

MINUTES OF THE HOUSE TAXATION COMMITTEE

The meeting was called to order by Chairman Kenny Wilk at 9:00 A.M. on January 24, 2006 in Room 519-S of the Capitol.

All members were present except:

Representative Nancy Kirk- excused

Committee staff present:

Chris Courtwright, Legislative Research Department
Martha Dorsey, Legislative Research Department
Gordon Self, Revisor of Statutes
Rose Marie Glatt, Committee Secretary

Conferees appearing before the committee:

Charles H. Gregor, Jr., Exec.Vice Pres., Leavenworth-Lansing Chamber of Commerce
Ross Markle, President, Harris Brothers Cleaners, Inc.
Bernie Koch, VP/Government Relations, Wichita Chamber of Commerce
Jim DeHoff, Executive Secretary, Kansas AFL-CIO
Paul Welcome, Johnson County Appraiser
Howard D. Partington, City Administrator, City of Great Bend
Margaret Archer, Osage County Appraiser

The Chairman called for bill introductions.

Representative Vickrey requested a bill be introduced regarding authority for an additional quarter cent sales tax for the city of Paola. Representative Wilk moved his request. Representative Huff seconded the motion and the motion passed.

HB 2619 - Property tax exemption for certain commercial and industrial machinery and equipment, materials and supplies.

Proponents:

Charles H. Gregor, Jr. said that Kansas is growing at a slower rate than most other states in the Midwest and the nation as a whole. **HB 2619** will fix the problem in three ways: 1) by releasing capital for reinvestment 2) by leveling the playing field for economic growth to attract new businesses 3) by providing jobs to keep the work force in Kansas. He urged passage of the bill (Attachment 1).

Ross Markle, President, Harris Brothers Cleaners, Inc. spoke about his previous experiences of testifying before the Taxation Committee. He stated that the facts prove that the doom and gloom that parties opposed to this tax bill perpetrated are wrong and the tax implications are negligible. He thanked the Legislatures efforts to provide a \$1,000 exemption to the business personal property taxes for Kansas small businesses (Attachment 2).

Bernie Koch, VP/Government Relations, Wichita Chamber of Commerce, said that as the manufacturing center for the state, they have experience understanding the importance of machinery and equipment investment. **HB 2619** represents an idea whose time has come and is the beginning of a major change in the tax structure of the state. He referred to a study (presented to the 2005 Taxation Interim Committee) completed by J. Bradford De Long and Lawrence Summers of Harvard and MIT regarding the economic growth over 25 years in over 70 countries around the world (Attachment 3). Representatives Kinzer, Goico, Brunk, O'Malley, Siegfried and Menghini requested copies of that report.

Jim DeHoff, Executive Secretary, Kansas AFL-CIO, submitted *written testimony* in favor of **HB 2619**. He stated that the exemption of property tax on machinery and equipment would have a positive effect on creating jobs in Kansas(Attachment 4).

CONTINUATION SHEET

MINUTES OF THE House Taxation Committee at 9:00 A.M. on January 24, 2006 in Room 519-S of the Capitol.

Opponents:

Paul Welcome, Johnson County Appraiser, appeared on behalf of the Johnson County Board of County Commissioners. He explained charts reflecting the shift of the tax base showing major changes have occurred since the 1989 for the state and Johnson County (Attachment 5).

Howard D. Partington, City Administrator, Great Bend, said that they encourage business growth and expansion, however they are opposed to another unfunded mandate that does not have a funding mechanism (Attachment 6).

Margaret Archer, Osage County Appraiser, testified in opposition to **HB 2619**. She introduced Larry Woodson, Osage County Commissioner. She said that the county is pro-business, but on the average, counties will lose 6.83% of the total tax base. The residential and commercial real estate owners should not have to absorb this increase (Attachment 7).

R. J. Wilson, Crawford County Clerk, submitted *written testimony* in opposition to the bill. Although county officials agree that Kansas businesses face competitive challenges with other states, due to the current tax structure, they do not agree with the relief mechanism suggested by the bill (Attachment 8).

A time for questions and answers followed to clarify data listed in conferees' testimony.

The Chairman closed the public hearing on **HB 2619** and stated that discussion would continue tomorrow, January 25.

An updated table from the Department of Revenue, reflecting historical machinery and equipment credits and the projected numbers was distributed (Attachment 9).

In response to a question regarding the use tax. Secretary Wagnon said that if the Committee desired, DOR could provide a list of five counties with a chart that reflected the current use tax and how it had increased over the years as well as a list of the jurisdictions that have local option sales taxes. In response to a question on credits verses exemptions, the Secretary explained the processes the Department of Revenue goes through regarding the paperwork for credits and exemptions.

The Chairman said that they would see if Dr. Art Hall could return for further discussion on the topic of "How Investments and Capital Drive Productivity."

The meeting was adjourned at 10:55 A.M. The next meeting is January 25, 2006.

**TESTIMONY OF CHARLES H. GREGOR, JR.
EXECUTIVE VICE PRESIDENT
LEAVENWORTH-LANSING AREA CHAMBER OF COMMERCE
HOUSE TAXATION COMMITTEE
HOUSE BILL NUMBER 2619**

January 24, 2006

Mister Chairman, members of the Committee, on behalf of the Board of Directors and approximately 500 members of the Leavenworth-Lansing Area Chamber of Commerce, I thank you for the opportunity to come before you to speak on behalf of House Bill 2619.

As we are all aware, the economy of Kansas is slowly recovering and growing from the recent recession. Obviously, this is good and Kansas is poised to continue its current growth. We have a lot going for us. The problem is we are growing at a slower rate than most other states in the Midwest and the nation as a whole. A Wichita State University study found that Kansas businesses are expanding at a slower rate, creating jobs at a slower rate and increasing profits at a slower rate. This has the obvious implication that we are creating state revenue to improve our highways, infrastructure, education system and other public services at a slower rate than most of the states we compete with.

House Bill 2619 goes a long way to fix that. It does so at least three ways. First, it releases capital for reinvestment that our Kansas businesses will use to purchase new machinery and equipment that will increase the efficiency and productivity of businesses, promoting business expansions, creating new jobs and increasing profits. This is not hyperbole or exaggeration. Currently almost half of taxed machinery and equipment in Kansas is fully depreciated and taxed at the minimum 20% level. Today we have businesses surviving using old, worn, outdated "low tech" machinery that require constant repair, difficult to find parts but won't be replaced because of the cost of new equipment. A major part of that cost is the current Kansas tax on machinery and equipment.

Second, this bill goes a long way to level the playing field when our Department of Commerce and other economic development organizations promote Kansas for new industries and businesses that are looking to expand or relocate. The bottom line is almost always the deciding factor in the decision making process and that bottom line takes a heavy hit because of our current taxes on machinery and equipment. Kansas Inc., in a November 1999 study, "*Business Taxes and Costs: A Cross-State Comparison*" found that 80% of responding manufacturers said "the property tax on machinery and equipment in Kansas had a negative effect on their investment and expansion decisions." This is true whether we are focusing on a snow plow blade manufacturer or a high tech life science industry. It is also a major consideration for a Kansas business that is considering expansion and possible relocation. We must retain these Kansas businesses in Kansas. To do so we must create an economic environment that makes such a decision for a Kansas business a virtual "no brainer".



Leavenworth resident Ross Markle, right, said he will have to move the outhouse he stores in the basement of his business to make sure it does not end up on his property tax statement. Markle said the outhouse is used as a parade float for a civic organization, but under recently enforced tax assessments in the Leavenworth County it could be considered business property.



Leavenworth's tax woes could be preview for other cities

A revolting development

By JOE TASCHLER
The Capital-Journal

LEAVENWORTH — Ross Markle is standing in the basement of his dry cleaning business complaining about the taxes levied on his nice legs and his outhouse.

Markle isn't the only one complaining about taxes in Leavenworth.

Virtually every small business owner in this northeast Kansas city of 38,500, is in the throes of a tax revolt.

Residents have twice marched on the county courthouse to protest taxes.

Vehicles and buildings sport red and white anti-tax and anti-county commission signs.

A lunchtime conversation about taxes among small business owners at the High Noon Saloon is spiced with words like "unbelievable," "ridiculous" and "morally wrong."

What they are talking about is a situation that doubled, tripled or even quadrupled some businesses' property taxes almost overnight.

Tack on a 100 percent penalty and 18 percent interest dating back to 1989 and some business owners face tens of thousands of dollars in taxes owed to the county.

Those tax liabilities might as well be bright red capes waved in front of enraged bulls.

And, this entire tax mess could be coming to a county near you, maybe even the county where you live, any day now.

Welcome to the often strange, never boring and sometimes just plain crazy world of being a taxpayer in Kansas.

The story begins in late 1986 when we, the people, voted in favor of a constitutional amendment to change the way property is taxed in the state. We voted to change the system to a classification system based on a purchase price. The old way was a market value assessment.

The new law took effect in 1989 and was immediately met by a firestorm of unhappy homeowners whose property taxes on their houses, under the new system, went through the roof.

Based on media coverage of the situation, campaign rhetoric and a host of other factors, many Kansans believed the new law dealt only with real estate.

Nobody was paying any attention to the personal property (non-real estate) aspects of the new law.

These days, the real estate situation is mostly settled whether you agree with the outcome or not and the state has shifted its focus to business personal property.

Here's where things get nasty: Back taxes, penalties and interest were gathering on business personal property while everyone was in a dither over the appraisal of real estate.

We pick up the story again in late 1993 when the state's property valuation division sent a memorandum to county appraisers

across the state reminding them there was more to their jobs than reappraising real estate.

The appraiser's office in Leavenworth County took the letter to heart and decided every business in the county needed to be audited in order to check compliance with personal property tax law requirements.

The notices said: "Please be advised that Leavenworth County has initiated a comprehensive audit of all tangible business personal property tax returns. This program is designed to ensure compliance with applicable Kansas statutes and improve assessment equity and uniformity."

Leavenworth County commissioners voted to hire an outside auditing firm to conduct

the audit. The firm was hired on a contingency fee basis whereby the firm would receive 10 percent of the revenue generated by the audit.

Referred to as a "bounty hunter," "head hunter" and "tax ferret" by angry business owners, the audit firm began by looking into the taxes paid by 21 county businesses. The result: Auditors told the county they had found \$1.7 million in taxes, penalties and interest owed to the county. That compares to \$440,000 collected from all businesses in the county the previous year.

Small business owners in Leavenworth were hot. The rage still shows through when they talk about the situation nearly a year later.

Everything from paper clips to wall clocks to trash cans to staplers to junked business equipment was, suddenly, taxable. County residents began referring to the audit as a "paper clip tax."

"Believe it or not, paper clips are business personal property," said David Cunningham, director of the state's division of property valuation.

When Cunningham talks about paper clips, though, he is referring to bulk office supplies as opposed to a single paper clip, he said.

Which brings us back to Markle's nice legs and his outhouse.

Markle owns Harris Brothers Cleaners which has locations in Leavenworth, Lansing and Atchison. He owns a total of four shops.

Markle says he consulted a tax attorney who said the trophy he won back in 1986 in a charitable "nicest legs" contest — the trophy is displayed in his office — and the Lion's Club outhouse he stores in the basement of one of his shops are considered business personal property and are probably taxable and at least reportable to the Kansas Department of Revenue.

"I've got to list that on my (bleep) taxes and put a value on it," Markle almost shouted as he brandished the "Nicest Legs" trophy. He won the trophy for raising the most money in the contest — Markle says it benefitted the American Cancer Society — which involved him wearing shorts in winter time and collecting pledges for doing so.

He also stores an old, junked commercial clothes dryer in the basement of his Leavenworth shop. He takes parts off it and uses them to replace broken parts on his working dryers.

What really makes him irate, he said, is this: The junked dryer in his basement is subject to personal property tax with an assessment based on 20 percent of its original purchase price.

The assessment exists as long as the business owns the property. There is no depreciation schedule.

"Who would dream this stuff is taxable?" Markle said as he stood in the dark, musty, cobweb-filled basement of his business. "It's got no value."

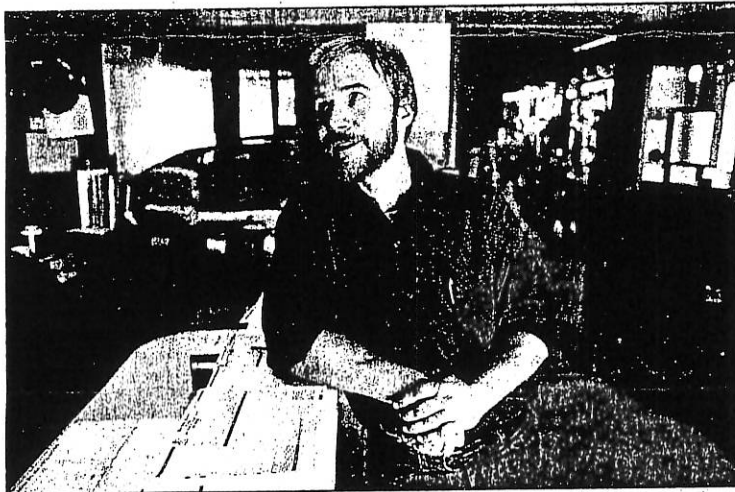
Which brings us to the subject of rendition sheets. Those are the forms on which business owners must list all the property in their businesses which could possibly be subject to taxation.

Markle, his face turning a dark shade of red when he talks about it, estimates it took him 100 hours to complete the rendition sheets and paperwork needed to comply with the law.

Other business owners in Leavenworth also complain of spending 80-100 hours filling out rendition sheets.

Bad advice

The Leavenworth County audit has resulted in a bitter fight between business owners



Todd Marshall, owner of Auto Haven repair shop in Leavenworth, has told auditors they will need a search warrant to come into his business.

Small business owners say tax laws need overhaul

By JOE TASCHLER
The Capital-Journal

Talk to just about any business owner in the state — especially small business owners — and they will almost universally complain about the state's taxes.

Well, so what. Everybody else complains about taxes, too.

Yes, but small businesses say they are being unfairly singled out by a legislative process in which they have almost no voice.

"When they soak it to business, they're soaking it where there's the least number of votes," said Roland Smith of the Wichita Independent Business Association.

His organization represents 800 locally owned businesses in Sedgwick and five surrounding counties in Kansas.

But that's not the only problem with state tax law.

"It's worse than regressive, it's punitive," said Gary Nelson, a Leavenworth

lawyer who represents Leavenworth County business owners who are fighting the interest and penalty provisions of business personal property taxes in Kansas. "The penalties are way out of line."

Kansas taxpayers especially small business owners who have made a good faith effort to comply with state tax laws, but make mistakes, are subject to penalties that are more severe than those levied on some criminals in the state, Nelson said.

The state's tax laws have led to a tax revolt in Leavenworth County.

Much of this is the result of a 1986 constitutional amendment which changed the way business personal property is taxed.

Complying with the law means things such as clocks, paper clips and staplers need to be reported as taxable property.

The furor over the tax situation in Leavenworth could take place across the

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Tax revolt

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and the county. Small business owners have banded together and formed the Blue Collar Coalition.

