuss the acquisition of off campus properties in small communities such as the home owned by the Bethany Home Association shown on page 51. He explained that, in some instances, the homes are several blocks away from the facility. None of the homes have been made ADA compliant, and they are not electronically connected to the facility. Yet they have been approved for an exemption from property taxation. As a result, those people who cannot afford to life-lease an independent living unit are paying more in taxes to support the same services. For example, the independent living units in the Pleasant View campus in Inman were exempted. Because of that loss of revenue, the City of Inman raised its mill levy seven mills just to cover the loss. Taxes for citizens living in homes valued much lower went up ten to twelve percent while persons living in the independent living units paid nothing.

Ken Meier, Harvey County Commissioner, testified in support of **SB 161**. He noted that the Commission is concerned that the demands of funding the infrastructure of the county, city, and schools is currently borne by an unfair and unequal application of the property tax. He pointed out that infrastructure belongs to all, benefits all, and should be paid for by all. He complained that, in Harvey County, persons with homes on the tax roll are paying two and one-half mills of property tax to support the life style of persons who live in "high dollar" independent retirement homes. In his opinion, a legislative remedy is needed to level the playing field. (Attachment 2)

Larry Sharp, Reno County Commissioner, testified in support of **SB 161**, echoing the sentiments of Mr. Meier. He also explained that one retirement home in Hutchinson has made payments in-lieu-of taxes to the city; however, the amount of the payments are considerably lower than what the actual tax assessment would be. He noted that the retirement community has never approached the Reno County government, which, in his opinion, possibly provides more services to the seniors in the retirement community than any other taxing entity. He pointed out that the amount of taxes collected on retirement living units would help restore funding for communities that will receive significant reductions in monies allocated to them in the past from the state. (Attachment 3)

John Waltner, Mayor of the City of Hesston, testified in support of **SB 161**. At the outset, he informed the Committee that Hesston is grateful and proud to be the home of Schowalter Villa, a very fine not-for-profit retirement center. He pointed out that Schwalter residents engage in the life of the community in many ways, and they are energetic, mobile, and affluent. However, he believes that it is unfair that local property taxpayers living in nonexempt housing provided funding for a \$1 million upgrade of the wastewater treatment plant and sewer line which became necessary due to continuing development at Showalter. In addition, he discussed the significant impact on the city's Emergency Medical Services budget. In conclusion, he noted that, in Hesston, the tax exempt independent housing units represent approximately 16 percent of the total residences in the community. He urged the Committee to take a stand for tax fairness and permanently end the property tax exemption for upscale independent living units at not-for-profit centers. (Attachment 4)

Bill Williams, testified in support of **SB 161** on behalf of the Inman City Council. He reported that a recent article in the local newspaper indicated that perhaps the implementation date might be changed, and the bill may include a continued exemption for units assessed at a certain level. He contended that, with the current

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budget shortfall at the state level, changing the implementation date would place undue hardship on Inman residents. Continued exemption of selected units will only continue to support the unfairness of the current statute. In conclusion, he called attention to documentation attached to his written testimony which further supports the bill. ([Attachment 5](#))

Meryl Dye, Special Assistant to the City Manager of Hutchinson, testified in support of **SB 161**. With regard to the testimony by the Reno County Commissioner, she confirmed that the City of Hutchinson has received three \$8,000 good neighbor payments from 1999 to 2001 from Wesley Towers. To her knowledge, no other tax entity received such payments. She went on to say that a conservative estimate of the city's annual loss due to this tax exemption was \$110,588 in 2001; therefore, the good neighbor payments pale in comparison. She noted that the result of the exemption is an unfair shift of the burden of infrastructure and public services to owners of other taxable property, including elderly residents who choose to live in their home or who cannot afford to live in upscale non-profit living units. ([Attachment 6](#))

John O'Brien, Mayor of Inman and a retired superintendent of schools, testified in support of **SB 161**. He discussed the loss of school evaluation and the cost to the state due to the removal of the independent units from the tax roll. He noted that local option money and bond and interest money is based on a factor that is established by district wealth. When the valuation decreases, the district will be poorer. When the amount of money from local level decreases, the burden on the state increases. ([Attachment 7](#))

Senator Corbin noted that written testimony in support of **SB 161** was submitted by Larry Baer, League of Kansas Municipalities ([Attachment 8](#)), Patricia Getz, a 72 year widow from Newton ([Attachment 9](#)), Randall Allen, Kansas Association of Counties ([Attachment 10](#)), and a group of senior citizens from Newton, Kansas ([Attachment 11](#)).

John Grace, Kansas Association of Homes and Services for the Aging (KAHSA), testified in opposition to **SB 161**, contending that it targets a small group of frail, vulnerable elderly citizens who have made a life style choice to move to a retirement community which, in fact, relieves the burden on government and taxpayers. He pointed out the 4,000 older persons living on KAHSA's campuses across 31 counties in Kansas represent less than two percent of the over 65 population in Kansas. Contrary to testimony by proponents, the residents come from various socioeconomic backgrounds. They have experienced significant life changes which make it difficult to maintain their own home. Mr. Grace followed with a list of reasons older people chose to reside in non-for-profit housing, the most important reasons being nearness to health care services and a safe, secure environment. He pointed out that the resident does not get title to the property as does a community-dwelling homeowner. He went on to say that the retirement center fulfills the needs of the residents and provides a public benefit by reducing Medicaid costs by delaying entry to nursing homes. He noted that money that might have been paid for property tax is used to provide charitable care and improve services, thus, saving the state money.

Mr. Grace recalled that the League of Municipalities estimated that, if all of KAHSA's units were placed on the tax rolls, approximately \$2 million of additional tax dollars would be collected for property tax relief. For the year 2000, that amount represents only 0.119 percent of the \$1.674 billion collected for property tax relief. Furthermore, if the KAHSA communities in Reno, Harvey, and McPherson Counties were placed on the tax rolls and the money applied to the mill levy, the actual impact to a homeowner of a \$65,000 valued home in those counties would be only a few dollars per year. He pointed out that state law provides the homestead property tax exemption for older persons who own their own home, which amounted to refunds of over \$13 million to persons over the age of 65 or disabled in the year 2001. In his opinion, the issue of tax fairness might be better addressed through a revision of the homestead property tax refund program. As to the argument by the proponents of the bill that not-for-profit housing is "too nice," Mr. Grace noted that KAHSA builds units to last for many years with low maintenance rather than "shacks" which will require extensive maintenance and repairs in a few years. In conclusion, Mr. Grace emphasized that, with a growing older population and reduced government resources for housing and services, the role of not-for-profit housing will be more critical and valued in the coming years. ([Attachment 12](#))

Mina Coulter, CEO of Friendly Acres Retirement Community in Newton, testified in opposition to **SB 161**.

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She explained that Friendly Acres serves individuals in the low to low-middle income levels, and 54 percent of the health care residents receive financial assistance through the state Medicaid program. Because Medicaid rates do not keep up with true costs, Friendly Acres currently provides between \$150,000 and \$200,000 of free care annually. Charitable contributions and rents from the cottages help make up for some of this shortfall. She noted that Friendly Acres recently conducted a survey of its residents to determine why they moved to the facility, and not a single resident stated that they moved to Friendly Acres so that they would not have to pay property tax. She went on to say that Friendly Acres strives to keep its rent as affordable as possible; however, during the past few years several residents had to move to more affordable, government subsidized HUD housing. She contended that if the bill passes, this trend will increase. (Attachment 13)

A.J. Rymph, a retired pastor and a Friendly Acres independent living resident, testified in opposition to **SB 161**. He noted that he and his wife moved to Friendly Acres in 1989 because they wanted to live adjacent to a nursing home, they had lived in parsonages and had no experience in home ownership, and it was affordable. However, if they were required to pay property taxes in addition to the amount of rent they pay, the financial impact would be painful. At the least, they would have to lower their standard of living. At the worst, they would have to look for somewhere else to live that they could afford. (Attachment 14)

Dr. Jim Morford, Administrator of the Ellsworth Good Samaritan Retirement Village, testified in opposition to **SB 161**. He explained that Good Samaritan has a variety of facilities serving rural Kansas. He noted that the average age of their senior housing residents is older than the average age of their nursing home residents. The longer they can remain in senior housing, the less time they will spend on Medicaid assistance. At Ellsworth, Good Samaritan has invested over \$2.5 million in the past six years in new and expanded facilities. With a plan to invest more money in the next several years, Good Samaritan hopes that the environment will continue to be positive, encouraging seniors to remain in the rural community where they have spent a lifetime. (Attachment 15)

Sonia DeRusseau, Linn Community Nursing Home, testified in opposition to **SB 161**. The eight elderly persons her facility serves are aged and very frail. They live in seven apartments that were built in 1975 and are charged \$450 per month for one and \$500 for a couple. All of the apartments are equipped with call signals which light up in the nursing home and are answered by nursing home staff. All of the residents have multiple physical problems which prevented them from traveling to Topeka to express their opposition to the bill. (Attachment 16)

Ray Vernon, CEO of Wesley Towers in Hutchinson, testified in opposition to **SB 161**, noting that seniors at Wesley Towers are impacted by escalating health care costs, pharmacy bills, fixed incomes, and low interest rates, and cannot pay additional taxes/fees. He emphasized that the residents occupy but do not own the units, and many of the apartments are used for congregate (supportive) housing. He followed with a profile of Wesley Towers, which currently serves over 330 residents. Wesley Towers will provide over \$400,000 of charitable care for its residents in 2003 and has never requested a resident to leave due to lack of financial ability to pay for services. Wesley Towers also subsidizes the Hutchinson Meals-On-Wheels program with over \$80,000 per year, and it operates a community home health agency. A recent study shows that Wesley Towers directly impacts the Reno County economy with over \$9.4 million in sales and \$4.9 million in wages, and this economic activity generated over \$1.7 million in federal, state, and local tax revenues. In conclusion, Mr. Vernon called attention to several letters from residents indicating the burden additional taxes would place on their circumstances. (Attachment 17)

James Krehbiel, Schowalter Villa, testified in opposition to **SB 161**. He informed the Committee that over 80 percent of the independent living residents at Schowalter fall into the low to moderate income bracket. He is concerned about the effect the passage of the bill would have on these individuals who are on a very limited, fixed income. Schowalter already operates at the lowest feasible cost to its residents, and the increased costs to the residents from the bill's passage will mean the difference between independent living and government housing for many residents. Mr. Krehbiel noted that there is an alternative to the bill, namely, agreements with local city and county governments to help offset the costs of fire, ambulance, and other services cities and counties provide to retirement communities. Recently, Schowalter Villa reached an agreement with the City of Hesston wherein Schowalter will contribute up to \$15,000 per year for city services for the next 15

CONTINUATION SHEET

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years. In his opinion, there is no need to legislate a “one size fits all” approach. (Attachment 18)

In conclusion, Mr. Krehbiel introduced a long-time resident of Schwalter Villa, Irene Weaver, who spent much of her professional life in overseas mission work for the Mennonite church. Ms. Weaver explained that she lives on a fixed monthly income that is barely enough to pay her utility bills, grocery bills, medical expenses, and other costs of living. Even a \$10 monthly increase in expenses would create a hardship for her. She urged the Committee to reject the attempt to place an additional tax burden on the elderly citizens of the state.

John Arnbrust, Manhattan Chamber of Commerce, testified in opposition to **SB 161**. He explained that Meadowlark Hills retirement community is a valuable asset to the Manhattan community and has a tremendous economic impact on the city, employing over 240. During the past few years, Meadowlark Hills has raised several million dollars in charitable gifts to offset the operating costs of their organization and to keep fees at the lowest possible level. However, investment income recently has been negative at Meadowlark Hills, insurance rates have skyrocketed over 100 percent, and reimbursement levels look difficult in the next several years. Further, seniors who reside at Meadowlark have suffered significant losses in income due to the economic climate. Mr. Arnbrust observed, “It seems untimely to tax these facilities at a time when it will not only burden the organizations but also the residents.” (Attachment 19)

Senator Corbin called the Committee’s attention to written testimony in opposition to **SB 161** submitted by Dr. Larry Bechtol for AARP Kansas. (Attachment 20)

George Becker, a 13 year resident of Lake View Village in Lenexa, stood in opposition to **SB 161**. In his opinion, Johnson County is giving the county away in tax abatements to people who have no more business getting tax abatements than the man in the moon. He contended that a great deal of extra income could be generated if tax abatements are used for what they were intended.

There being no others wishing to testify, the hearing on **SB 161** was closed.

The meeting was adjourned at 12:00 p.m.

The next meeting is scheduled for February 20, 2003.

SENATE ASSESSMENT AND TAXATION COMMITTEE
GUEST LIST

DATE: February 19, 2003

| NAME | REPRESENTING |
|-------------------|---------------------------|
| Jeanne Antweiler | Lakerien Vlg, Lenexa, Ks. |
| Robbie Greenup | Valley Center, KS |
| Carol E Mangum | Lakerien Village Lenexa |
| Dilkie Jodark | Lakerien Village Lenexa |
| Bill Williams | CITY OF INMAN |
| John D'Brion | Mayor Inman |
| KEITH R. NEUFELD | TAXPAYERS OF INMAN |
| VERBIE L THIESSEN | " " " |
| Bruce Thiesen | Inman City Council |
| Robert A. Bartels | TAXPAYERS OF INMAN |
| Rosetta P Bartels | Taxpayer in Inman |
| Kristof R. Dauter | Inman City Council |
| James Treble | Schowalter Villa. |
| Blanche Wilkin | Inman Ks |
| Lin Siemens | Beno Co. |
| Pat Siemens | " |
| Jim MORTFORD | Ellsworth Good Samaritan |
| Lonia DeFurcan | Linn Nursing Home |
| A. J. O'Grady | Friendly Acres, Newton |

SENATE ASSESSMENT AND TAXATION COMMITTEE
GUEST LIST

DATE: 2/19/2003

| NAME | REPRESENTING |
|----------------------|-------------------------------|
| Trina Coulter | Friendly Acres Inc |
| BN Mc Donald | Lakeview Village Seneca |
| Jacquely Parks | Friendly Acres Inc |
| Edna Mae Ryngh | Friendly Acres, Inc, Newton |
| ^{Mary Duff} | City of Hutchinson |
| Karin M. Garland | Ks. Home & Services for Aging |
| Dale G. Kaelin | Schwaetter Villa |
| Jim Hoffman | Memorial Home - Moundridge |
| Jim Walter | Mayer - City of Hesston |
| LARRY R BAER | LKM |
| Kasey Rogg | Husch & Eppenberger, LLC |
| Daryl Spring | Memorial Home Mdy |
| George F. Barber | Lakeview Village Seneca Ks. |
| Quentin B. Jones | Lakeview Village, Seneca KS |
| Cheri Kerr | KANSA |
| Carol Moore | Memorial Manor |
| Debra Zehr | KANSA |
| Henry Cohen | Lakeview Village |
| Bill Brady | KANSA |



Reno County

Independent Living Units at Tax Exempt Care Homes

*Senate Assessment & Taxation
2-19-03
Attachment 1*

Wesley Towers

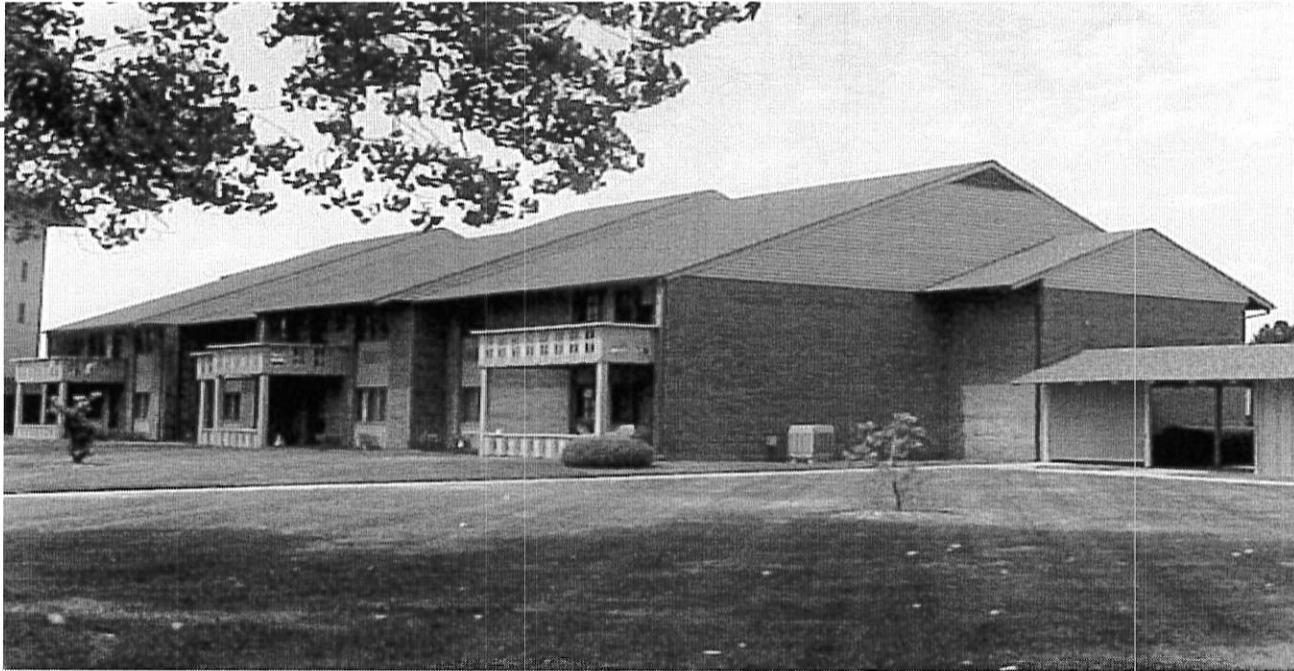
- Total Valuation
\$17,307,890
- 175 Independent
Living Units
Valuation
\$10,738,383



1-2

Wesley Towers Independent Living Units

1-3



PROPERTY TAX 0

Wesley Towers Independent Living Units

1-4



PROPERTY TAX 0

Wesley Towers Independent Living Units



PROPERTY TAX 0

7-6

Wesley Towers Independent Living Units



PROPERTY TAX 0

Wesley Towers Independent Living Units

1-7



PROPERTY TAX 0

Wesley Towers Independent Living Units

8-1



PROPERTY TAX 0

Wesley Towers Independent Living Units

6-1



PROPERTY TAX 0

WESLEY TOWERS

Currently Available - Patio Home

- ◆ 1,055 square feet
- ◆ Two bedrooms; 1 1/2 baths
- ◆ Single over-size attached garage
- ◆ Wesley Towers provides and maintains all major appliances.
- ◆ Three payment options available including a monthly rent.



For more information call Sonja Reiser.



WESLEY TOWERS

700 MONTEREY PLACE • HUTCHINSON

620-663-9175 or 888-663-9175

www.wesleytowers.com



Wesley Towers admissions and services are provided without regard to race, color, national origin, religion, age, gender or disability.

www.wesleytowers.com

Wesley Towers admissions and services are provided without regard to race, color, national origin, religion, age, gender or disability.

Good Samaritan Home

- Total Valuation
\$5,046,010
- 50 Independent
Living Units
Valuation
\$1,929,180



Good Samaritan Independent Living Units



PROPERTY TAX 0

Good Samaritan Independent Living Units

1-13



PROPERTY TAX 0

Good Samaritan Independent Living Units



PROPERTY TAX 0

Good Samaritan Independent Living Units

51-1



PROPERTY TAX 0

Buhler Sunshine Home

- Total Valuation
\$5,375,670
- 18 Independent
Living Units
Valuation \$981,580



1-17

Buhler Sunshine Home Independent Living Units



PROPERTY TAX 0

Buhler Sunshine Home Independent Living Units



PROPERTY TAX 0

Buhler Sunshine Home Independent Living Units

61-1



PROPERTY TAX 0

1-20

Buhler Sunshine Home Independent Living Units



PROPERTY TAX 0

Prairie Sunset Home

- Total Valuation
\$1,323,470
- 23 Independent
Living Units
Valuation \$765,060



Prairie Sunset Home Independent Living Units

1-22



PROPERTY TAX 0

Prairie Sunset Home Independent Living Units

1-23



PROPERTY TAX 0

Prairie Sunset Home Independent Living Units

1-24



PROPERTY TAX 0

Mennonite Friendship Manor

- Total Valuation
\$9,878,540
- 124 Independent
Living Units
Valuation
\$3,443,660



Mennonite Friendship Manor Independent Living Units

1-26



PROPERTY TAX 0

Mennonite Friendship Manor Independent Living Units

1-27



PROPERTY TAX 0

Mennonite Friendship Manor Independent Living Units

1-28



PROPERTY TAX 0

Mennonite Friendship Manor Independent Living Units

1-29



PROPERTY TAX 0

Mennonite Friendship Manor Independent Living Units

1-30



PROPERTY TAX 0

Mennonite Friendship Manor Independent Living Units

1-31



PROPERTY TAX 0

Comparable Duplex On Tax Rolls

- 2602 Westminister
Hutchinson KS
- Valuation: \$139,580
- Taxes: \$2,270



Comparable Duplex On Tax Rolls

- 2604 Nottingham
Hutchinson KS
- Valuation: \$133,280
- Taxes: \$2,167



Comparable Duplex On Tax Rolls

- 2800 Nottingham
Hutchinson KS
- Valuation: \$150,140
- a
- Taxes: \$2,442



Single Family Dwelling on Tax Roll

- 710 Pierce St.
- Valuation: \$14,780
- Taxes: \$241



1-35

Single Family Dwelling on Tax Roll

- 506 W. B Ave.
- Valuation: \$14,100
- Taxes: \$230



Single Family Dwelling on Tax Roll

- 1030 E. B Ave.
- Valuation: \$23,770
- Taxes: \$387



Single Family Dwelling on Tax Roll

- 19 Town St
- Valuation: \$15,700
- Taxes: \$255



SUMMARY

- **A total of 353 independent living units in Reno county that are tax exempt.**
- **Taxes not paid: \$276,011**



Harvey County





Harvey County

- 466 elderly housing units in 5 facilities, nursing home and assisted living units not included.
- **\$34,819,210** in Appraised Value
- An estimated **\$467,763 tax loss** in Harvey County for 2002.

1-241

Elderly Exempt Housing – 3 Areas

- **Licensed Non-Profit Adult Care Homes (79-201(b) Second)** – Nursing Home facilities provide valuable services to the residences and the community at large. Nursing Home facilities should remain exempt.
- **Elderly Housing owned by municipalities or elderly housing financed with federal monies (79-201(b) Fourth)** – This is housing for elderly and handicapped people having a limited or lower income. These units should remain exempt.
- **Elderly Housing units operated by a non-profit corporation (79-201(b) Fifth)**– These units are not part of the nursing home facility proper, and not owned by a municipality or financed with federal funding. This housing has no limits on the expense of construction, and no income limits on those living in the units. **We believe this elderly housing should be paying property taxes.**

Lake Vista – Hesston, Ks



1-44

Lake Vista – Hesston, Ks



Lake Vista – Hesston, Ks



Presbyterian Manor - Newton



Typical Example – Life Lease

- \$1,000 to \$2,000 Non-refundable application fee
- \$90,000 to \$120,000 Occupancy Fee
- \$300 to \$400 Monthly fee -adj. Annually
- Monthly fee includes building and ground maintenance, water, sewer, and garbage collection.
- Not included are electricity, telephone, cable TV, meals, and house keeping. Meals and housekeeping are typically offered but for an additional fee above the typical monthly fee.

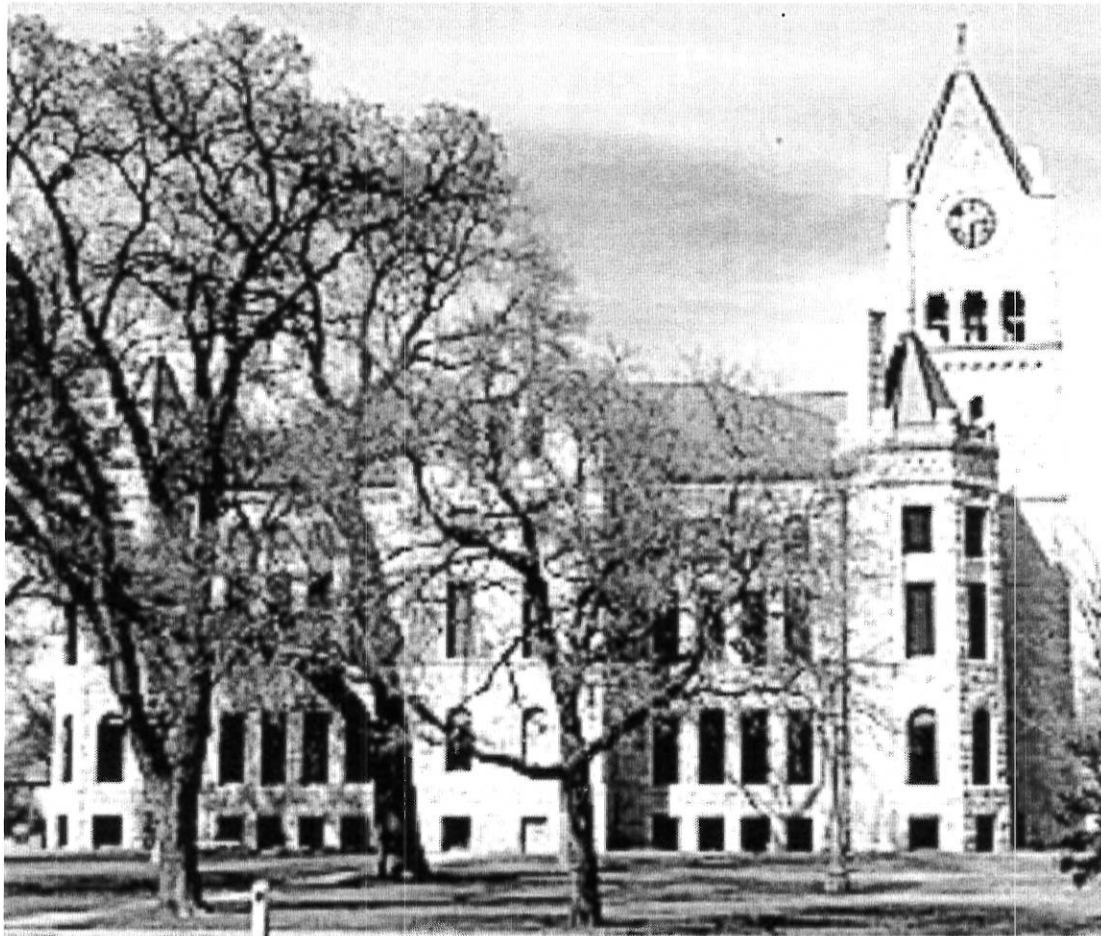
Who would pay the taxes ???

