

Free Press Viewpoint

Property tax bill tackles windfalls

Gov. Sam Brownback proposed a long-overdue reform last week, putting forth a bill that would bar local governments from spending any windfall they get when property valuations take a big jump.

The governor's proposal would require a city or county, or other taxing district, to lower its levy when total property valuation goes up, rather than keeping taxes the same and reaping a windfall of uncontrolled spending.

The alternative would be taking the increase to a vote of the people.

This bill may not be popular with city and county officials, who often like to have more money to spend. But it should make Kansas taxpayers – burdened with high and rising property-tax bills – happy.

These officials told us a few years ago, when the Legislature eliminated the old "tax lid" law, that they would be responsible. The result has been continued growth in city and county spending across the state.

In our area, the responsibility shown by county commissioners and city councils varies. Nearly all budgets have grown with or faster than the rate of inflation. A study by Nor'West Newspapers a couple of years ago showed that some had remarkably high increases, while others were far lower.

Temptation to spend a "windfall" is great, because the money is almost "free." Tax rates do not have to be increases, and for the most part, individual taxpayers see no increase the first year.

However, most windfalls are temporary. When the underlying cause goes away, so does the newfound wealth. This happened in Decatur County a few years ago when a boom in oil production caused the county's valuation to shoot up. The commissioners spent the money, but when valuation dropped the next year, had to make some painful cuts.

This year, in a similar situation, they were more cautious, but still spent some of an oil-valuation windfall. Now they propose to give county employees a 4 percent pay raise.

We see nothing wrong with putting an increase in spending in such a situation to a vote. If the need is as great as commissioners or council members sometimes feel, then they should have no trouble convincing citizens to vote for it.

If, on the other hand, people see public employees with better insurance and higher pay than they have, it might be a hard sell.

Either way, it's democracy at work, a reminder to everyone that the taxpayers support government, but only as much as they want and need – and that may be less than those spending the money would like.

The cap on property-tax collections would be flexible enough to exempt new construction, the governor said, protecting cities and counties from being squeezed by actual growth.

Good for the governor, we say. Now, let's see if the Legislature, which includes a lot of former local officials, will keep the people's needs in mind when it gets its hands on this bill.

– Steve Haynes

We encourage comments on opinions expressed on this page. Mail them to the *Colby Free Press*, 155 W. Fifth St., Colby, Kan., 67701, or e-mail colby.editor@nwkanssas.com.