The coalition claims to represent more than 1,000 businesses and business owners in Leavenworth County in their fight against interest and penalties on back taxes they say they didn't know they had to pay.

One of those business owners is Todd Marshall, owner of The Auto Haven auto repair shop at 2nd and Walnut in Leavenworth. Marshall has taken a firm stand against the county government and its audit procedures.

"They will not come into my place without a subpoena or a warrant," Marshall said.

He sees the Leavenworth County situation as a fight for the American Dream.

"I don't think a responsible governing body would inflict this kind of pain on its citizens," Marshall said. "I just want to run my business and raise my family."

Leavenworth County has backed away from the 100 percent audit and the "hired gun" auditor, partly because of public outcry and partly because of a state law passed during the last legislative session outlawing the hiring of auditors on a contingency basis.

But there's more:

Business owners in Leavenworth County claim the county appraiser's office gave them bad advice, telling them to use the same depreciation schedule they use on federal tax forms on their state tax forms.

Many of the business owners say that's how they completed their state tax forms. The problem is, filling state tax forms out in that fashion is wrong.

In what some would say is an

unusual set of allies, the state's Cunningham agrees with Leavenworth County business owners who say they were never told how to properly fill out their tax forms.

"They didn't know they were doing anything wrong," Cunningham said. "There's some pretty valid points there."

Business owners make the argument "If I was doing it wrong before why didn't you tell me?"

Cunningham said.

Leavenworth County Commission Chairman George Sprague says by enforcing the tax law he is living up to his responsibilities as a county commissioner.

"There are definitely some deficiencies in the law," Sprague said, "but I don't have anything to do with that."

"This is what the intent of the law is."

Members of the Blue Collar Coalition claim the mess is personal and claim the county commission has embarked on a vendetta designed to punish certain businesses the commissioners hold grudges against.

Nonsense, says Sprague: "This started before I came into office in 1993."

"They're angry. They're upset," Sprague said of business owners.

"We just happen to be the closest people they can vent their wrath on," Sprague says he is simply upholding his oath of office and enforcing the laws.

You'd never convince business owners of that. Around Leavenworth, the county commissioners are commonly referred to as "Larry, Moe and Curly."

"If nothing else, it's been an education," Sprague said.

'It goes beyond ridiculous'

Gary Nelson is a Leavenworth attorney who represents business owners in their fight with the county.

He is upset about the way his clients have been treated in this situation. "They didn't try to deal with the people," he said of the county. "They used gestapo tactics."

Nelson compared the situation to a government lowering a speed limit on a busy highway and neglecting to tell anyone or install signs with the new speed posted on them. Then, government leaders order police to start writing speeding tickets.

"It goes beyond ridiculous," Nelson said, sounding disgusted with

the situation.

Nelson contends his clients did their best to comply with the law, but didn't know any better and were never told how to properly report business personal property taxes.

"They're not paper pushers like attorneys or accountants," Nelson said of his clients. "They run automotive shops and dirt moving businesses."

Leavenworth County business owners are willing to pay the back taxes, but his clients want a fair shot at being able to comply with the law without paying outrageous penalties and interest. "We're not a bunch of wild-eyed rednecks out looking for a fight," Nelson said.

All of this led State Rep. Clyde Graeber, R-Leavenworth, to draft a law passed by the state legislature earlier this year forgiving the interest and penalties and allowing taxpayers to voluntarily comply with the 1988 constitutional amendment. The law basically amounted to an amnesty provision and had Cunningham's blessing.

But Kansas Attorney General Bob Stephan has ruled the amnesty provision violates the Kansas constitution.

In terms of amnesty provisions, Commissioner Sprague argues he represents the interests of people who've properly complied with the law.

"Somebody's going to have to figure out a way for me to give them their money back," Sprague said. If the amnesty provision is allowed to stay in place.

The issue will be decided by the Kansas Supreme Court.

Without some change in the interest and penalty section of the law, many small business owners who didn't know how to comply with the tax law will face extinction, observers say.

"It really can end up being a monumental thing," Graeber said of the taxes, interest and penalties owed. "When this spreads across the state and these audits begin taking place in other communities, there are going to be upset people across the state."

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state as more counties move to comply with state law.

Consequences of complying with the law could be devastating.

"If Leavenworth County is any example, it's going to be just terrible," Smith said. "If someone has unintentionally under-listed, it could be disastrous to them. They could go under overnight."

Some people say tax laws in the state need to be overhauled.

"The personal property tax system in the state is very difficult to comply with," said Rep. Clyde Graeber, R-Leavenworth. "There are problems with the tax laws. They do need to be simplified."

"If a law really mandates that a business list pictures on walls and lamps on tables, then I think we've gone too far."

Kansas tax law in general is punitive and likely plays a part in businesses declining to choose Kansas for their headquarters or manufacturing operations, some observers say.

"If they take an honest look, they'll go to Iowa, Oklahoma or maybe Missouri," Smith said.

Smith isn't alone.

"Taxes, in general, in Kansas are too high," said Bob Corkins, director of taxation for the Kansas Chamber of Commerce and Industry. "We want to make sure our overall tax structure is in line with other states."

Missouri and Oklahoma are considered low tax states. "We're not looking to become the lowest tax state in the region, but we don't want to be the highest," Corkins said.

Smith agrees some larger businesses in the state have been intentionally under-reporting their personal property. He also says the state should go after tax cheats. "We don't have a problem with that."

What he does have a problem with is the insatiable appetite for money many state agencies seem to have and the way they go about getting their money. "A lot of taxing entities have lobbyists who are awfully strong," Smith said. "They use our tax dollars to fight us."

Corkins agreed. "It's definitely in the interest of local government to keep revenue flowing at the highest level they can get."

Eliminating lobbyists might be part of the answer, but "nobody's ever had the guts to do it," Smith said.

He said another constitutional amendment is needed to overhaul Kansas tax law so there is some common sense injected into the process.

Ross Markle, a leader of the Leavenworth revolt, said he and the business owners involved in the brouhaha aren't doing it just for themselves.

"We don't want to see the economy of the state of Kansas stagnate or fail to attract new businesses because of an antiquated tax structure," Markle said. "If you're a large manufacturer, you sure as hell don't want to do business in the state of Kansas."

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**Testimony to House Taxation Committee
January 25, 2006
Bernie Koch, VP/Government Relations
Wichita Metro Chamber of Commerce
350 W. Douglas, Wichita, Kansas 67202**

Thank you for the opportunity to testify today in support of House Bill 2619.

Good morning, I'm Bernie Koch with the Wichita Metro Chamber of Commerce. Our Chamber has 2,140 members. Our members employ about 60 percent of the workforce in the Wichita Metropolitan Statistical Area of Sedgwick, Harvey, Butler, and Sumner Counties.

As a manufacturing center for the state and the country, we have a lot of experience understanding the importance of machinery and equipment investment.

I believe this is an idea that's time has come. Technology has become increasingly important in business, and increasingly expensive. As the cost of that technology increases, so does the business personal property tax on that technology.

Lately, our economic development professionals are hearing from professional site selectors that our high business personal property taxes are keeping us from consideration by many prospective companies.

That seems to dovetail with special legislation passed in 2002 and 2003 that was needed to keep jobs at two major manufacturers in Kansas. Both the Goodyear Facility in Topeka and the Bombardier Aerospace plant in Wichita were in danger of closing. Management from both companies testified to legislative committees that their costs in Kansas were the highest of any of the plants in their companies. As manufacturers, the business personal property tax on machinery and equipment was one of the major culprits. The Goodyear and Bombardier situations are symptoms of a problem.

Recently, another major company involved in technology in our area told us the same thing. Their parent corporation was unwilling to expand by investing in new equipment and new jobs because the Wichita facility has the highest costs of any of their seven major centers in the United States.

This is not a request that we make lightly. We understand it is the beginning of a major change in the tax structure of the state. Your serious review and consideration is appreciated.

The most far-reaching study of equipment and investment and economic growth was done by J. Bradford De Long and Lawrence Summers of Harvard and MIT. They took a look at economic growth over 25 years in over 70 countries around the world.

Their study concluded the following:

- Accumulation of machinery is a prime determinant of national rates of productivity growth.
- There is a clear, strong and robust relationship between national rates of machinery and equipment investment and productivity growth.
- High rates of equipment investment can account for nearly all of Japan's extraordinary growth performance after WWII.
- "The gains from raising equipment investment through tax or other incentives dwarf losses from any non-neutralities that would result."
- The social return to equipment investment in well-functioning market economies is on the order of 30 percent per year. Social Return is created when resources, inputs, processes or policies are combined to generate improvements in the lives of individuals or society as a whole. The notion of a social return is one that you don't hear about often.

In Sedgwick County, business personal property is about 10 percent of the property tax base.

There is some basis to judge what will happen in Kansas when you provide an incentive to invest in equipment. Three state actions took place in 1989 that had an affect: the sales tax was removed from manufacturing machinery and equipment, the assessment rate for business personal property dropped from 30 percent to 20 percent, and the inventory tax was eliminated.

In Sedgwick County, these actions encouraged strong investment in machinery and equipment. Within two years, the lost valuation had been regained.

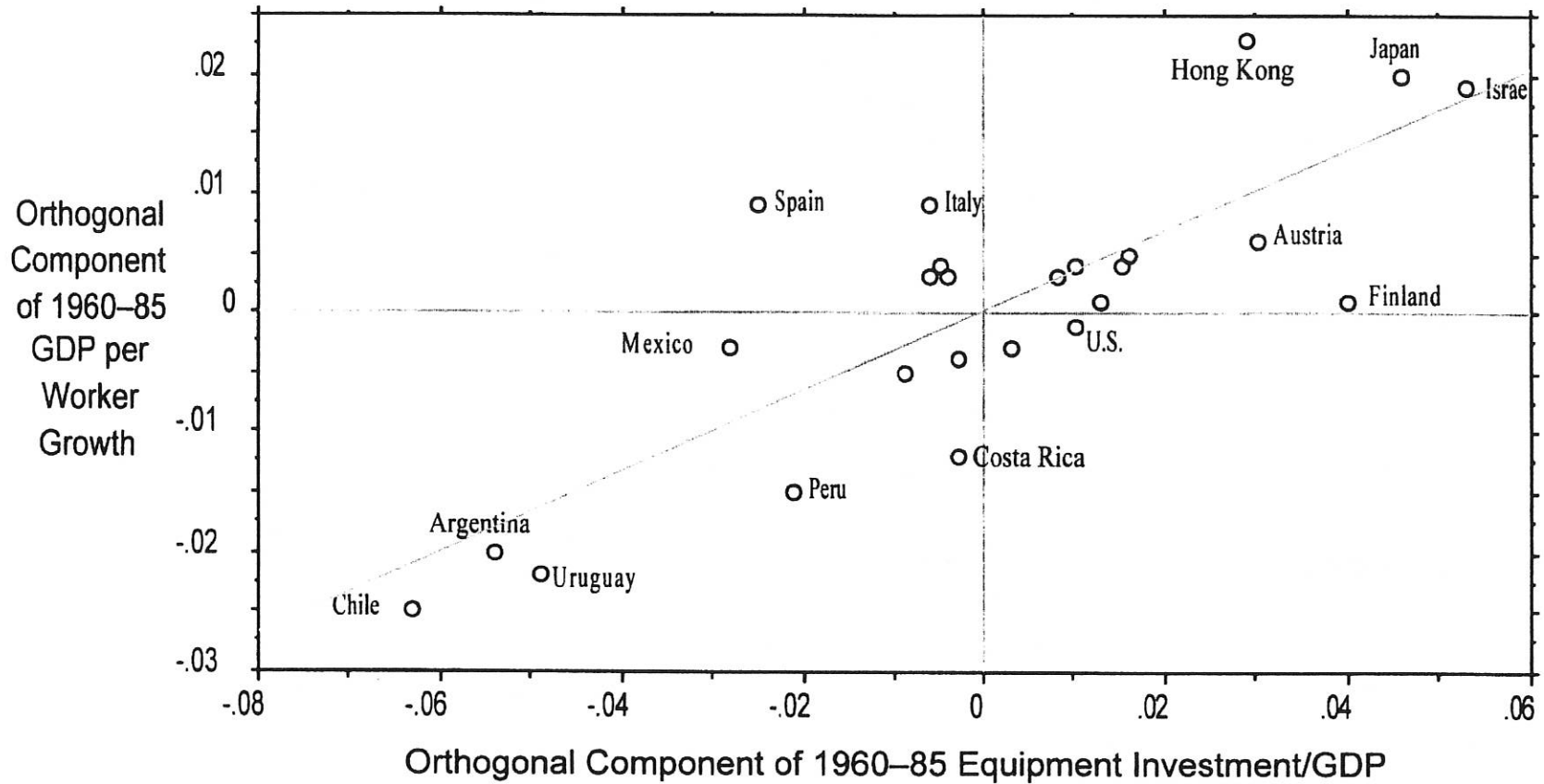
Between 1989 and 1992, the assessed valuation of business personal property in Sedgwick County grew by over 21 percent.

During that same period, the assessed valuation of commercial and industrial real property (buildings and land) grew by only about four percent. It appears clear that lowering the tax created a strong incentive to invest.

You must decide the best public policy. I believe your choice is to do something, or to do nothing. I urge you to take action.

Thank you again for the opportunity to appear before you today. I look forward to your questions.

Figure 5
Partial Scatter of Growth and Equipment Investment, 1960–85



PERCENT OF SEDGWICK COUNTY PROPERTY TAX BASE COMPOSED OF COMMERCIAL AND INDUSTRIAL PROPERTY

	COMMERCIAL & INDUSTRIAL MACHINERY & EQUIPMENT			COMMERCIAL & INDUSTRIAL REAL PROPERTY		TOTAL COMMERCIAL & INDUSTRIAL PROPERTY	
	TOTAL PROPERTY TAX BASE	ASSESSED VALUE	PERCENT OF TAX BASE	ASSESSED VALUE	PERCENT OF TAX BASE	ASSESSED VALUE	PERCENT OF TAX BASE
1984	\$1,339,610,776	\$183,930,207	13.73%	\$220,623,496	16.47%	\$404,553,703	30.20%
1985	\$1,394,266,112	\$187,085,820	13.42%	\$227,298,750	16.30%	\$414,384,570	29.72%
1986	\$1,448,022,385	\$185,445,528	12.81%	\$250,987,830	17.33%	\$436,433,358	30.14%
1987	\$1,494,160,620	\$195,126,906	13.06%	\$261,418,256	17.50%	\$456,545,162	30.56%
1988	\$1,537,513,579	\$211,576,704	13.76%	\$266,438,350	17.33%	\$478,015,054	31.09%

(1989 was the first year after reappraisal and reclassification. Mach/equip from 30% to 20%. Comm/indust real property remained 30%.)

