



**To:** Chairman Richard Carlson and members of the House Taxation Committee

**From:** Randall Allen, KAC Executive Director

**Date:** February 18, 2013

**Re:** Randall Allen, KAC Executive Director

Thank you, Mr. Chairman and members of the committee for allowing me to testify today in opposition to **HB 2244** on behalf of the Kansas Association of Counties.

Over the past several years, our Association has steadily worked with stakeholders to move forward on a proposed constitutional amendment (HCR 5017) which – as approved by Kansas voters in November 2012 – now allows the Legislature to provide for the classification and taxation of watercraft in a manner to encourage boat owners to register and keep their boats in Kansas. This new grant of authority could have the effect of encouraging outdoor recreation on Kansas waterways while ensuring that law abiding citizens are not punished for complying with the law concerning watercraft taxation. Over the years, our association’s testimony consistently spoke about our desire for a revenue-neutral proposal to be enacted, should the voters approve the constitutional amendment.

**What we did not have in mind, nor do we accept or support, is total exemption of watercraft from property taxation such as proposed in HB 2244.** This is a revenue loss to counties for county services, and it just shifts more of the tax burden to other properties. The new vehicle system just developed by the Department of Revenue, in fact, envisioned a day when boats might be taxed in a more streamlined, more transparent manner that would ensure revenue neutrality and fairness to all.

HB 2244 is not, in our judgment, the appropriate next step after adoption of the constitutional amendment. Surely no one likes to pay property taxes, yet everyone expects services to be provided. These services (law enforcement, emergency medical services, 9-1-1 services, etc.) must be maintained and funded on the state’s water surfaces just as they are on the land surfaces. HB 2244 is unreasonable – especially to the counties who depend on these revenues to provide services but also to other property taxpayers, who would experience higher tax burdens resulting from a shift of the tax burden.

**We respectfully urge the committee to reject HB 2244,** and instruct the stakeholders to devise and bring back a proposal which is revenue neutral and fair to all parties. Thank you.