- The Occupant (actual lease statement below)
- ...“However, no assurance can be given that your unit will be found to be exempt by the proper authorities, or that your unit will be exempt for any specific period of time. You should also be aware that the legislature may choose not to continue the tax exemption for property such as your unit, and may amend the statute to remove the current exemption as may now be available. You shall be responsible for any real estate taxes and special assessments levied upon the premises and you must pay these taxes prior to delinquency.”....

In Conclusion....

- **This is a matter of fairness.** Taxpayers, including retired citizens whom cannot afford these units, should not have to subsidize the services of those who can afford to live in these units.
- **This is not an issue of raising additional taxes.** **The issue is about sharing the tax burden fairly and equitably, thus reducing the tax burden for all of us.**
- If the policy decisions we make are not in the best interest of the customer we serve, then the policy should be reviewed and corrected to best serve our customer. **This tax policy needs to be corrected .**

McPherson County, Kansas



15-1

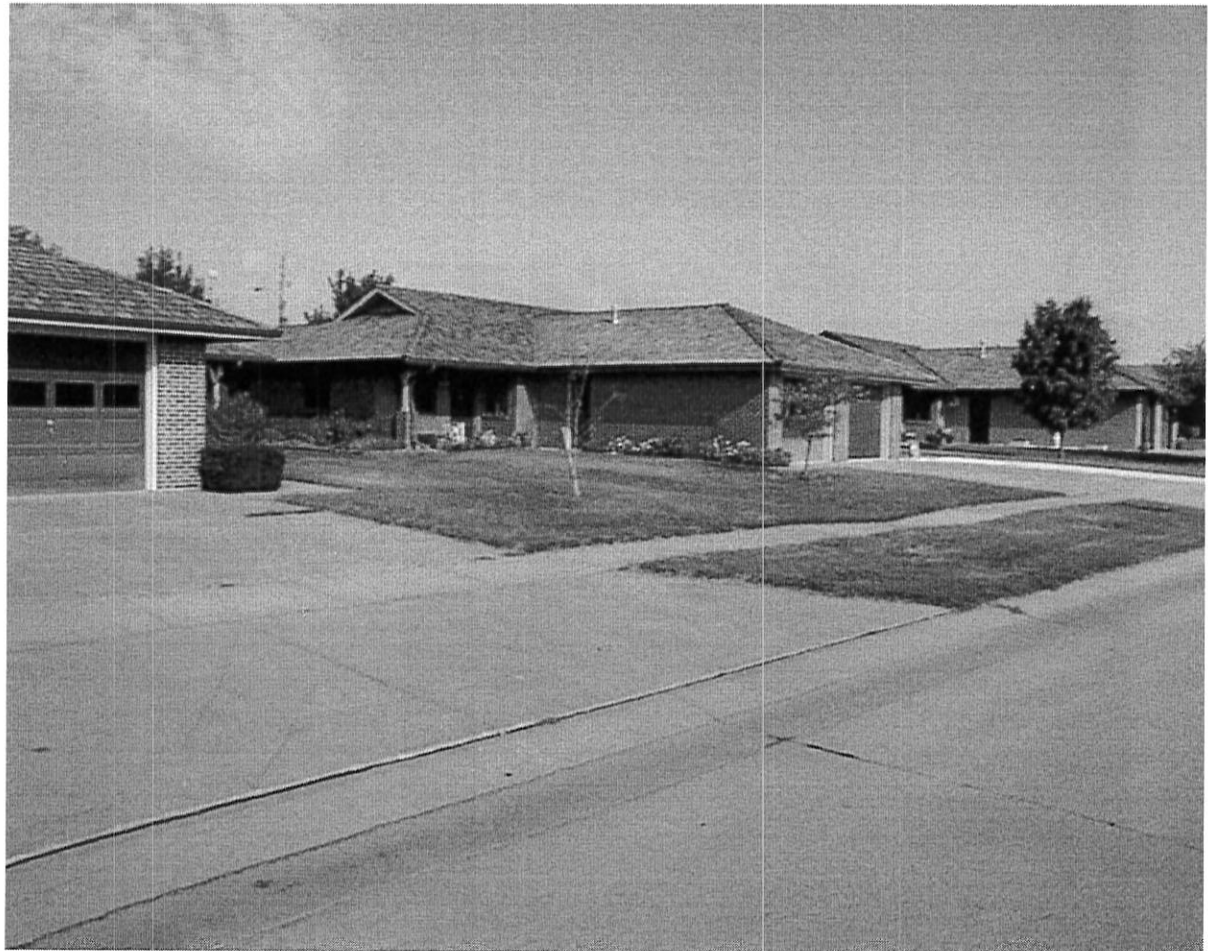
Bethany Home Association

- 315 Pine St
- Lindsborg, KS



Cedars

- 911 Cedar Dr.
- McPherson, KS



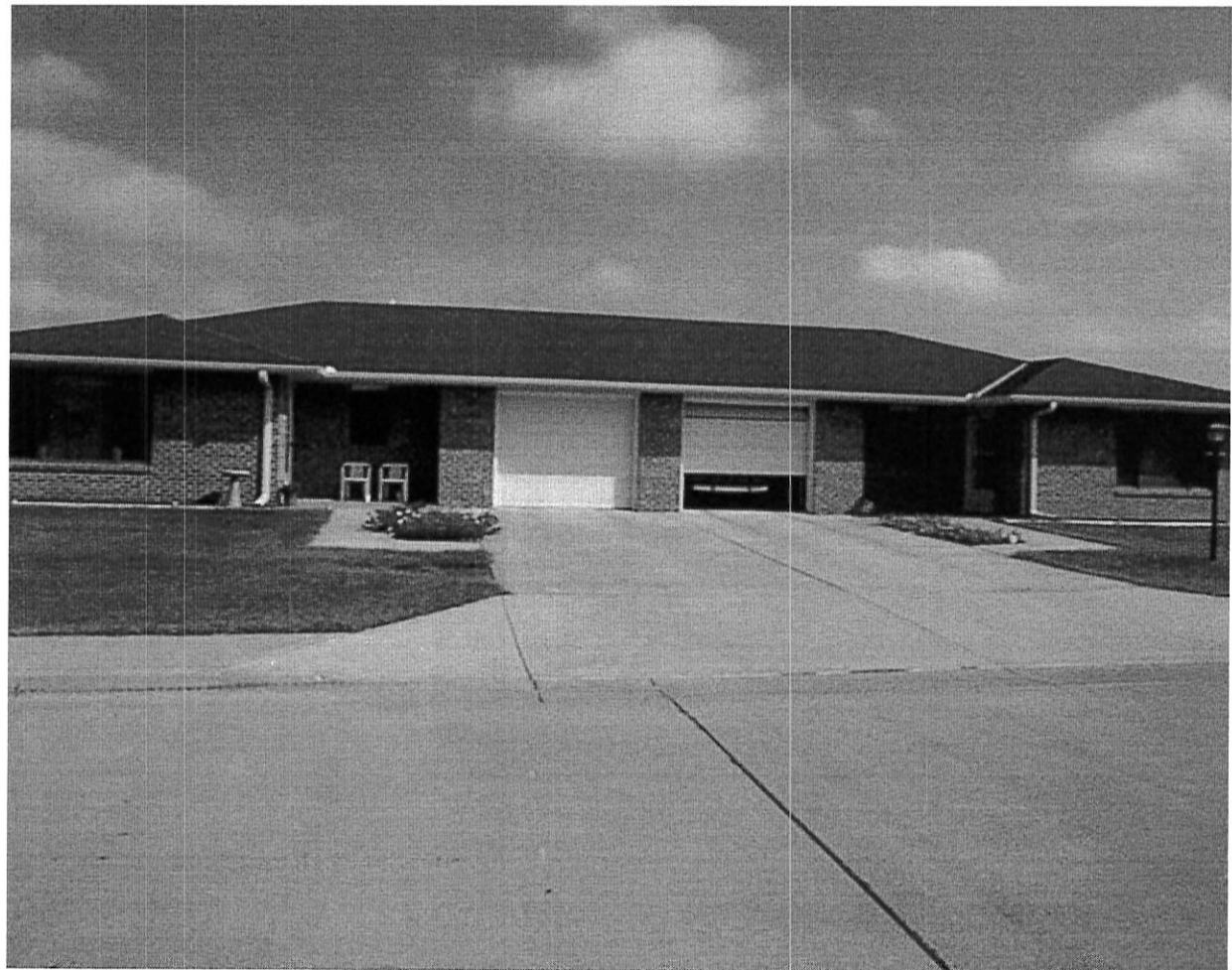
Memorial Home for the Aged

- Moundridge, KS



Pleasant View Home

- Inman, KS



1-54



HARVEY COUNTY, KANSAS

ADMINISTRATION DEPARTMENT

COURTHOUSE
P.O. BOX 687
NEWTON, KANSAS 67114-0687

PHONE: 316-284-6806

FAX: 316-284-6856

DATE: February 19, 2003

TO: The Honorable Senator David Corbin, Chairman, and Members of
The Committee on Assessment and Taxation

FROM: Kenneth Meier, Harvey County Commissioner

Good Morning—I'm Ken Meier, Harvey County Commissioner. As a member of a taxing entity, we are charged with providing services to all residents of our County. To meet this obligation requires us to levy certain taxes and fees. The property tax is our primary source of revenue.

At the present time, the demands of funding the infrastructure of the County, City, and schools is borne by an unfair and unequal application of the property tax. Infrastructure belongs to all, benefits all, and should be paid for by all.

As you have heard here today, the basis of fair and equal taxation is not being realized in the area of the independent elderly living units on the campuses of our retirement homes. The people who live in their own homes and pay taxes also subsidize the tax-free living of those who, for the most part, can well afford to pay their fair share of the tax burden.

You have been told, or will be told, that the objective of counties is to tax all of the facilities owned by the retirement homes. That is not true. Only the fifth part of 79-201(b) is the issue. We are asking only for tax fairness and equity.

This is also not a geographically isolated issue, as some would have you believe. Furthermore, a legislative remedy is needed specifically to level the playing field. Working out a patchwork quilt arrangement of local agreements is not sound tax policy and is simply not an appropriate solution to this problem.

In closing, I want to remind all of us that we cannot demand more from government than we are willing to pay for. Thank you for your consideration and willingness to listen to our concerns.

*Senate Assessment & Taxation
2-19-03
Attachment 2*



COUNTY COMMISSION

RENO COUNTY
206 West First Avenue
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SENATOR DAVID CORBIN, CHAIRMAN
&
MEMBERS OF THE
ASSESSMENT & TAXATION COMMITTEE

Thank you for the time allotted for me to come before you regarding the issue of tax-free elderly Independent Housing Units. I have appeared before your committees previously regarding this issue as have others in this room and I'll be rather brief regarding my comments and observations regarding this important issue to Reno County and many of the other counties in Kansas. Reno County and other counties in Central Kansas are seeing an unprecedented growth in elderly housing units that are located on the same properties with skilled nursing homes and assisted living units for elderly citizens. Certainly all of the counties welcome these types of units to our community because not only do they provide jobs they also encourage our citizens to remain living within the community that they completed their careers, raised their families and have essentially lived all their lives. In Reno County in particular, the senior population are exemplary citizens giving freely of their time to various charitable organizations and being active in the community.

The recent addition of what is called "Independent Elderly Housing" has raised some interesting questions in Reno County and throughout other areas of the state. I believe, as do many of my constituents that the tax exemptions afforded to skilled nursing homes and assisted living units was never fully intended to extend to Independent Elderly Housing Units that we see today. Virtually all the units in Reno County could be described as luxury duplexes complete with two car garages, several bedrooms, fireplaces and patios etc. In other words, the units that you see are a mirror image of the same units that you would see in the sub-divisions across Hutchinson and Reno County. The only difference is that these units are obviously occupied by senior citizens and most importantly they are exempt from property taxes. There has been some effort to compensate the city in which these units are located for "in lieu of tax payments" however that has been a fraction of what their tax bill would have actually been if they were on the county tax rolls.

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For instance, in Hutchinson a local retirement center is pleased to regularly announce they have contributed to the City of Hutchinson for payments in lieu of taxes. Although they are grateful for receiving a nominal amount in lieu of taxes, the City of Hutchinson is also concerned that these units are not paying their "fair share". I will further state that this same retirement community has never approached Reno County government, who in my opinion probably provides more services to the seniors living on that campus than possibly the city or any other taxing entity who has never received any in lieu of tax payments nor has Hutchinson Community College or South Central Kansas Library system. We furnish seniors with an economical public transportation system, a comprehensive elderly program and most importantly the countywide ambulance system. I do not buy the argument that the current residents of these facilities that I have described do not have the ability to pay their fair share of taxes in the communities in which they live.

The State is currently facing severe budget shortfalls. As a result, cities and counties are reducing their budgets, which will compromise our ability to deliver services in the same fashion that we deliver them today. The citizens of Hutchinson and all cities across Reno County only ask for fair taxation of our real estate property. At the same time this would be a small move to restore some funding for communities that will receive significant reductions in monies that have been allocated to them in the past from the state. For example in Reno County, if the Independent Housing Units for Senior Citizens were placed on the tax roles the revenues to Reno County would be in the neighborhood of \$40,000 per year. While that is not a large sum of money, more importantly it is a fair taxation of this real estate and in our instance, \$40,000 would be enough to pay for one month of deficit for the county ambulance operations. Thank you for your time today and I urge you to move forward and show your support for the counties and cities in our state and for the citizens that pay their fair share of real estate taxes in these communities.

Sincerely,

Larry R. Sharp, Chairman
Reno County Commissioner

TESTIMONY

TO: The Honorable Senator David Corbin, Chairman and Members of the Assessment and Taxation Committee

FROM: John Waltner, Mayor of the City of Hesston

Date: February 19, 2003

My name is John Waltner, and I want to thank you for this opportunity to appear before you this morning. For the past seventeen years, I have been mayor of the City of Hesston, a city of approximately 3,800 people. I am here today with my colleagues from various parts of the state to speak in support of SB 161 calling for the removal of the property tax exemption for independent housing units for elderly persons at not-for-profit retirement centers in Kansas. Removing or modifying this exemption would be a significant step toward equity and fairness—basic tenets of any defensible tax policy.

In Hesston, we are extremely fortunate to be the home of a very fine not-for-profit retirement center—Schowalter Villa. Founded in the late 1950s, Schowalter Villa now delivers a broad range of high quality services to its residents—nursing care, Alzheimer's care, assisted living, and independent living. For all of that, I am grateful. Schowalter Villa provides meaningful work for many citizens living in Hesston. For that, I am also grateful. Schowalter Villa is also deservedly recognized statewide for delivery of the highest quality care to its residents. In addition, Schowalter Villa has taken the lead in partnering with the Hesston Child Care Association to develop an intergenerational child-care facility that will be located on the Schowalter Villa campus. This will be a tremendous asset to our community. Schowalter Villa is truly an organization of which its staff, its residents, and its larger community can be proud.

Let me remind you, however, that it is at our level—where the proverbial rubber meets the road—that policies established in state statutes are actually carried out. We give life to

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the old adage that all government is eventually local government. At the local level we must deliver pure drinking water, treat wastewater, pave streets, protect our citizens, enhance the quality of life. In effect, we must provide and maintain the physical and social infrastructure of community life—and figure out how to pay for it all. Because of an inequity in the present law, we now see the City of Hesston and Schowalter Villa in conflict over payment for local governmental services. We should not be fighting with one another. The Legislature has placed us in this position and we ask the Legislature for relief.

Since 1990, Schowalter Villa has embarked on an aggressive expansion and marketing campaign—the “Continuum of Care”—which has been mirrored by other progressive retirement centers in our area. Schowalter Villa has a total of approximately 162 independent living units. Of these, approximately 83 were built during the past decade and are noticeably “high-end” residences. All of the independent living units have a combined appraised value of \$15,685,960. Applying the residential multiplier of 11.5% and the 2002 combined mill levy of 109.26 mills yields total lost tax revenue of \$197,093. Finally, adjusting those numbers to allow for the \$20,000 residential exemption for schools, it still amounts to lost revenues to the city, county, and school district of \$189,641. In addition, Schowalter Villa has already submitted a preliminary plat to the City of Hesston signaling their intent at some point in the future to construct an additional 32 buildings of comparable quality which will house 64 more upscale living units.

The target of this recent marketing campaign are largely the “young-old”—retirees who are quite healthy, energetic, mobile, and affluent. These residents are engaged in the life of our community in many ways and add a rich dimension to the demographic mix of Hesston. For that reason, we are grateful. We simply wish that they would be required to pay their fair share of the cost of city services.

Allow me to briefly highlight two areas to illustrate the point. Spurred by the expansion plans at Schowalter Villa, in the early 1990s the City of Hesston undertook a \$1 million

wastewater treatment plant upgrade and a \$1.1 million sewer line upgrade including expensive lift stations to serve the new development. These projects were funded by General Obligation Bonds meaning that property tax payers living in non-exempt housing bear the cost exclusively.

Secondly, our EMS service in Hesston is significantly impacted by our elderly population. In Hesston, we have a volunteer ambulance system with an annual budget of approximately \$180,000. Because of a significant decrease in Medicare payments, only about 50% of our EMS budget is funded by user fees. This means that property tax payers heavily subsidize this service. Fully 25% of our EMS runs are for Schowalter Villa residents, which means that property tax payers must provide an annual subsidy of over \$22,000. Furthermore, the EMS service, a volunteer department with eleven active members, has been averaging over 450 calls per year, many of which are daytime runs. The large number of daytime runs—largely Schowalter Villa related—has forced the City recently to hire a full-time paid director for the EMS service. We do not make these runs grudgingly or reluctantly. After all, that is why we have the EMS service in Hesston. These increased costs, however, simply mean that our property tax paying citizens must pick up an even larger portion of the burden.

In summary, we are not talking about increasing taxes. Instead, we are only asking for a more fair distribution of the tax burden. In Hesston, the tax exempt independent housing units represent approximately 16% of the total residences in our community. Common sense dictates that it is not fair to allow property tax exemption to a large segment of the community that is in most cases affluent and living in very comfortable housing while shifting the tax burden of providing basic services to other seniors who cannot afford the high cost of entry and the monthly fees.

When retired citizens of Hesston who are forced or who opt to continue living in their own homes question me about the fairness of this you can understand their frustration—and mine. I urge you to do the right thing and correct this inequity. Take a stand for tax

fairness and permanently end the property tax exemption for upscale independent living units at not-for-profit retirement centers in the State of Kansas.

Testimony in Support of Senate Bill 161

February 19, 2003

Greetings: Chairman Corbin and Committee Members.

My name is Bill Williams, City Volunteer

I am appearing on behalf of the Inman City Council in support of Senate Bill 161 (S.B.161).

Having appeared before this committee approximately one year ago and the joint Senate and House Committee during the summer, on behalf of the Inman City Council, I would like to congratulate the leadership and committee members for the excellent progress, resulting in the timely introduction of S.B. 161.

I believe S.B. 161 as written and introduced will resolve the tax and fairness issue about Independent Living Units owned by "not for profits".

A recent article in a local paper eluded to the fact that possible changes in S.B. 161 might include changing the implementation date or continued exemption for units assessed at a certain level.

Changing the implementation date would place undue hardship on residents in the Inman community with the current budget short fall at the State level and the loss of demand transfer and other funding. Even with the present time frame of January 1, 2006 local governments may have to cut some services or raise additional funds to maintain current levels of services. Allowing continued exemption of selected units will only continue to support the level of unfairness with the current Statute.

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Attached is some information that supports Senate Bill 161 as presently written. (Note property tax and other assessed fee payments to Pleasant View by residents). This information should resolve the question as to who pays the property taxes:

- a. copy of Life Lease Agreement Pleasant View Home.
- b. copies of resident Tax and assessed funds from Pleasant View Home.
- c. cost comparison of personal residence vs. Pleasant View Home.
- d. copy of marketing brochure.
- e. copy of Pleasant View News touting savings to residents after BOTA approval.
- f. copy (2pgs) BOTA hearing Aug. 21, 1996, relating to transfer of units by deed to Pleasant View Home to take advantage of tax exemption.

I respectfully ask this committee to pass Senate Bill 161 to the Senate as written with unanimous support.

Thank you

L I F E L E A S E A G R E E M E N T

DATE _____ DAY OF _____

RESIDENT (S)
TRUST _____

1. THIS AGREEMENT, BETWEEN PLEASANT VIEW HOME, INC., OF INMAN, KANSAS, A KANSAS CORPORATION, HEREINAFTER REFERRED TO AS PLEASANT VIEW AND THE RESIDENT NAMED ABOVE, AS FOLLOWS:

A. PLEASANT VIEW HOME: A NON-PROFIT CORPORATION ORGANIZED FOR THE PURPOSE OF PROVIDING AND MAINTAINING A NURSING HOME ON A NON-DISCRIMINATORY BASIS AND WITH EQUAL TREATMENT AND ACCESS TO SERVICES TO ALL PERSONS REGARDLESS OF RACE, COLOR, RELIGION, NATIONAL ORIGIN, OR ANCESTRY.

B. RESIDENT (S): THE LESSEE OF AN INDEPENDENT LIVING UNIT. THE MINIMUM AGE OF ADMISSION FOR A RESIDENT IS 62 YEARS OF AGE.

C. UNIT: THE INDEPENDENT LIVING UNIT STRUCTURE AND REAL ESTATE LEASED TO RESIDENT MORE PARTICULARLY DESCRIBED IN THE PLANS AND SPECIFICATIONS ATTACHED, AND GENERALLY INCLUDING THE AREA BETWEEN THE CENTER LINE OF COMMON PARTY INTERIOR WALLS AND THE OUTER SURFACE OF NON-PARTY WALLS, TOGETHER WITH ALL INTERIOR WALLS, FIXTURES AND APPLIANCES, AND REGULATIONS OF PLEASANT VIEW AS AMENDED FROM TIME TO TIME AND THE NECESSARY UTILITY EASEMENTS FOR MAINTENANCE OF ALL UTILITY SERVICE SYSTEMS.

D. INDEPENDENT LIVING UNIT DEVELOPMENT: A RESIDENTIAL RETIREMENT COMMUNITY WHERE A RESIDENT LEASES A PARCEL OF REAL ESTATE FROM PLEASANT VIEW UPON WHICH A RESIDENCE HAS BEEN CONSTRUCTED. THE GROUND LEASE IS FREE. THE RESIDENT WILL PAY FOR THE IMPROVEMENTS, BUT TITLE WILL REMAIN IN PLEASANT VIEW UPON PAYMENT OF MONTHLY CHARGES ESTABLISHED BY PLEASANT VIEW FROM TIME TO TIME A RESIDENT SHALL BE ENTITLED TO OCCUPY THE UNIT FOR LIFE PLUS USE AND ENJOYMENT OF THE COMMONS AREAS. PLEASANT VIEW WILL FROM TIME TO TIME PROMULGATE RULES, REGULATIONS AND RESTRICTIONS WHICH MUST BE COMPLIED WITH BY ALL RESIDENTS. SUCH RULES, REGULATIONS, AND RESTRICTIONS ARE INCORPORATED HEREIN BY REFERENCE.

E. HEALTH CARE CENTER: THE MAIN FACILITY PROVIDING NURSING AND MEDICAL SERVICES IS PLEASANT VIEW HOME.

F. COMMON AREAS: ALL OF THE REAL ESTATE AND ALL IMPROVEMENTS CONSTRUCTED WITHIN THE INDEPENDENT LIVING UNIT DEVELOPMENT EXCEPT THE UNITS CONSTRUCTED FOR LEASE TO RESIDENTS WITHIN THE DEVELOPMENT.

G. CONTRACT DOCUMENTS: THIS AGREEMENT, ALL PLANS SPECIFICATIONS, DRAWING, ADDENDA, AND CHANGE ORDERS PERTAINING TO THE CONSTRUCTION OF THE UNIT, AND ALL RULES REGULATIONS AND RESTRICTIONS PRESENTLY EXISTING OR HEREAFTER PROMULGATED BY PLEASANT VIEW.

REVISED FEBRUARY 17, 2000

2. GRANTING CLAUSE-CONSIDERATION: PLEASANT VIEW HEREBY GRANTS TO RESIDENT A LIFE LEASE ON THE ABOVE DESCRIBED UNIT UPON THE TERMS SET FORTH HEREIN IN CONSIDERATION FOR PAYMENT MADE BY RESIDENT TO PLEASANT VIEW AND OTHER CONSIDERATIONS SET FORTH HEREIN. PLEASANT VIEW WILL NOT USE ANY PORTION OF THE ESTATES PROPERTY AS COLLATERAL OR CAUSE ANY LIEN WITHOUT FULL CONSENT OF ALL LEASEHOLDERS.