1989	\$1,867,511,789	\$180,826,219	9.68%	\$613,043,418	32.83%	\$793,869,637	42.51%
1990	\$1,912,253,139	\$177,862,882	9.30%	\$622,574,204	32.56%	\$800,437,086	41.86%
1991	\$1,962,204,160	\$212,948,990	10.85%	\$625,921,336	31.90%	\$838,870,326	42.75%
1992	\$2,017,833,007	\$220,016,005	10.90%	\$638,151,101	31.63%	\$858,167,106	42.53%

(1993 was the first year during which both comm/indust machinery & equipment and comm/indust real property were assessed at 25%)

1993	\$2,007,037,441	\$281,394,061	14.02%	\$469,597,688	23.40%	\$750,991,749	37.42%
1994	\$2,060,281,521	\$282,127,156	13.69%	\$535,365,114	25.99%	\$817,492,270	39.68%
1995	\$2,118,312,007	\$295,632,718	13.96%	\$523,594,346	24.72%	\$819,227,064	38.67%
1996	\$2,204,320,563	\$309,179,886	14.03%	\$557,505,466	25.29%	\$866,685,352	39.32%
1997	\$2,335,445,803	\$326,055,773	13.96%	\$609,002,374	26.08%	\$935,058,147	40.04%
1998	\$2,453,805,137	\$355,717,918	14.50%	\$635,027,905	25.88%	\$990,745,823	40.38%
1999	\$2,596,920,364	\$360,099,087	13.87%	\$671,695,039	25.87%	\$1,031,794,126	39.73%
2000	\$2,793,561,274	\$373,823,471	13.38%	\$729,440,214	26.11%	\$1,103,263,685	39.49%
2001	\$2,936,049,479	\$339,430,675	11.56%	\$783,474,306	26.68%	\$1,122,904,981	38.25%
2002	\$3,048,850,929	\$344,206,950	11.29%	\$853,894,122	28.01%	\$1,198,101,072	39.30%
2003	\$3,292,453,456	\$342,905,188	10.41%	\$960,007,708	29.16%	\$1,302,912,896	39.57%
2004	\$3,433,068,013	\$349,660,903	10.19%	\$993,632,126	28.94%	\$1,343,293,029	39.13%
2005	\$3,608,117,774	\$367,524,139	10.19%	\$1,047,101,408	29.02%	\$1,414,625,547	39.21%



President
Mark Love

Executive Secretary
Treasurer
Jim DeHoff

Executive Vice
President
Wil Leiker

Executive Board

- Paul Babich*
- Doris Branham*
- Mike Brink*
- Kurt Chaffee*
- Herb Dicus*
- Rick Greeno*
- David Han*
- Tom Harkness*
- Hoyt Hillman*
- Larry Horseman*
- Jim Keele*
- Lloyd Lavin*
- Jerry Lewis*
- Emil Ramirez*
- Steve Rooney*
- Rory Schaffer*
- Richard Taylor*
- Brian Thompson*
- Dan Woodard*

TESTIMONY ON HB 2619 To the House Taxation Committee

by Jim DeHoff, Executive Secretary
Kansas AFL-CIO
January 24, 2006

Chairman Wilk and Committee Members:

The Kansas AFL-CIO is very interested with economic development. We feel that passage of House Bill 2619 would encourage expansion of existing businesses and would also encourage new businesses to consider relocating to our state.

Although there has been concern expressed by cities and counties about possible loss of tax base, we believe that HB 2619 has protection in its language that keeps all current property on the tax rolls and exemption from property tax only applies to property purchased after January 1, 2007.

The exemption of property tax on machinery and equipment would have a very positive effect on creating jobs in Kansas by providing new jobs to many communities in Kansas. The personal income from these jobs would help stimulate the Kansas economy.

We urge your consideration and support of passage of HB 2619.

Thank you.

Jim DeHoff
Executive Secretary





MEMORANDUM

Office of the County Appraiser Johnson County, KS

Named "Distinguished Assessment Jurisdiction" for 2000

TO: House Taxation Committee

FROM: Paul Welcome, CAE, ASA, RMA Johnson County Appraiser

RE: HB 2619

DATE: January 24, 2005

Good Morning, my name is Paul Welcome, Johnson County Appraiser and I am here to express the Johnson County Board of County Commissioner's legislative position for this proposed legislation.

The first attachment shows the shifting of the tax base as major changes have occurred since the 1989 reappraisal in a pie chart for the state and Johnson County only. The specific years were chosen due to significant legislative or constitutional changes in tax policy since 1988. Of course, 1989 was the first significant change with reclassification and reappraisal. The next major tax policy shift was the 1992 constitutional amendment passed by the citizens and implemented in 1993. This constitutional amendment changed the residential classification from 12% to 11.5% and the commercial classification from 30% to 25%. The 2004 data is the last set of data available at this time from the state.

Another major change enacted by the legislature for 2004 was the change in the agricultural use capitalization rate. With the higher fixed rate, this shifted the base from agricultural use values to the other remaining property owners, real and personal property owners.

Another major shift that has occurred in counties with larger oil and gas property owners was the tax exemption for low producing wells with less than 5 barrels per day. This was enacted when the price of oil was in the \$10.00 to \$18.00 rate. Those properties still remain exempt even though the price of oil is over \$60.00 per barrel.

State wide Perspective

Type	1988	1989	1993	2004
Residential	25.1	33.8	34.2	45.1
Commercial	11.0	22.9	18.1	20.7
Agricultural	14.7	10.6	9.7	7.0
Other	0.4	1.1	1.2	0.
Individual Personal	0.8	9.5	10.5	6.8
Commercial Personal	17.4	5.6	8.1	7.5
Oil & Gas	10.0	8.5	9.4	5.7
Utilities	20.6	16.4	18.3	12.0

**Johnson County Perspective**

Type	1988	1989	1993	2004
Residential	46.9	53.6	53.2	59.1
Commercial	20.4	32.9	29.5	28.1
Agricultural	1.0	0.3	0.2	0.2
Other	0.7	2.6	2.5	0.6
Individual Personal	0.0	0.7	0.7	0.6
Commercial Personal	22.7	5.2	8.5	7.0
Oil & Gas	0.0	0.0	0.0	0.0
Utilities	8.3	4.7	5.4	4.1

For Johnson County the shift continues to real property, especially to the residential and commercial property owners. Real property made up 69 percent in 1988 and now the tax base is about 88 percent in 2004.

The bill as written will have a decrease in revenue from that source for the \$400 to \$1,000 increase in the exemption as follows:

The 2005 Johnson County mill levy is 17.922 mills per thousand, or .017922. The estimated impact to Johnson County of exempting equipment costing \$1,000 or less is $22,139,935 * .017922 = \$396,792$.

The Johnson County Parks and Recreation mill levy is 2.286 mills per thousand, or .002286. The estimated impact to Parks and Recreation of exempting equipment costing \$1,000 or less is $22,139,935 * .002286 = \$50,612$.

The Johnson County Library mill levy is 2.955 mills per thousand, or .002955. The estimated impact to the Johnson County Library of exempting equipment costing \$1,000 or less is $18,619,237 * .002955 = \$55,020$.

Information shows for the county the loss in revenue that will be shifted to other property types would be **\$502,424**.



The bill as written, in 2008 the shift of the burden from commercial property will be as follows:

After Jan 1, 2007 the newly acquired commercial personal property would become exempt. The first report lists the taxable assessed value of newly acquired property by year by authority for 2000 to 2005. To estimate the revenue impact of these values, multiply the taxable assessed value by the mill levy. For example:

The Johnson County mill levy is 17.922 mills per thousand, or .017922. The estimated impact to Johnson County is $94,706,926 * .017922 = \$1,697,338$.

The Johnson County Parks and Recreation mill levy is 2.286 mills per thousand, or .002286. The estimated impact to Parks and Recreation is $94,706,926 * .002286 = \$216,500$.

The Johnson County Library mill levy is 2.955 mills per thousand, or .002955. The estimated impact to the Johnson County Library is $83,572,031 * .002955 = \$246,955$.

The total impact for this provision in the bill would be **\$2,160,793** in the first year.

If new personal property is exempted, then the associated payment in lieu payments would no longer be collected from the Industrial revenue bonds. The city would not longer offer this incentive.

The county's position would be for the state to consider the following options:

1. Increase the income tax credit from its current levels:

From the Department of Revenue's website

CREDIT AMOUNT

The credit is 15% of the personal property tax levied for property tax years 2002, 2003, and 2004, 20% of the property tax levied for property tax years 2005 and 2006, and 25% of the property tax levied for property tax year 2007 and all such years thereafter, actually and timely paid on specific commercial and industrial machinery and equipment.

For all taxable years commencing after December 31, 2004, a taxpayer shall receive a credit of 20% of the property tax levied for property tax years 2005 and 2006, and 25% of the property tax levied for property tax year 2007 and such years thereafter, actually and timely paid upon railroad machinery and equipment.

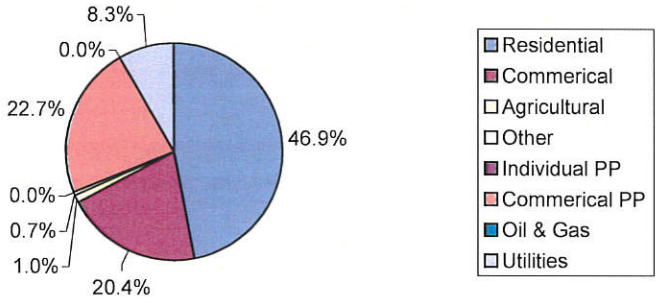
MACHINERY AND EQUIPMENT REFUND

The amount of credit which exceeds the tax liability for a taxable year is refunded to the taxpayer.

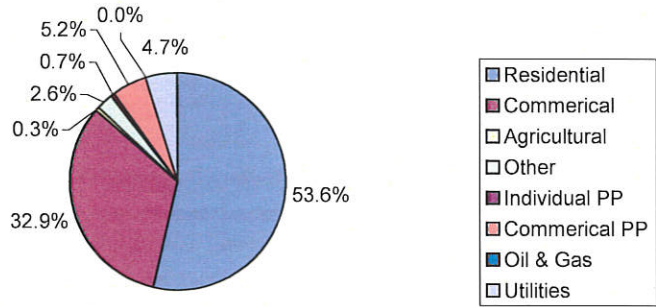
2. If the legislature exempts personal property, the county and other taxing jurisdictions would receive state revenue to off set the loss in value.
3. Expand the ability for jurisdictions to have payment in lieu provisions and make it easier for smaller companies to qualify.
4. The state could do nothing on this issue and leave the property as taxable.

Thank you for the opportunity to discuss this bill.

