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To:

House K-12 Education Budget

From:

Patrick Vogelsberg

Date:

March 13th, 2018

Subject:

HB 2445 - Written Testimony in Opposition to Section 3 Amendments to Protest Petition.

Honorable Chairman Patton and Members of the House K-12 Education Budget Committee:

On behalf of the Kansas Association of REALTORS® (KAR), thank you for the opportunity to provide some written comments regarding HB 2445.

KAR represents over 9,500 members involved in both residential and commercial real estate and has advocated on behalf of the state's property owners for over 95 years. REALTORS® serve an important role in the state's economy and are dedicated to working with our elected officials to create better communities by supporting economic development, a high quality of life and providing affordable housing opportunities while protecting the rights of private property owners.

HB 2445 brings up significant issues for KAR regarding school finance and the revenue needed to have strong public schools. The 2018 KAR Legislative Policy Statement provides:

As REALTORS®, we realize the importance of quality public schools to the local real estate market. The quality of education in our schools has proven to be a driving force in the growth or demise of our residential and business communities. It is these communities, not merely the homes within them, which are bought and sold. As such, REALTORS® support responsible funding for public schools.

KAR members are involved in recruiting new residents to our local communities on a daily basis and realize the importance of quality public schools in building a high quality of life for Kansas residents. We also believe in the importance of a low tax burden on Kansas businesses and families that will help keep our state competitive in the search for new economic development and job growth opportunities.

Again the 2018 KAR Legislative Policy Statement provides:

REALTORS® believe that real estate is burdened with an excessive share of the constantly increasing cost of state and local government. While we realize the importance of many programs funded through property tax revenues, we believe tax revenues should be equitably collected from a variety of sources and encourage taxing jurisdictions to consider the negative impact to the housing market associated with any potential increase in property tax rates.

Furthermore, REALTORS® support policies that give citizens a greater voice in decisions impacting their tax burden. As such, government leaders should put calls for increases in revenue to a public vote.

With these policies in mind, KAR has concerns with Section 3 of the bill where the protest provision requirements are changed. Specifically, KAR objects to the increase in percentage of the number of qualified electors that is required to have a successful petition. Protest petitions are overly burdensome on those who attempt to organize them, resulting in few successful petitions. Increasing the petition threshold from 5% to 10% would be a significant increase, severely diminishing chances of voter input. While the time increase from 30 days to 40 days is welcome (and should be retained), it does not provide enough time to make up for the increase burden of going from 5% to 10%.

Instead of taxpayers being forced to organize, petition and defend against property tax increases, the burden should be on the taxing authority, in this case the local public school district, to simply explain why additional revenues are needed and let that explanation stand against a public vote. In our opinion, the requirement of a public vote on LOB increases, historically provided for in law, is a good public policy that justifiably limits the property tax burden on Kansas property owners without their approval.

That being said, KAR would respectfully request that the committee reject the increase to 10% in Section 3.

Thank you for the opportunity to provide written comments on HB 2445.

Respectfully submitted,

Vice President of Governmental Affairs

Kansas Association of REALTORS®