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HOUSE OF REPRESENTATIVES

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BRETT FAIRCHILD

113TH DISTRICT

Thank you, Mr. Chairman. Today, I'm providing written only proponent testimony for SB 10. I've had a lot of people in my district reach out to me regarding the high property tax rates they have to pay on their side-by-side ATV's. People have told me that they have to pay over \$1,000 in property taxes on their side-by-side ATV every year, which is a rate that's far higher than the rate they have to pay on their car or pickup. Right now, the property tax rate on side-by-side ATV's is 30%, when most appraisers say that the tax rate should be 5 or 6% instead.

Last year, I introduced a Constitutional amendment that would allow the legislature to reduce this tax. Right now, it's written in the state Constitution that these ATV's have to be taxed at a 30% rate, unless they're just exempted entirely from being taxed. The Attorney General's office released an opinion which confirmed that the tax rate on side-by-side ATV's can't be reduced without passing a Constitutional amendment. Ultimately, the chairman of the committee made the decision that it would be easier to exempt these ATV's from being taxed entirely than it would be to pass a Constitutional amendment to allow the tax rate to be reduced. This bill also includes several other vehicles that are on the same line item in the state Constitution as the side-by-side ATV's.

I'm not generally a big fan of tax exemptions, because tax exemptions generally just result in higher tax rates on everything that is still being taxed. However, in this particular case we can't reduce the tax rate on these items without first passing a Constitutional amendment, and it would simply be easier to exempt these items from being taxed all together. The county appraisers that I've talked to in my district are on board with this bill, because many of them say that it costs more to appraise these items than the counties receive in revenue from these items. The appraisers would prefer to not have to mess with appraising these items. The appraisers note that any cost to the counties from this tax exemption would be very minimal. Passage of this bill would prevent individuals from having to pay excessive taxes on these items without reducing revenue to the counties by a significant amount.

A handwritten signature in black ink that reads "Brett Fairchild". The signature is written in a cursive, slightly slanted style.

Brett Fairchild-State Representative-113th District