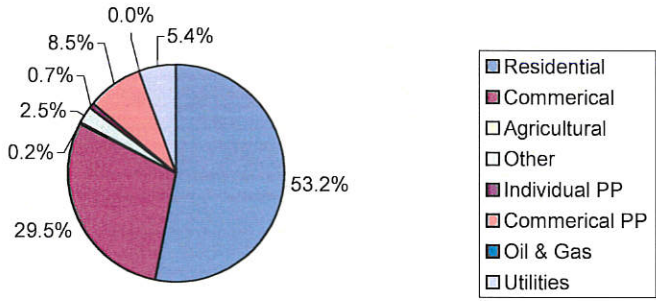
1988 JoCo Assessed Value Base



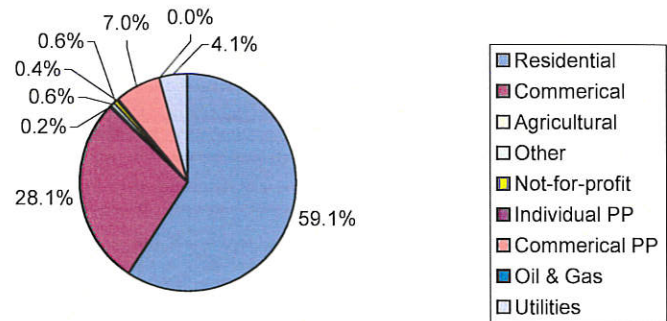
1989 JoCo Assessed Value Base



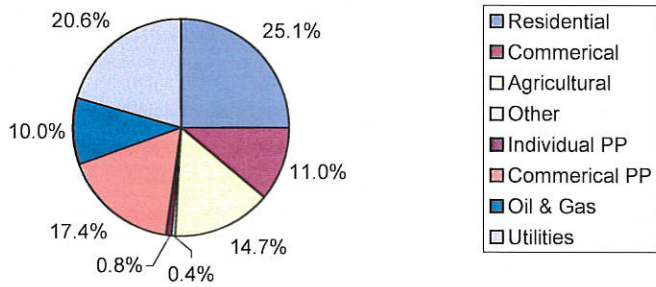
1993 JoCo Assessed Value Base



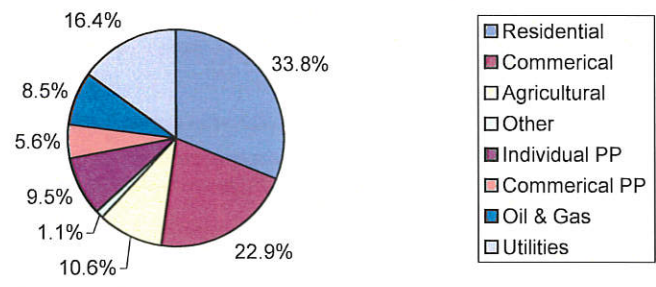
2004 JoCo Assessed Value Base



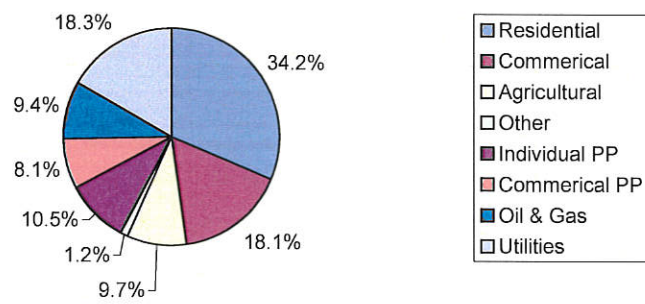
1988 State Assessed Value Base



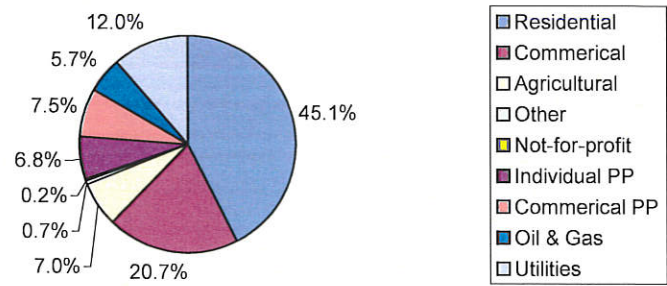
1989 State Assessed Value Base



1993 State Assessed Value Base



2004 State Assessed Value Base



Impact of Various C & I / M & E Exemption Levels--2005

Auth Name	Authority	Year	Impact Exempt <1000	Impact Exempt <2000	Impact Exempt <3000	Impact Exempt <4000	Impact Exempt <5000	Total M&E TaxAssd	Grand Total TaxAssd
STATE OF KS	00101	2005	22,139,935	42,006,968	54,412,052	63,943,650	71,659,158	407,445,464	520,497,200
JOHNSON CO	00102	2005	22,139,935	42,006,968	54,412,052	63,943,650	71,659,158	407,445,464	520,497,200
COMM CLGE	00103	2005	22,139,935	42,006,968	54,412,052	63,943,650	71,659,158	407,445,464	520,497,200
JO CO PARK	00104	2005	22,139,935	42,006,968	54,412,052	63,943,650	71,659,158	407,445,464	520,497,200
BONNER SPRIN	00205	2005	40,025	66,208	79,333	89,076	121,150	509,668	601,792
DE SOTO CITY	00210	2005	91,913	179,380	252,405	273,688	305,760	4,742,980	50,146,743
DE SOTO N/F	00211	2005	33,491	79,998	113,166	144,846	184,513	1,074,501	1,652,978
EDGERTON CI	00215	2005	10,673	14,367	16,378	23,225	27,425	44,366	209,708
GARDNER CITY	00220	2005	210,253	436,340	558,102	645,213	736,135	2,793,314	5,412,804
OLATHE CITY	00225	2005	3,461,709	6,669,608	8,476,821	9,987,764	11,318,900	52,840,972	75,927,586
OLATHE N/F	00226	2005	18,964	44,755	60,743	93,245	98,120	479,864	570,437
SP HILL CIT	00230	2005	43,232	83,872	109,120	112,371	121,958	2,580,091	2,850,812
SP HILL N/F	00231	2005	14,753	36,629	54,406	54,406	73,182	2,667,407	3,037,747
FAIRWAY CITY	00242	2005	160,307	257,903	348,599	382,634	419,081	1,615,764	1,715,605
LAKE QUIVIRA	00244	2005	6,024	15,076	15,076	15,076	15,076	28,530	158,392
LEAWOOD CITY	00248	2005	1,031,256	1,893,892	2,451,973	2,881,762	3,139,481	11,994,559	13,476,825
LEAWOOD N/F	00249	2005	3,383	7,107	11,665	19,304	23,863	64,693	65,925
LENEXA CITY	00252	2005	4,194,421	8,110,469	10,818,361	12,748,617	14,364,225	133,901,191	142,634,778
MERRIAM CITY	00256	2005	823,578	1,585,810	2,093,965	2,492,003	2,769,010	7,936,766	9,562,279
MISSION CITY	00258	2005	790,296	1,402,614	1,739,721	1,958,583	2,139,728	7,398,315	7,830,840
MISSION HILL	00260	2005	120,654	215,864	274,386	315,434	363,174	683,239	725,641
MISSION WOOD	00262	2005	35,523	74,052	81,526	98,405	102,992	202,403	212,768
OVERLAND PK	00264	2005	8,165,129	15,287,623	19,498,862	22,681,010	25,262,053	117,014,022	128,299,834
PRAIRIE VILL	00268	2005	572,302	1,061,532	1,331,180	1,538,707	1,660,977	4,249,350	5,121,476
ROELAND PARK	00270	2005	101,009	183,116	225,733	238,744	300,700	2,359,821	2,545,756
SHAWNEE CITY	00272	2005	1,692,918	3,146,530	4,130,440	4,952,530	5,530,311	29,028,053	37,865,239
WESTWOOD CIT	00276	2005	76,168	127,457	154,363	205,432	246,585	1,142,653	1,765,044
WESTWOOD HIL	00278	2005	7,087	9,308	9,308	9,308	9,308	20,993	22,055
AUBRY TWP	00281	2005	91,349	179,601	236,905	300,039	340,948	2,506,741	4,086,986
GARDNER TWP	00283	2005	227,772	581,806	904,715	1,195,224	1,399,516	17,597,745	19,136,934
LEXINGTON TW	00285	2005	7,426	34,741	53,662	67,530	77,144	699,776	1,336,020
LE TWP GEN	00286	2005	125,404	259,378	365,571	418,534	490,273	5,817,481	51,799,721
MCCAMISH TWP	00287	2005	4,159	10,755	15,260	18,391	26,580	143,147	849,256
MC TWP GEN	00288	2005	10,673	14,367	16,378	23,225	27,425	44,366	209,708
MONTICELLO T	00289	2005	0	0	0	0	0	0	60
OLATHE TWP	00291	2005	17,958	44,910	81,326	98,964	124,802	395,784	789,891
OXFORD TWP	00293	2005	55,728	93,216	124,881	160,628	173,450	259,009	694,599

Impact of Various C & I / M & E Exemption Levels--2005

Auth Name	Authority	Year	Impact		Impact		Impact		Impact		Total M&E TaxAssd	Grand Total TaxAssd
			Exempt <1000	Exempt <2000	Exempt <3000	Exempt <4000	Exempt <5000					
SP HILL TWP	00297	2005	30,475	72,429	89,671	141,491	183,011	469,747	1,190,390			
SP TWP GEN	00298	2005	57,985	120,501	163,526	166,777	195,140	5,247,498	5,888,559			
229 UNIFIED	00301	2005	5,441,487	10,074,964	12,940,953	15,128,772	16,777,191	78,304,275	88,968,605			
230 UNIFIED	00303	2005	107,004	220,618	301,042	363,226	421,939	6,039,572	7,555,325			
231 UNIFIED	00305	2005	465,914	1,071,993	1,528,409	1,932,403	2,268,661	21,609,875	26,845,034			
232 UNIFIED	00307	2005	615,474	1,264,966	1,721,479	2,079,149	2,384,808	17,590,299	70,067,272			
233 UNIFIED	00309	2005	5,156,349	9,882,142	12,672,888	14,989,352	17,041,624	129,105,415	155,146,794			
512 UNIFIED	00316	2005	10,353,707	19,487,618	25,242,614	29,446,081	32,760,268	154,766,168	171,836,635			
289 UNIFIED	00324	2005	0	0	0	0	0	0	337			
491 UNIFIED	00326	2005	0	4,667	4,667	4,667	4,667	29,860	77,198			
229 SCH GEN	00331	2005	5,441,487	10,074,964	12,940,953	15,128,772	16,777,191	78,304,275	88,968,605			
230 SCH GEN	00332	2005	107,004	220,618	301,042	363,226	421,939	6,039,572	7,555,325			
231 SCH GEN	00333	2005	465,914	1,071,993	1,528,409	1,932,403	2,268,661	21,609,875	26,845,034			
232 SCH GEN	00334	2005	615,474	1,264,966	1,721,479	2,079,149	2,384,808	17,590,299	70,067,272			
233 SCH GEN	00335	2005	5,156,349	9,882,142	12,672,888	14,989,352	17,041,624	129,105,415	155,146,794			
512 SCH GEN	00336	2005	10,353,707	19,487,618	25,242,614	29,446,081	32,760,268	154,766,168	171,836,635			
289 SCH GEN	00337	2005	0	0	0	0	0	0	337			
491 SCH GEN	00338	2005	0	4,667	4,667	4,667	4,667	29,860	77,198			
229 BOND	00339	2005	5,441,487	10,074,964	12,940,953	15,128,772	16,777,191	78,304,275	88,968,605			
230 BOND	00340	2005	107,004	220,618	301,042	363,226	421,939	6,039,572	7,555,325			
231 BOND	00341	2005	465,914	1,071,993	1,528,409	1,932,403	2,268,661	21,609,875	26,845,034			
232 BOND	00342	2005	615,474	1,264,966	1,721,479	2,079,149	2,384,808	17,590,299	70,067,272			
233 BOND	00343	2005	5,156,349	9,882,142	12,672,888	14,989,352	17,041,624	129,105,415	155,146,794			
512 BOND	00344	2005	10,353,707	19,487,618	25,242,614	29,446,081	32,760,268	154,766,168	171,836,635			
289 BOND	00345	2005	0	0	0	0	0	0	337			
491 BOND	00346	2005	0	4,667	4,667	4,667	4,667	29,860	77,198			
AUBRY CEM	00401	2005	96,237	188,811	246,115	318,920	359,829	2,678,736	4,278,910			
DESOTO CEM	00403	2005	133,632	290,754	416,216	494,722	580,950	6,503,919	52,800,007			
MONTICELLO C	00405	2005	704,783	1,377,700	1,853,137	2,260,573	2,562,371	13,523,015	17,334,644			
PL RIDGE CEM	00407	2005	264,109	469,839	632,010	761,261	862,648	2,415,195	3,535,550			
PL VALLEY CE	00409	2005	1,459,987	2,747,565	3,515,788	4,125,640	4,657,783	19,760,161	23,141,783			
PR CENTER CE	00411	2005	564	3,414	7,704	7,704	7,704	33,955	273,962			
MERRIAM DR	00501	2005	509,350	1,003,233	1,324,345	1,593,914	1,745,795	4,521,124	5,173,360			
MONTICELLO D	00506	2005	47,174	81,555	106,903	123,615	165,689	645,493	766,436			
JOC CONS F#2	00600	2005	1,863,346	3,331,846	4,164,816	4,747,247	5,242,545	17,672,538	19,939,185			
JO CO FIR #1	00601	2005	252,570	633,002	968,977	1,275,758	1,492,439	17,956,829	20,372,622			
JO CO FIR #2	00611	2005	211,701	423,489	571,343	740,440	871,648	6,279,227	9,544,365			

Impact of Various C & I / M & E Exemption Levels--2005

Auth Name	Authority	Year	Impact					Total M&E	Grand Total
			Exempt <1000	Exempt <2000	Exempt <3000	Exempt <4000	Exempt <5000	TaxAssd	TaxAssd
JC FI #2 BDC	00614	2005	3,238	12,021	17,250	23,574	28,437	887,526	1,333,388
JC FI #2 BDD	00615	2005	78,919	139,539	174,779	209,667	237,489	1,222,684	1,571,760
JC FI #2 BDE	00616	2005	3,365	4,972	7,140	7,140	7,140	12,289	12,490
JO CO R F #3	00621	2005	49,848	136,287	205,506	273,971	341,343	1,673,783	3,190,593
JC R FI#3BDB	00623	2005	1,095	2,134	4,912	4,912	4,912	9,746	92,945
MO TWP FI #1	00651	2005	0	0	0	0	0	0	60
JO CO LIB	00701	2005	18,619,237	35,226,397	45,795,155	53,773,565	60,120,988	353,614,960	443,397,385

Impact of Proposed Exemption on Johnson County Taxing Authorities--Taxable Assessed Value

Auth Name	Authority	Year	Newly Acquired	Newly Acquired	Total	
			Mach & Eqpt Purchased New TaxAssd	Mach & Eqpt Purchased Used TaxAssd	Mach & Eqpt Newly Acquired	Mach & Eqpt Total
STATE OF KS	00101	2001	135,456,662	3,386,546	138,843,208	426,360,546
STATE OF KS	00101	2002	115,060,217	2,535,936	117,596,153	407,089,983
STATE OF KS	00101	2003	104,696,045	2,517,349	107,213,394	399,957,752
STATE OF KS	00101	2004	78,190,465	2,433,346	80,623,811	385,345,628
STATE OF KS	00101	2005	94,706,926	2,423,021	97,129,947	407,487,903
JOHNSON CO	00102	2001	135,456,662	3,386,546	138,843,208	426,360,546
JOHNSON CO	00102	2002	115,060,217	2,535,936	117,596,153	407,089,983
JOHNSON CO	00102	2003	104,696,045	2,517,349	107,213,394	399,957,752
JOHNSON CO	00102	2004	78,190,465	2,433,346	80,623,811	385,345,628
JOHNSON CO	00102	2005	94,706,926	2,423,021	97,129,947	407,487,903
COMM CLGE	00103	2001	135,456,662	3,386,546	138,843,208	426,360,546
COMM CLGE	00103	2002	115,060,217	2,535,936	117,596,153	407,089,983
COMM CLGE	00103	2003	104,696,045	2,517,349	107,213,394	399,957,752
COMM CLGE	00103	2004	78,190,465	2,433,346	80,623,811	385,345,628
COMM CLGE	00103	2005	94,706,926	2,423,021	97,129,947	407,487,903
JO CO PARK	00104	2001	135,456,662	3,386,546	138,843,208	426,360,546
JO CO PARK	00104	2002	115,060,217	2,535,936	117,596,153	407,089,983
JO CO PARK	00104	2003	104,696,045	2,517,349	107,213,394	399,957,752
JO CO PARK	00104	2004	78,190,465	2,433,346	80,623,811	385,345,628
JO CO PARK	00104	2005	94,706,926	2,423,021	97,129,947	407,487,903
BONNER SPRIN	00205	2001	19,323	4,655	23,978	232,399
BONNER SPRIN	00205	2002	64,610	0	64,610	267,721
BONNER SPRIN	00205	2003	63,744	0	63,744	450,468
BONNER SPRIN	00205	2004	90,925	9,431	100,356	515,569
BONNER SPRIN	00205	2005	43,795	0	43,795	509,668
DE SOTO CITY	00210	2001	2,257,481	3,244	2,260,725	4,688,222
DE SOTO CITY	00210	2002	1,134,202	17,552	1,151,754	4,708,777
DE SOTO CITY	00210	2003	1,457,111	6,375	1,463,486	5,102,728
DE SOTO CITY	00210	2004	300,385	8,619	309,004	4,303,380
DE SOTO CITY	00210	2005	962,784	8,693	971,477	4,742,980
DE SOTO N/F	00211	2001	34,983	0	34,983	602,782
DE SOTO N/F	00211	2002	218,016	27,894	245,910	708,022
DE SOTO N/F	00211	2003	128,281	810	129,091	787,890
DE SOTO N/F	00211	2004	399,306	151	399,457	1,182,661
DE SOTO N/F	00211	2005	146,153	50	146,203	1,074,501
EDGERTON CI	00215	2001	3,266	0	3,266	47,201
EDGERTON CI	00215	2002	2,201	128	2,329	26,372
EDGERTON CI	00215	2003	2,264	501	2,765	37,847
EDGERTON CI	00215	2004	4,621	600	5,221	44,729
EDGERTON CI	00215	2005	808	150	958	44,366
GARDNER CITY	00220	2001	471,534	17,120	488,654	2,776,812
GARDNER CITY	00220	2002	412,402	3,931	416,333	2,959,992
GARDNER CITY	00220	2003	500,649	15,087	515,736	2,859,110
GARDNER CITY	00220	2004	518,976	69,343	588,319	3,059,793
GARDNER CITY	00220	2005	393,527	15,984	409,511	2,793,314
GA FIRE PROT	00222	2001	47,712	0	47,712	104,298
OLATHE CITY	00225	2001	12,391,364	546,838	12,938,202	51,768,729
OLATHE CITY	00225	2002	11,838,549	391,297	12,229,846	51,240,269
OLATHE CITY	00225	2003	8,481,790	345,155	8,826,945	47,126,968
OLATHE CITY	00225	2004	10,742,150	568,183	11,310,333	48,336,902
OLATHE CITY	00225	2005	10,989,054	554,858	11,543,912	52,848,247
OLATHE N/F	00226	2001	43,866	54,211	98,077	499,309
OLATHE N/F	00226	2002	70,703	885	71,588	514,948
OLATHE N/F	00226	2003	32,225	8,770	40,995	224,337
OLATHE N/F	00226	2004	59,252	705	59,957	192,521
OLATHE N/F	00226	2005	102,046	5,703	107,749	479,864