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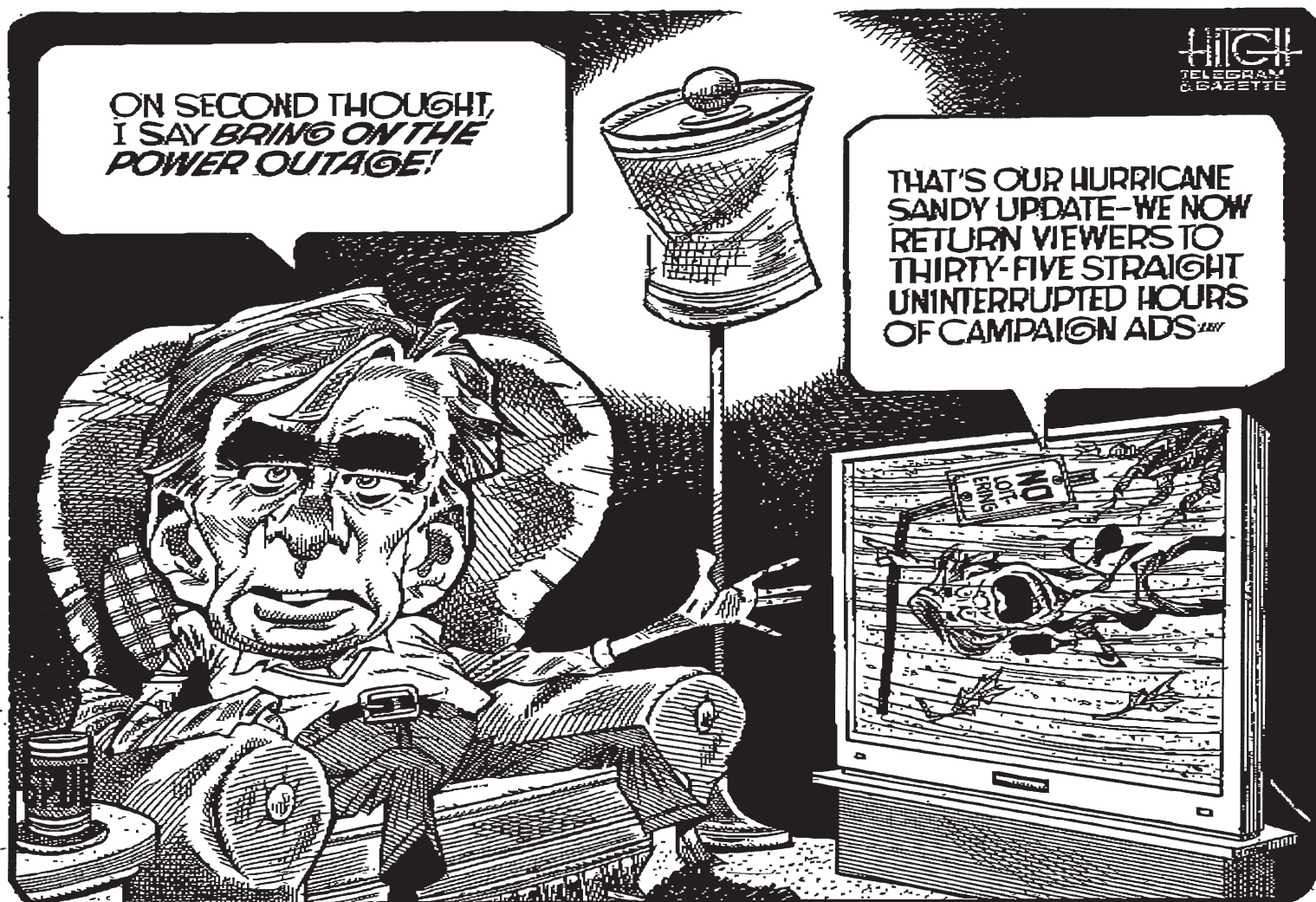
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Final harvest ends garden for year

It's fall, and time to put the garden to bed.

While we were in South Carolina and Georgia in mid October, the tomatoes, peppers and cucumbers got hit by a freeze. Luckily, a friend picked the green tomatoes, peppers and cucumbers and left them in the house for us.

Over the last couple of weeks, we've been watching the tomatoes get red and orange (depending on the variety). We've been munching tomatoes and sharing with friends and co-workers, but they're almost gone now. There are only about half a dozen still sitting in a pan in the kitchen, and Steve is sharpening his knife to eat those.

As soon as we returned from the South, we pulled the stakes, cages and dead vines. Stakes and cages went into the garage and dead vines filled three big trash bags for the garbage collectors.

That left us with cabbages, carrots, late lettuce and some overgrown Swiss chard.

On Sunday, while Steve mowed up the leaves and what little grass had grown in the two weeks since he last had the mower out, I picked cabbages and dug carrots.

I had put out about a dozen cabbage plants.



Cynthia Haynes

• Open Season

First I put out 10 on one side of the garden then a month later, I put out another six.

After the initial failure of a couple of plants, the rest of the original 10 looked pretty good. The late plants looked nice, but the leaves never curled inward to form heads. They just hung around, looking pretty on the side of the garden. They and the Swiss chard ended up as decorations, since we haven't figured out what to do with really oversize but pretty red-veined-and-dark green leaved Swiss chard.

In the end, I got two small red cabbages and one even smaller green cabbage. It was not a harvest to write home about.

