CITY OF ARKANSAS CITY, KANSAS

Office of the City Manager
Randy Frazer, City Manager

March 6, 2025

Chairman and Members of the House Taxation Committee

Kansas State Legislature
300 SW 10th Avenue
Topeka, KS 66612

Senate Bill 117
Strother Field Airport/Industrial Park
Supporter

Dear Chairperson and Members of the Committee,
Thank you for the opportunity to provide testimony in strong support of Senate Bill 117. My name is Randy Frazer, and I am here today to advocate for the continued economic viability of the Strother Field Airport and Industrial Park, a critical economic engine for South Central Kansas.

Strother Field plays a pivotal role in the regional economy, generating an impressive $2.1 billion economic impact while supporting slightly over 1,700 jobs and contributing $189 million in payroll. As a municipally owned airport and industrial park, Strother Field is a unique asset that serves as a hub for business development, aviation, and job creation in our state.

Strother Field constitutes 47% of the economic impact of all Kansas general aviation airports and 20% of the overall economic impact of all airports combined. Furthermore, it is one of only two airports in Kansas that operates without support from a mill levy tax.

One of the most remarkable aspects of Strother Field is that it operates without collecting a single dollar of property tax from Arkansas City or Winfield residents. This self-sufficiency is possible because the rents paid by companies located in the industrial park cover the costs of operation and maintenance.

Despite the Kansas Legislature's past recognition of Strother Field's importance, its ability to remain self-supporting is now at risk due to confusion over its tax-exempt status. The Legislature amended KSA 79-201 in 1991 and 1992 to explicitly exempt all land and buildings at Strother Field from property taxes. This exemption acknowledged the airport's distinct role and ensured that it could operate without burdening local taxpayers.

Importantly, the Legislature amended 79-201 sections q, r, and s in 1991 and 1992 to establish ad valorem tax exemptions related to airport projects. Section r specifically applies to Strother Field, and unlike the other exemptions, it does not require airport purposes or aviation-related purposes. This distinction suggests that the drafters of the Strother Field exemption recognized the airport's unique nature and intended for its exemption to be broader than those applied to other airports.

However, recent misinterpretations by the Board of Tax Appeals (BOTA) have jeopardized this status. In the past decade, Arkansas City and Winfield have been forced to argue five separate cases before BOTA,

City Hall / 118 W. Central Avenue / Arkansas City, Kansas / 67005-0778
(620) 441-4414 / Fax (620) 441-4426 / rfrazer@arkansascityks.gov
www.arkansascityks.gov

winning four of them but still having to appeal the most recent decision. These legal battles have already cost over $500,000—money that should have been reinvested in the airport and industrial park rather than spent on litigation.

If Strother Field loses its exemption, it may no longer be self-sustaining, potentially leading to a new local property tax and weakening its economic contributions. Such an outcome would also weaken the economic impact of Strother Field and jeopardize the jobs and businesses that rely on its success.

SB 117 clarifies and reaffirms the Legislature's original intent by ensuring that all land and buildings at Strother Field remain property tax-exempt, just as they were intended to be under the 1991-92 amendments. By passing this bill, the Kansas Legislature will:

- Protect the economic sustainability of Strother Field and its $2.1 billion impact.
- Prevent unnecessary legal disputes that drain financial resources.
- Ensure that Strother Field continues to operate without a tax burden on Arkansas City and Winfield residents.

I urge this committee to pass Senate Bill 117 to safeguard the economic vitality of Strother Field and uphold the tax-exempt status originally granted by the Kansas Legislature. This action will allow Strother Field to continue supporting local businesses, creating jobs, and driving growth in South Central Kansas.

Thank you for your time and consideration.

Sincerely,

Randy Frazer
City Manager
City of Arkansas City

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