Impact of Proposed Exemption on Johnson County Taxing Authorities--Taxable Assessed Value

Auth Name	Authority	Year	Newly Acquired		Total	
			Mach & Eqpt Purchased New	Mach & Eqpt TaxAssd	Mach & Eqpt Purchased Used	Mach & Eqpt TaxAssd
SP HILL CIT	00230	2001	589,823	1,991	591,814	1,732,878
SP HILL CIT	00230	2002	480,760	1,428	482,188	1,521,597
SP HILL CIT	00230	2003	150,897	304	151,201	1,364,956
SP HILL CIT	00230	2004	461,583	2,642	464,225	1,520,354
SP HILL CIT	00230	2005	1,436,426	0	1,436,426	2,580,091
SP HILL N/F	00231	2001	233,748	1,842	235,590	2,727,065
SP HILL N/F	00231	2002	268,900	625	269,525	2,864,464
SP HILL N/F	00231	2003	257,747	0	257,747	2,684,742
SP HILL N/F	00231	2004	83,381	1,424	84,805	2,679,772
SP HILL N/F	00231	2005	125,649	1,173	126,822	2,667,407
COUNTRYSIDE	00240	2001	4,662	0	4,662	27,227
COUNTRYSIDE	00240	2002	1,489	0	1,489	25,064
FAIRWAY CITY	00242	2001	449,958	5,479	455,437	1,859,542
FAIRWAY CITY	00242	2002	332,746	1,968	334,714	1,832,982
FAIRWAY CITY	00242	2003	579,713	36,317	616,030	1,979,810
FAIRWAY CITY	00242	2004	403,079	3,262	406,341	1,989,304
FAIRWAY CITY	00242	2005	344,650	12,486	357,136	1,615,764
LAKE QUIVIRA	00244	2001	27,315	0	27,315	42,531
LAKE QUIVIRA	00244	2002	12,740	90	12,830	42,606
LAKE QUIVIRA	00244	2003	3,450	0	3,450	47,073
LAKE QUIVIRA	00244	2004	4,829	0	4,829	36,630
LAKE QUIVIRA	00244	2005	3,181	0	3,181	28,530
LEAWOOD CITY	00248	2001	3,972,760	151,497	4,124,257	12,854,969
LEAWOOD CITY	00248	2002	2,254,121	72,484	2,326,605	11,739,680
LEAWOOD CITY	00248	2003	3,782,329	118,469	3,900,798	11,598,949
LEAWOOD CITY	00248	2004	2,287,177	35,818	2,322,995	11,578,911
LEAWOOD CITY	00248	2005	2,773,348	19,626	2,792,974	11,994,559
LEAWOOD N/F	00249	2004	0	0	0	15,227
LEAWOOD N/F	00249	2005	9,361	750	10,111	64,693
LENEXA CITY	00252	2001	48,427,174	790,749	49,217,923	119,386,141
LENEXA CITY	00252	2002	35,625,555	820,692	36,446,247	111,121,081
LENEXA CITY	00252	2003	47,152,205	672,474	47,824,679	129,571,022
LENEXA CITY	00252	2004	22,284,724	480,598	22,765,322	116,588,322
LENEXA CITY	00252	2005	35,145,636	624,636	35,770,272	133,909,565
MERRIAM CITY	00256	2001	2,471,069	75,364	2,546,433	11,046,850
MERRIAM CITY	00256	2002	1,442,828	55,245	1,498,073	9,821,461
MERRIAM CITY	00256	2003	1,095,816	33,748	1,129,564	8,328,927
MERRIAM CITY	00256	2004	1,682,634	27,682	1,710,316	7,393,669
MERRIAM CITY	00256	2005	1,511,572	48,030	1,559,602	7,937,160
MISSION CITY	00258	2001	3,236,358	268,117	3,504,475	13,868,274
MISSION CITY	00258	2002	2,763,099	34,585	2,797,684	12,224,845
MISSION CITY	00258	2003	1,704,800	105,916	1,810,716	7,796,773
MISSION CITY	00258	2004	1,299,475	18,041	1,317,516	7,672,108
MISSION CITY	00258	2005	956,893	63,714	1,020,607	7,398,315
MISSION HILL	00260	2001	163,955	75	164,030	692,608
MISSION HILL	00260	2002	216,523	0	216,523	638,791
MISSION HILL	00260	2003	104,549	219	104,768	590,569
MISSION HILL	00260	2004	119,060	655	119,715	593,588
MISSION HILL	00260	2005	221,101	525	221,626	683,239
MISSION WOOD	00262	2001	149,150	0	149,150	375,094
MISSION WOOD	00262	2002	74,468	0	74,468	286,950
MISSION WOOD	00262	2003	31,419	12,062	43,481	243,581
MISSION WOOD	00262	2004	21,017	563	21,580	218,240
MISSION WOOD	00262	2005	24,228	587	24,815	202,403

Impact of Proposed Exemption on Johnson County Taxing Authorities--Taxable Assessed Value

Auth Name	Authority	Year	Newly Acquired	Newly Acquired	Total	
			Mach & Eqpt Purchased New	Mach & Eqpt Purchased Used	Mach & Eqpt Newly Acquired	Mach & Eqpt Total
			TaxAssd	TaxAssd		
OVERLAND PK	00264	2001	44,846,327	513,627	45,359,954	139,219,304
OVERLAND PK	00264	2002	37,021,196	571,316	37,592,512	126,772,018
OVERLAND PK	00264	2003	28,818,370	667,715	29,486,085	116,713,031
OVERLAND PK	00264	2004	27,519,235	620,407	28,139,642	117,306,093
OVERLAND PK	00264	2005	28,617,180	716,442	29,333,622	117,017,298
PRAIRIE VILL	00268	2001	1,927,619	25,776	1,953,395	6,017,706
PRAIRIE VILL	00268	2002	965,635	48,439	1,014,074	5,230,961
PRAIRIE VILL	00268	2003	1,124,336	24,803	1,149,139	4,798,340
PRAIRIE VILL	00268	2004	916,710	18,221	934,931	4,450,328
PRAIRIE VILL	00268	2005	817,042	8,113	825,155	4,265,697
ROELAND PARK	00270	2001	337,595	74,159	411,754	1,635,489
ROELAND PARK	00270	2002	140,870	357	141,227	1,362,768
ROELAND PARK	00270	2003	82,006	7,680	89,686	1,206,580
ROELAND PARK	00270	2004	134,277	4,164	138,441	1,200,486
ROELAND PARK	00270	2005	364,454	1,721	366,175	2,359,821
SHAWNEE CITY	00272	2001	6,131,703	621,947	6,753,650	24,418,217
SHAWNEE CITY	00272	2002	7,887,539	282,291	8,169,830	27,847,391
SHAWNEE CITY	00272	2003	4,513,384	355,837	4,869,221	29,349,239
SHAWNEE CITY	00272	2004	5,998,025	519,979	6,518,004	29,054,361
SHAWNEE CITY	00272	2005	5,370,502	147,285	5,517,787	29,034,826
WESTWOOD CIT	00276	2001	1,005,489	4,444	1,009,933	6,017,679
WESTWOOD CIT	00276	2002	1,501,147	4,108	1,505,255	5,633,083
WESTWOOD CIT	00276	2003	321,767	2,557	324,324	4,301,662
WESTWOOD CIT	00276	2004	211,800	1,111	212,911	3,973,052
WESTWOOD CIT	00276	2005	167,696	854	168,550	1,142,653
WESTWOOD HIL	00278	2001	3,103	0	3,103	14,870
WESTWOOD HIL	00278	2002	1,127	0	1,127	14,970
WESTWOOD HIL	00278	2003	8,087	0	8,087	20,842
WESTWOOD HIL	00278	2004	5,542	0	5,542	19,713
WESTWOOD HIL	00278	2005	2,526	0	2,526	20,993
AUBRY TWP	00281	2001	324,847	33,663	358,510	2,612,546
AUBRY TWP	00281	2002	451,531	94,080	545,611	2,579,715
AUBRY TWP	00281	2003	359,794	5,555	365,349	2,317,550
AUBRY TWP	00281	2004	254,433	4,226	258,659	2,347,107
AUBRY TWP	00281	2005	287,828	40,628	328,456	2,506,741
GARDNER TWP	00283	2001	4,503,975	33,945	4,537,920	15,312,958
GARDNER TWP	00283	2002	8,581,144	22,541	8,603,685	19,447,883
GARDNER TWP	00283	2003	3,749,624	63,527	3,813,151	18,759,053
GARDNER TWP	00283	2004	2,238,271	13,503	2,251,774	17,360,545
GARDNER TWP	00283	2005	3,489,523	102,661	3,592,184	17,597,745
GA TWP GEN	00284	2001	471,534	17,120	488,654	2,776,812
GA TWP GEN	00284	2002	412,402	3,931	416,333	2,959,992
LEXINGTON TW	00285	2001	54,080	23,938	78,018	818,873
LEXINGTON TW	00285	2002	69,742	39,737	109,479	725,265
LEXINGTON TW	00285	2003	71,345	19,991	91,336	721,820
LEXINGTON TW	00285	2004	11,752	955	12,707	664,286
LEXINGTON TW	00285	2005	111,154	15,938	127,092	699,776
LE TWP GEN	00286	2001	2,292,464	3,244	2,295,708	5,291,004
LE TWP GEN	00286	2002	1,352,218	45,446	1,397,664	5,416,799
LE TWP GEN	00286	2003	1,585,392	7,185	1,592,577	5,890,618
LE TWP GEN	00286	2004	699,691	8,770	708,461	5,486,041
LE TWP GEN	00286	2005	1,108,937	8,743	1,117,680	5,817,481
MCCAMISH TWP	00287	2001	224	23,127	23,351	101,110
MCCAMISH TWP	00287	2002	347	0	347	47,164
MCCAMISH TWP	00287	2003	0	6,157	6,157	20,363
MCCAMISH TWP	00287	2004	127	0	127	62,194
MCCAMISH TWP	00287	2005	79,207	4,165	83,372	143,147

Impact of Proposed Exemption on Johnson County Taxing Authorities--Taxable Assessed Value

Auth Name	Authority	Year	Newly Acquired		Total	
			Mach & Eqpt	Mach & Eqpt	Mach & Eqpt	Mach & Eqpt
			Purchased New	Purchased Used	Newly Acquired	Total
			TaxAssd	TaxAssd		
MC TWP GEN	00288	2001	3,266	0	3,266	47,201
MC TWP GEN	00288	2002	2,201	128	2,329	26,372
MC TWP GEN	00288	2003	2,264	501	2,765	37,847
MC TWP GEN	00288	2004	4,621	600	5,221	44,729
MC TWP GEN	00288	2005	808	150	958	44,366
MONTICELLO T	00289	2001	120,119	2,875	122,994	232,259
MONTICELLO T	00289	2002	33,871	0	33,871	148,274
OLATHE TWP	00291	2001	154,143	90,151	244,294	735,586
OLATHE TWP	00291	2002	148,633	29,943	178,576	595,269
OLATHE TWP	00291	2003	36,124	567	36,691	419,439
OLATHE TWP	00291	2004	28,485	11,856	40,341	281,009
OLATHE TWP	00291	2005	66,655	1,437	68,092	395,784
OXFORD TWP	00293	2001	357,425	4,829	362,254	1,044,635
OXFORD TWP	00293	2002	477,791	12,710	490,501	1,419,693
OXFORD TWP	00293	2003	42,612	6,753	49,365	249,946
OXFORD TWP	00293	2004	29,656	0	29,656	241,257
OXFORD TWP	00293	2005	64,571	0	64,571	259,009
SHAWNEE TWP	00295	2001	722,243	972	723,215	2,567,630
SHAWNEE TWP	00295	2002	506,284	550	506,834	2,436,893
SP HILL TWP	00297	2001	19,981	11,911	31,892	383,051
SP HILL TWP	00297	2002	59,448	0	59,448	283,014
SP HILL TWP	00297	2003	39,607	1,060	40,667	284,137
SP HILL TWP	00297	2004	79,578	11,207	90,785	463,517
SP HILL TWP	00297	2005	78,376	26,812	105,188	469,747
SP TWP GEN	00298	2001	823,571	3,833	827,404	4,459,943
SP TWP GEN	00298	2002	749,660	2,053	751,713	4,386,061
SP TWP GEN	00298	2003	408,644	304	408,948	4,049,698
SP TWP GEN	00298	2004	544,964	4,066	549,030	4,200,126
SP TWP GEN	00298	2005	1,562,075	1,173	1,563,248	5,247,498
LE TWP HALL	00299	2001	2,292,464	3,244	2,295,708	5,291,004
229 UNIFIED	00301	2001	32,843,132	399,080	33,242,212	95,822,525
229 UNIFIED	00301	2002	26,690,965	491,961	27,182,926	87,375,225
229 UNIFIED	00301	2003	20,957,465	517,176	21,474,641	80,548,498
229 UNIFIED	00301	2004	16,105,764	451,851	16,557,615	77,741,614
229 UNIFIED	00301	2005	19,908,728	442,323	20,351,051	78,304,587
230 UNIFIED	00303	2001	878,013	20,143	898,156	5,052,474
230 UNIFIED	00303	2002	896,725	3,381	900,106	4,946,887
230 UNIFIED	00303	2003	467,469	454	467,923	4,670,094
230 UNIFIED	00303	2004	583,413	26,355	609,768	4,708,941
230 UNIFIED	00303	2005	1,711,617	18,925	1,730,542	6,039,572
231 UNIFIED	00305	2001	5,015,877	74,192	5,090,069	18,745,438
231 UNIFIED	00305	2002	9,016,891	65,229	9,082,120	22,960,974
231 UNIFIED	00305	2003	4,252,537	85,272	4,337,809	22,143,738
231 UNIFIED	00305	2004	2,881,096	87,105	2,968,201	21,482,642
231 UNIFIED	00305	2005	4,002,620	204,482	4,207,102	21,609,875
232 UNIFIED	00307	2001	4,889,531	396,596	5,286,127	14,523,348
232 UNIFIED	00307	2002	5,495,463	247,794	5,743,257	17,788,396
232 UNIFIED	00307	2003	3,325,796	144,740	3,470,536	18,174,306
232 UNIFIED	00307	2004	2,993,051	89,506	3,082,557	17,688,349
232 UNIFIED	00307	2005	2,432,887	117,999	2,550,886	17,597,072
233 UNIFIED	00309	2001	45,397,811	1,334,927	46,732,738	122,570,064
233 UNIFIED	00309	2002	32,622,093	705,429	33,327,522	111,096,782
233 UNIFIED	00309	2003	41,262,781	484,088	41,746,869	120,073,620
233 UNIFIED	00309	2004	23,492,533	905,357	24,397,890	110,569,485
233 UNIFIED	00309	2005	32,176,027	802,079	32,978,106	129,112,690

Impact of Proposed Exemption on Johnson County Taxing Authorities--Taxable Assessed Value