✓ 3. FINANCIAL STATEMENTS: PRIOR TO THE EXECUTION OF THIS AGREEMENT, RESIDENT SHALL PROVIDE PROOF, ACCEPTABLE TO PLEASANT VIEW OF ADEQUATE FUNDS TO PAY ALL COSTS SET FORTH HEREIN PLUS ADEQUATE INCOME TO MEET ALL MONTHLY CHARGES WHICH MAY BE ASSESSED. UPON THE SIGNING OF THIS AGREEMENT, RESIDENT REPRESENTS AND WARRANTS THAT THE FINANCIAL INFORMATION PROVIDED TO PLEASANT VIEW HOME IS TRUE AND CORRECT.

4. TERM: THE TERM OF THIS LEASE AGREEMENT IS FOR THE LIFE OF RESIDENT UNLESS SOONER TERMINATED AS HEREINAFTER PROVIDED. IF THE RESIDENT CONSISTS OF TWO ELIGIBLE PERSONS, WHO HAVE EXECUTED THIS AGREEMENT, THE TERM SHALL BE FOR THE LIFE OF THE ELIGIBLE PERSON WHO LIVES THE LONGER. THE UNIT MUST BE VACATED WITHIN 30 DAYS FROM DEATH OF RESIDENT. THE MONTHLY SERVICE CHARGE WILL CONTINUE UNTIL THE UNIT IS VACATED OR DATE OF TERMINATION, WHICHEVER IS LATER. THE SURVIVOR BENEFITS SHALL NOT EXTEND TO ANY PERSON OTHER THAN A WIDOW OR WIDOWER OF A CEREMONIAL MARRIAGE OF AN ORIGINAL PARTY PRIOR TO THE EXECUTION OF THIS AGREEMENT. (FOR EXAMPLE, IF A PERSON ENTERS THIS AGREEMENT UNMARRIED AND LATER MARRIES, THE BENEFIT SHALL EXTEND ONLY TO THE ORIGINAL RESIDENT). THE RIGHTS UNDER THIS AGREEMENT SHALL EXTEND TO ONLY ONE OF THE RESIDENTS FOLLOWING SEPARATION AND/OR DIVORCE; TO BE DETERMINED BY WHICH OF THE PARTIES PHYSICALLY REMAINS IN THE UNIT UPON SEPARATION OR DIVORCE.

5. FURNISHING: THE UNIT SHALL BE UNFURNISHED. THE RESIDENT SHALL PROVIDE HIS/HER OWN FURNISHINGS, WHICH WILL REMAIN THE PROPERTY OF THE RESIDENT. RISK OF LOSS OR DAMAGE TO FURNISHINGS SHALL BE WITH THE RESIDENT.

✓ 6. EQUIPMENT: PLEASANT VIEW WILL PROVIDE THE EQUIPMENT LISTED ON EXHIBIT A ATTACHED.

7. TRANSFER TO HEALTH CARE CENTER: ANY RESIDENT MAY REQUEST TEMPORARY OR PERMANENT TRANSFER FROM THE UNIT TO PLEASANT VIEW HEALTH CENTER. TRANSFER WILL BE MADE IN ACCORD WITH PLEASANT VIEW'S POLICIES FROM TIME TO TIME PROMULGATED, EXCEPT THAT THE RESIDENT WILL HAVE PRIORITY OVER NON-RESIDENT APPLICANTS FOR

ADMISSION. THE RESIDENT WILL BE CHARGED ON THE BASIS OF THE HEALTH CENTER'S RATES IN EFFECT AT THE TIME OF THE RESIDENT'S ADMISSION. RESIDENT AGREES TO PROMPTLY PAY THE FEES AND CHARGES AS BILLED FOR HEALTH CARE SERVICES PERFORMED BY THE HEALTH CARE CENTER WHEN RENDERED. PLEASANT VIEW HAS NO OBLIGATIONS TO PROVIDE SUBSTITUTE FACILITIES, HOWEVER, PLEASANT VIEW WILL ASSIST IN MAKING ARRANGEMENTS IF NECESSARY. UNIT MAINTENANCE FEES WILL CONTINUE TO BE ASSESSED DURING THE ABSENCE OF RESIDENT UNLESS THIS AGREEMENT IS TERMINATED AS HEREINAFTER PROVIDED.

8. MAINTENANCE AND REPAIR: PLEASANT VIEW SHALL MAINTAIN AND REPAIR THE UNIT AND THE EQUIPMENT DESCRIBED IN EXHIBIT A ON A ROUTINE BASIS FOR NORMAL WEAR AND TEAR AND EXCEPTING AS HEREIN OTHERWISE PROVIDED AT THE EXPENSE OF THE RESIDENT. THE RESIDENT WILL COOPERATE IN KEEPING THE UNIT CLEAN AND IN GOOD REPAIR. THE RESIDENT SHALL ALLOW FOR SEMI-ANNUAL PEST CONTROL AND AS DEEMED NECESSARY BY PLEASANT VIEW.

9. CHANGES OR ALTERATIONS: NO CHANGES OR ALTERATIONS OF THE UNIT BY THE RESIDENT SHALL BE MADE EXCEPT AFTER THE WRITTEN APPROVAL OF PLEASANT VIEW. RESIDENT SHALL NOT PERMIT OR ALLOW THE FILING OF ANY MECHANICS LIENS AGAINST THE UNIT BY REASON OF SERVICES OR MATERIALS PROVIDED ON THE UNIT. RESIDENT MUST SUBMIT THE FOLLOWING ITEMS AND/OR INFORMATION PRIOR TO PLEASANT VIEW CONSIDERING APPROVING A CHANGE OR ALTERATION TO ANY UNIT:

- A. PLANS FOR THE PROPOSED CHANGE OR ALTERATION, AND
- B. CITY, COUNTY OR OTHER GOVERNMENTAL APPROVALS (IF REQUIRED), AND
- C. PROOF OF LIQUID ASSETS ON HAND BY THE RESIDENT SUFFICIENT TO COMPLETE THE PROPOSED CHANGE OR ALTERATION TO THE UNIT.

✓ 10 MONTHLY CHARGES:

A. MAINTENANCE FEE: RESIDENT SHALL PAY PLEASANT VIEW A MONTHLY MAINTENANCE FEE IN ADVANCE ON OR BEFORE THE FIRST DAY OF EACH MONTH COMMENCING WHEN THE UNIT IS READY TO BE OCCUPIED. PLEASANT VIEW WILL NOTIFY RESIDENT OF THIS DATE, IN WRITING. THIS FEE COVERS ADMINISTRATIVE COSTS, LAWN MOWING AND SNOW REMOVAL FOR THE UNIT AND COMMON AREAS, SEMI ANNUAL PEST CONTROL, MAINTENANCE OF COMMON APPLIANCES (RESIDENT IS RESPONSIBLE FOR APPLIANCES FOR THEIR INDIVIDUAL USE), AND INSURANCE (EXCLUDING RESIDENT'S LIABILITY AND CONTENTS). PLEASANT VIEW WILL DETERMINE THE AMOUNT OF SUCH FEE AND THE FREQUENCY AND NATURE OF THE MAINTENANCE SERVICES PROVIDED. PAST DUE FEES MAY BE ASSESSED AT THE RATE OF EIGHTEEN PERCENT (18%), OR THE MAXIMUM FINANCE CHARGE ALLOWED BY LAW, WHICHEVER IS HIGHER.

B. UTILITY SERVICES: UTILITY SERVICES, INCLUDING INSTALLATION, REMOVAL, MAINTENANCE, REPAIR AND MONTHLY CHARGES,

SHALL BE PROMPTLY PAID FOR BY THE RESIDENT. UTILITY SERVICES INCLUDE ELECTRICITY, TELEPHONE, GAS, AND SECOND OR ADDITIONAL CABLE T.V. OUTLETS.

11. RESIDENT WARRANTIES.

A. RULES AND REGULATIONS: RESIDENT WILL DO ALL WITHIN HIS OR HER POWER TO FULLY COOPERATE WITH THE ADMINISTRATOR AND STAFF OF PLEASANT VIEW, AND TO FOLLOW PLEASANT VIEW'S RULES AND REGULATIONS AS ADOPTED FROM TIME TO TIME.

B. NO PETS: RESIDENT SHALL KEEP NO PETS OR ANIMALS.

C. VISITORS: RESIDENT SHALL NOT HAVE A VISITOR AT THE UNIT FOR MORE THAN 30 CONSECUTIVE DAYS WITHOUT THE PRIOR WRITTEN APPROVAL OF PLEASANT VIEW ADMINISTRATION.

D. ABSENCES: RESIDENT SHALL GIVE NOTICE TO PLEASANT VIEW IF RESIDENT IS ABSENT FROM THE UNIT IN EXCESS OF 30 DAYS.

E. INSURANCE: IT IS RECOMMENDED THAT THE RESIDENT PROCURE AND MAINTAIN AT RESIDENT'S EXPENSE, LIABILITY AND CONTENTS COVERAGE OF A SUFFICIENT AMOUNT TO COVER THE VALUE OF RESIDENT'S CONTENTS. PLEASANT VIEW WILL BE RESPONSIBLE FOR BUILDING INSURANCE.

F. MEDICAL EXAMINATIONS: RESIDENT AGREES TO SUBMIT TO AN EXAMINATION BY THE MEDICAL DIRECTOR OF PLEASANT VIEW, OR A PHYSICIAN AGREED UPON BY BOTH PARTIES, WHEN SUCH IS DEEMED NECESSARY BY THE MEDICAL DIRECTOR OF PLEASANT VIEW.

12. DESTRUCTION OR DAMAGE OF UNIT: IF THE UNIT IS DESTROYED OR DAMAGED BY FIRE OR OTHER CASUALTY SO AS TO RENDER IT UNFIT FOR OCCUPANCY, THIS LEASE AGREEMENT MAY BE TERMINATED AT THE OPTION OF PLEASANT VIEW. WRITTEN NOTICE OF TERMINATION WILL BE GIVEN TO RESIDENT WITHIN FIFTEEN (15) DAYS FROM THE DATE OF THE DAMAGE IN THE EVENT PLEASANT VIEW SO ELECTS TO TERMINATE. IF NOTICE OF TERMINATION IS NOT SO GIVEN, PLEASANT VIEW WILL BE OBLIGATED TO REBUILD OR REPAIR THE DAMAGE TO THE UNIT AS SOON AS POSSIBLE UNDER THE CIRCUMSTANCES AND THIS AGREEMENT WILL REMAIN IN FULL FORCE AND EFFECT. IN THE EVENT THE RESIDENT IS UNABLE TO OCCUPY THE UNIT FOR ANY PERIOD OF TIME DURING RESTORATION, THE MAINTENANCE FEE WILL ABATE PROPORTIONATELY. INSURED HOUSING ALLOWANCES WILL BE FORWARDED TO THE RESIDENT.

13. TRANSFER OF RESIDENT: IF THE RESIDENT CONTRACTS SUCH ILLNESS OR CONDITION THAT, IN THE SOLE JUDGMENT OF PLEASANT VIEW, HE OR SHE CANNOT BE CARED FOR ADEQUATELY WHILE REMAINING IN THE UNIT, PLEASANT VIEW MAY TEMPORARILY TRANSFER HIM OR HER TO OTHER FACILITIES IN PLEASANT VIEW, OR TO AN APPROPRIATE HOSPITAL OR MEDICAL FACILITY, AND RESIDENT WILL PROMPTLY PAY ANY CHARGES IN CONNECTION THEREWITH. PLEASANT VIEW MAY MAKE SUCH TRANSFER IF THE RESIDENT IS ADJUDICATED TO BE INCOMPETENT. IF, IN THE SOLE DISCRETION OF PLEASANT VIEW, ANY OF THE FOLLOWING

OCCUR: (1) THE RESIDENT BECOMES AFFLICTED WITH A PHYSICAL ILLNESS, DISEASE, OR DISABILITY; (2) THE RESIDENT BECOMES MENTALLY OR EMOTIONALLY DISTURBED TO THE EXTENT THAT THE RESIDENT'S PRESENCE IN PLEASANT VIEW FACILITIES IS DEEMED DETRIMENTAL TO THE HEALTH OR THE WELFARE OR TENDS TO DISTURB THE PEACE OF THE OTHER RESIDENTS THE RESIDENT MAY BE TRANSFERED TO AN APROPRIATE FACILITY. SUCH TRANSFER SHALL NOT IN ANY WAY RELEASE RESIDENT OF ANY OBLIGATIONS IN THIS AGREEMENT.

14. TERMINATION OF RESIDENCY

A. ALL RIGHTS OF THE RESIDENT HEREUNDER SHALL TERMINATE UPON DEATH.

B. PLEASANT VIEW MAY TERMINATE THIS LEASE UPON ANY OF THE FOLLOWING EVENTS:

a. FAILURE OF THE RESIDENT TO COMPLY WITH ANY TERM OF THIS AGREEMENT OR FAILS TO MAKE ANY PAYMENT AS PROVIDED BY THIS AGREEMENT OR EXHIBIT ATTACHED TO THIS AGREEMENT.

b. DETERMINATION THAT THE RESIDENT DID NOT PROVIDE TRUTHFUL INFORMATION IN THE APPLICATION WHETHER INTENTIONALLY OR UNINTENTIONALLY.

c. IF, IN THE SOLE DISCRETION OF PLEASANT VIEW, THE RESIDENT FAILS TO STRICTLY COMPLY WITH ANY OF THE RULES, REGULATIONS AND OPERATING PROCEDURES ESTABLISHED BY PLEASANT VIEW FROM TIME TO TIME THROUGHOUT THE TERM OF THIS LEASE, OR IF, IN THE SOLE DISCRETION OF PLEASANT VIEW, THE RESIDENT SHALL DISRUPT THE ENVIRONMENT OF PLEASANT VIEW FACILITIES OR JEOPARDIZE OR THREATENS TO JEOPARDIZE THE WELFARE OF OTHER RESIDENTS OF PLEASANT VIEW, PLEASANT VIEW SHALL HAVE THE RIGHT TO REMOVE THE RESIDENT FROM PLEASANT VIEW, AND ALL FURTHER RIGHTS AND RESPONSIBILITIES OF BOTH PARTIES UNDER THIS AGREEMENT SHALL CEASE IMMEDIATELY EXCEPT THE RIGHT OF PLEASANT VIEW TO COLLECT ANY BILL DUE IT BY THE RESIDENT.

C. A RESIDENT MAY TERMINATE THIS LEASE AGREEMENT ACCORDING TO THE TERMS HEREOF BY FILING WRITTEN NOTICE WITH PLEASANT VIEW AT LEAST 90 DAYS PRIOR TO THE PROPOSED TERMINATION DATE. SUCH TERMINATION NOTICE SHALL BE ON A FORM FURNISHED BY PLEASANT VIEW, PROVIDING ALL RESIDENTS WHO JOINTLY OCCUPY THE UNIT SIGN IT.

D. IF PLEASANT VIEW CEASES TO BE OPERATED AS A RETIREMENT FACILITY FOR ANY REASON, THEN EITHER PARTY MAY ELECT TO TERMINATE THIS AGREEMENT.

15. AUTHORIZATION: THE RESIDENT EMPOWERS PLEASANT VIEW TO:

A. MEDICAL RELEASES: BY EXECUTING THIS AGREEMENT, RESIDENT AUTHORIZES AND DIRECTS PLEASANT VIEW TO RELEASE APPROPRIATE INFORMATION TO MEDICAL PERSONNEL UPON THE REASONABLE REQUEST OF A HEALTH CARE PROVIDER EMPLOYED BY RESIDENT, INCLUDING BUT NOT LIMITED TO, PHYSICIANS AND HOSPITALS.

B. EMERGENCY SITUATIONS: TO OBTAIN THE SERVICES OF AN AMBULANCE AND OF A PHYSICIAN AND/OR DENTIST OTHER THAN THE PHYSICIAN/DENTIST DESIGNATED BY THE RESIDENT, AND TO ADMIT THE RESIDENT TO A HOSPITAL IF IN AN EMERGENCY SITUATION IN THE SOLE JUDGMENT OF PLEASANT VIEW IT IS NECESSARY. IT IS EXPRESSLY UNDERSTOOD AND AGREED BY RESIDENT AND PLEASANT VIEW THAT RESIDENT AND NOT PLEASANT VIEW SHALL BE LIABLE FOR THE PAYMENT OF ALL SUCH SERVICES.

C. DISPOSAL OF PERSONAL PROPERTY: UPON THE DEATH OF RESIDENT PLEASANT VIEW IS HERBY AUTHORIZED TO DISPOSE OF THE RESIDENT'S PERSONAL PROPERTY THEN LOCATED AT PLEASANT VIEW ACCORDING TO WRITTEN INSTRUCTIONS ON DEATH OF A RESIDENT. RESIDENT AND PLEASANT VIEW AGREE THAT PLEASANT VIEW MAY REMOVE ALL SUCH ITEMS FROM THE UNIT VACATED AFTER FIFTEEN DAYS AND TO STORE SUCH ITEMS AT THE RESIDENT'S EXPENSE. IF, AFTER THIRTY (30) DAYS PLEASANT VIEW IS UNABLE TO DISPOSE OF THE PROPERTY IN ACCORD WITH THE RESIDENT'S WRITTEN INSTRUCTIONS OR IF THERE ARE NO WRITTEN INSTRUCTIONS, THEN THE ITEMS WILL BECOME THE PROPERTY OF PLEASANT VIEW AND MAY BE DISPOSED OF ACCORDINGLY.

16. SUBLEASE: THIS AGREEMENT MAY NOT BE ASSIGNED OR THE DESCRIBED PROPERTY SUBLEASED WITHOUT THE PRIOR WRITTEN APPROVAL OF THE ADMINISTRATOR.

17. MERGER CLAUSE; MODIFICATIONS: THIS IS THE ENTIRE AGREEMENT BETWEEN THE PARTIES AND SUPERSEDES ANY PRIOR REPRESENTATIONS BETWEEN THEM. IT MAY NOT BE CHANGED ORALLY, BUT ONLY BY WRITTEN AGREEMENT SIGNED BY ALL PARTIES.

18. TIME AND PUNCTUALITY: PUNCTUAL COMPLIANCE WITH ALL PROVISIONS IS AN ESSENTIAL PART OF THIS AGREEMENT. TIME IS OF THE ESSENCE IN THE PARTIES' PERFORMING OF ALL DUTIES IN THIS AGREEMENT.

19. APPLICABLE LAW: THIS AGREEMENT AND ITS VALIDITY, CONSTRUCTION AND PERFORMANCE WILL BE GOVERNED BY THE LAWS OF THE STATE OF KANSAS. ANY LEGAL PROCEEDINGS SHALL BE BROUGHT IN A COURT OF COMPETENT JURISDICTION IN MCPHERSON COUNTY, KANSAS.

20. CAPTIONS: CAPTIONS AND WORDS OF REFERENCE ARE USED FOR CONVENIENCE ONLY AND SHALL NOT AFFECT THE MEANING OR INTERPRETATION OF THIS AGREEMENT.

21. NOTICES: ALL REQUIRED NOTICES SHALL BE WRITTEN, DELIVERED IN PERSON, OR SENT BY CERTIFIED UNITED STATES MAIL, POSTAGE PREPAID, ADDRESSED TO THE OTHER PARTIES AS THEIR ADDRESSES APPEAR BELOW, (OR TO SUCH OTHER ADDRESS AS MAY SUBSEQUENTLY BE FURNISHED). NOTICES SHALL BE DEEMED EFFECTIVE THREE (3) DAYS

AFTER MAILED.

22. NON-WAIVER CLAUSE: FAILURE TO REQUIRE STRICT COMPLIANCE WITH ANY OF THE TERMS OF THIS AGREEMENT SHALL NOT AUTHORIZE ANY PRIOR OR SUBSEQUENT DEPARTURE, OR OBLIGATE ANY PARTY TO CONTINUE ANY DEPARTURE, NOR WILL IT AFFECT THE VALIDITY OF THIS AGREEMENT, OR ANY PART OF IT, OR THE RIGHT OF ANY PARTY TO ENFORCE IT.

23. SEVERABILITY: IF ANY PROVISION OF THIS AGREEMENT IS HELD TO BE INVALID, THE VALIDITY OF THE REMAINING PROVISIONS SHALL NOT BE AFFECTED.

24. GENDER AND NUMBER: WORDS OF ANY GENDER USED IN THIS AGREEMENT INCLUDE ANY OTHER GENDER, AND WORDS IN THE SINGULAR NUMBER INCLUDE THE PLURAL, AND VICE VERSA, UNLESS THE CONTEXT REQUIRES OTHERWISE.

25. TRANSFER OF INTERESTS: LIFE LEASE, THE RESIDENT UNDERSTANDS THAT THIS AGREEMENT DOES NOT TRANSFER ANY INTEREST IN PLEASANT VIEW REAL ESTATE AND THAT THE LIFE LEASE FEE WILL NOT BE RETURNED EXCEPT AS PROVIDED IN THIS AGREEMENT.

✓ 26. PROPERTY TAXES: ANY PROPERTY TAXES OR SPECIAL TAXES CHARGED TO THE PROPERTY WILL BE BILLED TO THE UNIT SEMIANNUALLY. RESIDENT AGREES TO PROMPTLY PAY ANY SUCH PROPERTY TAXES OR SPECIAL TAXES OR ASSESSMENTS.

27. SUCCESSORS AND ASSIGNS: THIS AGREEMENT SHALL INSURE THE BENEFIT OF, AND BE BINDING UPON THE PARTIES HERETO, THEIR RESPECTIVE HEIRS, DEVISEES, EXECUTORS, ADMINISTRATORS, TRANSFEREES, SUCCESSORS AND ASSIGNS.

IN WITNESS WHEREOF, THE PARTIES HAVE EXECUTED THIS AGREEMENT IN DUPLICATE AT INMAN, KANSAS, THIS _____ DAY OF _____, 20____ PLEASANT VIEW HOME, A KANSAS CORPORATION

BY: BOARD CHAIRMAN _____

CEO _____

SECRETARY _____

RESIDENT _____

RESIDENT _____

LIFE LEASE AGREEMENT

EXHIBIT A

RESIDENT(S) : _____

UNIT NUMBER: _____ Phase NUMBER: _____ Garage LETTER: _____

1. LIFE LEASE FEE.

A. TOTAL LIFE LEASE FEE OF \$ _____ FOR THE UNIT INCLUDING GARAGE IF APPLICABLE. \$10,000.00 PAID DOWN ON BALANCE OF \$65,800.00 DUE WITHIN 90 DAYS (_____)

B. UPON THE RE-LEASE OF THE UNIT, REFUNDS ARE MADE TO PLEASANT VIEW AT 20% OF THE RE-LEASE AMOUNT OF THE ABOVE-MENTIONED UNIT'S LIFE LEASE. IN THE EVENT THE ABOVE MENTIONED UNIT DOES NOT RE-LEASE WITHIN ONE (1) YEAR OF BEING VACATED AND RE-LEASABLE; THEN PLEASANT VIEW GUARANTEES THE RE-PURCHASE OF THE LIFE LEASE FROM THE UNIT HOLDER(S) AT UNIT HOLDER(S) OPTION FOR AN AMOUNT THAT EQUALS 50% OF THE ORIGINAL LIFE LEASE AMOUNT IF THE UNIT HOLDER EXERCISES THIS OPTION IT WILL TERMINATE ANY FUTURE OBLIGATIONS OF THE UNIT HOLDER UNDER THE AGREEMENT. AFTER 18 MONTHS OF THE UNIT BEING VACATED PLEASANT VIEW RESERVES THE RIGHT TO PURCHASE THE UNIT AT 50% OF THE ORIGINAL LIFE LEASE AMOUNT. IF PLEASANT VIEW EXERCISE THIS OPTION IT WILL TERMINATE ANY FUTURE OBLIGATIONS UNDER THE AGREEMENT.

C. RE-LEASE VALUE WILL BE DETERMINED BY MUTUAL AGREEMENT BETWEEN PLEASANT VIEW AND THE RESIDENT OR THEIR REPRESENTATIVE. IN THE EVENT PLEASANT VIEW AND THE RESIDENT OR THEIR REPRESENTATIVE CANNOT AGREE ON THE RE-LEASE VALUE THEN THE RE-LEASE VALUE SHALL BE ESTABLISHED BY ARBITRATION AS FOLLOWS: PLEASANT VIEW AND THE RESIDENT SHALL EACH SELECT AN ARBITER. THE TWO ARBITERS SHALL THEN SELECT A THIRD ARBITER. A MAJORITY VOTE OF THE THREE ARBITERS SHALL THEN DETERMINE THE RE-LEASE VALUE.

D. THE RESIDENT REMAINS LIABLE FOR THE MONTHLY PAYMENTS UPON TERMINATION OF THIS AGREEMENT UNTIL THE LIFE LEASE IS RESOLD OR, FOR A PERIOD OF SIX MONTHS AFTER TERMINATION, WHICHEVER OCCURS FIRST.

2. THE CURRENT MONTHLY MAINTENANCE FEE IS: \$ 147.00 FOR THE UNIT INCLUDING GARAGE IF APPLICABLE. THE AMOUNT OF THE MONTHLY MAINTENANCE FEE IS SUBJECT TO CHANGE AT THE OPTION OF PLEASANT VIEW. *#141.00 AS OF 1-1-03*

A. PLEASANT VIEW IS RESPONSIBLE FOR THE FOLLOWING.

1. HEATING AND AIR CONDITIONING UNITS
2. LAWN CARE
3. SNOW REMOVAL
4. COMMONS AREA'S UPKEEP AND CLEANING
5. GARAGE DOOR OPENERS
6. GARBAGE DISPOSALS
7. WATER HEATERS
8. BUILDING INSURANCE
9. OUTSIDE MAINTENANCE (GENERAL)
10. FILTERS FOR THE VENTILATION.