The carrots were another matter. I had planted two rows and tried to thin them early on. This was supposed to allow me to get fewer

but bigger carrots.

I ended up with lots of carrots. Some were pretty good size and some were babies. They were all beautiful.

I decided to just take out half the carrots and leave the rest for the spring. Half of my carrots were a pile. When I removed the stems, I ended up with three-fourths of a five-gallon pickle bucketful.

I even made Steve take my picture with my piles of produce.

After digging and pulling half the crop, I put a little fence around the rest.

Last spring, the only way I found the undug carrots in the garden was when Steve ran over them with the rototiller. Next spring, I'm going to know where to dig before he gets there with that carrot killer!

Hey, maybe I'll have him take my picture.

Cynthia Haynes, co-owner and chief financial officer of Nor'West Newspapers, writes this column weekly. Her pets include cats, toads and a praying mantis. Contact her at c.haynes@nwkanssas.com

Taxes threaten family farms

Smart, hard work, combined with good planning, increases the likelihood of a bright and prosperous future. This is considered the American way – the American dream.

Part of this same American dream is the expectation that future generations will experience a better life than that of their parents. It's always been that way – parents want their children to have more opportunities than they did.

The fondest wish of Kansas farmers, ranchers and small business owners is to pass these family ventures on to their children and grandchildren. They work years to leave a legacy of land or a business.

Unfortunately, that shared dream threatened by the return of the estate tax. This tax is slated to return with a vengeance on Jan. 1, to a top rate of 55 percent and a \$1 million exemption. Estate taxes owed to the federal government by the farm or ranch owner's surviving family members can wallop them harder than other small business owners because 86 percent of farm and ranch assets are tied up in land.

The projected higher rate and lower exemption could result in as many as 10 percent of farms and ranches owing estate taxes in 2013 and beyond, according to the U.S. Department of Agriculture Economic Research Service. Contrast this with three short years ago, when approximately 1.6 percent of agricultural operations were subject to estate taxes and the exemption totaled \$3.5 million.

When Uncle Sam comes to pay his respects,



John Schlageck

• Insights
Kansas Farm Bureau

surviving family members without enough cash may be forced to sell land, buildings or equipment they need to keep their operations running, just to pay the tax bill.

Rural communities and businesses suffer when farms and ranches are dismantled and farmland is sold. When this occurs near urban centers, farmland is often lost forever to development.

The money farmers pay to the government in taxes is money that could be reinvested in the farm or ranch and indirectly into their community. Local machinery, fuel, herbicide, fertilizer and parts, dealers will suffer. These businesses keep people employed and provide much-needed money to local governments in the form of county or city sales taxes.

Estate taxes also threaten the transfer of farmland between farmers and ranchers. The average age of a farmer today is 5.

As farmers consider retirement, they set the selling price of land or other assets high enough to recover the cost of capital gains taxes. This increases the likelihood that farmland

will be developed for other uses, because few young farmers can afford to buy from these retiring producers.

A higher exemption and a lower rate will give farmers and ranchers a better opportunity to transfer their family-owned businesses to the next generation. Farmers and ranchers believe Congress should provide an estate-tax provision that would increase the exemption level to \$5 million and adjust it for inflation while reducing the maximum rate to 35 percent.

This is the right thing to do. It is one way Congress can show it still believes in the American dream and it truly values small business, including families who farm and ranch. Congress can send a message that hard work is still rewarded in the United States.

Estate tax relief will give future generations hope they can maintain the family legacy and keep the farm.

Most importantly, estate tax relief will keep alive the American dream – if you work hard and plan ahead, you can pass the fruits of your labor to your children and grandchildren.

John Schlageck of the Kansas Farm Bureau is a leading commentator on agriculture and rural Kansas. He grew up on a diversified farm near Seguin, and his writing reflects a lifetime of experience, knowledge and passion.

Mallard Fillmore

• Bruce Tinsley