Auth Name	Authority	Year	Newly Acquired		Total	
			Purchased New Mach & Eqpt TaxAssd	Used Mach & Eqpt TaxAssd	Newly Acquired Mach & Eqpt	Total Mach & Eqpt
512 UNIFIED	00316	2001	46,432,298	1,161,608	47,593,906	169,641,343
512 UNIFIED	00316	2002	40,338,080	1,022,142	41,360,222	162,917,265
512 UNIFIED	00316	2003	34,417,834	1,285,619	35,703,453	154,306,545
512 UNIFIED	00316	2004	32,132,241	873,172	33,005,413	153,113,469
512 UNIFIED	00316	2005	34,475,047	837,213	35,312,260	154,794,247
491 UNIFIED	00326	2001	0	0	0	5,354
491 UNIFIED	00326	2002	0	0	0	4,454
491 UNIFIED	00326	2003	12,163	0	12,163	40,951
491 UNIFIED	00326	2004	2,367	0	2,367	41,128
491 UNIFIED	00326	2005	0	0	0	29,860
229 SCH GEN	00331	2001	32,843,132	399,080	33,242,212	95,822,525
229 SCH GEN	00331	2002	26,690,965	491,961	27,182,926	87,375,225
229 SCH GEN	00331	2003	20,957,465	517,176	21,474,641	80,548,498
229 SCH GEN	00331	2004	16,105,764	451,851	16,557,615	77,741,614
229 SCH GEN	00331	2005	19,908,728	442,323	20,351,051	78,304,587
230 SCH GEN	00332	2001	878,013	20,143	898,156	5,052,474
230 SCH GEN	00332	2002	896,725	3,381	900,106	4,946,887
230 SCH GEN	00332	2003	467,469	454	467,923	4,670,094
230 SCH GEN	00332	2004	583,413	26,355	609,768	4,708,941
230 SCH GEN	00332	2005	1,711,617	18,925	1,730,542	6,039,572
231 SCH GEN	00333	2001	5,015,877	74,192	5,090,069	18,745,438
231 SCH GEN	00333	2002	9,016,891	65,229	9,082,120	22,960,974
231 SCH GEN	00333	2003	4,252,537	85,272	4,337,809	22,143,738
231 SCH GEN	00333	2004	2,881,096	87,105	2,968,201	21,482,642
231 SCH GEN	00333	2005	4,002,620	204,482	4,207,102	21,609,875
232 SCH GEN	00334	2001	4,889,531	396,596	5,286,127	14,523,348
232 SCH GEN	00334	2002	5,495,463	247,794	5,743,257	17,788,396
232 SCH GEN	00334	2003	3,325,796	144,740	3,470,536	18,174,306
232 SCH GEN	00334	2004	2,993,051	89,506	3,082,557	17,688,349
232 SCH GEN	00334	2005	2,432,887	117,999	2,550,886	17,597,072
233 SCH GEN	00335	2001	45,397,811	1,334,927	46,732,738	122,570,064
233 SCH GEN	00335	2002	32,622,093	705,429	33,327,522	111,096,782
233 SCH GEN	00335	2003	41,262,781	484,088	41,746,869	120,073,620
233 SCH GEN	00335	2004	23,492,533	905,357	24,397,890	110,569,485
233 SCH GEN	00335	2005	32,176,027	802,079	32,978,106	129,112,690
512 SCH GEN	00336	2001	46,432,298	1,161,608	47,593,906	169,641,343
512 SCH GEN	00336	2002	40,338,080	1,022,142	41,360,222	162,917,265
512 SCH GEN	00336	2003	34,417,834	1,285,619	35,703,453	154,306,545
512 SCH GEN	00336	2004	32,132,241	873,172	33,005,413	153,113,469
512 SCH GEN	00336	2005	34,475,047	837,213	35,312,260	154,794,247
491 SCH GEN	00338	2001	0	0	0	5,354
491 SCH GEN	00338	2002	0	0	0	4,454
491 SCH GEN	00338	2003	12,163	0	12,163	40,951
491 SCH GEN	00338	2004	2,367	0	2,367	41,128
491 SCH GEN	00338	2005	0	0	0	29,860
229 BOND	00339	2001	32,843,132	399,080	33,242,212	95,822,525
229 BOND	00339	2002	26,690,965	491,961	27,182,926	87,375,225
229 BOND	00339	2003	20,957,465	517,176	21,474,641	80,548,498
229 BOND	00339	2004	16,105,764	451,851	16,557,615	77,741,614
229 BOND	00339	2005	19,908,728	442,323	20,351,051	78,304,587
230 BOND	00340	2001	878,013	20,143	898,156	5,052,474
230 BOND	00340	2002	896,725	3,381	900,106	4,946,887
230 BOND	00340	2003	467,469	454	467,923	4,670,094
230 BOND	00340	2004	583,413	26,355	609,768	4,708,941
230 BOND	00340	2005	1,711,617	18,925	1,730,542	6,039,572

Impact of Proposed Exemption on Johnson County Taxing Authorities--Taxable Assessed Value

Auth Name	Authority	Year	Newly Acquired	Newly Acquired	Total	
			Mach & Eqpt Purchased New TaxAssd	Mach & Eqpt Purchased Used TaxAssd	Mach & Eqpt Newly Acquired	Mach & Eqpt Total
231 BOND	00341	2001	5,015,877	74,192	5,090,069	18,745,438
231 BOND	00341	2002	9,016,891	65,229	9,082,120	22,960,974
231 BOND	00341	2003	4,252,537	85,272	4,337,809	22,143,738
231 BOND	00341	2004	2,881,096	87,105	2,968,201	21,482,642
231 BOND	00341	2005	4,002,620	204,482	4,207,102	21,609,875
232 BOND	00342	2001	4,889,531	396,596	5,286,127	14,523,348
232 BOND	00342	2002	5,495,463	247,794	5,743,257	17,788,396
232 BOND	00342	2003	3,325,796	144,740	3,470,536	18,174,306
232 BOND	00342	2004	2,993,051	89,506	3,082,557	17,688,349
232 BOND	00342	2005	2,432,887	117,999	2,550,886	17,597,072
233 BOND	00343	2001	45,397,811	1,334,927	46,732,738	122,570,064
233 BOND	00343	2002	32,622,093	705,429	33,327,522	111,096,782
233 BOND	00343	2003	41,262,781	484,088	41,746,869	120,073,620
233 BOND	00343	2004	23,492,533	905,357	24,397,890	110,569,485
233 BOND	00343	2005	32,176,027	802,079	32,978,106	129,112,690
512 BOND	00344	2001	46,432,298	1,161,608	47,593,906	169,641,343
512 BOND	00344	2002	40,338,080	1,022,142	41,360,222	162,917,265
512 BOND	00344	2003	34,417,834	1,285,619	35,703,453	154,306,545
512 BOND	00344	2004	32,132,241	873,172	33,005,413	153,113,469
512 BOND	00344	2005	34,475,047	837,213	35,312,260	154,794,247
491 BOND	00346	2001	0	0	0	5,354
491 BOND	00346	2002	2,367	0	2,367	4,454
491 BOND	00346	2003	12,163	0	12,163	40,951
491 BOND	00346	2004	0	0	0	41,128
491 BOND	00346	2005	0	0	0	29,860
AUBRY CEM	00401	2001	324,847	33,663	358,510	2,612,546
AUBRY CEM	00401	2002	451,531	94,080	545,611	2,579,715
AUBRY CEM	00401	2003	387,264	9,016	396,280	2,627,466
AUBRY CEM	00401	2004	257,081	4,226	261,307	2,531,823
AUBRY CEM	00401	2005	371,356	41,212	412,568	2,678,736
DESOTO CEM	00403	2001	2,345,888	25,307	2,371,195	6,093,748
DESOTO CEM	00403	2002	1,421,847	85,183	1,507,030	6,129,554
DESOTO CEM	00403	2003	1,644,347	27,176	1,671,523	6,612,326
DESOTO CEM	00403	2004	708,970	9,725	718,695	6,144,443
DESOTO CEM	00403	2005	1,220,291	11,118	1,231,409	6,503,919
MONTICELLO C	00405	2001	2,319,431	484,461	2,803,892	9,188,032
MONTICELLO C	00405	2002	4,133,170	209,431	4,342,601	12,414,688
MONTICELLO C	00405	2003	1,890,229	183,192	2,073,421	12,053,477
MONTICELLO C	00405	2004	3,009,900	281,620	3,291,520	12,948,857
MONTICELLO C	00405	2005	1,839,810	233,530	2,073,340	13,529,788
PL RIDGE CEM	00407	2001	833,834	38,837	872,671	2,691,628
PL RIDGE CEM	00407	2002	1,287,519	25,973	1,313,492	3,330,548
PL RIDGE CEM	00407	2003	399,851	31,122	430,973	2,698,581
PL RIDGE CEM	00407	2004	379,293	1,196	380,489	2,547,018
PL RIDGE CEM	00407	2005	367,228	55,138	422,366	2,415,195
PL VALLEY CE	00409	2001	3,944,912	174,181	4,119,093	14,242,711
PL VALLEY CE	00409	2002	6,299,925	89,127	6,389,052	15,537,975
PL VALLEY CE	00409	2003	4,460,176	183,058	4,643,234	16,839,062
PL VALLEY CE	00409	2004	5,615,761	116,268	5,732,029	19,449,285
PL VALLEY CE	00409	2005	4,713,750	169,181	4,882,931	19,760,161
PR CENTER CE	00411	2001	566	1,875	2,441	14,636
PR CENTER CE	00411	2002	113	0	113	8,851
PR CENTER CE	00411	2003	0	0	0	7,215
PR CENTER CE	00411	2004	0	0	0	12,666
PR CENTER CE	00411	2005	0	15,938	15,938	33,955

Impact of Proposed Exemption on Johnson County Taxing Authorities--Taxable Assessed Value

Auth Name	Authority	Year	Newly Acquired	Newly Acquired	Total	
			Mach & Eqpt Purchased New	Mach & Eqpt Purchased Used	Newly Acquired Mach & Eqpt	Total Mach & Eqpt
			TaxAssd	TaxAssd		
MERRIAM DR	00501	2001	1,283,343	60,494	1,343,837	5,578,095
MERRIAM DR	00501	2002	912,948	12,180	925,128	4,649,581
MERRIAM DR	00501	2003	698,821	20,711	719,532	4,381,187
MERRIAM DR	00501	2004	946,883	22,879	969,762	4,358,088
MERRIAM DR	00501	2005	935,482	31,191	966,673	4,521,518
MONTICELLO D	00506	2001	20,457	4,780	25,237	321,510
MONTICELLO D	00506	2002	116,198	0	116,198	394,786
MONTICELLO D	00506	2003	71,479	0	71,479	595,375
MONTICELLO D	00506	2004	96,592	9,431	106,023	645,900
MONTICELLO D	00506	2005	62,625	10,000	72,625	645,493
JOC CONS F#2	00600	2001	7,277,889	378,050	7,655,939	30,508,489
JOC CONS F#2	00600	2002	5,997,104	89,457	6,086,561	27,250,414
JOC CONS F#2	00600	2003	3,956,677	189,554	4,146,231	20,938,157
JOC CONS F#2	00600	2004	3,110,960	46,017	3,156,977	20,116,819
JOC CONS F#2	00600	2005	2,898,590	88,000	2,986,590	17,688,885
JO CO FIR #1	00601	2001	4,459,753	57,072	4,516,825	15,371,830
JO CO FIR #1	00601	2002	8,583,692	22,669	8,606,361	19,521,419
JO CO FIR #1	00601	2003	3,754,009	70,185	3,824,194	18,874,086
JO CO FIR #1	00601	2004	2,249,716	14,103	2,263,819	17,481,961
JO CO FIR #1	00601	2005	3,623,351	109,544	3,732,895	17,956,829
JO CO FIR #2	00611	2001	961,843	143,936	1,105,779	7,245,481
JO CO FIR #2	00611	2002	1,322,622	117,903	1,440,525	7,547,055
JO CO FIR #2	00611	2003	737,428	13,138	750,566	5,866,761
JO CO FIR #2	00611	2004	460,930	28,315	489,245	5,904,815
JO CO FIR #2	00611	2005	665,228	71,210	736,438	6,279,227
JC FI #2 BDC	00614	2001	36,878	0	36,878	486,249
JC FI #2 BDC	00614	2002	22,029	38,629	60,658	464,340
JC FI #2 BDC	00614	2003	2,227	0	2,227	478,648
JC FI #2 BDC	00614	2004	68,373	3,313	71,686	827,559
JC FI #2 BDC	00614	2005	3,678	75,154	78,832	887,526
JC FI #2 BDD	00615	2003	227,378	5,586	232,964	1,003,613
JC FI #2 BDD	00615	2004	151,976	10,028	162,004	806,222
JC FI #2 BDD	00615	2005	210,438	7,774	218,212	1,222,684
JC FI #2 BDE	00616	2004	2,760	0	2,760	11,773
JC FI #2 BDE	00616	2005	4,727	0	4,727	12,289
JO CO R F #3	00621	2001	241,941	76,390	318,331	2,018,144
JO CO R F #3	00621	2002	406,343	89,031	495,374	2,039,340
JO CO R F #3	00621	2003	227,109	10,308	237,417	1,307,731
JO CO R F #3	00621	2004	472,511	2,209	474,720	1,662,121
JO CO R F #3	00621	2005	203,597	18,713	222,310	1,673,783
JC FI #3 BDA	00622	2001	568,222	250	568,472	2,591,102
JC FI #3 BDA	00622	2002	559,764	856	560,620	2,977,382
JC R FI#3BDB	00623	2005	1,729	0	1,729	9,746
MO TWP FI #1	00651	2001	120,119	2,875	122,994	232,259
MO TWP FI #1	00651	2002	33,871	0	33,871	148,274
SH TWP FI #1	00661	2001	722,243	972	723,215	2,567,630
SH TWP FI #1	00661	2002	506,284	550	506,834	2,436,893
JO CO LIB	00701	2001	123,002,109	2,780,842	125,782,951	373,860,109
JO CO LIB	00701	2002	103,086,355	2,143,754	105,230,109	355,067,045
JO CO LIB	00701	2003	96,118,286	2,163,424	98,281,710	352,155,979
JO CO LIB	00701	2004	67,298,138	1,855,027	69,153,165	336,300,636
JO CO LIB	00701	2005	83,572,031	1,862,460	85,434,491	353,650,124

Impact of Proposed Exemption on Johnson County Taxing Authorities
 --Taxable Assessed Value of "Payment in Lieu"

