

SB 108

Dear Members of the Taxation Committee,

The State of Kansas has mandated all 105 counties only use one source of income to fund their county budgets, and that is property tax. Sometimes state legislation is passed state wide but does not work well for every county. This system of funding does not work for Leavenworth County because we are 50% property tax exempt. Forcing us to only use property taxes in our county puts an unfair burden on our residents because of Fort Leavenworth, the Prisons, State property, Schools and churches in our county. We have more prisons and Catholic Archdiocese property than any other county. Fort Leavenworth by itself would be contributing over \$30m per year toward county services and assets but the state says they don't have to pay for the county assets and services they use.

Over a hundred thousand non-residents work in Leavenworth County. They have to use our roads and bridges to get to work but pay nothing to sustain them. The Fort uses the county ambulance service but pays nothing toward the \$2m it costs the county taxpayers to maintain this EMS service. Only 33,000 residents are paying property taxes. So a few people are paying a lot. Even though the Fort pays over half a BILLION dollars a year in salaries, and makes over a \$2 billion economic impact on our community, the county gets none of that.

If you go to an income tax system you get way more people paying a little. More over, the people making more money can afford to pay more taxes. People making less money pay less taxes. A Property tax system doesn't care how much money you make. Income tax is a way to charge taxes more fairly. This property tax system is literally taxing people out of their homes.

A 1% increase in income tax could eliminate county property taxes. I haven't talked to one taxpayer in our county that would not trade 1% more income tax to replace what they are paying in property tax.

We don't qualify for PILOT checks because this is a DOD facility and not a DOI facility. The idea 'why' is they provide jobs for our community. We are very appreciative of this fact. We completely realize Leavenworth would be nothing without the Fort. We understand the economic multiplier and the fact a dollar spent changes hands 8 times within a community before it goes out. BUT, all this does not translate into a county budget at all. The fact that \$2.8 billion in valuation pays zero local taxes hurts our local taxpayers dramatically. If we had a choice to go to an income tax system it would alleviate our problem completely.

The best part of SB108 is it is county specific. Let each county decide what the best system of taxation is. When I started this job I thought the local form of government was responsible for deciding what's best for our constituents. We found a big problem and are asking for your help to fix it. This bill is asking you to let the local voters decide what is the best taxation system for them.

Everyone is searching for a way to reduce property taxes across the state. This would fix Leavenworth County and several other counties struggling with similar problems.

Thank you for your time. Happy to answer any questions.

Jeff Culbertson

Leavenworth County Commissioner