

Testimony in Opposition to HB 2735

House Transportation Committee, March 5, 2012

Submitted by:

Kanza Rail Trail Conservancy Inc.

My name is Doug Walker and I am president of the Kanza Rail-Trails Conservancy Inc., the largest rail-trail organization in the State. We are a not for profit Kansas corporation whose mission is to build and promote rail-trails. We own the 117 mile right of way of the Flint Hills Nature Trail, from Osawatomie to Herington, (7th longest rail-trail in the United States) and the 38 mile Landon Nature Trail from Topeka, south to where it intersects the Flint Hills Nature Trail at Lomax junction. Our trails intersect the Prairie Spirit Trail in Ottawa. When all of these trails are completed it will create a network of trails over 200 miles long which will connect 23 Kansas communities. Our organization is comprised of over 200 members and in the last ten years has opened more than 60 miles of trail and raised over \$800,000 to build trails. We receive funding from individual donors, corporations and foundations. We receive NO tax dollars. We are a totally volunteer organization with no paid staff. Work is done by individuals committed to improving the health and recreational opportunities in their communities. They donate countless hours, use their own equipment and spend their own money to build and maintain trails. Our trails are open to the public, free of charge. We allow hikers, bicycles and horses. The Prairie Spirit Trail charges a user fee and does not allow horses.

We oppose HB 2735 in its current form and ask that it be amended.

Due to a Court of Tax Appeals ruling, all railbanked corridors are currently exempt from taxes. This bill would require counties to appraise all federally railbanked right of ways and assess, levy and collect taxes upon them. Including the state owned, Prairie Spirit Trail and municipally owned trails.

We are requesting an amendment to statutorily exempt all federally railbanked rail-trails from taxes.

Proponents cite a need for this bill to prevent adjacent landowners from paying taxes on trail property they have no control over. We agree, adjacent property owners should not be paying taxes on the trail and that is generally the case. In the 7 counties our 155 miles of trails run through, no taxes are being levied or collected. We agree with the Court of Tax Appeals that these corridors should be exempt from taxes. Our amendment would clarify and settle the

issue by statutorily exempting them from taxes. Our amendment would guarantee adjacent property owners would not pay taxes on trail property. It would resolve the tax issue.

As a non-profit organization, we rely on the generosity of individuals, foundations and corporations for funding. Passage of this bill in its current form would have a chilling effect on any future trail development and would severely hinder existing trails. As the owners of over 155 miles of right of way, taxes on this would be a sizable reoccurring financial burden. We submit that the economic benefit to local units of governments of having a viable trail through their communities far outweighs the financial value of any taxes to be collected. Our trails are a public recreational facility enjoyed by all at no taxpayer expense.

Adopting this amendment would have no adverse fiscal impact on local governments, because rail-trails have been exempt from taxes for several years.

We are sure that if this bill moves forward, State and municipal trails will be exempted from paying taxes to local governments. From our perspective, that would be the same as exempting Methodists from paying taxes on their property, but requiring Baptists to pay on theirs. All rail trails serve the public and should be treated the same. All should remain exempt from paying taxes.

We ask that you amend the bill to insure that all federally railbanked trails remain exempt from taxes and recommend the bill favorably for passage.

Respectfully submitted by:

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