TaxAssd	Year	Authority	Auth Name
5,638,913	2001	00101	STATE OF KS
5,604,798	2002	00101	STATE OF KS
10,071,989	2003	00101	STATE OF KS
9,918,172	2004	00101	STATE OF KS
11,039,281	2005	00101	STATE OF KS
5,638,913	2001	00102	JOHNSON CO
5,604,798	2002	00102	JOHNSON CO
10,071,989	2003	00102	JOHNSON CO
9,918,172	2004	00102	JOHNSON CO
11,039,281	2005	00102	JOHNSON CO
5,638,913	2001	00103	COMM CLGE
5,604,798	2002	00103	COMM CLGE
10,071,989	2003	00103	COMM CLGE
9,918,172	2004	00103	COMM CLGE
11,039,281	2005	00103	COMM CLGE
5,638,913	2001	00104	JO CO PARK
5,604,798	2002	00104	JO CO PARK
10,071,989	2003	00104	JO CO PARK
9,918,172	2004	00104	JO CO PARK
11,039,281	2005	00104	JO CO PARK
0	2001	00205	BONNER SPRIN
0	2002	00205	BONNER SPRIN
187,810	2003	00205	BONNER SPRIN
0	2004	00205	BONNER SPRIN
0	2005	00205	BONNER SPRIN
1,509,083	2001	00210	DE SOTO CITY
734,980	2002	00210	DE SOTO CITY
1,291,700	2003	00210	DE SOTO CITY
1,000,176	2004	00210	DE SOTO CITY
826,431	2005	00210	DE SOTO CITY
0	2001	00211	DE SOTO N/F
96,470	2002	00211	DE SOTO N/F
80,078	2003	00211	DE SOTO N/F
520,443	2004	00211	DE SOTO N/F
456,101	2005	00211	DE SOTO N/F
0	2001	00215	EDGERTON CI
0	2002	00215	EDGERTON CI
0	2003	00215	EDGERTON CI
0	2004	00215	EDGERTON CI
0	2005	00215	EDGERTON CI
35,199	2001	00220	GARDNER CITY
0	2002	00220	GARDNER CITY
0	2003	00220	GARDNER CITY
0	2004	00220	GARDNER CITY
0	2005	00220	GARDNER CITY
0	2001	00221	GARDNER N/F
0	2002	00221	GARDNER N/F
0	2003	00221	GARDNER N/F
0	2004	00221	GARDNER N/F
0	2005	00221	GARDNER N/F

Impact of Proposed Exemption on Johnson County Taxing Authorities
 --Taxable Assessed Value of "Payment in Lieu"

TaxAssd	Year	Authority	Auth Name
0	2001	00222	GA FIRE PROT
0	2002	00222	GA FIRE PROT
0	2003	00222	GA FIRE PROT
0	2004	00222	GA FIRE PROT
0	2005	00222	GA FIRE PROT
767,933	2001	00225	OLATHE CITY
572,097	2002	00225	OLATHE CITY
1,747,947	2003	00225	OLATHE CITY
1,535,508	2004	00225	OLATHE CITY
3,306,428	2005	00225	OLATHE CITY
0	2001	00226	OLATHE N/F
5,412	2002	00226	OLATHE N/F
4,328	2003	00226	OLATHE N/F
0	2004	00226	OLATHE N/F
0	2005	00226	OLATHE N/F
0	2001	00230	SP HILL CIT
0	2002	00230	SP HILL CIT
0	2003	00230	SP HILL CIT
0	2004	00230	SP HILL CIT
3,769	2005	00230	SP HILL CIT
0	2001	00231	SP HILL N/F
0	2002	00231	SP HILL N/F
0	2003	00231	SP HILL N/F
0	2004	00231	SP HILL N/F
0	2005	00231	SP HILL N/F
0	2001	00240	COUNTRYSIDE
0	2002	00240	COUNTRYSIDE
0	2001	00242	FAIRWAY CITY
0	2002	00242	FAIRWAY CITY
0	2003	00242	FAIRWAY CITY
0	2004	00242	FAIRWAY CITY
0	2005	00242	FAIRWAY CITY
0	2001	00244	LAKE QUIVIRA
0	2002	00244	LAKE QUIVIRA
0	2003	00244	LAKE QUIVIRA
0	2004	00244	LAKE QUIVIRA
0	2005	00244	LAKE QUIVIRA
0	2001	00248	LEAWOOD CITY
0	2002	00248	LEAWOOD CITY
0	2003	00248	LEAWOOD CITY
0	2004	00248	LEAWOOD CITY
0	2005	00248	LEAWOOD CITY
0	2001	00249	LEAWOOD N/F
0	2002	00249	LEAWOOD N/F
0	2003	00249	LEAWOOD N/F
0	2004	00249	LEAWOOD N/F
0	2005	00249	LEAWOOD N/F
0	2001	00252	LENEXA CITY
0	2002	00252	LENEXA CITY
0	2003	00252	LENEXA CITY
557,272	2004	00252	LENEXA CITY
1,027,204	2005	00252	LENEXA CITY

Impact of Proposed Exemption on Johnson County Taxing Authorities
 --Taxable Assessed Value of "Payment in Lieu"

TaxAssd	Year	Authority	Auth Name
0	2001	00253	LENEXA N/F
0	2002	00253	LENEXA N/F
0	2003	00253	LENEXA N/F
0	2004	00253	LENEXA N/F
0	2005	00253	LENEXA N/F
0	2001	00256	MERRIAM CITY
0	2002	00256	MERRIAM CITY
0	2003	00256	MERRIAM CITY
0	2004	00256	MERRIAM CITY
0	2005	00256	MERRIAM CITY
0	2001	00258	MISSION CITY
0	2002	00258	MISSION CITY
0	2003	00258	MISSION CITY
0	2004	00258	MISSION CITY
0	2005	00258	MISSION CITY
0	2001	00260	MISSION HILL
0	2002	00260	MISSION HILL
0	2003	00260	MISSION HILL
0	2004	00260	MISSION HILL
0	2005	00260	MISSION HILL
0	2001	00262	MISSION WOOD
0	2002	00262	MISSION WOOD
0	2003	00262	MISSION WOOD
0	2004	00262	MISSION WOOD
0	2005	00262	MISSION WOOD
1,390,733	2001	00264	OVERLAND PK
2,170,355	2002	00264	OVERLAND PK
2,916,477	2003	00264	OVERLAND PK
2,790,780	2004	00264	OVERLAND PK
2,940,330	2005	00264	OVERLAND PK
0	2001	00268	PRAIRIE VILL
0	2002	00268	PRAIRIE VILL
0	2003	00268	PRAIRIE VILL
0	2004	00268	PRAIRIE VILL
0	2005	00268	PRAIRIE VILL
0	2001	00270	ROELAND PARK
0	2002	00270	ROELAND PARK
0	2003	00270	ROELAND PARK
0	2004	00270	ROELAND PARK
0	2005	00270	ROELAND PARK
1,935,965	2001	00272	SHAWNEE CITY
2,025,484	2002	00272	SHAWNEE CITY
1,522,780	2003	00272	SHAWNEE CITY
1,408,852	2004	00272	SHAWNEE CITY
1,083,072	2005	00272	SHAWNEE CITY
0	2001	00276	WESTWOOD CIT
0	2002	00276	WESTWOOD CIT
0	2003	00276	WESTWOOD CIT
0	2004	00276	WESTWOOD CIT
0	2005	00276	WESTWOOD CIT

Impact of Proposed Exemption on Johnson County Taxing Authorities
 --Taxable Assessed Value of "Payment in Lieu"

TaxAssd	Year	Authority	Auth Name
0	2001	00278	WESTWOOD HIL
0	2002	00278	WESTWOOD HIL
0	2003	00278	WESTWOOD HIL
0	2004	00278	WESTWOOD HIL
0	2005	00278	WESTWOOD HIL
0	2001	00281	AUBRY TWP
0	2002	00281	AUBRY TWP
0	2003	00281	AUBRY TWP
0	2004	00281	AUBRY TWP
0	2005	00281	AUBRY TWP
0	2001	00283	GARDNER TWP
0	2002	00283	GARDNER TWP
2,320,869	2003	00283	GARDNER TWP
1,856,515	2004	00283	GARDNER TWP
1,395,946	2005	00283	GARDNER TWP
35,199	2001	00284	GA TWP GEN
0	2002	00284	GA TWP GEN
0	2001	00285	LEXINGTON TW
0	2002	00285	LEXINGTON TW
0	2003	00285	LEXINGTON TW
0	2004	00285	LEXINGTON TW
0	2005	00285	LEXINGTON TW
1,509,083	2001	00286	LE TWP GEN
831,450	2002	00286	LE TWP GEN
1,371,778	2003	00286	LE TWP GEN
1,520,619	2004	00286	LE TWP GEN
1,282,532	2005	00286	LE TWP GEN
0	2001	00287	MCCAMISH TWP
0	2002	00287	MCCAMISH TWP
0	2003	00287	MCCAMISH TWP
0	2004	00287	MCCAMISH TWP
0	2005	00287	MCCAMISH TWP
0	2001	00288	MC TWP GEN
0	2002	00288	MC TWP GEN
0	2003	00288	MC TWP GEN
0	2004	00288	MC TWP GEN
0	2005	00288	MC TWP GEN
0	2001	00289	MONTICELLO T
0	2002	00289	MONTICELLO T
0	2003	00289	MONTICELLO T
0	2004	00289	MONTICELLO T
0	2005	00289	MONTICELLO T
0	2001	00291	OLATHE TWP
0	2002	00291	OLATHE TWP
0	2003	00291	OLATHE TWP
0	2004	00291	OLATHE TWP
0	2005	00291	OLATHE TWP
0	2001	00293	OXFORD TWP
0	2002	00293	OXFORD TWP
0	2003	00293	OXFORD TWP
0	2004	00293	OXFORD TWP
0	2005	00293	OXFORD TWP

Impact of Proposed Exemption on Johnson County Taxing Authorities
 --Taxable Assessed Value of "Payment in Lieu"

TaxAssd	Year	Authority	Auth Name
0	2001	00295	SHAWNEE TWP
0	2002	00295	SHAWNEE TWP
0	2001	00297	SP HILL TWP
0	2002	00297	SP HILL TWP
0	2003	00297	SP HILL TWP
0	2004	00297	SP HILL TWP
0	2005	00297	SP HILL TWP
0	2001	00298	SP TWP GEN
0	2002	00298	SP TWP GEN
0	2003	00298	SP TWP GEN
0	2004	00298	SP TWP GEN
3,769	2005	00298	SP TWP GEN
1,509,083	2001	00299	LE TWP HALL
1,390,733	2001	00301	229 UNIFIED
2,175,767	2002	00301	229 UNIFIED
2,920,805	2003	00301	229 UNIFIED
3,042,658	2004	00301	229 UNIFIED
2,942,498	2005	00301	229 UNIFIED
0	2001	00303	230 UNIFIED
0	2002	00303	230 UNIFIED
0	2003	00303	230 UNIFIED
0	2004	00303	230 UNIFIED
3,769	2005	00303	230 UNIFIED
35,199	2001	00305	231 UNIFIED
0	2002	00305	231 UNIFIED
2,320,869	2003	00305	231 UNIFIED
1,856,515	2004	00305	231 UNIFIED
1,395,946	2005	00305	231 UNIFIED
1,509,083	2001	00307	232 UNIFIED
831,450	2002	00307	232 UNIFIED
1,559,588	2003	00307	232 UNIFIED
1,520,619	2004	00307	232 UNIFIED
1,282,532	2005	00307	232 UNIFIED
767,933	2001	00309	233 UNIFIED
572,097	2002	00309	233 UNIFIED
1,747,947	2003	00309	233 UNIFIED
1,532,256	2004	00309	233 UNIFIED
3,931,567	2005	00309	233 UNIFIED
1,935,965	2001	00316	512 UNIFIED
2,025,484	2002	00316	512 UNIFIED
1,522,780	2003	00316	512 UNIFIED
1,966,124	2004	00316	512 UNIFIED
1,482,969	2005	00316	512 UNIFIED
0	2001	00324	289 UNIFIED
0	2002	00324	289 UNIFIED
0	2003	00324	289 UNIFIED
0	2004	00324	289 UNIFIED
0	2005	00324	289 UNIFIED
0	2001	00326	491 UNIFIED
0	2002	00326	491 UNIFIED
0	2003	00326	491 UNIFIED
0	2004	00326	491 UNIFIED

Impact of Proposed Exemption on Johnson County Taxing Authorities
 --Taxable Assessed Value of "Payment in Lieu"

TaxAssd	Year	Authority	Auth Name
0	2005	00326	491 UNIFIED
1,390,733	2001	00331	229 SCH GEN
2,175,767	2002	00331	229 SCH GEN
2,920,805	2003	00331	229 SCH GEN
3,042,658	2004	00331	229 SCH GEN
2,942,498	2005	00331	229 SCH GEN
0	2001	00332	230 SCH GEN
0	2002	00332	230 SCH GEN
0	2003	00332	230 SCH GEN
0	2004	00332	230 SCH GEN
3,769	2005	00332	230 SCH GEN
35,199	2001	00333	231 SCH GEN
0	2002	00333	231 SCH GEN
2,320,869	2003	00333	231 SCH GEN
1,856,515	2004	00333	231 SCH GEN
1,395,946	2005	00333	231 SCH GEN
1,509,083	2001	00334	232 SCH GEN
831,450	2002	00334	232 SCH GEN
1,559,588	2003	00334	232 SCH GEN
1,520,619	2004	00334	232 SCH GEN
1,282,532	2005	00334	232 SCH GEN
767,933	2001	00335	233 SCH GEN
572,097	2002	00335	233 SCH GEN
1,747,947	2003	00335	233 SCH GEN
1,532,256	2004	00335	233 SCH GEN
3,931,567	2005	00335	233 SCH GEN
1,935,965	2001	00336	512 SCH GEN
2,025,484	2002	00336	512 SCH GEN
1,522,780	2003	00336	512 SCH GEN
1,966,124	2004	00336	512 SCH GEN
1,482,969	2005	00336	512 SCH GEN
0	2001	00337	289 SCH GEN
0	2002	00337	289 SCH GEN
0	2003	00337	289 SCH GEN
0	2004	00337	289 SCH GEN
0	2005	00337	289 SCH GEN
0	2001	00338	491 SCH GEN
0	2002	00338	491 SCH GEN
0	2003	00338	491 SCH GEN
0	2004	00338	491 SCH GEN
0	2005	00338	491 SCH GEN
1,390,733	2001	00339	229 BOND
2,175,767	2002	00339	229 BOND
2,920,805	2003	00339	229 BOND
3,042,658	2004	00339	229 BOND
2,942,498	2005	00339	229 BOND
0	2001	00340	230 BOND
0	2002	00340	230 BOND
0	2003	00340	230 BOND
0	2004	00340	230 BOND
3,769	2005	00340	230 BOND

Impact of Proposed Exemption on Johnson County Taxing Authorities
 --Taxable Assessed Value of "Payment in Lieu"

