



ELK COUNTY, KANSAS

Senate Assessment and Taxation Committee

January 11, 2024

Senate Bill 196

Elk County, Kansas

Testimony in Support

Chairman Tyson and Members of the Committee:

On behalf of the Board of County Commissioners of Elk County, thank you for allowing me to offer testimony in support of Senate Bill 196, which would restore transfers to the Local Ad Valorem Tax Reduction Fund.

For those unfamiliar with Elk County, we are a southeast Kansas county with primarily an agricultural economy, and a population of less than 2,500. Farmers and ranchers are known for their ability to make do with what they have and improvise – think baling wire.

Our county government functions much the same way – we make do. Our courthouse isn't fancy and we have vehicles in our fleet with over 300,000 miles on them. We have about 10 miles of chip-sealed roads, and the remaining 700+ miles are gravel roads. We don't spend property tax dollars on art installations, youth activities, parks and rec, or cultural programs. Those nice-to-have things do not fit into our budget. Elk County has never had a hospital, and our county-run nursing home closed several years ago. Now, when someone has to be cared for in a nursing facility, it's in another county because our nursing home didn't cash flow.

To reduce the property tax burden, Elk County voters passed a 1% County Sales Tax many years ago. But Elk County has limited retail offerings and restaurants, so a 1% sales tax only goes so far. Elk County receives a Payment in Lieu of Taxes from a wind farm, and that actually generates 1/6 of the revenue needed to fund county services.

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A footnote to the wind farm PILOT: our wind farm agreement was in place prior to the 2011 moratorium on wind farms in the Heartland Tallgrass region. Due to that moratorium, there will be no further wind development in Elk County.

There is very little mineral tax income in Elk County – we're just not oil-rich here. The machinery and equipment in our two large limestone quarries is exempt from property tax due to prior legislative action. Most Elk Countians drive farm trucks rather than Cadillacs and other luxury models that generate high motor vehicle taxes, so it comes down to property taxes on real estate to fund essential county services.

Elk County has the 2nd lowest assessed valuation of all 105 counties, with Comanche County having the lowest. What this means is, in order to turn the lights on at the courthouse every day and fire up the road graders and hold prisoners in detention at the jail, we have to levy a higher number of mils.

The Kansas Legislature has considered many, and passed a few bills attempting to reign in the rise of property taxes. In my eight years of service as a County Commissioner, I approved budgets during Tax Lid years and Revenue Neutral Rate years and, with all due respect I can tell you that neither legislative action helped us lower property taxes on real estate in Elk County. In a county like ours that provides only essential and state-mandated services, there isn't much opportunity to cut spending, especially in inflationary times like the present.

One way to reduce the property tax burden for Kansans in all counties would be to resume transfers to the LAVTR Fund. With full acknowledgement that it's not a silver bullet, I encourage this committee to recommend Senate Bill 196 favorably for passage. Thank you for your time and consideration.

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