B. IF ANY OTHER MAINTENANCE REQUIRING OUTSIDE LABOR IS REQUIRED, THE UNIT HOLDER MUST FIRST OBTAIN THE PRIOR WRITTEN APPROVAL OF PLEASANT VIEW.

3 REFUND: AT ANY TIME, RESIDENT MAY ELECT THAT ANY REFUND TO THE RESIDENT BE HELD IN ESCROW BY PLEASANT VIEW HOME, WITHOUT INTEREST, TO BE APPLIED TOWARDS THE HEALTH CARE SERVICES AT PLEASANT VIEW HOME.

4. THIS INDEPENDENT LIVING AGREEMENT SUPERSEDES ANY PREVIOUS AGREEMENT.

SIGNED THIS _____ DAY OF _____

RESIDENT _____

RESIDENT _____

PLEASANT VIEW HOME, INC.

BY: _____

TITLE: _____

REVISED FEBRUARY 17, 2000

PLEASANT VIEW ESTATES, INC.

MEMORANDUM

DATE: May 14, 1997
TO: Pleasant View Estates Residents
FROM: Business Office
RE: 1996 Real Estate Taxes

The second half of the 1996 RE tax will be due shortly. The status of our request for tax exemption is still unsettled. When you paid the first half of the tax bill in December of 1996, we deposited the money into an interesting bearing savings account pending the outcome of the tax hearings. This was done on the advice of our attorney and the county treasurer was notified of this. We will follow this same procedure with the money collected at this time.

Thank you for your cooperation. We will let you know how things develop.

*Who Collected
The Interest?*

PLEASANT VIEW ESTATES

108 N. WALNUT
INMAN, KS 67546

1996 TAX STATEMENT

LEASEHOLDER

NAME

PLEASANT VIEW EST. Apt#
INMAN, KS 67546

REAL ESTATE TAX AMOUNT

ASSESSMENT..INMAN 1986 ST IMPROVEMENT

ASSESSMENT..LANDFILL MINIMUM

1ST HALF 2ND HALF TOTAL TAX

Amount

13.69

13.69

27.37

TOTALS →

()

FIRST HALF DUE BY DECEMBER 20, 1996

SECOND HALF DUE BY JUNE 20, 1997

DATE PAID

12-19-96

DATE PAID

OK #

PLEASE MAKE CHECKS PAYABLE TO:

PLEASANT VIEW ESTATES

"NOTE & The Resident now has to pay for street assessment."

Pleasant View Home Inc.

Kevin Reimer, CEO
Jalane White, Administrator
108 North Walnut
Inman, Kansas 67546

Telephone 1 - 620 - 585 - 6411
Fax # 1-620-585-6504

December 3, 2002

██████████
601 E CENTER ██████████
INMAN, KS 67546

DEAR ██████████

It is nearing the time for us to make our first half payment in lieu of taxes for the year 2002 to the city of Inman, the local school district and the local fire department. Therefore, your portion of this payment is \$246.33. Please make your payments to Pleasant View Home. Payment is due in the business office by December 18, 2002. If you have any questions, please feel free to give Tod Ritcha, CFO or myself a call.

Sincerely,

Kevin Reimer
Kevin Reimer
CEO

ck #8488

12-11-02

PILOTS ←
"NOTE"
✓ Total Annual
\$492.66
Payment -

R.E. Taxes waived
Equal \$1200
Per year.

Pleasant View Home Inc.

Kevin Reimer , CEO
Jalane White , Administrator
108 North Walnut
Inman , Kansas 67546

Telephone 1 - 316 - 585 - 6411
Fax # 1 - 316 - 585 - 6504
Kansas Relay # 1 - 800 - 766 - 3777

12/03/2002

Dear Estates Residents,

At a regular scheduled board meeting the Annual budget for the year 2003 was approved. Part of this budget includes the Maintenance fees for the independent living units (Estates) . Therefore, your base maintenance fee will be \$161.00 per month effective January 1, 2003

Thank You,

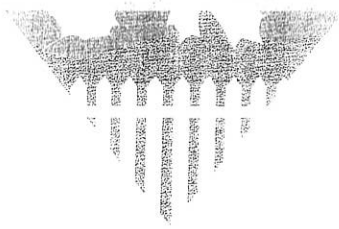
Kevin Reimer

Kevin Reimer

TOTAL ANNUAL
\$ 1,932.00
MAINTENANCE FEES

91-5

Services
Available
On
Campus



- Housekeeping Service
- Laundry Service
- Shopping Service
- Meal Delivery Service
- Senior Citizens Bus

Just ask
and we will do our best to
get it done for you.

Look what our Maintenance Fee
provides:

- Lawn Care
- Snow Removal
- Water Heater
- Water, Sewer, Trash
- Building Insurance
- Heating and Air Conditioning
- Filters for Ventilation
- Garage Door Openers
- Outside Maintenance
- Commons Area Upkeep
- And more

**All this for only
\$144.00 per month**

*Now
\$161.00
2003*

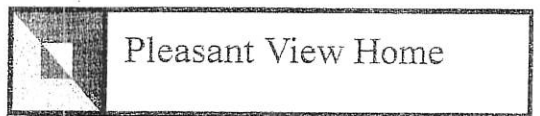
Does not include property
Taxes.

Choices and Options

Your choices and options
start with accommodations.
One or two bedrooms. One
or two baths. Do you want
the privacy of a duplex or
would you prefer one of the
attached units in the congre-
gate living?

Would you like 650 square
feet or 1200 square feet?
Do you want new or previ-
ously lived in units?
All of our units are leased
for life.

Come by and let us show
you what we have.



Pleasant View Home

P.O. Box 249 108 North Walnut
Inman, Kansas 67546
Phone 620-585-6411
e-mail pvhome@southwind.net
www.pleasantviewhome.com

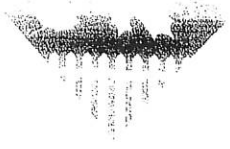
Cost of Personal Residence vs. Pleasant View Estates

26-Dec-00

| | Actual Monthly | Private Home | | Pleasant View Estates | |
|----------------------------|-------------------|----------------------|-------------|-----------------------|---------------------|
| | | Estimated Monthly | Yearly Cost | Monthly | Yearly Cost |
| Property Taxes | | \$ 90.00 | \$ 1,080.00 | \$ 80.00 | \$ 960.00 ✓ |
| Monthly Maintenance Fee | | \$ - | \$ - | \$ 147.00 | Includes Garage |
| Building Insurance | | \$ 55.00 | \$ 660.00 | \$ - | |
| Personal Content Insurance | | \$ 25.00 | \$ 300.00 | \$ 25.00 | |
| Water | | \$ 15.00 | \$ 180.00 | \$ - | |
| Sewer | | \$ 12.00 | \$ 144.00 | \$ - | |
| Trash | | \$ 7.00 | \$ 84.00 | \$ - | |
| Electric | | \$ 45.00 | \$ 540.00 | \$ - | electric and gas |
| Gas | | \$ 35.00 | \$ 420.00 | \$ 46.00 | Average on 8 unints |
| Lawn Care | | \$ 16.00 | \$ 192.00 | \$ - | |
| Snow Removal | | \$ 3.00 | \$ 36.00 | \$ - | |
| Heating Units | | \$ 5.00 | \$ 60.00 | \$ - | |
| Cooling Units | | \$ 5.00 | \$ 60.00 | \$ - | |
| Filters | | \$ 3.00 | \$ 36.00 | \$ - | |
| Water Heater | | \$ 5.00 | \$ 60.00 | \$ - | |
| Garbage Disposal | | \$ 2.00 | \$ 24.00 | \$ - | |
| Garage Doors and Openers | | \$ 2.00 | \$ 24.00 | \$ - | |
| Exterior Maintenance | | \$ 25.00 | \$ 300.00 | \$ - | |
| | \$ - | \$ 350.00 | \$ 4,200.00 | \$ 298.00 | \$ 3,576.00 |

Estimates do not include increased costs of gas in November of 2000
 Property Taxes for PVH are an average of all apartments

Pleasant News



October 2002

Look for us on the Web at
www.pleasantviewhome.com

Pleasant View Home
P.O. Box 249
Inman, Kansas 67546
Phone 620-585-6411

Elder Care Giver Network

The radio show that started last year is set to begin again for a 3 month run. It can be heard on KNGL at 8:30 a.m. Monday mornings beginning October 7. The first show will be hosted by Kevin Reimer and Jim Huxman from Memorial Home. They will be discussing legislative issues with Senator Jay Euler and Representative Bob Bethell. Be sure to listen as they talk about those items that may have an impact on

your life by way of legislative action.

The sponsors of the show are the not-for-profit homes in the area. Sandstone Heights, Little River; Riverview Estates, Marquette; Bethesda Home, Goessel; Memorial Home, Moundridge; Bethany Home, Lindsborg; The Cedars, McPherson; Shiloh Manor, Canton; McPherson County Council on Aging; and Pleasant View Home, Inman.

DR

From the CEO

Where does the time go? Daryl just handed me my reminder that my article was due for this publication, I couldn't believe a month has gone by already.

It was a pleasure to let the Residents of the Estates know that Our hearing at the Board of Tax Appeals was successful. We appreciate the emotion that goes into these issues on both sides of the fence. It is, however nice to have it behind us and it is nice to know we will continue to contribute funds to the City, Schools, & the Fire Department. All at the same time being able to give a savings to our residents and achieve a more level playing field in the industry.

Well, October coming up means budget. It is always a challenge to estimate the upcoming needs and the costs associated with those needs, while at the same time trying to be sensitive to those we serve and the charges we set. We know for sure we will once again see an increase in labor cost. Property and liability insurance is estimated to go up 25% + and health insurance will probably go up another 20%+. As some things are inevitably going to go up we will continually look at ways to become more efficient and slow down those increases as much as possible.

Kevin

Question Savings for who?

used by K.S.A. 79-201(b) *Fifth* has not been defined in Kansas case law. However, the Board finds it only reasonable that individuals of all age levels cannot be deemed as elderly. The Board finds that the terms of the Applicant's life lease agreement and Declaration of Covenants allow for numerous circumstances in which persons of all ages could become residents of the subject property. Consequently, the Board finds that the Applicant's life lease agreement and Declaration of Covenants have the practical effect of having no mandatory age requirement. The Board, further, notes that ~~testimony was presented at the hearing which indicated that~~ two (2) handicapped children of residents presently reside on the subject property.

13. The Board also finds that the Declaration of Covenants indicates that subleasing of the subject units is allowed. The Board notes that the subleasing language does not specifically state that sublessees must satisfy the life lease requirements. See Applicant No. 4., p. 17. Further, the Board finds evidence in the record which indicates that investors can purchase the subject units for lease to other Parties. See County Exhibit No. 8, p. 20. The Board finds that use of the subject property for investment income purposes is not an exempt use. Based on the foregoing, the Board finds and concludes that the subject property is not actually and regularly used exclusively for housing for elderly persons.
14. K.S.A. 79-201(b) *Fifth* requires that "charges to residents produce an amount which in the aggregate is less than the actual cost of operation of the housing facility or the services of which are provided to residents at the lowest feasible cost"
15. The Board notes that the Applicant did not present audited financial statements regarding the property. The Applicant's financial evidence consisted primarily of a two (2) page balance sheet/income and expense spreadsheet. See Applicant Exhibit No. 13. The Board finds such evidence insufficient to make a proper determination as to whether the Applicant is charging its residents amounts which in the aggregate are less than the actual costs of operation or whether the services provided to residents are done so at the lowest feasible cost.
16. The Board must also address another disturbing issue raised by the instant application. The Board finds that residents of the subject condominium apartment units have separately executed warranty deeds conveying said residents' apartment units interest to the Applicant. See Applicant Exhibit No. 7 and County Exhibit No. 2. A memorandum agreement indicates that said warranty deeds were executed for the sole purpose of the Applicant filing the instant tax exemption request.

Said memorandum indicates that "[i]n the event the tax exemption is not granted by the Board of Tax Appeals, State of Kansas, Grantee [Applicant] will re-convey the property to Grantors [residents] within 30 days after such denial." See Applicant Exhibit No. 8 and County Exhibit No. 3. The Board finds that these documents indicate that the Applicant has temporarily obtained title to said units in furtherance of the instant tax exemption request. Such actions lead the Board to question whether the instant application has been prosecuted in good faith.

17. Summarily, the Board finds and concludes that the subject property is not actually and regularly used exclusively for housing for elderly persons. Moreover, the Board has not been presented sufficient evidence to indicate the Applicant's charges to residents are in the aggregate less than the actual cost of operation or that the Applicant is providing services to residents at the lowest feasible cost. Based on the foregoing, the Board concludes that the Applicant's request for ad valorem tax exemption on the subject property pursuant to K.S.A. 79-201(b) *Fifth* shall be, and the same is hereby, denied.

IT IS THEREFORE ORDERED BY THE BOARD OF TAX APPEALS OF THE STATE OF KANSAS that for the reasons more fully set forth above, the Applicant's request for exemption from ad valorem taxation pursuant to K.S.A. 79-201(b) *Fifth* shall be, and the same is hereby, denied.

Any party to this appeal who is aggrieved by this decision may file a written petition for reconsideration with this Board as provided in K.S.A. 1995 Supp. 77-529. The written petition for reconsideration shall set forth specifically and in adequate detail the particular and specific respects in which it is alleged that the Board's order is unlawful, unreasonable, capricious, improper or unfair. A copy of the petition, together with all accompanying documents submitted, shall be mailed to the opposing party at the same time the petition is mailed to the Board. Failure to notify the opposing party shall render any subsequent order voidable. The written petition must be received by the Board within fifteen (15) days of the certification date of this order (allowing an additional three days for mailing pursuant to statute if the Board serves the order by mail). If at 5:00 pm on the last day of the specified period the Board has not received a written petition for reconsideration, this order will become a final order from which no further appeal is available.

Zoar mennonite Brethren church

Corner Walnut & Froese Dr.

Box 126

Inman, Kansas 67546

July 17, 2001

Mr. Bruce Thiessen
Box 313
Inman, KS 67546

Dear Bruce,

The Zoar Church Council believes that our representatives on the Pleasant View Home Board were given the authority to act on our behalf and we will abide by their decisions.

We encourage the Pleasant View administration to instruct the board representatives from the local churches to communicate with their church councils and congregations before the Pleasant View Board votes on important issues.

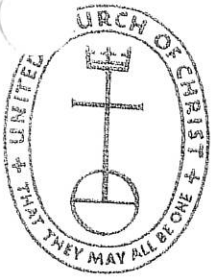
We appreciate and respect the Pleasant View administration for calling a meeting to inform the community at large about their decisions on the tax abatement issue.

We encourage individuals to make the appeal to the State of Kansas to close this loophole in the current tax structure.

Sincerely,



Ken Enns, Moderator
Zoar Mennonite Brethren Church



*St. Peter's
United Church of Christ*

*107 North Pine, Inman Kansas 67546
Mailing Address: P.O. Box 506 Inman, Kansas 67546*

*Office
(316) 585-2627*

September 26, 2001

City of Inman
Inman, KS 67546

To Whom It May Concern:

The Church Council of St. Peter's United Church of Christ of Inman met and one of our discussions was on the position of the church pertaining to the Tax abatement issue involving Pleasant View Home Nursing facility of which we support along with other churches of the community.

We determined that it was our position to encourage any of our congregation members that disagree with or wish to comment on the action of the Nursing home filing for tax exemption to contact their state representatives to encourage them to change the law that allows this tax exemption.

We will provide names and addresses of the representatives they can contact at our quarterly meeting in October.

Thank you,

Terri Bornholdt
Council President

COPY

TOTAL

154

PETITION

PETITION

PETITION

WE THE UNDERSIGNED REAL PROPERTY OWNERS IN USD 448 AND THE CITY OF INMAN, KANSAS WISH TO EXPRESS OPPOSITION TO THE REMOVAL FROM TAXATION ALL REAL PROPERTY OWNED BY THE PLEASANT VIEW HOME INC. 108 NORTH WALNUT, INMAN, KANSAS 67546 AND OFFERED FOR SALE OR LONG TERM LEASE WITH RESTRICTIONS ON RESALE. LOCALLY THIS PROPERTY IS REFERRED TO AS PHASE I, 18 UNITS; PHASE II, 20 UNITS; PHASE III, 23 UNITS; PHASE IIIB, 8 UNITS; ONE FOUR-PLEX, SEVEN DUPLEXES, AND ONE SINGLE DWELLING. A TOTAL OF 88 UNITS. WE ALSO REQUEST THAT THE KANSAS LEGISLATURE CHANGE K.S.A. 79-201b (5) TO CLOSE THIS TAX LOOPHOLE.

SIGNATURE

ADDRESS

DATE

| | | |
|-----------------------|-----------------------|--------------------|
| 1. R. Noel Wilson | 509 S. Maple, Inman | 11-06-01 |
| 2. Cecelia A. Wheeler | 509 S. Maple - Inman | 11-06-01 |
| 3. E. Dobb Dudge | 107 W. Morgan - Inman | 01/03/02 |
| 4. [Signature] | 200 E. [Address] | 1/03/02 |
| 5. [Signature] | 400 S. Maple | 2-11-02 |
| 6. [Signature] | 400 S. Maple | 2-12-02 |
| 7. [Signature] | 419 8th Ave. | 2-12-02 |
| 8. Majiam E. Eey | 303 S. Maple | 2-19-02 |
| 9. [Signature] | [Address] | [Date] |
| 10. | | |
| 11. | | |
| 12. | | |
| 13. | | |
| 14. | | |
| 15. | | |
| 16. | | |
| 17. | | |
| 18. | | |
| 19. | | |
| 20. | | |

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| SIGNATURE | ADDRESS | DATE |
|---------------------------|----------------------|------------|
| 1. Irma June Eberhart | 309 S. Spruce | 10-26-2001 |
| 2. Sharon J. Cochran | 705 Sage Lane | 10-26-2001 |
| 3. Elmer W. Cochran | 705 Sage Lane | 10-26-2001 |
| 4. Peter L. Wiens | 305 N Pine | 10-26-2001 |
| 5. Wilber Wiens | 305 N Pine | 10-26-2001 |
| 6. Elva D. Pump | 125 Fraese Dr. | 10-26-2001 |
| 7. Shirley B. Brisson | 429 8th Ave | 10-26-2001 |
| 8. Carmelle Winkelman | 204 S. Maple | 10-26-2001 |
| 9. Robert D. Winkelman | 204 S. Maple | 10-26-2001 |
| 10. Jerold W. Sisson | 518 S. Maple | 10-26-2001 |
| 11. Emma Grace Zlichewicz | 504 S. Maple - Inman | 10-26-2001 |
| 12. Maurine V. Buller | 105 Bluemont Drive | 10-26-2001 |
| 13. Edward E. Buller | 105 Bluemont Drive | 10-26-2001 |
| 14. Carol J. Schuch | 105 Bluemont Drive | 10-30-2001 |
| 15. John O. Martens | 306 Harvest Hills Dr | 10-30-2001 |
| 16. Jan H. Thissen | 307 Harvest Hills Dr | 10-30-2001 |
| 17. Ann E. Thissen | 204 Harvest Hill Dr | 10-30-2001 |
| 18. Robert J. Kempelt | 837 Elm Lane | 10-31-2001 |
| 19. Chester & Daniel | 304 S. Elm | 1-9-02 |
| 20. | | |

PETITION

PETITION

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SIGNATURE

ADDRESS

DATE

- | | | |
|--------------------------|---------------------|------------|
| 1. James R Peterson | 471 1st Ave Inman | 10-26-2001 |
| 2. Raymond F Ryan | 107 Fescue | 10-26-2001 |
| 3. Walter F. Chepkauskis | 309 So. Spruce | 10-26-2001 |
| 4. Raymond E. Santee | 100 S. Maple | 10-26-2001 |
| 5. Timothy A. Mathew | 109 N. Maple | 10-26-2001 |
| 6. Lisa Ward | 123 FROCKE | 10-26-2001 |
| 7. Calvin J Bauman | 103 BROME GRASS CIR | 10-26-01 |
| 8. Michael D. Lutz | 213 FESCUE DR. | 10-26-01 |
| 9. Dennis S. Summers | 205 SO maple | 10-26-01 |
| 10. Gene W. Ly | 303 S maple | 10-26-01 |
| 11. Dennis A. Santee | 100 S. Maple, Inman | 10-26-01 |
| 12. Harry Blum | 505 S Maple Inman | 10/26/01 |
| 13. _____ | _____ | _____ |
| 14. _____ | _____ | _____ |
| 15. _____ | _____ | _____ |
| 16. _____ | _____ | _____ |
| 17. _____ | _____ | _____ |
| 18. _____ | _____ | _____ |
| 19. _____ | _____ | _____ |
| 20. _____ | _____ | _____ |

7

PETITION

PETITION

PETITION

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SIGNATURE

ADDRESS

DATE

| SIGNATURE | ADDRESS | DATE |
|------------------------------|-------------------------------|-------------------|
| 1. <u>David L. Thieser</u> | <u>101 ESCAPE DR Inman KS</u> | <u>10-26-2001</u> |
| 2. <u>Keith C. Wilkerson</u> | <u>206 Harvest Hill Dr.</u> | <u>10-26-2001</u> |
| 3. <u>Marvyn D. Wittloff</u> | <u>542 Cherokee Rd.</u> | <u>10-26-2001</u> |
| 4. <u>Arndt W. Wittloff</u> | <u>" "</u> | <u>" "</u> |
| 5. <u>Arndt M. Regels</u> | <u>109 Rescue Dr</u> | <u>10-26-2001</u> |
| 6. <u>Max F. Rapp</u> | <u>125 Troese Dr</u> | <u>10-26-01</u> |
| 7. <u>Eva K. Dueser</u> | <u>102 Buffalo Grass Lane</u> | <u>10-26-01</u> |
| 8. <u>Edwina Trang</u> | <u>506 S. Maple</u> | <u>10-26-01</u> |
| 9. _____ | _____ | _____ |
| 10. _____ | _____ | _____ |
| 11. _____ | _____ | _____ |
| 12. _____ | _____ | _____ |
| 13. _____ | _____ | _____ |
| 14. _____ | _____ | _____ |
| 15. _____ | _____ | _____ |
| 16. _____ | _____ | _____ |
| 17. _____ | _____ | _____ |
| 18. _____ | _____ | _____ |
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WE THE UNDERSIGNED REAL PROPERTY OWNERS IN USD 448 AND THE CITY OF INMAN, KANSAS WISH TO EXPRESS OPPOSITION TO THE REMOVAL FROM TAXATION ALL REAL PROPERTY OWNED BY THE PLEASANT VIEW HOME INC. 108 NORTH WALNUT, INMAN, KANSAS 67546 AND OFFERED FOR SALE OR LONG TERM LEASE WITH RESTRICTIONS ON RESALE. LOCALLY THIS PROPERTY IS REFERRED TO AS PHASE I, 18 UNITS; PHASE II, 20 UNITS; PHASE III, 23 UNITS; PHASE IIIB, 8 UNITS; ONE FOUR-PLEX, SEVEN DUPLEXES, AND ONE SINGLE DWELLING. A TOTAL OF 88 UNITS. WE ALSO REQUEST THAT THE KANSAS LEGISLATURE CHANGE K.S.A.79-201b (5) TO CLOSE THIS TAX LOOPHOLE.

| SIGNATURE | ADDRESS | DATE |
|------------------------------|----------------------|------------|
| 1. <i>[Signature]</i> | 516 S. PINE | 10-26-2001 |
| 2. <i>[Signature]</i> | 123 Froese | 10-26-2001 |
| 3. <i>Tom P. Petrosi</i> | 211 N. Pine | 11 |
| 4. <i>[Signature]</i> | 113 Froese Dr | 10-26-2001 |
| 5. <i>Bustaf R. Naether</i> | 109 N. Maple | 10-26-01 |
| 6. <i>[Signature]</i> | 205 S. Maple | 10-26-2001 |
| 7. <i>Michael J. H. Hick</i> | 405 E. TRENTON | 10/26/2001 |
| 8. <i>[Signature]</i> | 201 Harvest Hills Dr | 10-26-01 |
| 9. <i>Larry G. Hanson</i> | 1041 N. LOCUST | 10-26-01 |
| 10. _____ | _____ | _____ |
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SIGNATURE

ADDRESS

DATE

| | | |
|--------------------------------|-------------------------------|-------------------|
| 1. <u>Marci Penner</u> | <u>978 Arapaho Rd.</u> | <u>10-26-2001</u> |
| 2. <u>RANDALL D FRIESEN</u> | <u>104 Buffalo Grass Lane</u> | <u>10-26-01</u> |
| 3. <u>SHARON D FRIESEN</u> | <u>104 Buffalo Grass Lane</u> | <u>10-26-01</u> |
| 4. <u>Jeann Regehr</u> | <u>109 Fessenden Drive</u> | <u>10-26-01</u> |
| 5. <u>Marilyn Grand Nelson</u> | <u>113 Frazer Dr</u> | <u>10-26-01</u> |
| 6. <u>Walter A. Frazier</u> | <u>105 Buffalo Grass Lane</u> | <u>10-26-01</u> |
| 7. <u>Tom Nichols</u> | <u>516 S Maple</u> | <u>10-26-01</u> |
| 8. <u>Blanche Williams</u> | <u>206 Hammett Hill</u> | <u>10-26-01</u> |
| 9. _____ | _____ | _____ |
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SIGNATURE