TaxAssd	Year	Authority	Auth Name
35,199	2001	00341	231 BOND
0	2002	00341	231 BOND
2,320,869	2003	00341	231 BOND
1,856,515	2004	00341	231 BOND
1,395,946	2005	00341	231 BOND
1,509,083	2001	00342	232 BOND
831,450	2002	00342	232 BOND
1,559,588	2003	00342	232 BOND
1,520,619	2004	00342	232 BOND
1,282,532	2005	00342	232 BOND
767,933	2001	00343	233 BOND
572,097	2002	00343	233 BOND
1,747,947	2003	00343	233 BOND
1,532,256	2004	00343	233 BOND
3,931,567	2005	00343	233 BOND
1,935,965	2001	00344	512 BOND
2,025,484	2002	00344	512 BOND
1,522,780	2003	00344	512 BOND
1,966,124	2004	00344	512 BOND
1,482,969	2005	00344	512 BOND
0	2001	00345	289 BOND
0	2002	00345	289 BOND
0	2003	00345	289 BOND
0	2004	00345	289 BOND
0	2005	00345	289 BOND
0	2001	00346	491 BOND
0	2002	00346	491 BOND
0	2003	00346	491 BOND
0	2004	00346	491 BOND
0	2005	00346	491 BOND
0	2001	00401	AUBRY CEM
0	2002	00401	AUBRY CEM
0	2003	00401	AUBRY CEM
0	2004	00401	AUBRY CEM
0	2005	00401	AUBRY CEM
1,509,083	2001	00403	DESOTO CEM
831,450	2002	00403	DESOTO CEM
1,371,778	2003	00403	DESOTO CEM
1,520,619	2004	00403	DESOTO CEM
1,282,532	2005	00403	DESOTO CEM
0	2001	00405	MONTICELLO C
0	2002	00405	MONTICELLO C
187,810	2003	00405	MONTICELLO C
0	2004	00405	MONTICELLO C
0	2005	00405	MONTICELLO C
0	2001	00407	PL RIDGE CEM
0	2002	00407	PL RIDGE CEM
0	2003	00407	PL RIDGE CEM
0	2004	00407	PL RIDGE CEM
0	2005	00407	PL RIDGE CEM

Impact of Proposed Exemption on Johnson County Taxing Authorities
 --Taxable Assessed Value of "Payment in Lieu"

TaxAssd	Year	Authority	Auth Name
0	2001	00409	PL VALLEY CE
0	2002	00409	PL VALLEY CE
0	2003	00409	PL VALLEY CE
0	2004	00409	PL VALLEY CE
0	2005	00409	PL VALLEY CE
0	2001	00411	PR CENTER CE
0	2002	00411	PR CENTER CE
0	2003	00411	PR CENTER CE
0	2004	00411	PR CENTER CE
0	2005	00411	PR CENTER CE
0	2001	00501	MERRIAM DR
0	2002	00501	MERRIAM DR
0	2003	00501	MERRIAM DR
0	2004	00501	MERRIAM DR
0	2005	00501	MERRIAM DR
0	2001	00506	MONTICELLO D
0	2002	00506	MONTICELLO D
187,810	2003	00506	MONTICELLO D
0	2004	00506	MONTICELLO D
0	2005	00506	MONTICELLO D
0	2001	00511	WEAVER BOT D
0	2002	00511	WEAVER BOT D
0	2003	00511	WEAVER BOT D
0	2004	00511	WEAVER BOT D
0	2005	00511	WEAVER BOT D
0	2001	00600	JOC CONS F#2
0	2002	00600	JOC CONS F#2
0	2003	00600	JOC CONS F#2
0	2004	00600	JOC CONS F#2
0	2005	00600	JOC CONS F#2
0	2001	00601	JO CO FIR #1
0	2002	00601	JO CO FIR #1
2,320,869	2003	00601	JO CO FIR #1
1,856,515	2004	00601	JO CO FIR #1
1,395,946	2005	00601	JO CO FIR #1
0	2001	00611	JO CO FIR #2
5,412	2002	00611	JO CO FIR #2
4,328	2003	00611	JO CO FIR #2
0	2004	00611	JO CO FIR #2
0	2005	00611	JO CO FIR #2
0	2001	00614	JC FI #2 BDC
0	2002	00614	JC FI #2 BDC
0	2003	00614	JC FI #2 BDC
0	2004	00614	JC FI #2 BDC
0	2005	00614	JC FI #2 BDC
0	2003	00615	JC FI #2 BDD
0	2004	00615	JC FI #2 BDD
0	2005	00615	JC FI #2 BDD
3,252	2004	00616	JC FI #2 BDE
2,168	2005	00616	JC FI #2 BDE
0	2001	00621	JO CO R F #3
96,470	2002	00621	JO CO R F #3

Impact of Proposed Exemption on Johnson County Taxing Authorities
 --Taxable Assessed Value of "Payment in Lieu"

TaxAssd	Year	Authority	Auth Name
80,078	2003	00621	JO CO R F #3
520,443	2004	00621	JO CO R F #3
456,101	2005	00621	JO CO R F #3
0	2001	00622	JC FI #3 BDA
0	2002	00622	JC FI #3 BDA
0	2005	00623	JC R FI#3BDB
0	2001	00651	MO TWP FI #1
0	2002	00651	MO TWP FI #1
0	2003	00651	MO TWP FI #1
0	2004	00651	MO TWP FI #1
0	2005	00651	MO TWP FI #1
0	2001	00661	SH TWP FI #1
0	2002	00661	SH TWP FI #1
4,870,980	2001	00701	JO CO LIB
5,027,289	2002	00701	JO CO LIB
8,131,904	2003	00701	JO CO LIB
8,382,664	2004	00701	JO CO LIB
7,732,853	2005	00701	JO CO LIB



January 24, 2006

TO: Chairperson Wilk
House Taxation Committee Members

FROM: Howard D. Partington

SUBJECT: Opposition to HB 2619

Thank you for the opportunity to appear before you and explain the City of Great Bend's opposition to HB 2619. First of all, we are certainly not opposed to initiatives that would help our communities and state welcome economic development. Locally, we work hard to encourage business growth and expansion. What we are opposed to is another unfunded mandate that does not have a funding mechanism from the very people who are proposing the change.

If HB 2619 is important to the state, then we would suggest that you develop a program of state tax credits or rebates to fund the program directly. For example, have the businesses pay the property taxes on the targeted equipment so the net effect on cities and counties is neutral, then rebate the amount you wish to rebate to those businesses after they have shown proof of paying the property taxes. This procedure is not that hard to establish and is similar to what we do locally for the Neighborhood Revitalization Program.

The City of Great Bend's adopted State Legislative Policy for 2006 reads as follows pertaining to this issue: "We believe the State Legislature should not impose mandated functions, activities, or regulations on local governments without providing financial resources to meet the costs of carrying out those mandates. We also believe that if efforts are made to reduce the property taxes on business machinery, the state should shoulder the financial responsibility of making up the loss that cities would suffer due to this statewide initiative."

We are opposed to HB 2619 at this time due to the lack of funding by the state. In fact, those very communities who have worked hard to bring economic development to their area would be penalized by increased property taxes to all other property tax payers.

Thank you for your consideration.

House Taxation
1-24-06
Attachment 6

Osage County Commissioners

Osage County Courthouse
P.O. Box 226
Lyndon, Kansas 66451 - 0226

January 24, 2006

House Taxation Committee
300 SW 10th Street
Topeka, KS 66612-1504

RE: HB 2619

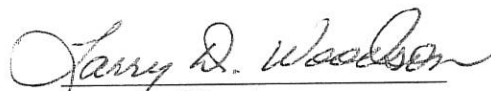
Dear Representatives:

We are very concerned with the shift in taxation that would occur with any additional tax exemption provided Commercial Machinery and Equipment. On the average, counties will lose 6.83% of the total tax base. Actual dollar loss will be more than the stated percentage due to penalties applied as a late filing fee.

While we are currently addressing the exemption of machinery and equipment, we would like to remind you of the loss of revenue the county has already absorbed. The state has withheld the Demand Transfers (Local AdValorem Tax Reduction and the City/County Revenue Sharing) starting December, 2002. To date, this has been a loss of \$2,100,000 in revenue for Osage County. The destination sales tax law has also contributed to a loss in revenue.

The residential and commercial real estate owners have been saddled with high heating costs, transportation fuel increases, etc. They should not have to absorb this increase.

Sincerely,



Larry D. Woodson
Osage County Commissioner, Chairman



Carl F. Meyer
Osage County Commissioner



William R. Prescott
Osage County Commissioner

Osage County Commissioners

Osage County Courthouse
P.O. Box 226
Lyndon, Kansas 66451 - 0226

December 27, 2005

Kathleen Sebelius
Office of the Governor
Capitol, 300 SW 10th Ave., Ste. 212S
Topeka, KS 66612-1590

Dear Governor Sebelius:

It has come to our attention that it is your recommendation to exempt new purchases of commercial/industrial machinery and equipment from personal property tax rolls. The Kansas City Star has indicated that this will affect local entities by removing \$200 million from the local tax rolls. The Kansas City Star states, "The governor told business leaders that taking \$200 million out of schools and roads or shifting the burden to homeowners and farmers would not be productive. Her proposal would phase out the tax, rather than eliminate it abruptly."

We agree that this shift in the property tax burden would not be productive. Making this a gradual shift will not help the taxpayer. This shift is going to be a huge burden to the taxpayer whether it is a gradual shift or an abrupt shift.

Approximately 99% of the total revenue that is to be abated is local and school revenue. The local authorities will have no other option but to raise mill levies to account for this loss.

The commercial personal property tax amounts for 3.5% of the total tax base for Osage County. This tax burden will have to SHIFT to other property owners. Residential and agricultural real estate owners will have to absorb most of this tax burden.

Local authority at the county and city level can currently recommend a 10 year exemption for manufacturing, etc. through Industrial Revenue Bonds or Economic Development Exemptions. This decision needs to remain with local authority.

This erosion of the local tax base must STOP. Every time there is a new exemption granted at the state level, the local entities must raise the mill levy to absorb the loss. The individual taxpayer (homeowner and farmer) can not afford any additional tax.

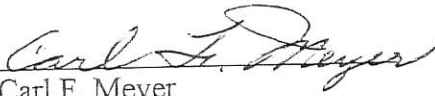
If studies indicate that a tax reduction will "encourage businesses to invest in the future to make sure that they stay in Kansas and to invest in technology," we suggest that this tax


incentive be granted at the state level in the form of a state income tax reduction. This shift could then be absorbed by those that are economically able to handle an increase in tax.


Currently ad valorem tax does not consider the financial ability of the taxpayer to pay. This will create undue hardship on the real estate owners in the state of Kansas.

Due to these stated reasons we are strongly opposed to this shift in taxation.

Sincerely,


Carl F. Meyer
Osage County Commissioner


Larry D. Woodson
Osage County Commissioner


William R. Prescott
Osage County Commissioner

cc. Jim Barnett
Anthony Hensley
Joe Humerickhouse
Pat Apple
Roger C. Pine
Leslie D Donovan
Barbara P. Allen
Derek Schmidt
Terry Bruce
Greta Goodwin
Janis K. Lee
Nick Jordan
Kenny A. Wilk

Lana Gordon
Paul Davis
Virgil Peck
Julie Menghini
Nancy A. Kirk
Mark R. Treaster
Nile Dillmore
Sydney Carlin
Lance Kinzer
Edward J. O'Malley
Thom Thull
David C. Huff
Bruce F. Larkin
Anthony R. Brown
Mario Goico
Steven R. Brunk
Richard Carlson
Pat George
Thomas C. Owens
Don Hill
Arlen H. Siegfried
Kasha Kelley
The Osage County Herald
The Osage County Chronicle
The Topeka Capital Journal

Crawford County Clerk
R.J. Wilson



Testimony in opposition to House Bill 2619
Provided by R.J. Wilson, Crawford County Clerk

Mr. Chairman and Honorable members of the House Taxation Committee:

Thank you for this opportunity to submit testimony today in opposition to House Bill 2619.

My office recognizes that businesses in Kansas are in a less competitive environment because of the tax on commercial industrial machinery and equipment. The business owners in our community compete with not only a bordering state in Missouri but also with a major retail area located in Joplin, MO. But even in recognizing those challenges faced by our local businesses, I cannot agree with the relief mechanism suggested by HB 2619.

In Crawford County the total amount of valuation on commercial and industrial machinery and equipment is \$22,902,875 from the latest abstract filed with the State of Kansas. At the current county mill levy we have calculated that the total revenue derived from taxation upon this value is \$947,766.78. Under the provisions of HB 2619, no additional amounts will be added to the commercial and industrial machinery and equipment valuation after the first of 2007. And over time, the existing valuation will fall to near zero.

The effect of this bill will be the loss of nearly \$1 Million dollars in local revenues in our county or about 11% of the total available ad valorem tax levied by the Board of Crawford County Commissioners.

That number is significant.

Imagine trying to balance a state budget if the US Congress had decided to provide tax reductions by limiting the type of income that could be taxed at the state level, and that led to a reduction in state revenues by 11%. Such an action would leave the legislature in chaos, as you tried to balance your own budget.

Crawford County Clerk
R. J. Wilson

The long-term effect of this legislation will be higher real property taxes for local home and small business owners; or drastic cuts in county services and personnel. Every county and city government in this state will be faced with difficult decisions to raise the local mill levy or to make drastic cuts in critical local services.

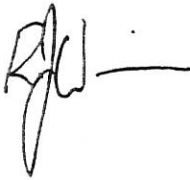
I am sure you can understand the city and county response to this measure. I am pragmatic enough to see the value in this proposal and I realize that there may be gains for local units of government following implementation of this proposal. However, it is clear that this proposal means a loss of local government revenues and higher local property taxes. The reward is rather unclear while the pain to local governments is immediate and absolute.

I respectfully suggest that there are ways to lessen the blow to the local units of government and still achieve the desired outcome. A gradual reinstatement of the Local Ad Valorem Tax Reduction Fund would be a tremendous offset to the damages awaiting counties and cities under HB 2619. An alternative would be to provide an additional or larger earned state tax credit for those companies, which make real investment into new equipment.

Today I am asking you to consider alternatives to HB 2619, including ways to ensure that one form of tax relief doesn't result in increased taxes on other Kansans or the loss of important local services.

Thank you for the opportunity to testify in writing today.

Sincerely:

A handwritten signature in black ink, appearing to be 'R.J. Wilson', with a horizontal line extending to the right.

R.J. Wilson
Crawford County Clerk

Business Machinery and Equipment Tax Credit

The following table shows historical machinery and equipment credits and the projected numbers.

The total amount of railroad personal property assessed valuation in tax year 2005 is about \$56.98 million. At an average of 124 mills, this amount of assessed valuation will generate about \$7.07 million. For tax year 2005 and 2006, 20% of the paid property tax, or about \$1.41 million, will be available for credits. As for tax year 2007, the percentage of refund is 25%.

Tax Year	BM&E property tax refund rate	Railroad Personal Property	CM&E refund under existing law (millions)	Railroad property tax refund	Total property tax refund	Fiscal Year
2002	15%	Not Eligible	\$21.38	0	\$21.38	2003
2003	15%	Not Eligible	\$19.12	0	\$19.12	2004
2004	15%	Not Eligible	*\$22.20	0	*\$22.20	2005
2005	20%	Eligible	*\$30.34	*\$1.41	*\$31.74	2006
2006	20%	Eligible	*\$31.10	*\$1.44	*\$32.54	2007
2007	25%	Eligible	*\$39.84	*\$1.83	*\$41.68	2008

* Estimated numbers, based on 2.5% and 2% growth in assessed values for BM&E property and railroad personal property.