

March 16, 2020

Regarding: Testimony to House Taxation Committee

Written-only Proponent Testimony of:

Michael Estes

Sr. Vice President

BTI Corporation

115 W. Railroad

Bucklin, Ks. 67834

As a Vice President of several Corporations in the State of Kansas, I can tell you that our property taxes both on businesses and individuals are at crisis levels already and nothing at this point is being done to curtail the constant escalation. The valuations of properties in particular are causing business taxes to increase to levels that are unsustainable for short term planning and long term survival. Something drastic needs to be done to get taxing entities to control their budgets and their spending and the Utah model seems to be one that has worked for some time for that state. Revenue-neutral rates are the best idea to date and it requires city or county officials to notify taxpayers of their intents to raise these rates and then hold public hearings to justify before they vote on the issue. This is an accountability and a transparency issue for a taxpayer such as myself and I see no reason that a concerned government official wouldn't welcome more community involvement in this critical process.

Businesses and individuals are leaving Kansas for other more tax friendly states and it will be difficult to get new entities to even want to come and live and do business here. This broken property tax formula (where valuations can simply be increased at will) can not be allowed to continue or we will continue the spiral downward in this state. From 1997-2019 Ford County (where BTI Headquarters is located) property taxes increased 134% but the mill rate is only 27% higher. This is only one county and others are even worse. Small business owners in Kansas pay some of the highest property taxes in the nation and there are no sign of this upward trend changing. SB 294 is designed to bring truth to the taxpayer and more transparency to the process. I urge you to support this bill and look forward to its passage.

Respectfully,

Michael L. Estes

BTI