ADDRESS

DATE

1. Gene Krueger 675 CHISHOLM RD INMAN KS 12-31-01
2. Lara J. Wright 2305 31st Rd. Inman, Mo. 1-7-02
3. Conrad L. Wright Jr 2305-31st Rd Inman, Mo 1-7-02
4. Connie Achilles 605 Church Drive Inman KS 1-13-02
5. Dorothy Luty 213 FESQUE Dr Inman 1-13-02
6. Jean Foster 209 12th Ave 1-13-02
7. Beverly Abington Box 65 1017 Iron Dr Inman 1-13-02
8. Loren Reque 121 Frazer Dr. Inman, KS 1-13-02
9. Genevieve Wittorff 437 Cherokee Rd Inman 1-13-02
10. DARCA MILES 401 E. TRENTON 4-13-02
11. Paul Miles 401 E. TRENTON 1-13-02
12. Evelyn E. Colehan 512 S. PINE Inman 1-13-02
13. Elise Carolyn Calahan 512 S. Pine Inman 1-13-02
14. Donna 211 E Center 1-13-02
15. Donna Colahan 211 E. Center 1-13-02
16. Virgil W Bengtson 874 COMANCHE RD 1-19-02
17. Carole Bengtson 874 Comanche NE Inman 1-19-02
- ~~18. [Signature] [Address] [Date]~~
- ~~19. [Signature] [Address] [Date]~~
20. Janice Peterson 471 1st Ave Inman, KS 1-19-02

PETITION

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WE THE UNDERSIGNED REAL PROPERTY OWNERS IN USD 448 AND THE CITY OF INMAN, KANSAS WISH TO EXPRESS OPPOSITION TO THE REMOVAL FROM TAXATION ALL REAL PROPERTY OWNED BY THE PLEASANT VIEW HOME INC. 108 NORTH WALNUT, INMAN, KANSAS 67546 AND OFFERED FOR SALE OR LONG TERM LEASE WITH RESTRICTIONS ON RESALE. LOCALLY THIS PROPERTY IS REFERRED TO AS PHASE I, 18 UNITS; PHASE II, 20 UNITS; PHASE III, 23 UNITS; PHASE IIIB, 8 UNITS; ONE FOUR-PLEX, SEVEN DUPLEXES, AND ONE SINGLE DWELLING. A TOTAL OF 88 UNITS. WE ALSO REQUEST THAT THE KANSAS LEGISLATURE CHANGE K.S.A. 79-201b (5) TO CLOSE THIS TAX LOOPHOLE.

| SIGNATURE | ADDRESS | DATE |
|----------------------------|------------------------------|-----------------|
| 1. <u>[Signature]</u> | <u>284 8th Ave</u> | <u>10-26-01</u> |
| 2. <u>Phyllis Regehr</u> | <u>1075 Chisholm Rd</u> | <u>10-26-01</u> |
| 3. <u>Dorothy Shroyer</u> | <u>108 Park Lane</u> | <u>10-26-01</u> |
| 4. <u>James Bernhardt</u> | <u>272 Cimarron Rd</u> | <u>10-26-01</u> |
| 5. <u>Jean Bernhardt</u> | <u>272 Cimarron Rd</u> | <u>10-26-01</u> |
| 6. <u>Sybil Stephens</u> | <u>613 9th Ave</u> | <u>10-26-01</u> |
| 7. <u>Bruce Neufeld</u> | <u>205 Harvest Hills Dr</u> | <u>10-26-01</u> |
| 8. <u>John F. Edeger</u> | <u>301 E. Morgan</u> | <u>10-26-01</u> |
| 9. <u>Orlene Schieder</u> | <u>403 S Pine</u> | <u>10-26-01</u> |
| 10. <u>Levio Schroeder</u> | <u>403 S Pine</u> | <u>10-26-01</u> |
| 11. <u>Merian C. Smith</u> | <u>207 N Locust</u> | <u>10-26-01</u> |
| 12. <u>Harold Smith</u> | <u>207 N. Locust</u> | <u>10-26-01</u> |
| 13. <u>Gerold Friesen</u> | <u>429 8th Ave.</u> | <u>10-26-01</u> |
| 14. <u>Phyllis F. Gutz</u> | <u>512 S. Maple</u> | <u>10-26-01</u> |
| 15. <u>Bernie Nielsen</u> | <u>201 Harvest Hills Dr.</u> | <u>10-26-01</u> |
| 16. <u>Myron Mack</u> | <u>105 E. MORGAN</u> | <u>10-26-01</u> |
| 17. <u>James Stephens</u> | <u>613 9th</u> | <u>10-26-01</u> |
| 18. <u>William Mawry</u> | <u>100 Brome Grass Cir</u> | <u>10-29-01</u> |
| 19. <u>Don Larson</u> | <u>619 8th Ave.</u> | <u>10-27-01</u> |
| 20. <u>Delmer Regehr</u> | <u>300 Harvest Hills Dr</u> | <u>10-29-01</u> |

PETITION

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WE THE UNDERSIGNED REAL PROPERTY OWNERS IN USD 448 AND THE CITY OF INMAN, KANSAS WISH TO EXPRESS OPPOSITION TO THE REMOVAL FROM TAXATION ALL REAL PROPERTY OWNED BY THE PLEASANT VIEW HOME INC. 108 NORTH WALNUT, INMAN, KANSAS 67546 AND OFFERED FOR SALE OR LONG TERM LEASE WITH RESTRICTIONS ON RESALE. LOCALLY THIS PROPERTY IS REFERRED TO AS PHASE I, 18 UNITS; PHASE II, 20 UNITS; PHASE III, 23 UNITS; PHASE IIIB, 8 UNITS; ONE FOUR-PLEX, SEVEN DUPLEXES, AND ONE SINGLE DWELLING. A TOTAL OF 88 UNITS. WE ALSO REQUEST THAT THE KANSAS LEGISLATURE CHANGE K.S.A.79-201b (5) TO CLOSE THIS TAX LOOPHOLE.

SIGNATURE

ADDRESS

DATE

- 1. Jonathan M. Brown 517 S. Pine 10-28-01
- 2. Steve J. Johnson 102 Parklane 10-30-01
- 3. Christine Carol Reynolds 300 Harvest Hills Dr. 10-30-01
- 4. Scott H. Cleft 400 So Pine 10-30-01
- 5. Adeline C. Bartels 305 S. Main 10/31/01
- 6. Coral L. Jantz 555 4th ave 10/31/01
- 7. Genevieve L. Wickliffe 106 S. MAPLE 10/31/01
- 8. N.A. Schmitt 309 S Main 11/2/01
- 9. Robert B. Williams 117 Francis Dr 11-2-01
- 10. Elia M. Furman 302 S. Main 11-6-01
- 11. Henry Siemens 200 S Locust 11-7-01
- 12. Kathleen D. Wade 513 S. Pine 11-14-01
- 13. John D. O'Brien 509 S. Main 12-10-01
- 14. John M. Lauer Sr. 504 S. Walnut P.O. Box 208 12-19-01
- 15. Julia M. Lauer 504 S. Walnut P.O. Box 208 12-17-01
- 16. John D. Hasty 207 Fessenden Dr. 12-20-01
- 17. Kathleen J. Stuebel 207 Fessenden Dr. 12-20-01
- 18. Robert P. Bartels 211 N. Locust St. 12-21-01
- 19. Russell P. Bartels 211 N. Locust 12-21-01
- 20. Vernon Fleming 206 E. Delaware 1-2-02

PETITION

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WE THE UNDERSIGNED REAL PROPERTY OWNERS IN USD 448 AND THE CITY OF INMAN, KANSAS WISH TO EXPRESS OPPOSITION TO THE REMOVAL FROM TAXATION ALL REAL PROPERTY OWNED BY THE PLEASANT VIEW HOME INC. 108 NORTH WALNUT, INMAN, KANSAS 67546 AND OFFERED FOR SALE OR LONG TERM LEASE WITH RESTRICTIONS ON RESALE. LOCALLY THIS PROPERTY IS REFERRED TO AS PHASE I, 18 UNITS; PHASE II, 20 UNITS; PHASE III, 23 UNITS; PHASE IIIB, 8 UNITS; ONE FOUR-PLEX, SEVEN DUPLEXES, AND ONE SINGLE DWELLING. A TOTAL OF 88 UNITS. WE ALSO REQUEST THAT THE KANSAS LEGISLATURE CHANGE K.S.A.79-201b (5) TO CLOSE THIS TAX LOOPHOLE.

SIGNATURE

ADDRESS

DATE

| | | |
|------------------------------|---|----------------|
| 1. <u>Loeffelkens</u> | <u>300 Church Dr. Box 23, Inman</u> | <u>2-25-02</u> |
| 2. <u>Dupe Swisher</u> | <u>50 Arapahoe Rd. Inman</u> | <u>2-25-02</u> |
| 3. <u>Don Klassen</u> | <u>516 11th Ave, Inman</u> | <u>2-25-02</u> |
| 4. <u>Cheryl Rye</u> | <u>608 S. Pine Inman</u> | <u>2-25-02</u> |
| 5. <u>Jenise Ediger</u> | <u>63 9th Ave. Inman</u> | <u>2-25-02</u> |
| 6. <u>Wendy Riley</u> | <u>515 S. Pine Inman</u> | <u>2-27-02</u> |
| 7. <u>Said L. Wrens</u> | <u>300 Church Dr.</u> | <u>3-1-02</u> |
| 8. <u>Roger L Boeska</u> | <u>602 S. Walnut Inman</u> | <u>3-4-02</u> |
| 9. <u>Deana Ridge</u> | <u>376 7th Ave. Inman</u> | <u>3-8-02</u> |
| 10. <u>Leigh Ann Lanbray</u> | <u>609 S. Main Inman</u> | <u>3-11-02</u> |
| 11. <u>Erin Taylor</u> | <u>609 S. Main Inman</u> | <u>3-11-02</u> |
| 12. <u>Robert M Jones</u> | <u>610 S. Maple</u> | <u>3-31-02</u> |
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| SIGNATURE | ADDRESS | DATE |
|---------------------------------|------------------------------------|-------------------------|
| 1. Bruce A. Mann | 201 Harvest Hills Dr | 9-16-02 |
| 2. Robert M. Jones | 610 S Maple | 9-16-02 |
| 3. Don Fran | 619 8th Ave | 9-16-02 |
| 4. Loren Thieser | Box 99 Inman | 9-16-02 |
| 5. Lechia A. White | RD BOX 415 - 5095 Maple | 9-16-02 |
| 6. David Wittorff | 606 S. Pine | 9-16-02 |
| 7. Joe Valle | 313 N. Pine | 9-16-02 |
| 8. M.A. Schmidt | 309 S. Main | 9-16-02 |
| 9. Ben David | 609 S. Pine | 9-16-02 |
| 10. Debra Legler | 300 Harvest Hills Dr | 9-16-02 |
| 11. Raymond D. Jones | 107 Buffalo Cross Lane | 9-16-02 |
| 12. Bruce Houghfield | 305 Harvest Hills | Sept 16 2002 |
| 13. Albert J. Balger | 302 Harvest Hills | 9-16-02 |
| 14. Jim Valenti | 709 E Morgan | 9-16-02 |
| 15. Howard Thieser | 503 S Walnut | 9-16-02 |
| 16. Gary Mann | 104 N. LOCUST | 9-16-02 |
| 17. Arthur Thieser | 201 Harvest Hills Dr | 9-16-02 |
| 18. David L. Thieser | 101 FESQUE DR. | 9-16-02 |
| 19. Harold Thieser | 104 Buffalo Cross Ln | 9-16-02 |
| 20. _____ | _____ | _____ |

13

PETITION

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SIGNATURE

ADDRESS

DATE

| SIGNATURE | ADDRESS | DATE |
|------------------------------------|----------------------------------|---------------------|
| 1. Christina Carol Repp | 300 Howard Apts Inman | 02-20-02 |
| 2. Pamela J. Hessler | 684 Cimarron Rd Inman | 2-20-02 |
| 3. Thomas L. Repp | 306 S MAPLE INMAN | 2-20-02 |
| 4. Ken Repp | 301 E Delaware | 2-27-02 |
| 5. Raeli Goodell | 757 Frontier Rd. McPherson | 9-16-02 |
| 6. Tamara Q. Ernst | 600 S. Pine Inman, KS | 9-16-02 |
| 7. Cindy Beckerman | 128 Buckskin Rd Inman | 9-16-02 |
| 8. Becky Stubby | 112 W Maple Inman | 9-16-02 |
| 9. Craig Dwecker | 40 S S. Pine Inman | 9-16-02 |
| 10. Brenda K. Dwecker | 40 S S. Pine Inman | 9-16-02 |
| 11. Chris | 202 Bluestem Drive | 9-14-02 |
| 12. Christy | 608 S Pine | 9-16-02 |
| 13. Kim Repp | 301 E Delaware | 9-16-02 |
| 14. Ken Maurer | 607 S. Pine | 9-16-02 |
| 15. Barbara Taylor | 406 S. Pine | 9-17-02 |
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| 18. _____ | _____ | _____ |
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| 20. _____ | _____ | _____ |



P.O. Box 1567 / Hutchinson, KS 67 1567

Telephone:

Office Of: 620.694.2608

CITY
MANAGER

TESTIMONY OF THE CITY OF HUTCHINSON, KANSAS

BEFORE THE KANSAS SENATE

COMMITTEE ON ASSESSMENT AND TAXATION

(S.B. 161)

FEBRUARY 21, 2003

Kansas law now exempts all real and personal property from taxation if it is used by a non-profit corporation for housing elderly persons. As a matter of tax equity and fairness, the City of Hutchinson supports the inclusion of independent living units as taxable properties.

A conservative estimate of the annual loss in revenue due to this tax exemption in Hutchinson was \$110,588 in 2001. The exempt facility's share of taxes gets shifted to owners of taxable property, including elderly constituents who choose to live on their own or who may not be able to afford the fees charged by the non-profit retirement centers. All owners of taxable property must pay more to make up the revenue shortfall and cover the exempt owner's unpaid share of government expense.

As this type of elderly housing continues to grow, the loss in revenue will continue to grow and so will the burden on other taxpaying citizens of Hutchinson to provide the infrastructure and public services of the entire community, which has included the tax exempt independent living units.

We support the amendment to K.S.A. 79-201b (Fifth) to eliminate the total exemption from ad valorem taxation for non-profit corporations operating independent living housing arrangements for elderly persons.

Presented by:

Meryl Dye, Special Assistant to the City Manager
meryld@hutchgov.com

*Senate Assessment & Taxation
2-19-03*



City Hall Fax 620-694-2673
Central Purchasing Fax 620-694-1971
Fire Fax 620-694-2875

Flood / Refuse Fax 620-694-2650
Inspection Fax 620-694-2691
Municipal Court Fax 620-694-2858

Police Fax 620-694-2859
Public Works Fax 620-694-1980
Waste Water Plant Fax 620-694-2604

Attachment 6

Testimony in Support of Senate Bill 161

February 19, 2003

Greetings: Chairman Corbin and Committee Members.

My name is John O'Brien, Mayor of Inman.

I am appearing on behalf of Inman City Council in support of Senate Bill 161 (S.B.161).

My testimony in this area comes from experience as a retired school superintendent and mayor. I was in education for 38 years.

I would like to speak on the cost to the state and the loss of school evaluation because of the housing that has been taken off the tax roll. School budget is based on the number of students enrolled in the district for the September head count.

General budget money is 20 mills local and the rest comes from the state. An example would be if your budget is \$5,000,000 dollars and your local valuation will allow you to raise \$3,000,000 then the other \$2,000,000 would come from the state. This means that if your valuation goes down because of the loss of Independent living homes, the state has to pick up the difference. If the local district would lose \$1,000,000 because of this loss, the state would have to pick up the burden of this loss.

The local option money and bond and interest money is based on a factor that is established on several conditions. One condition is the district wealth. If the valuation decreases, the district will be poorer. The amount of money from local level decreases and burden on the state increases.

I don't have the figures for the total amount lost to the local districts because of Independent living homes exemptions, but I'm sure the cost to the state is in the millions.

With this information, I encourage you to pass Senate Bill 161 (S.B. 161).

Thank you.

Senate Assessment + Taxation
2-19-03
Attachment 7



League of Kansas Municipalities

300 SW 8th Avenue
Topeka, Kansas 66603-3912
Phone: (785) 354-9565
Fax: (785) 354-4186

Date: February 19, 2003
To: Senate on Assessment and Taxation Committee
From: Larry R. Baer
Assistant Legal Counsel
Re: SB 161 - Testimony in Support

Thank you for allowing me to appear before you today on behalf of the League of Municipalities and its member cities to present testimony in support of SB 161. The purpose of SB 161 is to remove the tax exemptions that present state law permits for independent living units.

The League spent much time last summer studying the ramifications of this property tax exemption and the equities, or lack thereof, which are present within the State of Kansas as a result of the exemption. The results of a statewide survey conducted in conjunction with the Kansas Association of Counties last summer (2002) are attached. The survey shows that there is an estimated tax loss in excess of \$2.5 million dollars in the 31 counties covered in the survey.

There is a very basic question of tax fairness and equity that underlies this issue. The residential elderly housing units constructed and operated by nonprofit retirement communities are for persons who can live independently on their own. This housing tends to be upscale and expensive and requires a significant up-front investment (\$80,000 or more) and the payment of regular monthly fees. Those living in this type of housing pay no property tax under current Kansas law. Those that cannot afford this type of housing and the large up-front investments required and who continue to reside in their long time family homes pay property tax. This is not fair and equitable to those paying taxes.

The League believes that this fairness and equity issue needs to be remedied. At our annual conference in October, 2002, our voting delegates adopted the following policy statement on the issue: **"We recommend amendment and clarification of the state law with regard to independent living units which are operated by not for profit entities. As a matter of tax equity and fairness, we support the inclusion of independent living units as taxable properties."**

While we believe that equity and fairness requires that the exemptions applicable to independent living units should be removed, we also believe that sound public policy reasons exist for the continued exemption from property taxes for adult care homes and nursing home facilities.

The League supports SB 161 and asks that you consider it favorably. Thank you. I will stand for questions when appropriate.

Independent Living Units

87

| County | Facility | City | ILUs | Total Units | ILU % | Appraised Valuation | Assessed Valuation | ILU Valuation | Aggregate Tax Levy | Estimated Tax Loss |
|--------------|--|-----------------|------|-------------|---------|---------------------|--------------------|---------------|--------------------|--------------------|
| Cheyenne | Good Samaritan Village | St. Francis | 10 | 64 | 15.63% | \$52,000 | \$5,980 | \$934 | 95.069 | \$88.83 |
| Clay | Clay Center Presbyterian Manor | Clay Center | 6 | 63 | 9.52% | \$2,661,864 | \$306,114 | \$29,154 | 152.850 | \$4,456.15 |
| Cloud | Mount Joseph Senior Community | Concordia | 12 | 103 | 11.65% | \$298,690 | \$34,349 | \$4,002 | 181.291 | \$725.50 |
| Cloud | Sunset Home | Concordia | 8 | 102 | 7.84% | \$791,250 | \$90,994 | \$7,137 | 181.291 | \$1,293.83 |
| Cowley | Arkansas City Presbyterian Manor | Arkansas City | 44 | 144 | 30.56% | \$2,574,010 | \$296,011 | \$90,448 | 158.252 | \$14,313.55 |
| Cowley | Winfield Rest Haven, Inc. | Winfield | 5 | 57 | 8.77% | \$431,220 | \$49,590 | \$4,350 | 149.412 | \$649.95 |
| Douglas | Lawrence Presbyterian Manor | Lawrence | 116 | 176 | 65.91% | \$2,458,540 | \$282,732 | \$186,346 | 110.700 | \$20,628.52 |
| Ellis | Hays Good Samaritan Center | Hays | 12 | 93 | 12.90% | \$1,167,370 | \$134,248 | \$17,322 | 127.120 | \$2,202.01 |
| Finney | Garden Valley Retirement Village | Garden City | 41 | 156 | 26.28% | \$6,066,850 | \$697,688 | \$183,367 | 132.508 | \$24,297.55 |
| Ford | Dodge City Good Samaritan Center | Dodge City | 6 | 71 | 8.45% | \$1,050,630 | \$120,822 | \$10,210 | 162.169 | \$1,655.80 |
| Ford | Manor of the Plains | Dodge City | 40 | 110 | 36.36% | \$5,216,720 | \$599,923 | \$218,154 | 162.169 | \$35,377.77 |
| Ford | Trinity Manor | Dodge City | 46 | 129 | 35.66% | \$1,981,350 | \$227,855 | \$81,251 | 162.169 | \$13,176.35 |
| Ford | Spearville Hosp. Dist. (Parkview Apts) | Spearville | 14 | 14 | 100.00% | \$1,324,420 | \$152,308 | \$152,308 | 148.221 | \$22,575.29 |
| Gray | Bethel Home, Inc. | Montezuma | 36 | 96 | 37.50% | \$2,845,500 | \$327,233 | \$122,712 | 145.664 | \$17,874.75 |
| Harvey | Schowalter Villa | Hesston | 160 | 210 | 76.19% | \$19,212,720 | \$2,209,463 | \$1,683,400 | 109.260 | \$183,928.31 |
| Harvey | Friendly Acres | Newton | 70 | 226 | 30.97% | \$7,877,350 | \$905,895 | \$280,587 | 129.940 | \$36,459.48 |
| Harvey | Kansas Christian Home | Newton | 95 | 187 | 50.80% | \$9,574,370 | \$1,101,053 | \$559,358 | 129.940 | \$72,683.01 |
| Harvey | Newton Presbyterian Manor | Newton | 110 | 170 | 64.71% | \$10,249,860 | \$1,178,734 | \$762,710 | 129.940 | \$99,106.56 |
| Harvey | Kidron Bethel Village | North Newton | 106 | 221 | 47.96% | \$6,863,042 | \$789,250 | \$378,554 | 125.897 | \$47,658.84 |
| Jewell | Jewell County Hospital | Mankato | 6 | 46 | 13.04% | \$241,500 | \$27,773 | \$3,623 | 152.562 | \$552.66 |
| Johnson | Lakeview Village, Inc. | Lenexa | 544 | 706 | 77.05% | \$39,347,100 | \$4,524,917 | \$3,486,621 | 117.060 | \$408,143.88 |
| Johnson | Aberdeen Village | Olathe | 90 | 194 | 46.39% | \$16,815,000 | \$1,933,725 | \$897,089 | 121.680 | \$109,157.78 |
| Johnson | Village Shalom | Overland Park | 14 | 156 | 8.97% | \$26,442,260 | \$3,040,860 | \$272,898 | 101.736 | \$27,763.52 |
| Johnson | Claridge Court | Prairie Village | 135 | 170 | 79.41% | \$17,869,300 | \$2,054,970 | \$1,631,888 | 92.500 | \$150,949.60 |
| Johnson | Villa St. Francis | Olathe | 4 | 204 | 1.96% | \$5,875,000 | \$675,625 | \$13,248 | 121.680 | \$1,611.96 |
| Labette | Parsons Presbyterian Manor | Parsons | 6 | 74 | 8.11% | \$787,840 | \$90,602 | \$7,346 | 152.904 | \$1,123.24 |
| Lyon | Emporia Presbyterian Manor | Emporia | 45 | 135 | 33.33% | \$4,701,810 | \$540,708 | \$180,236 | 144.083 | \$25,968.95 |
| Marion | Bethesda Home | Goessel | 18 | 96 | 18.75% | \$491,910 | \$56,570 | \$10,607 | 153.997 | \$1,633.42 |
| Marion | Hillsboro Community Medical Center | Hillsboro | 11 | 63 | 17.46% | \$3,754,420 | \$431,758 | \$75,386 | 142.411 | \$10,735.85 |
| Marion | Parkside Homes, Inc. | Hillsboro | 71 | 131 | 54.20% | \$5,665,980 | \$651,588 | \$353,151 | 142.411 | \$50,292.53 |
| McPherson | Pleasant View Home | Inman | 88 | 202 | 43.56% | \$6,452,850 | \$742,078 | \$323,281 | 151.982 | \$49,132.95 |
| McPherson | Bethany Home Association | Lindsborg | 11 | 181 | 6.08% | \$4,991,870 | \$574,065 | \$34,888 | 117.493 | \$4,099.09 |
| McPherson | The Cedars, Inc. | McPherson | 129 | 279 | 46.24% | \$10,445,100 | \$1,201,187 | \$555,387 | 137.074 | \$76,129.16 |
| McPherson | Memorial Home, Inc. | Moundridge | 75 | 169 | 44.38% | \$7,338,590 | \$843,938 | \$374,529 | 108.534 | \$40,649.09 |
| McPherson | Moundridge Manor | Moundridge | 8 | 90 | 8.89% | \$2,997,920 | \$344,761 | \$30,645 | 108.534 | \$3,326.07 |
| Meade | Lone Tree Compassionate Care Center | Meade | 6 | 56 | 10.71% | \$1,836,830 | \$211,235 | \$22,632 | 162.138 | \$3,669.57 |
| Nemaha | Apostolic Christian Home | Sabetha | 99 | 206 | 48.06% | \$60,500 | \$6,958 | \$3,344 | 140.332 | \$469.22 |
| Ottawa | Minneapolis Good Samaritan Center | Minneapolis | 12 | 85 | 14.12% | \$379,700 | \$43,666 | \$6,165 | 151.869 | \$936.20 |
| Pottawatomie | Valley Vista Good Samaritan Center | Wamego | 15 | 65 | 23.08% | \$2,179,350 | \$250,625 | \$57,837 | 126.703 | \$7,328.07 |
| Reno | Sunshine Meadows Retirement Community | Buhler | 18 | 117 | 15.38% | \$5,375,670 | \$618,202 | \$95,108 | 140.019 | \$13,316.93 |
| Reno | Hutchinson Good Samaritan Village | Hutchinson | 50 | 140 | 35.71% | \$5,046,010 | \$580,291 | \$207,247 | 141.914 | \$29,411.23 |
| Reno | Welsey Towers, Inc. | Hutchinson | 175 | 305 | 57.38% | \$12,932,590 | \$1,487,248 | \$853,339 | 141.914 | \$121,100.74 |
| Reno | Mennonite Friendship Manor | S. Hutchinson | 124 | 240 | 51.67% | \$9,878,540 | \$1,136,032 | \$586,950 | 128.826 | \$75,614.41 |
| Rice | Sandstone Heights | Little River | 6 | 64 | 9.38% | \$1,572,690 | \$180,859 | \$16,956 | 156.873 | \$2,659.87 |

