

# Logan County lowering taxes for second year

By Marian Ballard

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Among the gloomy news on the economy, there's a bit of good news for the people of Logan County: For the second year in a row, says County Commissioner Nick Scott, the real estate tax rate required to run the county will actually drop a little.

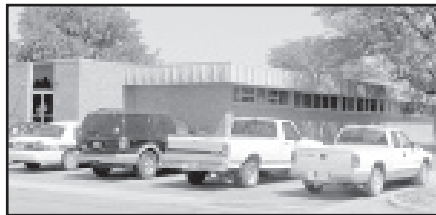
Officials say this is largely due to the high royalties from oil recently, a direct reflection of increased oil prices. This has been compounded in Logan County, as higher prices mean more oil is being pumped and more wells are being drilled. With more money coming in from oil, officials say, property owners will have to pay less.

That's about it for the good news, however. In 2010, according to tax statement batch totals furnished by Logan County Treasurer Jennie Schoenberger, real estate taxes made up about 39 percent of the total of all taxes collected in Logan County, \$2,479,090 out of \$6,251,951. Other taxes include the motor vehicle tax, collected with annual registration fees; excise taxes on the purchase of new tires; and the mineral severance tax, collected mostly on oil and gas royalties. The latter two are collected by the state and returned to the county. There are also sales taxes for the Logan County Wellness Center, and the Oakley streets, each on set at half of 1 percent.

The county in turn distributes the money to local governments, including 11 townships, three cities, the county general and other funds, the State of Kansas, the fire district, the Northwest Kansas Regional Library, the Extension District and the five school districts which are partially or entirely in Logan County.

A true picture of real estate taxes in Logan County requires taking a long-range view. To do this, some changes must be taken into account, say Schoenberger and Deputy Treasurer Leasa Huddle. Inflation, for one. A 2010 dollar is not worth as much as a dollar was in 1990. In 1990, minimum wage was \$3.35 an hour; in 2010, \$7.25. In 1990, unleaded gasoline sold for \$1.16 in Oakley; today it is around \$3.86.

While the tax rate went from 29.05 mills in 1990 to 62.255 mills in 2010, an increase



## Logan County

Tax rate 1990 – 29.05 mills.

Tax rate 2000 – 51.618 mills.

Tax rate 2010 – 62.255 mills.

Up 33.205 mills, or 114 percent over 20 years.

Adjusted for inflation, 29.05 mills in 1990 would equal 47.845 mills in 2010. The increase over inflation is 14.41 mills, or 30 percent.

Spending 1990 – \$1,583,383.

Spending 2000 – \$3,243,303.

Spending 2010 – \$4,642,363.

Up \$3,058,980, or 193 percent, over 20 years.

Adjusted for inflation, \$1,583,383 spent in 1990 would equal \$2,607,831 in 2010, an increase of 64.7 percent. The increase in adjusted spending is \$2,035,531, or 78 percent over inflation.

of 114 percent, this increase was not evenly distributed. Between 1990 and 2000, the increase was 77.68 percent, or 22.568 mills. During that time, the county purchased the Logan County Manor, a privately run nursing home, and took over its operation.

In the next 10 years, the increase was only 20.6 percent, or 10.637 mills. Overall, adjusted for inflation, the total increase is 14.41 mills, which is 30 percent over inflation.

Since a mill equals one thousandth (.001) of a dollar, the amount of money raised by a tax of one mill of property value is directly tied to property values. As values rise, so do the taxes. A mill applied to \$7,000 amounts to \$7; a mill of \$40,000 comes to \$40.

According Logan County Deputy Appraiser Donna Cox, over the 15 years of her experience appraised non-agricultural property values in the county have increased about 3 percent a year. This means the dollars raised by a given levy have increased as well.



Custodian Lori Hirst and Logan County Treasurer Jennie Schoenberger visited with Pat Ryan as she paid her motor vehicle tax.

– Photo by Marian Ballard/Colby Free Press

In actual dollars, spending has increased more rapidly. All other things being equal, the \$1,583,383 spent by the county in 1990 is the equivalent of \$2,607,831 in 2010 dollars, reflecting 64.7 percent inflation over those 20 years. The actual increase, however, is 78 percent over inflation – \$3,058,980, or 193 percent in all. Broken down, most of this amount, \$1,659,920, also falls before 2000, reflecting a 104.834 percent increase or \$1,162,925 above inflation alone. By contrast, in the 10 years ending in 2010, cash spending rose just 43.14 percent, or \$1,399,060, just \$821,538 over inflation for the same time period.

The way county accounting is done also has changed. Computers and their software are vastly changed in 20 years.

The way accounts are labeled, and even what accounts exist, has changed. Separate budget items for the fair and fairgrounds, for elections, for mental health and mental retardation, and for various other activities are now included in the general fund or administered by other agencies.

While taxes have climbed, Logan County's population has dropped – it's about 89.4 percent of what it was in 1990, continuing a trend that has lasted since 1960.

Though the county has lost population, it also attracts new residents, according to Cox, who said retirees from other states and dual-career couples who commute in opposite di-

rections account for some of the new households. This helps spread the tax load, she said, as residential property doesn't sit vacant and property values are strong.

The real problem in appraised values, though, is that according to the printed valuation notices, agricultural land appraisals are set by the state, based on income potential for each type of land, using a multi-year average to cover fluctuations in rainfall and crop prices. Values for farmland have typically dropped in recent years, even while sale prices for the same land have soared. By contrast, other real property is appraised based on market value as of Jan. 1 of the tax year.

Meanwhile, costs keep rising. The county bought Logan County Manor in the 1990s. Township levies have spiked in the last 10 years, going from 5.635 in Augustine, for example, to 9.992. In Lees Township, rates jumped from 2.986 in 1990 to 17.67 in 2010.

Commissioner Scott said "unfunded mandates," where the state or federal government require a service, but won't pay for it, can increase costs, too. As an example, he noted that regulations for 911 signs – road markers at every crossroad and city street corner – have been changed, so the county must replace every sign at considerable cost.

Whatever the difficulties, officials say they are working together to maintain and improve the quality of life for Logan County.

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