

Dear distinguished members of the Kansas Senate Assessment and Taxation Committee,

The Board of Leavenworth County Commissioners would like to provide testimony in opposition to House Bill 2036. House Bill 2036 proposes to exempt from property taxation a significant number of disabled veterans and all veterans over the age of 65. The legislation has no limits on income, property valuation or after 65 even a needs-based determination.

This legislation would exempt in excess of 6% of our property tax base and cost the County approximately \$2,500,000.00 in ad valorem tax revenue per year. This is only the County levied property tax and does not include schools, cities, fire districts or other taxing entities in our County which would triple the overall impact.

While the updated legislation proposes to reimburse Geary, Riley and Leavenworth County for the impact of the bill it does not reimburse any of the other 102 counties. Additionally, it puts the burden on the local taxing entities to fund this rather than the state.

The Leavenworth County Commission, and we hope all elected officials, can see the danger of creating a special class of citizens that are entirely exempt from property tax at the cost of our other tax paying citizens without some needs-based determination and income and valuation limitations. Allowing anyone that potentially is making in excess of double the average Kansas household income and living in homes in excess of double the value of the average home in Kansas is not a good idea.

The Leavenworth Board of County Commissioners 100% supports tax relief for all Kansans. We also recognize that people with disabilities face difficulties in paying property taxes that others don't. That is why we support an expansion of the Homestead Act. This act is already in place and covers both Veterans and civilians. While the current form of the Homestead Act is woefully inadequate it could very easily be updated to have a real positive impact on Kansans as a whole. The Homestead Act also requires the State to fund the cost of the program rather than placing the burden on the local school districts, cities and counties.

Sincerely LVCO BOCC

According to the Department of Veterans Affairs (VA) there were 195,434 veterans in Kansas at the last census. According to the VA and US Census Bureau approximately 37% of veterans are over the age of 65. Based on the statistics the proposed legislation would qualify 72,311 veterans in Kansas for 100% exemption. Most sources report that nearly 80% of veterans are home owners so using a conservative 70% would mean approximately 50,600 Kansas households would receive 100% property tax abatement regardless of disability, home value or household income. Based on the average Kansas home value of \$214,772 that's \$10,867,463,200.00 in appraised value. Additionally, using VA stats on disabled veterans there would be

- 4,532 veteran home owners with 30% to 39% disability that would qualify for a 60% exemption
 - Based on average Kansas home values that's \$548,008,022 in appraised value
- 2,520 veterans with 40% to 49% disability that would qualify for a 70% exemption
 - Based on average Kansas home values that's \$378,857,808 in appraised value
- 1,896 veterans with 50% to 59% disability that would qualify for an 80% exemption
 - Based on average Kansas home values that's \$325,766,169 in appraised value
- 6,133 veterans with 60% to 69% disability that would qualify for a 90% exemption
 - Based on average Kansas home values that's \$1,185,477,008 in appraised value
- 10,302 veterans with 70% and above disability that would qualify for a 100% exemption
 - Based on average Kansas home values that's \$2,212,581,144 in appraised value

In total HB 2036 has the potential to exempt \$13,305,572,207.00 in appraised value or \$1,530,140,804.00 in assessed value. A very conservative overlapping mill levy rate of 150 mills on all properties puts the total cost of this program statewide somewhere around \$230,000,000.00 and very likely much higher than that.

Jeff Culbertson