Independent Living Units

83

| | | | | | | | | | | |
|------------|---|------------|-----|-----|---------|----------------------|---------------------|---------------------|---------|-----------------------|
| Rice | Sterling Presbyterian Manor | Sterling | 11 | 71 | 15.49% | \$129,200 | \$14,858 | \$2,302 | 162.373 | \$373.77 |
| Riley | Meadowlark Hills | Manhattan | 120 | 199 | 60.30% | \$17,077,980 | \$1,963,968 | \$1,184,302 | 128.119 | \$151,731.60 |
| Rush | Rush County Nursing Home | LaCrosse | 16 | 76 | 21.05% | \$1,848,450 | \$212,572 | \$44,752 | 203.222 | \$9,094.58 |
| Saline | Salina Presbyterian Manor | Salina | 97 | 177 | 54.80% | \$9,623,950 | \$1,106,754 | \$606,526 | 106.595 | \$64,652.68 |
| Scott | Park Lane Nursing Home | Scott City | 10 | 90 | 11.11% | \$432,720 | \$49,763 | \$5,529 | 158.777 | \$877.91 |
| Sedgwick | Mount Hope Nursing Center | Mount Hope | 32 | 89 | 35.96% | \$751,080 | \$86,374 | \$31,056 | 118.859 | \$3,691.27 |
| Sedgwick | Kansas Masonic Home | Wichita | 67 | 247 | 27.13% | \$13,066,540 | \$1,502,652 | \$407,602 | 118.145 | \$48,156.14 |
| Sedgwick | Larksfield Place | Wichita | 156 | 230 | 67.83% | \$16,431,910 | \$1,889,670 | \$1,281,689 | 118.145 | \$151,425.14 |
| Sedgwick | Riverside Retirement System | Wichita | 22 | 109 | 20.18% | \$5,723,550 | \$658,208 | \$132,849 | 118.145 | \$15,695.49 |
| Sedgwick | Wichita Presbyterian Manor | Wichita | 98 | 187 | 52.41% | \$4,158,960 | \$478,280 | \$250,650 | 118.145 | \$29,613.00 |
| Seward | Liberal Good Samaritan Center | Liberal | 2 | 81 | 2.47% | \$72,900 | \$8,384 | \$207 | 126.856 | \$26.26 |
| Shawnee | Aldersgate Village | Topeka | 180 | 374 | 48.13% | \$19,567,630 | \$2,250,277 | \$1,083,021 | 141.981 | \$153,768.44 |
| Shawnee | Brewster Place | Topeka | 241 | 380 | 63.42% | \$4,013,720 | \$461,578 | \$292,737 | 141.981 | \$41,563.16 |
| Shawnee | First Christian Church Apts | Topeka | 124 | 124 | 100.00% | \$1,910,000 | \$219,650 | \$219,650 | 141.981 | \$31,186.13 |
| Shawnee | The United Methodist Home | Topeka | 10 | 139 | 7.19% | \$1,763,210 | \$202,769 | \$14,588 | 141.981 | \$2,071.18 |
| Shawnee | Topeka Presbyterian Manor | Topeka | 52 | 243 | 21.40% | \$9,800,000 | \$1,127,000 | \$241,169 | 141.981 | \$34,241.38 |
| Stafford | Leisure Homestead Association at St. John | St. John | 2 | 27 | 7.41% | \$565,200 | \$64,998 | \$4,815 | 178.536 | \$859.59 |
| Stafford | Leisure Homestead Association at Stafford | Stafford | 16 | 66 | 24.24% | \$349,930 | \$40,242 | \$9,756 | 194.417 | \$1,896.66 |
| Washington | Linn Community Nursing Home, Inc. | Linn | 7 | 84 | 8.33% | \$982,250 | \$112,959 | \$9,413 | 166.778 | \$1,569.92 |
| | | | | | | | | | | |
| | Totals | | | | | \$384,447,266 | \$44,211,436 | \$20,695,316 | | \$2,557,422.32 |

Patricia Getz
200 Sherman Dr
Newton KS 67114
(316) 283-2744

Committee on Assessment and Taxation
Kansas State Capitol Building
Topeka Kansas

Re; Senate Bill No. 161

Dear Honorable Members of the Committee

Due to previous commitments I could not attend the hearing today. So hope you take into consideration my concerns expressed in this letter. Last year I drove from Newton to Topeka for the hearing and wish I could attend today's hearing.

My name is Patricia Getz and I am 72 years old. I am a widow and live in my own home at 200 Sherman Drive in Newton KS.

I live on one income. I do my own Housework and yard work.

My husband was born in the "notch years". He served his country for four years in Europe during World War II, yet he had to take a cut in his Social Security.

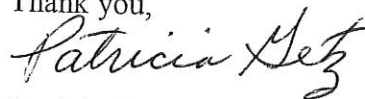
Now because of a "loophole", I help pay the taxes for people who are Financially able to pay taxes, but use the loophole" to build homes \$200,000 or more on tax exempt property belonging to nursing homes, now referred to as "Retirement Centers".

Most of these people are able bodied as myself or better and pay no taxes, yet they use our streets, police and fire departments absolutely free.

Many have motor homes and go south for the winter, which I cannot afford to do.

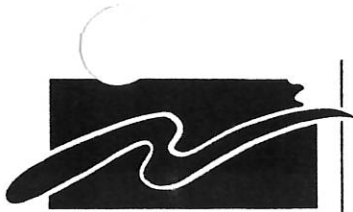
So my Question to you is, 'When are you going to close this "loophole" so these people will their fair share of taxes.

Thank you,



Patricia Getz

Senate Assessment & Taxation
2-19-03
Attachment 9



KANSAS
ASSOCIATION OF
COUNTIES

TESTIMONY
concerning Senate Bill No. 161
Property Tax Exemption for Certain Elderly Housing
Senate Committee on Assessment and Taxation

Randall Allen, Executive Director
Kansas Association of Counties
February 19, 2003

Mr. Chairman and members of the committee, thank you for the opportunity to present testimony in support of SB 161, concerning the property tax exemption for independent living units under K.S.A. 79-201b; fifth.

For several years, the Association has opposed the current statutory exemption from property taxation of independent, elderly housing units owned by non-profit retirement communities. Our basis for this position is fundamental fairness. When elderly persons living in their private homes (sometimes literally within eyesight of elderly housing units owned by non-profit retirement communities) **are** paying property taxes, why should residents of units owned by non-profit communities be exempt from property taxes merely because they can afford to move into a retirement community? It is a question of fairness and equity to all persons, including many elderly persons who for various reasons do not live in such retirement communities. To the taxpayers shouldering the residual tax burden, it means increased property taxes through a shifting of responsibility.

We do not question the exempt status of nursing and adult care health facilities, for which there are strong public policy reasons to grant such an exemption. Our issue is with duplexes and single family homes - often quite expensive - which escape property taxation. The KAC urges the Legislature to amend the law in this regard, and provide greater tax fairness to all senior citizens regardless of where they live.

Thank you for the opportunity to comment on this topic.

The Kansas Association of Counties, an instrumentality of member counties under K.S.A. 19-2690, provides legislative representation, educational and technical services and a wide range of informational services to its member counties. Inquiries concerning this testimony should be directed to Randall Allen or Judy Moler by calling (785) 272-2585.

6206 SW 9th Terrace
Topeka, KS 66615
785•272•2585
Fax 785•272•3585
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Senate Assessment & Taxation
2-19-03
Attachment 10

Kansas State Capitol Building
Assessment and Taxation Committee
Topeka, Kansas

Re; Senate Bill 161

Dear Committee Members,

We regret that we cannot attend today's meeting. Several of us have attended previous hearings regarding this issue but due to health concerns and difficulty traveling we cannot attend today. However we feel the issue is important enough to take time to address you by letter. We do not feel the current exemption on elderly independent living units operated by non-profit facilities is fair.

We senior citizens, who live in our own homes, should not have to subsidize the individuals who live in these tax-exempt units. Most of the individuals, who live in these units are physically able to live independently, drive on public streets, use police and fire protection and yet not pay to support these services. In addition to the use of these services, these individuals can also vote on tax issues including bond elections and not have to pay the increased property tax that may result.

This is a matter of fairness to all taxpayers. If people use public services they should help support them. Please support Senate Bill 161 removing this unfair exemption.

Respectfully Submitted

Gloria M. Kater

Roberta Hague
1205 Harrison, Newton

Donna M. Friesen

Virgil W. Friesen
2101 TERRACE DR.

Vivian R. Schill
1119 N. Poplar

Edwin & Geneva Becker

420 W. 11th

Carol McPherson

124 W. 11th
William McPherson
124 W. 11th

Olive Bare

Jonall L. Payley

Rob J. Pauley

123 W. 11th

Donald E. Croft
Dolores F. Croft
119 W. 11th Newton, K

Kim Fields

Chert Field

1121 N. Poplar Newton
Marvin C. Bacha
and

Betty J. Bacha of
1461W Berry
Newton, Ks.

Clarence D. Colman

1112 Lornz Lane

Newton Ks

Georgia Lagan

219 S.E. 137

Newton, K.

Annabel Penner

304 S.E. 10th
Newton Ks

2-19-03
Senate
Asses.
& Tax

Attachment
11

Cir. of Hastings
12th & 11th
Newton, KS 67114

KAHSA

KANSAS ASSOCIATION OF
HOMES AND SERVICES FOR THE AGING

TESTIMONY

By: John R. Grace, President/CEO
Kansas Association of Homes and Services for the Aging

Before: Senate Taxation and Assessment Committee
Honorable David Corbin, Chairman

Re: Property Tax Exemption for Not-For-Profit Housing for the Elderly

Date: February 7, 2003

Good morning, I'm John Grace, President of the Kansas Association of Homes and Services for the Aging. Our organization represents more than 160 not-for-profit retirement communities, nursing facilities and community based services for the elderly. Many have been in service for over 50 years and are proud of their record of service to the frail elderly of our state.

We are opposed to Senate Bill No. 161.

This is a tax on a small group of frail vulnerable elderly citizens who have made a lifestyle choice to move to a retirement community which in fact is relieving the burden on government and the taxpayers. These older persons who reside in our retirement housing will be the ones that will be paying this new tax. Some are here today to express their opposition to this proposal.

*Senate Assessment & Taxation
2-19-03
1 Attachment 12*

Mrs. F is an 88 year old retired waitress and seamstress and childcare provider, as well as a mother of five. Her husband passed away recently after a stay in the nursing home on campus. She has experienced a decline in health in recent years and appreciates the security of nearby healthcare.

Mr. and Mrs. A live in this two-bedroom duplex. He is a retired state worker and she, a retired book keeper. Mr. A is 88, and has diabetes, hypertension and heart disease and left-side paralysis due to a stroke. Mrs. A is 87 and has hypertension, heart disease and a history of stroke.

These individuals are among the 4000 older persons living on our campuses across 31 counties in Kansas. Overall, they represent less than 2% of the over 65 population in Kansas as of 2000 with 98% of older people remaining in their own homes. They are small in number and have become an easy target for the proponents of this bill.

Contrary to what you have heard, our residents come from various socioeconomic backgrounds. The typical resident of not-for-profit retirement community housing is a woman in her 80's who has experienced significant life changes, such as widowhood and increased frailty, making it increasingly difficult to maintain her own home.

Why do older people move to retirement housing rather than stay in their own home?

Not-for-profit elderly housing is different from single family dwelling in the community. Older people choose to reside here rather than a home in the community in order to:

- *Be close to health care services and staff*
- *Access maintenance, housekeeping and other services*
- *Live in a safe, secure environment*
- *Alleviate concern about being a burden on family*
- *Plan ahead for future long-term care costs*

Residents of not-for-profit housing for the elderly do not enjoy the rights of a property owner. They do not hold title to their residence as does a community-dwelling homeowner. So unlike a regular homeowner, they do not get the benefit of appreciation in the home value.

In so doing they are placing their trust and faith in the retirement community to help them manage the care and services they will need to live out their life in fullness. Our members then take on the responsibility both financially and in services to meet their needs. If the person exhausts their resources, we look to charitable contributions to help offset the costs.

You have heard the supporters of this new taxation saying the current law is not fair and that older people in the community are paying higher property tax because our units are tax exempt. It is misleading and it is a myth.

Since the founding of our state, the legislature accord special privileges to many types of organizations that forward the human condition out of altruistic motivation. Hospitals, private colleges, children's homes, and others are all legitimate services for the public good. In 2000, over \$15 billion dollars of property was exempt. These exemptions provide a public benefit and reduce the burden on government.

In recent years, the legislature has provided new laws for tax abatements in local communities which totaled \$188 million dollars of property off the tax rolls in 2002 as an incentive for businesses. IRB's add another \$719 million. In fact, during the last legislative session this legislature passed SB 39 which included many tax and equipment credits for the Goodyear Tire and Rubber Company. You do this, because you want Goodyear to keep and expand their plant in Topeka.

I have not heard the proponents even acknowledge any public good to the retirement communities. Here are a few reasons how we are reducing the burden on government:

- Fills a gap in services not met by local, state or federal governments.
- Reduces Medicaid costs to the state by delaying use of more costly services like nursing home care.
- Enables older people to stay in their home communities increasing the economic impact, and others to move into those houses where they contribute to the local economy and community life. It allows younger families to become homeowners in the community.
- Enables funds that would otherwise be spent in property taxes to be used improve care and services, and cover unpaid costs for residents throughout the retirement community.

Current law provides an exemption for any type of government sponsored housing, such as Housing and Urban Development. These government programs are paid for by all of us here in the room through tax revenues. Yet, the proponents want to keep these programs exempt, and provide no relief to the not for profit organizations that build housing without any taxpayer support. We raise our own funds without taxpayers support and build housing. It does not make sense and our residents have become an easy target.

The proponents of this legislation in these few communities say that older persons living in their own homes are bearing the burden because of the persons residing in our retirement homes. But heres the facts to dispel the myths:

The League of Municipalities estimated that if all of our units were placed on the tax rolls, they approximately \$2 million of additional tax dollars would be collected for property tax relief. In the year 2000, Kansas collected \$1.674 billion dollars of property taxes for real estate. Therefore, our property represents 0.119%.

Now, even in these few communities of Reno, Harvey and McPherson where we have several retirement communities and the units of concern were placed on the tax rolls and

the money was applied to the mill levy, the actual impact to a homeowner of a \$65,000 valued home in these counties would be only a few dollars per year.

This is a myth that older persons who live in their own homes are paying more property tax because our units are off the tax rolls. For older people concerned about their own property tax, State law provides the homestead property tax exemption for older persons who own their home, which amounted to refunds of over \$13 million dollars to persons over the age of 65 or disabled in the year 2001.

It seems to me, Mr. Chairman, that the issue of tax fairness might be better addressed through a revision in the "Homestead Property Tax Refund Program." Perhaps, this program should be expanded to address the concerns of older people who are residing in their own homes, and who are burdened by their property tax.

And finally, the proponents make the argument that the housing we are building is "too nice". What is too nice? Do the proponents want us to build units that will require extensive maintenance and repairs or should we build units that will last for many years with low maintenance?

Standards are strictly enforced for exemption

Kansas law requires us to follow the IRS Revenue Ruling 72-124."If the facility operates to satisfy all three of these basic needs of aged persons:"

- a) The need for suitable housing, which would be met if an organization provides residential facilities that are specifically designed to meet the physical, emotional, recreational, social, religious and similar needs of aged persons;
- b) The need for health care, which would be met if an organization either directly provides or arranges for health care services designed to maintain the physical and mental well-being of its residents; and

c) The need for financial security, which would be met if an organization: 1) **Maintains a policy of financial assistance which would guarantee continued residence at the facility for any resident who is no longer able to pay for services provided;** 2) Provides services to its residents at the lowest feasible cost; and 3) Maintains a payment structure set at a level that is within the financial reach of a significant segment of the community's elderly persons.

The Legislature has clarified the law several times and the law is strict.

No Need for Statewide Fix

A small handful of cities and counties have called the exemption into question and have targeted a small group of frail older persons. The majority of local governments understand that this exemption is warranted based on these not-for-profit organizations' greater service to the public good. We have tried to work with the Harvey County Commission to address this situation in Newton, but have not been successful. Our members did reach an agreement in 1999 for all of our retirement communities to make payments to the county that would be distributed to the county, city and school district, but that offer was rejected by the County.

To address concerns in these few communities, several of our retirement communities and local government officials have already come together to work out agreements for voluntary payments for services such as ambulance and fire protection through the Good Neighbor Program.

Members that are moving ahead with this program include:

- Kidron Bethel Retirement Community is making a payment to the city of North Newton.
- Pleasant View Home in Inman is paying an amount equal to the local city, fire and school district.

- Schowalter Villa in Hesston has reached an agreement with their local city.

Who is going to serve our elders in the future?

With the growing number of older people and the frailty that they will be experiencing, services such as home care, nursing home care, meals on wheels, and other kinds of government programs are going to be utilized to the maximum. This utilization of these services is going to continue to be a huge drain on the government funding. The free standing nursing home will struggle for survival without a diversification into housing services.

Will it be the federal government providing more funding for housing? No. Only 61 new housing units were approved for Kansas in the year 2002.

Will it be the state of Kansas? No.

Kansas ranks 51 in the nation on local and state-funded housing. (KSU, 2003.)

Will it be the local cities and counties appropriating more funding for housing? No.

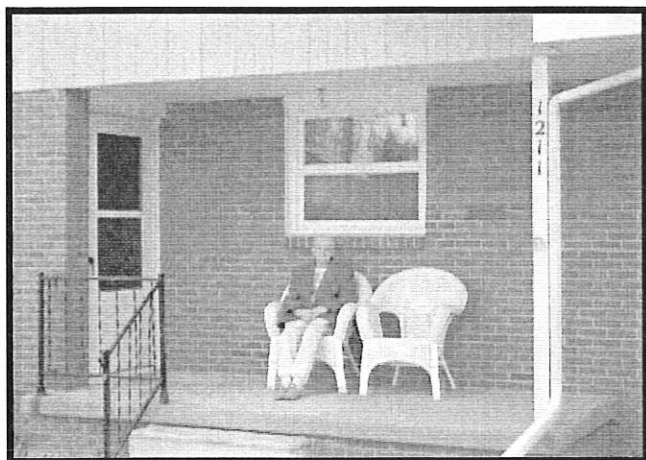
Mr. Chairman, members of the committee, with a growing older population and reduced government resources for housing and services, the role of not-for-profit housing for the elderly will be more critical and valued in the coming years.

We respectfully ask you to vote no on SENATE BILL 161.

I'll be glad to answer any questions.

NOT-FOR-PROFIT HOUSING FOR THE ELDERLY FULFILLING A COMMITMENT TO CARE

For years, not-for-profit retirement communities have organized to help better the human condition. Their mission is not to make a profit, but to serve the needs of the elderly. They spring from a diverse heritage of faith-based, fraternal and civic groups. All share a common purpose ... the commitment to a ministry of service, care and community benefit.



This 92 year old lady lives on a fixed income in a 1-bedroom duplex built in the early 70's. She has a history of spinal injury and suffers from osteoarthritis. She moved here because she couldn't take care of her big home anymore and had a hard time going up and down the stairs.

A CONTINUUM OF SERVICES

Not-for-profit retirement communities provide a variety of interrelated services, including nursing home care, assisted living, housing and other services. Since residents whose funds are depleted are never asked to leave, and reimbursements from Medicare and Medicaid typically do not cover the full cost of care, the cost of caring is subsidized through donations from local citizens, church and community groups, and from revenues generated throughout the entire organization, including housing units.

Not-for-profit retirement community housing includes apartment buildings and other multifamily structures that are specially designed to help residents maintain the highest level of functioning and well-being possible. While new building is occurring to meet the needs of current and future generations of older adults, a large percentage of not-for-profit housing was built in the 1980's, 70's, 60's or even earlier.

SENATE BILL 161 - A NEW TAX ON THE ELDERLY

Governments accord special privileges to many types of organizations that forward the human condition out of altruistic motivation. Such is the case with not-for-profit retirement communities. Current law permits property tax exemption for not-for-profit housing for the elderly if they provide services at the lowest feasible cost in the aggregate and meet three primary needs of the elderly: housing, health care and financial security.

Now this law has been singled out for attack. A small handful of cities and counties have called the exemption into question. As a result, Senate Bill 161 has been introduced to repeal the property tax exemption for all not-for-profit housing for the elderly across the state.

WHO WILL PAY THIS TAX?

Nearly 4,000 older people who live in not-for-profit housing for the elderly around the state will pay this new tax. Not-for-profit retirement community residents come from various socioeconomic backgrounds. The typical resident of not-for-profit retirement community housing is a woman in her 80's who has experienced significant life changes, such as widowhood and increased frailty, making it increasingly difficult to maintain her own home.

(continued on back page)

VOTE NO ON
SENATE BILL 161

NOT-FOR-PROFIT HOUSING FOR THE ELDERLY IS DIFFERENT

Not-for-profit elderly housing is different from single family dwelling in the community. Older people choose to reside here rather than a home in the community in order to:

- Be close to health care services and staff
- Access maintenance, housekeeping and other services
- Live in a safe, secure environment
- Alleviate concern about being a burden on family
- Plan ahead for future long-term care costs

Residents of not-for-profit housing for the elderly do not enjoy the rights of a property owner. They do not hold title to their residence as does a community-dwelling homeowner. Instead, they enter into special financial arrangements with the retirement community, which may include entry fees, fees for service, or rent payments.

EXEMPTION MAKES POLICY SENSE

Current law is good public policy. Not-for-profit housing for the elderly:

- Fills a gap in services not met by local, state or federal governments. (*Kansas ranks last in the nation on local and state-funded housing. KSU, 2003.*)
- Reduces Medicaid costs to the state by delaying use of more costly services like nursing home care.
- Enables older people to stay in their home communities, and others to move in, where they contribute to the local economy and community life.
- Enables funds that would otherwise be spent in property taxes to be used improve care and services, and cover unpaid costs for residents throughout the retirement community.

Not-for-profit elderly housing is an integral part of the humanitarian mission of not-for-profit retirement communities. Separating out different levels of services in not-for-profit retirement communities will set an unintended and dangerous precedent for other not-for-profit organizations. That is why the National Council of Nonprofit Associations opposes tax initiatives such as Senate Bill 161 that would result in dividing 501(C)(3) organizations.

With a growing older population and reduced government resources for housing and services, the role of not-for-profit housing for the elderly will be more critical and valued in the coming years.



Mr. and Mrs. D live in this 2 bedroom duplex built 1989. Mr. D is a 79 year old retired farmer with Parkinson's Disease. Mrs. D is a 76 year old retired homemaker with diabetes and arthritis. Their children assisted them with a lease agreement and they pay a monthly service fee.



Mrs. F is an 88 year old retired waitress and seamstress and childcare provider, as well as a mother of five. Her husband passed away recently after a stay in the nursing home on campus. She has experienced a decline in health in recent years and appreciates the security of nearby healthcare. Paying this tax would place a severe financial burden on Mrs. F.



Mr. and Mrs. A live on a fixed income in this modest two-bedroom duplex built in the mid-1960's. He is a retired state worker and she, a retired book keeper. Mr. A is 88, and has diabetes, hypertension and heart disease. He has left-side paralysis due to a stroke. Mrs. A is 87 and has hypertension, heart disease and a history of stroke.

PLEASE OPPOSE SENATE BILL 161.

12-9



*The Friendly Acres
Retirement Community*

200 Southwest Fourteenth Street
P.O. Box 648
Newton, Kansas 67114-0648 (316) 283-4770

*Friendly
Acres, Inc.*

Testimony in Opposition to Senate Bill 161

To: Senator David Corbin, Chair, & Members of the Senate Assessment & Taxation Committee

From: Mina Coulter, CEO

Date: February 19, 2002

Senator Corbin and Members of the Senate Assessment and Taxation Committee, I appreciate the opportunity to speak before you today in opposition to Senate Bill 161. My name is Mina Coulter, and I serve as the CEO / Administrator of Friendly Acres Retirement Community in Newton, KS. Friendly Acres Retirement Community is a United Methodist-sponsored organization in Newton, KS. Founded in 1962, our mission is dedicated to serving older adults through facilities and services which assure that life might continue to have meaning and dignity surrounded by Christian concern and care, thus helping fulfill the Church's total mission. We serve approximately 200 senior residents in Healthcare, Assisted Living and Housing.

Friendly Acres serves individuals in the low to low-middle income levels. 54% of Friendly Acres' healthcare residents receive financial assistance through the state Medicaid program, as do a number of assisted living residents through the Medicaid Home and Community Based Services program. Because our Medicaid rates do not keep up with true costs, Friendly Acres currently provides between \$150,000 and \$200,000 of free care annually. Charitable contributions and the rents we receive from the cottages help make up some of this shortfall.

