

**ORDINANCE NO. 5146-24**

**AN ORDINANCE OF THE GOVERNING BODY OF THE CITY OF NEWTON, KANSAS, GRANTING AN EXEMPTION FROM AD VALOREM TAXATION FOR CERTAIN PROPERTY LOCATED WITHIN THE CITY AND OWNED AND OPERATED BY BUNTING MAGNETICS CO., FOR MANUFACTURING ARTICLES OF COMMERCE, STORING GOODS OR COMMODITIES AND FOR RESEARCH AND DEVELOPMENT.**

**WHEREAS**, under the Constitution of the State of Kansas, particularly Article 11, Section 13, and the laws of the State of Kansas, the City of Newton has authority to exempt from all ad valorem taxation all or any portion of the appraised valuation of certain buildings, improvements and tangible personal property which is acquired, improved or constructed in relation to the commencement or expansion of certain manufacturing enterprises;

**WHEREAS**, Bunting Magnetics Co., made an application with the City of Newton, Kansas, for such an exemption in relation to the proposed improvement, expansion of manufacturing and storage capacity at 1001 South Spencer in the City;

**WHEREAS**, the Governing Body of the City of Newton, Kansas passed Resolution G-1279 declaring the intent to grant an exemption from ad valorem taxation for the property located at 1001 South Spencer in the City, the Governing Body renewed and extended the intent to grant the exemption by passage of Resolutions G-1305 and G-1338;

**WHEREAS**, Bunting Magnetics Co. has submitted to the City satisfactory proof and documentation thereof that such expansion and improvement was properly completed in the manner outlined in the application and such expansion and improvement continues to satisfy the guidelines and policies of the City; and

**WHEREAS**, Bunting Magnetics Co. requests the Governing Body of the City to consider and adopt an ordinance granting the requested tax exemption.

**THEREFORE, BE IT ORDAINED BY THE GOVERNING BODY OF THE CITY OF NEWTON, KANSAS:**

**SECTION 1.** The Governing Body of the City of Newton, Kansas has made the following findings:

- (a) That said application is in order and within the established guidelines and policies of the City for the granting of such tax exemption;
- (b) A cost benefit analysis was prepared on January 6, 2022 and reviewed for compliance with the established guidelines and policies;

- (c) Notice of public hearing was published once in the City’s official newspaper on April 27, 2024;
- (d) Notice of public hearing was sent to the Harvey County Administrator and the Superintendent of USD #373 on April 24, 2024;
- (e) A public hearing was held on May 28, 2024;
- (f) That the granting of such tax exemption will serve to enhance the economic development goals of the City through enhancement of local industrial development, and the acquisition of additional investment in the community; and
- (g) That the property for which the exemption is to be granted will be used exclusively for the purposes specified in Article 11, Section 13, of the Constitution of the State of Kansas;

**SECTION 2.** The Governing Body of the City of Newton, Kansas, does hereby grant a 100% exemption from ad valorem taxation for a period of ten years in relation to all new valuation created through the improvement, expansion, and equipping of manufacturing and storage facilities located at 1001 South Spencer in the City of Newton, Kansas, said real estate being more particularly described as follows, to wit:

Block 5, Lot 2 of Newton Industrial Park Subdivision to the City of Newton, Harvey County, Kansas.

**SECTION 3.** Said exemption shall be subject to an annual review by the Governing Body of the City of Newton, Kansas, with the Governing Body reserving the right to restrict, reduce or terminate the exemptions if the Governing Body, in its absolute discretion, determines that satisfactory levels of new job creation are not being attained through the industrial activities conducted thereon, or that community and overall economic development benefits are not justified in relation to the amounts of taxes being abated, or that the activities conducted on the site no longer qualify in whole or in part for the exemptions.

**SECTION 4.** Bunting Magnetics Co. is responsible for obtaining, completing and submitting to the Harvey County Appraiser an application or exemption pursuant to Article 11, Section 13 of the Constitution including evidence that K.S.A. 79-250, 79-251, 79-253 and 79-221, if applicable are satisfied.

**SECTION 5.** The Harvey County Appraiser will review and consider the application for property exemption and forward to the Kansas Board of Tax Appeals (BOTA) who will review and make a final order.

**SECTION 6.** This Ordinance shall take effect and be in force from and after its passage and approval.

**PASSED AND APPROVED** this 28th day of May 2024.



Rod Kreie, Mayor

ATTEST:



Denise R. Duerksen, City Clerk