

***By Russ Pankonin, The Imperial Republican Co-Publisher***

Over the last five years, rural property values in Chase County have risen nearly 63 percent, with 22 percent of that rise occurring just this year.

With commodity prices at or near record highs in the past several years, farm income soared, invigorating a lagging ag economy. With money in their pockets, farmers invested in what they know best—land.

We saw the supply-and-demand theory of economics first hand. As the saying goes, 'they aren't making anymore land.' So when the demand for farm ground went up, so did the prices. That meant higher valuations on ag land for tax purposes.

During this run-up in land values, local taxing entities took advantage of the rising valuations. With the growing land valuations, these entities could increase their tax asking without bumping into the state-imposed tax levy lids.

In response to increased year-over-year tax requests, these entities often used the smokescreen that their tax mil levy still remained the same or even went down.

They wanted to make you feel good that your levy went down. In reality, the levy went down because the taxes could be spread over a higher valuation, not because taxes went down.

Over the years, I wish I had a \$100 bill for every time I heard an elected board member or official of a taxing entity say, "but the levy went down." That was part of the ruse to deflect attention away from rising taxes.

With the majority of the rise in valuation coming from ag land, guess who bears a bigger brunt of the tax burden? You're right—farmers and ranchers.

Thankfully, I haven't been hearing the "but the levy went down" line much this year. Perhaps these officials realize how poor of an argument this is and that they can't pull the wool over the eyes of the citizenry any longer.

Just to explain the point, let's look at the levy for Chase County Schools. I'm not picking on the school, just trying to make a point. In 2012, their total levy stood at 94.1874 cents per \$100 of valuation. In 2013, that same levy went down to 81.6643 cents per \$100 of valuation.

Just looking at that, you'd think your taxes went down. Au contraire, my friend. This year, the district asked for an additional \$394,000 for operations and building and capital funds.

For the owner of a an irrigated quarter of land valued for tax purposes at \$576,000, the 2012 tax bill to support school operations, based on the 2012 levy, totalled \$5,425.19.

In 2013, the tax value of that land increased by 22 percent to \$703,929. Based on this year's levy, the tax bill for that same land will be \$5,748.59.

While sometimes true, the old line of a decreased levy doesn't always mean less taxes.

Taxing entities have come to rely on the trend of increased property valuations each year. This year, several entities used the valuation increase to bump up their cash reserves through increased tax requests. Reliance on this trend will have ill effects if property values ever stay the same or go down.

In looking at this year's tax requests, kudos go to the Chase County commissioners for asking for the same amount of taxes this year as last. The Village of Wauneta actually decreased their askings by 1.3 percent.

These serve as good examples for the rest of the taxing entities in Chase County to do their best to hold the line on taxes.