We have 68 cottages at Friendly Acres, built in the 1960s and 70s, that are rented on a month-to-month basis. Rental fees begin at \$323 per month for a 1-bedroom duplex with 588 square feet and increase accordingly, dependent on the square footage of the living area of each cottage.

Recently we conducted a survey of Friendly Acres' cottage residents to determine why they moved here. Responses included:

- ▶ The desire to move closer to family
- ▶ Security of knowing health care services (such as assisted living or nursing care) are available when needed
- ▶ No longer physically able to maintain their own yards, shovel snow, etc.
- ▶ Socialization with individuals having the same interests – many have seen a positive impact on their health status through increased socialization
- ▶ Did not wish to be a burden on families
- ▶ Safe environment to meet their changing physical abilities

Not a single one stated that they moved to Friendly Acres so that they would not have to pay property tax.

Our program at Friendly Acres allows entry at any point from housing to nursing care and movement between all levels of care. Some residents rehabilitate in nursing care and then return to a higher level of functioning in assisted living or housing. However, the security in knowing that health care is available and close at hand when necessary is paramount in maintaining their optimum level of independence. For example, Mrs. A entered Friendly Acres' assisted living because she needed help to improve her nutritional and health status to prepare for heart surgery in the following months. After several months she had surgery and then moved to nursing care where she underwent therapy to regain strength and convalesce. After several weeks of nursing care she was able to return to assisted living. With further rehabilitation on assisted living her health continued to improve, and she later chose to move to a 1-bedroom cottage so that she could remain close to health care and take advantage of some of the programs we have on campus to maintain her functioning ability.

Friendly Acres offers a number of services to help seniors maintain as high a degree of independence as possible – an important element in quality of life. Many linkages exist between housing and healthcare:

- ▶ Nursing services and whirlpool bathing available when needed
- ▶ Wing Walker program for a safe, secure walking track out of the elements of the weather
- ▶ Freedom through Functionality, a strengthening program for mobility and restorative therapy utilized by all residents regardless of level of care
- ▶ Chapel services on campus so residents do not have to drive or be driven to church.
- ▶ Transportation for medical appointments, shopping, etc.
- ▶ Volunteer opportunities so that our residents can be productive members of society for as long as possible. Many cottage residents volunteer in the healthcare center, which provides benefits physically, socially and emotionally to all involved.

Our organization strives to keep our cottage rents as affordable as possible. Even so, within the last few years several residents have had to leave the Friendly Acres for government-subsidized HUD housing due to the economic conditions. If Senate Bill 161 passes this trend will increase, forcing more elders to leave their chosen homes and the government to foot the bill for their housing.

We ask that you vote no on Senate Bill 161, so that the housing part of our organization can remain off the property tax roll because it is part of our overall program to allow the frail elderly to live out their days as independently and safely as possible.

Thank you. I will be glad to answer questions.

Sincerely,



Mina Coulter

*Carl and Jacquelyn Porter
1216 South Poplar
Newton, KS 67114*

Letter in Opposition to Senate Bill 161

To: Senator David Corbin, Chair, and Members of the Senate Assessment and Taxation Committee

From: Jacquelyn Porter, Resident at Friendly Acres Retirement Community, Newton, KS

Date: February 19, 2002

Senator Corbin and Members of the Senate Assessment and Taxation Committee:


My name is Jacquelyn Porter. I am 77 years old. My husband and I live in one of the independent living homes at Friendly Acres Retirement Community in Newton, KS. We elected to move to Friendly Acres in 1989, as we had sold our mobile home and needed a place to live that was affordable on our limited income. Even at that time, government-subsidized housing was a consideration for us, however Friendly Acres was affordable and provided amenities such as a garage and availability of health care if needed that HUD housing does not provide.

Currently my husband and I do not have any health limitations or concerns – there are things that we don't do but it is because we elect not to do them, not because we cannot do them. However the availability of health care continues to be a very positive aspect for us in continuing to live at Friendly Acres. We have seen several of our neighbors benefit from the various levels of care offered at Friendly Acres to help address their immediate health concerns, such as moving into nursing care when necessary and returning to their campus homes after recuperation and rehabilitation. I believe the opportunity to receive this additional care in a familiar environment has played a large role in the successful improvement of their health conditions.

Passing Senate Bill 161 will cause a severe drain on our finances. As I alluded to earlier, HUD housing was a serious consideration for us when we first moved to Friendly Acres in 1989. Raising the cost of our rent to include a property tax payment could possibly be the "straw that breaks the camel's back" and force us to make that move to government-subsidized housing.

Please vote no on Senate Bill 161 as it could cause us to move from the security offered at Friendly Acres.

Sincerely,


Jacquelyn Porter

4

13-4

Please VOTE NO on Senate Bill 161 because it will put an undue hardship on the frail elderly of our state.

Ernest A. Jordan Sr.

Sarah B. Dove
L. A. Cole

Jessie Robinson
Lena Harp

Ethel Watts

Lena Cyp

Jacquelyn Porter

Eldon Porter

Agnes Henri

Robert H. Swanson

Wilma Wedel

Dorothy Williams

Rosemary Schmelz

Vicki Howard

Lois Anderson

Jay Anderson

Elna Mae Pymph

J. J. Pymph

Frank L. Pymph

Luella A. Cole

Catherine Tendick

Dorothy Collins

Hazel Stiller
Homer Stiller

Elinor W. Keesling

Eva Lucile Cies

Herbert A. Cies

Peggy Minner

Elmer Forcuni

Paul Simison

Helen Scott

Barbara Hutz

Mary Alice Riber

Please VOTE NO on Senate Bill 161 because it will put an undue hardship on the frail elderly of our state.

Drina Coulter

Nancy E. Law

Becky Jackson

Martha Benard

Lea Ann Roper

Jammy Belle

Betty Taylor

Michelle Hoyle

USA Mculloch

Irene Peterson

Eileen Sutherland

Verilyn Savage

Kathryn Sears

Lena Cys

Kari Lindeman

Staci Morales

Sheila Foite

Rainie Gooden

James Eng

Ruth A. Warburton

John D. ...

Testimony in Opposition to Senate Bill 161

To: Senator David Corbin, Chair, and Members of the Senate Assessment and Taxation Committee.

From: Pastor A. J. Rymph, Resident at Friendly Acres Retirement Community, Newton, Kansas.

Date: February 19, 2003.

Senator Corbin and Members of the Senate Assessment and Taxation Committee, I appreciate the opportunity to speak before you today in opposition to Senate Bill 161. My name is Pastor A. J. Rymph. My wife and I live at the Friendly Acres Retirement Community in Newton, Kansas, in one of the independent living homes. I am a retired pastor in The United Methodist Church.

My wife and I moved to Friendly Acres in July, 1989. I am seventy-seven years old.

Some of the more crucial reasons why my wife and I chose to live at Friendly Acres are:

1. Looking ahead, we wanted to live adjacent to a nursing home should one or both of us ever need it.
2. Having lived all my forty vocational years in Kansas and in church parsonages, we had built up no equity in a home of our own, and we had no experience in home ownership. Also, I simply do not have the skills, the experience, nor the strength to maintain a house. We knew we should live where house maintenance is provided by persons who have the skill, experience and strength, as is true at Friendly Acres.
3. Also, we came to Friendly Acres because it was affordable. We comparison shopped and learned that Friendly Acres serves persons with simpler tastes and limited financial options. It was what we needed, when we needed it.

Both my wife and I are in reasonably good health. My wife does require medication for her heart. And I regularly utilize prescription medicines to cope with allergies, asthma and menie'res disease. I have also been diagnosed with a limited measure of memory loss.

In the face of the diminishing income and resources experienced by many of us in today's hardtimes, I have seen some of my neighbors move out of Friendly Acres and into the more affordable HUD housing. The passing of Senate Bill 161 will add additional expenses to the already frugal budgets of the frail elderly who are still my neighbors at Friendly Acres. I understand that these moves to HUD housing also "expedite the drain on an already faltering government housing program."

On a personal level, were we required to pay property tax costs in addition to the amount of rent we are already paying, the financial impact on my wife and I would be painful. At the least, we would have to tighten our belts, and, lowering our standard of living, do with out some things. At the worst, we would have to look around for someplace else to live that we could still afford.

Please vote no on Senate Bill 161.

Thank you for this opportunity to speak to you. If you have any questions of me I will be glad to answer them.

Sincerely,

Pastor A. J. Rymph



Senate Assessment & Taxation
2-19-03
Attachment 1d4



Ellsworth
Good Samaritan
Retirement Village

In Christ's Love, Everyone Is Someone.

1156 Hwy 14
Ellsworth, KS 67439-9700

785-472-3167 phone
785-472-5440 fax

To: Senator David Corbin, Chair, and Members
Senate assessment and Taxation Committee

From: Dr. Jim Morford, Administrator

Date: Wednesday, February 19, 2003

I want to express gratitude to this committee for the opportunity to testify before you today.

I'm Jim Morford, Administrator of the Ellsworth Good Samaritan Retirement Village, one of a number of facilities serving rural Kansas by "*Sharing God's Love in Word and Deed*" as part of the mission of the Evangelical Lutheran Good Samaritan Society. In communities like Minneapolis, Wamego, St. Francis, LaCrosse, Dodge City, Hutchinson, and Ellsworth, we offer various types of housing options and supportive housing for frail seniors in our communities.

This past October we celebrated our 50th anniversary as a Good Samaritan facility on a campus which has been caring for those with special needs since post Civil War days dating back to about 1880.

The Ellsworth campus has the unique opportunity of providing a continuum of care in a small town setting, and in a rural county where one would hardly call the economy "robust".

With 64 skilled nursing beds, a brand new 12 unit assisted living facility, a six year old 13 unit congregate living facility, and 8 cottage and triplex units, and a workforce of about 85 at this time, we are a vital and critical part of the economic health of our community and county. At this time I am working on plans to build a new quad unit for senior housing on our campus to accommodate the large number of folks I have on our waiting list to move to one of our housing units.

I am here this morning to express to you my opposition to Senate Bill 161 because of the detrimental impact on seniors and communities like ours in rural areas. I hope, after looking at all the factors involved in the implications of this Bill, that you will not see this bill as any realistic answer to our economic woes in Kansas.

It is imperative that we do all we can to create a positive climate in rural communities that will encourage our residents to remain there during their senior years. The Good Samaritan Society is attempting to do this through our healthcare and housing programs in rural communities around the state. In our community and county, we are a vital part of the overall economic and healthcare system.

At Ellsworth, we have invested over \$2.5 million in the past six years in new and expanded facilities. NONE of this has been tax money, but as a not-for-profit corporation, this is part of the Good Samaritan Society's mission investment in rural communities, like Ellsworth, where we are able to make a difference. With the plan to invest more money in the next several years, I hope that the environment will be positive so as to encourage our seniors to remain where they have spent a lifetime living, making friends, and attending church.

Please, on behalf of our seniors and our rural communities and counties, take a hard look at the implications of Senate Bill 161, and I believe you, too, will conclude this Bill is bad for Kansas.

Thank you for this opportunity to share these thoughts with you.

*Senate Assessment + Taxation
2-19-03
Attachment 15*

LINN COMMUNITY NURSING HOME

Linn, Kansas 66953

785-348-5551

To: Chairman Corbin and Members,
Senate Assessment and Taxation Committee

From: Sonia DeRusseau, Linn Community Nursing Home, Inc.

Date: February 19, 2003

Good Morning and thank you for allowing me to testify in opposition to Senate Bill 161.

I am Sonia DeRusseau, Administrator at the Linn Community Nursing Home in Linn, Kansas. Linn is a town of about 350 people with a 77 bed nursing home, seven independent apartments and a child care facility.

We serve 8 individuals in the seven apartments that were built in 1975. The only requirement is that the residents are alert and able to care for themselves. They are charged \$450 per month for one individual and \$500 a month for a couple. This fee includes all their utilities, laundry, maintenance and trash. Meals are available for \$2.50 a meal and they may eat alone or with other apartment residents. Medication administration and other services are available for an extra charge as listed in the literature. All apartments are equipped with call signals which light up in the nursing home and are answered by nursing home staff. Apartment residents are invited and encouraged to attend all activities of the nursing home.

None of my residents were able to appear today as they have multiple physical problems which prevents them from traveling distances. I will be happy to answer any questions at this time.

*Senate Assessment & Taxation
2-19-03
Attachment 16*

LINN COMMUNITY NURSING HOME, INC.

COTTAGE RATES

| | |
|-----------------------|----------|
| One Individual | \$450.00 |
| Two Individuals | \$500.00 |

EXTRA CHARGES

| | |
|--|---------------|
| Administration of Medications..... | \$2.00/day |
| Cable TV..... | \$15.00/month |
| Meals..... | \$2.50 each |
| Meal Delivery..... | \$1.00/meal |
| Clean Apartment..... | \$7.50/hour |
| Whirlpool Baths..... | \$5.00/each |
| Laundry/Trash Pick-up and Delivery..... | \$1.00 |
| Change and Re-make Beds..... | \$5.00 |
| Nurse Call: | |
| Licensed personnel (less than 15 minutes)..... | \$5.00 |
| (over 15 minutes)..... | \$10.00 |
| Aides..... | \$2.50/call |
| Take to Dr. Office and Return..... | \$2.00 |

If other services are needed, see Administrator and we will try to be of service. Thank-you.



WESLEY TOWERS

700 Monterey Place
Hutchinson, Kansas 67502
620-663-9175
FAX: 620-663-2961

February 19, 2003

To: Senator David Corbin, Chair, and Members Senate Assessment and Taxation Committee
Subject: Opposition to Senate Bill 161

Thank you, for the opportunity to address this committee today. My name is Ray Vernon, President/CEO of Wesley Towers, a not-for-profit 501 C (3) continuing care retirement community, in Hutchinson, KS. I am here today to urge you to oppose SB 161, which removes the property tax exemption for housing for the elderly living in retirement communities. Our seniors, impacted by escalating health care costs, pharmacy bills, fixed incomes, and low interest rates, cannot pay additional taxes/fees. Following is a brief profile of Wesley Towers:

- Wesley Towers is celebrating 34 years of service to elder Kansans as an institution of the Kansas West Conference of the United Methodist Church.
- Wesley Towers currently serves over 330 residents and employs 250 staff. We have 130 skilled nursing beds (30 beds serve individuals with Alzheimer's and related dementia), 24 assisted living units, 125 supportive congregate apartments, and 56 housing units (built from 1980 to 1995). Residents occupy but do not own these units. The average age of admission to Wesley Towers is 84 years and the average age of our current residency is 87. Residents move into Wesley Towers for the supportive programs and services they cannot find in the community.
- Wesley Towers will provide over **\$400,000 of charitable care** in 2003 for its residents. We have never requested a resident to leave due to lack of their financial ability to pay for services.
- We subsidize the Hutchinson Meals-On-Wheels program for over **\$80,000** per year. We also provide community free blood pressure checks and operate a community Home Health Agency.
- As a good neighbor and citizen, Wesley Towers has voluntarily contributed **\$8,000** to the city of Hutchinson each of the past three fiscal years for consideration of city services provided.
- Wesley Towers has experienced operating losses for the past two years and for the first six months of our current fiscal year. These increasing operating losses are due to inadequate Medicaid reimbursement, higher liability/property insurance premiums, cuts in Medicare reimbursement, increased costs for supplies and services, and burdensome regulations.
- Wesley Towers does pay sales and excise taxes, special use taxes, and the recently implemented solid waste franchise tax, among others.
- Dr. John Leatherman of Kansas State University performed an economic impact study that demonstrates the economic benefit of Wesley Towers on the Reno County economy. It shows that Wesley Towers directly impacts the Reno County economy with over \$9.4 million in sales and \$4.9 million in wages. With the "ripple" effect, this translates into an estimated \$16.6 million in sales, \$14.0 million in all types of income, and 343 jobs. His study also indicates that this economic activity generated over \$2.7 million in federal, state, and local tax revenues.

Attached are several letters from our residents indicating the burden these additional taxes would place on their circumstances. Thank you for your consideration and ongoing support of our most frail and vulnerable citizens and the hardship this bill would place on them.

Sincerely,
Ray Vernon, President/CEO

Senate Assessment & Taxation
2-19-03
Attachment 17

February 18, 2003

The Honorable Dave Kerr
State Capitol Building
300 SW 10th St. # 359-E
Topeka KS 66612

Dear Senator Kerr

I am a resident of your district and live at Wesley Towers. I am retired from the Boeing Company.

I moved here from Washington State (August 2001) to enjoy the benefits of a fine retirement community. I was born and raised in Kansas and wanted to return here.

Senate Bill 161 calls for removing the property tax exemption on not-for-profit community housing. This tax will, of course, be passed on to me.

I have not planned for this additional expense and it will be difficult to make ends meet.

Please vote NO on Senate Bill 161.

Thank you for attention to this issue.

Sincerely,
Wanda L. Kemp

Feb 17, 200

Dear Senator Carbin,

I am a resident of District 34, and live in Wesley Towers Retirement Home. I moved here because I wanted to continue living in Hutchinson, and could no longer take care of my home and yard.

Senate Bill 161 calls for removing the property tax exemption on not-for-profit retirement community housing, which will, no doubt, be passed on to me. I am concerned that I will not be able to afford my living here, if I have increased expenses. I hope you will defeat this bill in Committee by not voting for it.

With living expenses already increasing, pharmacy so high, along with a rental building empty, my income is decreased. Please vote No on Senate Bill 161.

Thank you for your attention to this.

Sincerely,

Harriet W. Lillibridge

Dorothy R. Fontron
620 Monterey #105
Hutchinson, Kansas 67502

February 16, 2003

Dear Senator Corbin

I live at Wesley Towers in
Hutchinson, and while I don't pay
real estate taxes I do pay many others!

Wesley Towers provides many
services to Hutchinsonians including
serving meals on wheels. Our Chapel
is used many times by various
groups and clubs.

Please vote no on Senate
Bill 161!

Thanks for your attention
and your willingness to serve our
state

Sincerely

Dorothy R. Fontron

Dorothy R. Fontron
620 Monterey #105
Hutchinson, Kansas 67502

February 16 2003

Dear Senator Haley

I live at Wesley Towers in
Hutchinson and while I don't pay
real estate taxes I do pay many
other taxes!

Wesley Towers provides lots of
services to Hutchinsonans including
serving Meals on Wheels. Our Chapel
is used many times by various
groups and clubs.

Please vote "No" on Senate
Bill 161!

Thanks for your attention and
your willingness to serve our state!

Sincerely
Dorothy R. Fontron

Dorothy R. Fontron
620 Monterey #105
Hutchinson, Kansas 67502

February 16, 2003

Dear Senator Mark Buhler

I live at Wesley Towers in
Hutchinson and while I don't pay
real estate taxes I do pay many other

Wesley Towers provides a lot of
services to Hutchinsonians including
serving Meals on Wheels, Our Chapel
is used many times by various
groups and clubs

Please vote "No" on Senate
Bill 161!

Thanks for your attention and
your willingness to serve our state!

Sincerely
Dorothy R. Fontron

Dorothy R. Fortron
620 Monterey #105
Hutchinson, Kansas 67502

February 16 2003

Dear Senator Goodwin

I live at Wesley Towers in
Hutchinson and while I don't pay
real estate taxes I do pay other taxes

Wesley Towers provides lots of
services to Hutchinsonians including
serving meals on wheels. Our chapel
is used many times by various
groups and clubs.

Please vote "No" on Senate
Bill 161!

Thanks for your attention and
your willingness to serve our state!

Sincerely
Dorothy R. Fortron

Dorothy R. Fontron
620 Monterey #105
Hutchinson, Kansas 67502

February 16, 2003

Dear Senator Donovan

I live at Wesley Tower in
Hutchinson and while I don't pay
real estate taxes I do pay other taxes

Wesley Tower provides lots of
services to Hutchinsonans including
serving Meals on Wheels. Our chapel
is used many times by various
groups and clubs.

Please vote "No" on Senate
Bill 161!

Thanks for your attention and
your willingness to serve our state

Sincerely
Dorothy R. Fontron

Dorothy R. Fontron
620 Monterey #105
Hutchinson, Kansas 67502

February 16, 2003

Dear Senator Allen

I live at Wesley Towers in
Hutchinson, and while I don't pay
real estate taxes I do pay other taxes

Wesley Towers provides lots of
services to Hutchinsonians including
serving Meals on Wheels. Our chapel is
used many times by various groups
and clubs.

Please vote "No" on Senate
Bill 161!

Thanks for your attention and
your willingness to serve our state!

Sincerely
Dorothy R. Fontron

Feb. 13, 2003

The Honorable Janice Lee
Kansas State House
Topeka, Ks. 66612

Dear Senator Lee:

I am an eighty two yr. old retired registered nurse. My husband passed away in April 2002 after a long illness. After much thought I decided to sell my home and move to a retirement community, Wesley Towers.

This decision was made for several reasons, primarily for my health and for the companionship of persons my age. Also for the sense of security and safety which is present. My hopes + expectations have been fulfilled and I am very thankful and content.

My concern is that I will have to make other living arrangements if Senate Bill 161, which will remove the tax exemptions on "not for retirement" community housing is passed. This tax will undoubtedly be passed on to me and many others in this situation. I have not planned for this and it will be difficult for me to make ends meet if I am asked to pay for this added expense.

I ask that you oppose Senate Bill 161 -
Please vote No on Senate Bill 161 -
Thank you for your special attention to this issue.

Sincerely,
Ann M. Young

700 Monterey
Hutchinson, Ks.
67502

February 18, 2003

The Honorable David Kerr
State Capitol Building
300 SW 10th St., #359-E
Topeka, Ks. 66612

Dear Senator Kerr:

I am very concerned about future living and health expenses. Paying an additional tax would place an extreme burden on me. It has been my hope that I could continue to pay for my living expenses and be self sufficient without needing to utilize state funds. The proposed tax would seem to discriminate on older people unable to pay this tax.

Thank you for reading my letter and taking my situation into consideration.

Sincerely,

Dorothy R. Mackey

Concerning Senate Bill 161.

3706-A Wesley Dr.
Hutchinson, KS 67502

February 17, 2003

The Honorable Dave Kerr
State Capitol Building
300 SW 10th St., #359-E
Topeka, Kansas 66612

Dear Senator Kerr;

I want to encourage your consideration of, and your opposition to, SB 161 which calls for repeal of a singular, though significant, part of KSA 79-201.

The special attack of SB 161 is on not-for-profit housing of elderly persons by repeal of property tax exemptions provided for in KSA 79-201, b *fifth*. Repeal of this part of the state code, which is based on similar national code, will certainly bring an unplanned and undue hardship upon my wife and me and many other retired persons who are living "independently" on fixed incomes.

Planning to make ends meet is tough enough without this added burden of unknown taxation. Jane and I live at Wesley Towers. We don't own our home but the added tax will most assuredly be passed on to us. When we lived in a home we owned we knew there were property taxes to be paid and we planned for them.

You are no doubt aware of the many complexities of KSA 79-201. Please note that SB 161 would give tax income to only a few communities within the state and would be an undue burden for many of us who have planned and budgeted carefully for these retirement years.

Please provide your voice and your vote to defeat SB 161.

Thank you for your attention and for your opposition to this Senate bill.

Sincerely,


Jim McGuire

(620)665-0980
jjmcg@mindspring.com

✓ bcc: Ray Vernon

17-12

January 17, 2003

The Honorable, David Kerr
State Capitol Building
300 S W 10th Street, #359-E
Topeka, KS 66612

Dear Senator Kerr:

You are my Senator. I live at Wesley Towers. I am an eighty-seven year old widow. In 1934 I graduated from a Kansas High School. I took Normal Training I passed the Kansas State test which qualified me to teach in a one room school house. My contract sets my wages at forty dollars a month for eight months. I married a minister whose salary was twelve hundred dollars a year from two churches. We learned to balance a meager budget. We saved carefully for retirement. Please oppose Senate Bill 161. It removes the property tax exemption on not-for-profit-retirement-group housing. That added cost frightens me. Our expenses are increasing so fast while our investments shrivel.

Wesley Towers Health Center helped me care for my husband in his declining years. We avoided a nursing home. My husband appreciated the personal caring of an excellent staff. He died peacefully at the age of 82. Please vote "no" on Senate Bill 1.61. I thank you for your help.

J. Fern Bowersox

3 3 B Asbury Drive

Hutchinson, KS 67502

Feb 17, 2003

To: The Honorable Dave Kew
Kansas State House
Topeka, KS 66612.

Dear Senator Kew,

We are residents of your district. As you may remember we are retired school teachers. We moved here in 1999 for a variety of reasons - among them was easy access and transportation to the Hutchinson Clinic. Wesley Towne provides transportation for an average, to doctors, without charge, of one a ~~week~~.

Senate Bill 161 calls for removing the property tax on a not-for-retirement community housing. The tax will undoubtedly be passed on to us. As you are aware, retirement for teachers isn't that great. We had not planned for this and it will be difficult for us if we are asked to pay the increased expense.

We ask that you vote NO on Senate Bill 161. Thank you, Dave, for your effort to oppose this bill.

Sincerely,
Margaret and Dennis Childs



WESLEY TOWERS

700 Monterey Place
Hutchinson, Kansas 67502
620-663-9175
FAX: 620-663-2961

Feb - 17 - 03

Dear Dave:

I'm writing to seek your support in opposing SB 161, which seeks to repeal KSA 79-201-b-5th. There is never a good time for elderly persons on set incomes to pay additional taxes, especially with the present economy and low interest rates.

I've read the SB and it seems the only section being targeted concerns retirement homes, which strikes me as being somewhat discriminatory. I know the state is in need of additional funds, but that does not justify the repeal of only one exemption.

Wesley Towers as an organization and community, does much by way of charity. An afraid that any tax levy would impact on our \$50,000,000 subsidy of meals on wheels, then more elderly people are hurt.

I have always admired and respected your abilities as a senator and would appreciate hearing from you as to your thoughts on SB 161 and keeping me advised as to its progression through the legislature process.

Thanking you in advance
Most Sincerely
Clair

Clair W. Flyter
620 Monterey Pl, # 110
Hutchinson, Ks. 67502
Ph - 620-662-6463

15 FEBRUARY 2003

The Honorable Senator Kerr:
Kansas State House
Topeka, Kansas 66612

Dear Senator Kerr:

I am a resident of your District and live at Wesley Towers. I am a retired Federal Employee and wished to stay in the Hutchinson area due to the health facilities that are available. My wife has Alzheimer and is progressing toward the need of care in the Special Care facilities of Wesley Towers. Our children live a distance from here.

If Senate bill 161 comes into being it will cause a definite hardship in daily living expenses.

I hope you can realize the extra costs involved for Senior Citizens on fixed incomes in their final years. The average age of our residents here is 87.

Please vote NO on Senate bill 161.

Thank you for your consideration on this issue.

Sincerely:

Lloyd H. Woolfolk

Feb. 14, 2008
Supervisor Lane Van
State of Kansas
300 S. B. 101st St
Topeka, Kansas 66612

Dear Supervisor:

My name is William Lane - age 91.
I was born a poor man in Hutchinson, Kansas.
All my family are deceased. Some people like
Wesley Towers, that can provide lodging -
food and the other necessities for life is
the only support I have. To place any tax
such as Bill 161 on (not-for-profit housing)
such as Wesley Towers is only another add-on
to our cost of living which is more now
than ever. God bless.

I realize the State as lending they
are short of money but who is it these
days. Why (not-for-profit housing) has
been singled out as one way to them. And
not to Black. I don't understand when
there is a list as long as you are just
as prone to taxation.

We all can look into our past and
see our mistakes but why is it that years
when we have a good year and a surplus
that no one can put some away for a
rainy day?

Please vote down Bill 161

Sincerely
William Lane

17-17

Feb. 14 '50.

The Honorable Dave Kerr,
State Capitol Bldg., Topeka, Ks.
Near Senator Kerr,

We met at the apartment of Dorothy
Fontron, and I believe you know my
daughter, Jackie Johnston at UES Printing.
Please oppose S B 161, repealing K S A
79-201 to fifth. The repeal of this property
tax exemption on not-for-profit housing
would be a discriminatory "new tax" on
the elderly - those most unable to pay!
Our seniors, many of whom have out-
lived their own generation of family,
had no children and are living on a
fixed income. A fixed income does not
grow with normal inflation and low
interest rates last year left most of us
on a depleted budget!

Not all the senior citizens can afford
the luxury of a retirement facility as it
is now. It is a blessing. It gives us a
home, friends and "family" with many
interesting activities, healthcare and above
all - a sense of security!

Please give this matter your attention.

Louis M. B. Marshall



Mrs. Thomas R. Marshall
700 Monterey Pl. #519
Hutchinson, KS 67502-2266

Ruth A. Archie
700 Monterey Place #333
Hutchinson, Kansas 67502

Feb. 16, 2003

The Honorable David Corbin Chairman
members of the Assessment and Taxation Comm.
Capitol Bldg
300 S. W. 10th St # 143 N.
Topeka, Kansas 66612

Dear Senators:

We at Wesley Towers oppose Senate Bill 161 because taxing non-for-profit housing puts a burden on people who can not afford it

Three of the six people at our table do a great deal of volunteer work. Many people have little money, but they are generous with their time. One works at the Cosmospere, others tutor and one mends.

People saved their money so they wouldn't be dependent. Their contribution to the community is valuable.

Thank you for considering my request.

Most Sincerely,
Ruth Archie

17-19

February 14, 2003
Hutchinson, Kansas 67501

Senate Assessment and Taxation Committee
The Honorable Senator David Corbin
Capitol Building
300 S.W. 10th St # 143 N
Topeka KS. 66612

Dear Senator Corbin and Committee Members:

I am writing to ask your support in opposing SB 161, repealing K.S.A. 79-201 b fifth. The repeal of property tax exemption for non-profit housing - discriminating against the elderly.

Presently I am retired after 45 years - 16 of these teaching in high school and community college and the remaining 32 years in the Kansas State Department of Education. I am an active member of United Methodist Women and Church Women United.

With today's rising prices, three fourths of my KPERs and social security is used for my rent at Wesley Towers where I have a good home, tasty food, a variety of activities, friends and care when needed at Wesley Towers.

- 1) We are pleased to share our space (accommodations) free to community organizations,
- 2) Wesley Towers ^{we} provide \$400,000 charitable care in 2003.
- 3) Voluntarily contributes \$80,000 a year to subsidize meals on wheels.

Residents pay income tax, sales and excise tax, healthcare costs.

This is why I believe you need to oppose SB 161.

Sincerely
Elizabeth Mettling

DOROTHY O. BALLARD
620 Monterey Place # 205
Hutchinson, KS 67502

February 17, 2003

Senate Assessment and Taxation Committee
The Honorable David Corbin, Chairman
and Members of the Committee
Capitol Building #143
300 SW 10th St.
Topeka, KS 66612

Dear Senators:

I write in opposition to SB 161. The bill appears to single out only one tax-exempt entity from the whole group of tax-exempt entities to become taxable for property taxes --namely private not-for-profit elderly housing. Wesley Towers has been affiliated for 34 years with the KS West Conference of the Methodist Church. The Bishop is a member of the Board of Trustees. Senate Bill 161 would seriously effect many of the senior residents of Wesley Towers whose resources have been seriously diminished since the "9/11 Tragedy" because if SB 161 were passed, such taxes would have to be passed on to the residents.

I have been a resident of Wesley Towers for the past three years and am a widow in my 80's. I moved primarily to Hutchinson to be 200 miles closer to a daughter, but also had found it very difficult to stay in my home of 50 years. I was seeking a retirement community that offered a continuum of services so I would not have to move a second time. A real property tax is payable at the county level and would not be the answer to the State's income problem, but is to non-profit church sponsored retirement communities.

I am an elected alternate Trustee on the WT Board of Trustees. I am aware of the accelerated cost of operating costs for WT, primarily due to the cost increases for Charitable Care and Liability Insurance. WT has never turned out a person who has become impoverished. Should SB 161 become law, such a tax on the non-profit elderly housing would have to be passed on to the residents as rent increases.

Wesley Towers has an agreement with the city/county for an annual payment in lieu of its tax exempt status, which is subject to review. A recent study and analysis by KS State University shows that the economic impact of Wesley Towers Retirement Community amounts to several million. In addition, Wesley Towers is a major contributor to community services as they provide non-gratus Meals-on-Wheels, a voting site, Community and Organization meeting space, Community College classes, etc. Many of WT residents fill volunteer slots in WT and in Hutchinson and are contributing members in the cultural activities in our city.

I truly believe you will find Wesley Towers eligible for tax-exempt status, which SB 161 would take away if passed out of committee.

Sincerely yours,

Dorothy O. Ballard

17-21



Testimony by James Krehbiel in Opposition to SB 161

DATE: February 18, 2003

SUBJECT: Testimony before Senate on SB 161

Ladies and Gentlemen:

My name is James Krehbiel and I am the administrator of the Mennonite Board of Missions and Charities of Kansas, Inc., which goes by the name Schowalter Villa. Schowalter Villa was started in 1961 and is a non-profit continuing care retirement facility located in Hesston, Harvey County, Kansas. I am pleased to be joined today by Irene Weaver, one of our long-term residents. Irene spent much of her professional life in overseas mission work for the Mennonite Church and is a wonderful person. She contributes mightily to the vitality and social fabric of our Villa community and will be speaking to you briefly in a couple of minutes.

I am here today to express strong opposition to Senate Bill 161. You have heard from many other good folks today and I want to start by stating that I agree with everything that they have so eloquently stated. As simply stated, I can't overstate that if passed, this bill would have a devastating impact on retirement communities for the reasons they stated and for many, many other reasons. I want to discuss one of those reasons with you during the short time I have been allotted. I have provided to you a short synopsis that covers many additional reasons setting out why this Bill is such bad news, but time will not permit me to specifically discuss. I would ask that you read that document as you study this matter.

Acute Financial Hardship. It's a very real fact of life that the vast majority of our independent living residents deal with on a daily basis. Over eighty percent of our independent living residents fall into the low to moderate-income bracket. We learned of this startling fact when we applied for a community development block grant last year to assist us in the construction of an intergenerational child care center that, once completed, will permit our elderly persons and our youngest Kansans to interact and learn from one another. As startling as this was, however, it really just confirmed what we had long suspected about our residents. For many years, my administration and the past administration at the Villa has cringed when we thought of having to tell our independent living residents that their monthly service fees were rising yet again because of the Villa's rising costs for health insurance, liability and casualty insurance, employee costs and a host of other factors. Time and time again we hear the pleas of those residents to

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hold the line on service fee increases.

The reasons for their concerns should come as no surprise to this committee. The overwhelming majority of our independent living residents are on a fixed income. This fixed income is being devastated by low rates on certificates of deposits, one-half of one percent returns on savings accounts, the absence of meaningful cost of living adjustment on social security, pension or retirement plan payments, losses in the stock market and other effects of the economic downturn that has affected us all. And unlike other persons in our state, many of these people simply cannot work due to health or other reasons. Many simply cannot help themselves.

What compounds the problem is that our organization, as a non-profit, already operates at the lowest feasible cost to our residents. We don't have shareholders demanding dividends and we have pledged to help those who need our help. There simply is not wiggle room in our budgets for us to absorb additional costs. We must pass increased and new costs along to our residents.

Simply stated, the increased costs to our residents from Senate Bill 161's passage will mean the difference between independent living and government housing for many residents. But, there is not sufficient government housing to hold all of these residents.

Now, you will hear from City and County officials, including the Mayor of the City of Hesston, that they do not wish to tax these poor people. That's certainly the politically correct position, but yet they are here today to advocate for Senate Bill 161, a bill that makes **no** exceptions for these low and moderate-income residents.

A couple of additional points before I turn it over to Irene Weaver to say a few words.

There is an alternative to Senate Bill 161, an alternative that has worked in our community and many others and that can work in the communities across the state where this is an issue without having the disastrous impact of Senate Bill 161. Namely, agreements with local City and County governments to help offset the costs of fire, ambulance and other services those cities and counties provide to retirement communities. In our City, for example, we recently reached an agreement with the City of Hesston where we contribute up to \$15,000 per year for City services. This kind of an approach can and does work. And, more importantly, it allows retirement homes the necessary flexibility to adjust the agreement to fit the needs and concerns of their residents while offsetting some costs of city services. It works for us and it can work for others. There is no need to legislate a one-size fits all approach to this matter.

I want to let Irene Weaver say a few words to you about her situation.

My name is Irene Weaver and I am a resident of Schowalter Villa's independent living campus. I live on a fixed monthly income that is barely enough to pay my utility bills, my grocery bill, medical expenses and my other costs of living and the Villa service fees. Even an increase of \$10.00 per month creates a hardship for me. Despite what City and County people would like you to believe, I am the face of Schowalter Villa and

retirement homes across this state. I urge you to reject this attempt to place an additional tax burden on the elderly citizens of this State.

James M. Krehbiel, CEO
Schowalter Villa

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City, Villa reach accord on payment for services

The city of Hesston and Schowalter Villa have announced the signing of an agreement, under which the Villa will contribute \$15,000 per year for 15 years, or around \$225,000, for city services such as ambulance, fire and police.

James Krehbiel, chief executive officer at the Villa, stated, "This agreement is good for the Villa, good for the city and, most importantly, good for the community as a whole.

"The Villa and its residents make a myriad of positive contributions to the community. This agreement, by making a substantial offset to the cost of city services, is just one more way for the Villa to express its appreciation for being a part of the larger Hesston community."

The parties have been negotiating the specifics of the agreement for many months and signed the accord Monday (Nov. 11) at the council's regularly-scheduled meeting.

"We are very pleased to announce this agreement because it reaffirms the longstanding positive relationship that has existed between the Villa and the city and brings closure to an area of concern for the city because the Villa, as a non-profit corporation, does not pay property taxes," said city administrator John Carder.

Terms of the agreement are quite complex. The city will contribute \$100,000 to the Villa from its economic development fund for use by the Villa in various projects.

James Krehbiel had this to say on the city's payment, "While we have not finally decided what we will use the money for, one strong possibility includes reduction of the bond indebtedness on the Hesston Wellness Center.

"The Hesston Wellness Center, while owned by the Villa, is a community asset. The Villa is pleased to make the Hesston Wellness Center available to the general public and will most likely use the money in wellness center operations, to permit it to continue to its mission of

exercising the body, mind and mental health of area residents through physical exercise, aquatic activities, crafts, library and community programming.”

The Water’s Edge, a dining establishment located in the wellness center offering a variety of food options for breakfast, lunch and dinner to the general public, is on the tax rolls.

Accordingly, the annual Villa payment called for in the agreement will be reduced by the amount of taxes paid on the Water’s Edge.

“This arrangement just made sense,” said mayor John Waltner. “It has long been one of our goals to get some property on the Villa campus on the tax rolls. We have that in the Water’s Edge and felt comfortable about permitting the annual contribution to be reduced by the amount of taxes on that property. This was a good compromise.”

Neither side is precisely sure what the taxes on the Water’s Edge will end up being, but both put the figure at around \$8,000 to \$10,000 per year. In the event that the Water’s Edge is ever removed from the tax rolls, the annual contribution will remain at \$15,000.

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February 11, 2003

Senator Christine Downey
State Capitol Building
300 SW 10th Street,
Topeka, KS 66612

Dear Christine:

We appreciate you taking time two weeks ago to hear our concerns regarding legislative initiatives affecting non-profit retirement communities in Harvey County and across this State. In our conversation, you asked for each of us to put together several points addressing the property tax exemption issue. The Schowalter Villa administration, its supporting churches and the residents of the Schowalter Villa campus have appreciated your support in resisting changes to the long-standing property tax exemption for independent living units on non-profit retirement communities in past legislative sessions. We again ask for your continued support in opposing the SB 161 and the repeal of K.S.A. 79-201b *fifth*

There are several good reasons to leave the exemption alone. For one, repealing the property tax exemption for non-profit, elderly housing is, in a real and substantial way, a discriminatory tax on the elderly persons of this great State of Kansas. The elderly residents of non-profit retirement communities in this State do not own these independent living units. Elderly persons are, however, the only persons eligible to occupy them as residents. As non-profits, retirement homes are designed to serve the communities and the persons who live on campus. This tax would discriminatorily and adversely affect elderly persons and jeopardize the charitable missions of these non-profits.

I would like to share some facts about our residents and the operations of Schowalter Villa, a non-profit, 501(c)(3) organization, an institution of the State of Kansas and a supporter of you and your actions on behalf of elderly persons in your district:

1. Schowalter Villa is 41 years old and currently serves about 415 residents and supplies jobs for an additional 205 persons. We have 110 skilled nursing beds (12 beds serve individuals with Alzheimer's and related dementia), 35 assisted living suites, 50 low income apartments under HUD and 25 congregate living apartments, and 128 independent living units in the form of four plexes or duplexes (built from 1961 to 1999). Residents occupy but do not own these units.
2. The average age of admission to Schowalter Villa's independent living units is 78 years and the average age of all of our current residents is 85 years.
3. Schowalter Villa will provide over \$400,000 of **free** care in 2003 for its residents. This is placing a major strain on our organization, a strain that would likely pass the breaking point if the exemption were removed.
4. Like many retirement homes in the State of Kansas and across this country, Schowalter Villa has experienced operating losses for the past several years. These operating losses are due largely to inadequate Medicaid reimbursement, higher liability/property insurance premiums, skyrocketing

health insurance premiums, and burdensome regulations. These operating losses would increase even more if the exemption were removed. The simple fact of the matter is that many of the Schowalter Villa's residents simply can not afford to assist Schowalter Villa in offsetting this additional tax burden. These residents' resources are already stretched thin.

5. Over 80 percent of persons living in independent living units at Schowalter Villa are at either low or moderate-income levels. Again, they simply cannot afford the increase in service fees that removal of the exemption would cause.
6. Given their income levels and the rising costs in other areas caused by inflation, the cost of living, medical treatments, insurance and sales taxes, many (if not most) Schowalter Villa independent living residents will not be able to afford even a moderate increase in their monthly costs, let alone the huge increase that would be caused by legislative repeal of the exemption.
7. Without exemption, Medicaid costs to the State would increase. Because of the tax exemption, non-profit retirement communities can offer supplies and services at a reduced cost to the elderly. This helps stretch residents' resources and delay the need for government assistance. Thus, repeal of the exemption will likely backfire and will not result in more money for the State coffers. Retirement Communities effectively care for the chronically ill elderly, and prevent or delay use of more costly health services, according to a 1997 U.S General Accounting Office report.
8. Non-profit retirement communities and their residents provide substantial community benefits. These include jobs for a large number of the residents of your District, and the corresponding impact these jobs have on the families of this District and the communities in which they live. These benefits also include spending in the local economy as well as community education and meeting space, health screenings, home delivered meals, training for health care professionals, transportation and resident volunteerism. The list is virtually inexhaustible. The repeal of the exemption threatens many of these benefits and would undermine, not strengthen, local economies.
9. Schowalter Villa's residents pay many taxes. These include, among others, income taxes, sales and excise taxes, special use taxes, and the recently implemented solid waste franchise tax, among others. Our elderly residents, impacted as they are by escalating health care costs, pharmacy, fixed incomes, and low interest rates on savings, simply cannot afford to pay the additional taxes/fees that would come with repeal.
10. Importantly, a January 2003 Economic impact study performed by Dr. John Leatherman of Kansas State University demonstrates the economic benefit Schowalter Villa has on the Harvey County economy. It shows that **Schowalter Villa** alone (not including any other retirement community in this District) directly impacts the Harvey County economy with over \$7.7 million in sales and \$4.1 million in wages. With the "ripple" effect, this translates into an estimated \$13 million in sales, \$14.0 million in all types of income, and 310 jobs. His study also indicates that this economic activity generated over \$2.4 million in federal, state, and local government revenues. Repeal of the exemption jeopardizes this economic benefit in a real and substantial manner.
11. Retirement communities put the streets in, the curbs, the guttering, the sewers, the utility services, the water lines, and other infrastructure improvements, and we continue pay for their ongoing

upkeep. A very large percentage of the infrastructure in independent living is constructed without City/County support.

12. Schowalter Villa is happy to announce that we have come to an agreement to contribute \$15,000 per year to the City of Hesston for services, including police, ambulance and fire protection and the Hesston public school system.
13. There is considerable force and weight behind this exemption. It just makes sense. It made sense to the legislature 40 years ago when it was implemented and it makes sense today. Nothing – other than a temporary budget shortfall – has changed. There may be more residents on these campuses and there may be in raw numbers more independent living units. There are, however, many more elderly persons living in this state. Elderly persons that the State of Kansas wants and needs to keep here. The units constructed today may be nicer than those constructed forty years ago. The expectations of our elderly residents are, however, higher. These homes are modest/nice by today's standards; just as the homes constructed forty years ago were modest/nice by the standards of that time. In reality, nothing has changed that should cause this exemption to be removed. Removal would jeopardize our elderly residents' future and the future of the retirement communities in which they live.
14. We have an obligation to care for our elderly persons. We owe them a debt of gratitude and thanks. We should not tax them again.

Thank you for your consideration and support of our most frail and vulnerable citizens. I am very concerned about what will happen to many of our residents who are finding it very difficult to handle a \$10 a month service fee increase last year. What will happen if this increase becomes \$60 to \$100 per month? Many people would not be able to do this since they do not have the financial means to make this happen. Christine, I would be happy to give you all kinds of specific examples where this would be the case. In many of these examples, they would need to either receive assist from family member to stay in there current home, or move to governmental assisted housing or depending on their health needs move into homes within health care. This has been on my mind for several weeks since hearing about development of SB 161. We encourage you to oppose SB 161. Christine, please do not hesitate to write or call me if you have any additional questions. My phone number is 620-327-0400 or email jamesk@schowalter-villa.org.

Sincerely,

James Krehbiel
President/CEO

Feb. 17, 2003

Re: SB 161

My name is Irene Weaver and I am a resident of 35 years on the Schowalter Villa independent living campus. I live on a fixed monthly income that is barely enough to pay my utility bills, my grocery bill, medical expenses and my other costs of living. Even an increase of \$10 per month creates a hardship for me. Despite what the city and county people would like you to believe, I am the face of Schowalter Villa and retirement homes across this state. I urge you to reject this attempt to place an additional tax burden on the elderly citizens of this State.

Sincerely,

Irene Weaver *Irene Weaver*

TESTIMONY

By:

Before: Senate Taxation and Assessment Committee
Honorable David Corbin, Chairman

Re: Senate Bill No. 161

Date: February 14, 2003

Thank you Mr. Chairman and members of the Committee. I'm here today to oppose Senate Bill No. 161.

The Meadowlark Hills retirement community is a valuable asset in our local community. Let me just give a few examples of why we are grateful to have this retirement community as part of our city of Manhattan.

First of all, the retirement community has attracted many older people to Manhattan who have moved away in earlier years. We have many older people living at Meadowlark Hills who graduated from Kansas State University and left town to pursue a career in other cities around the nation. Upon their retirement they were interested in being closer to the university and fortunately with Meadowlark Hills having independent living units we are able to attract them back to our community. These older persons then become part of our Manhattan community contributing both to our local economy and to our community events and volunteer programs.

Secondly, Meadowlark Hill's retirement community is a tremendous economic impact in our city. They employ over 240 workers and generate several millions of dollars in all types of income through their programs and services. They are one of our largest employers and serve as model for other retirement communities around the nation.

Third, we are most grateful for the participation of the residents of these facilities to the numerous not-for-profit groups in our community, including city and county

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governments, school districts and local churches. Many of the older persons in these independent living units are active volunteers in university activities and contribute richly to the community spirit in which we are proud of.

Fourth, we believe that because of Meadowlark's involvement in the community and their charitable and fundraising activities that they are able to provide for a financial and stable organization who extend beyond their own resources. During the past few years Meadowlark Hills has raised several million dollars in charitable gifts to offset the operating costs of their organization and to keep fees at the lowest possible level while at the same time insuring that any resident who moves into their retirement community is taken care of for the remainder of their years. In fact, Meadowlark Hills lost over 700 thousand dollars last year and is forecasted to lose about a half a million this year. They do well into the six figures in charitable care each year. This is possible only because of the variety of living options available on the campus....this variety subsidizes the charitable care. Not for profit CCRC's across the nation are designed so that independent living makes possible the charitable serves across the campus...and have traditionally survived on their investment income. These past couple of years investment income has been negative at Meadowlark Hills, insurance rates have skyrocketed over 100 percent in the last 24 months, and reimbursement levels look difficult in the next several years. This is simply not the time to further burden struggling organizations that provide such essential services in our communities. Further, our seniors who reside at Meadowlark have also suffered significant losses in income due to the economic climate....it seems untimely to tax these facilities at time when it will not only burden the organizations but also the residents themselves...many who lived on fixed incomes.

We simply believe that any further financial burden of taxation on these organizations would not be in the best interest of our community given the many public benefits that are provided through this excellent retirement community.



Kansas

February 19, 2003

Senator Corbin
Chairman Senate Assessment and Taxation

Good morning Senator Corbin and Members of the Senate Assessment and Taxations Committee. My name is Dr. Larry Bechtold and I am a Congressional District Coordinator for AARP Kansas. AARP Kansas represents the views of our more than 348,000 members in the state of Kansas. Thank you for this opportunity to express our *concerns* on Senate Bill 161.

Supportive housing refers to residential settings that offer supportive services to residents. It goes beyond traditional rental housing to include a range of activities (e.g., group meals, transportation, housekeeping and personal care). Because the supportive services are provided in a residential setting, there are many housing-related issues that make these settings different from the institutional care of a nursing home

The major types of supportive housing include adult foster care, continuing care retirement communities, personal care homes, board and care homes and assisted living. These options increase an individual's ability to live longer in a community setting and age in place. Supportive housing options are expanding as a result of consumers' desires to remain outside of institutional settings (i.e., nursing homes), policymakers' desire to provide fiscally responsible quality care for increasing numbers of older people and providers' interest in developing new settings for service delivery.

Older adult housing options are inadequate in many areas of the state. The availability of assisted living and residential health care beds is low especially for low income older adults in many areas of the state. For the majority of Medicaid recipients, the cost of board and room at assisted living or residential health care setting is beyond their reach even though Medicaid will pay for these services. In many rural areas, the local nursing home is struggling for survival and lacks the resources to develop a service continuum. If alternative housing options are not available, and progress made in expanding assisted living and residential health care settings becomes stalled, it is likely that the state will see higher rates of nursing home use.

These new residential settings will be necessary as the population of Kansas ages. Between 2000 and 2025, the percentage of the population age 65 and over will increase 13.3 %. The cost to serve a consumer in a nursing home is \$2,288 per month versus \$883 per month in a home and community based setting.

Elimination of the tax exemption for elderly housing could jeopardize housing opportunities for seniors now and in the future, increase costs to seniors for living independently and require some seniors to make a choice of remaining independent or moving to a nursing home setting.

Therefore, we respectfully urge you to oppose Senate Bill 161, which would eliminate exemptions from housing for the elderly. Thank you for your consideration in this matter. Dr. Larry Bechtold.

555 S. Kansas Avenue, Suite 201 | Topeka, KS 66603 | 785-232-4070 | 785-2328-8259 fax
Jim Parkel, President | William D. Novelli, Executive Director and CEO | www.aarp.org

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