



Patrick Vogelsberg, JD
Vice President of Governmental Affairs
Kansas Association of REALTORS®
3644 SW Burlingame Rd.
Topeka, KS 66611
(785)845-0988 (Cell)
Email: patrick@kansasrealtor.com

To: House Taxation Committee
Date: February 13th, 2018
Subject: Opposition to HB 2626.

Honorable Chairman Johnson and members of the House Taxation Committee:

On behalf of the Kansas Association of REALTORS® (KAR), thank you for the opportunity to provide some written comments in opposition to HB 2626, which would add an exemption to K.S.A. 79-2925c.

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.

REALTORS® believe that the private ownership of real property is the foundation of our nation's free enterprise system and we adamantly oppose any governmental actions that discourage or diminish the ability and capacity of Kansas citizens to own private property. Further, we maintain that every citizen should have the right to acquire real property with the confidence and certainty that the value of such property will not be unreasonably diminished by governmental action, including excessive taxation. 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 real estate 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.

This is why KAR supports the public vote requirement of K.S.A. 79-2925c.

HB 2626

KAR supports K.S.A. 79-2925c and does not support opening this law up for amendments that would add to the existing 15 exemptions. We question the need for an exemption to deal with the dissolution taxing entities. We are aware taxing entities dissolve from time to time, however the occurrence appears to be rare and not deserving of an exemption under K.S.A. 79-2925c.

While arguably innocuous, HB 2626 would add just one more exemption to the public vote requirement, all of which make it easier for property taxes to go up without voter input. HB 2626 runs counter to KAR legislative policy and accordingly KAR is opposed.

Conclusion

In closing, KAR would like to remind the committee that the goal of the K.S.A. 79-2925c is not a hard freeze on city or county budgets. The “tax lid” is not much of a lid when there are 15 exemptions that we are confident county and cities fully utilize. The current exemptions were put in place to accommodate genuine concerns of cities and counties. However, if city or county budgets exceed the inflationary allowance, all 15 exemptions are fully exploited, and the budgets still demand more revenue, we feel that your constituents deserve an opportunity to approve property tax increase requested through a majority vote at a public election as provided in the law. In certain instances, local control should extend to the public at large with a public election.

Voters are intelligent enough to make informed choices on these issues and the Kansas Legislature should not frustrate this capability by continually adding more exemptions that get in the way of their ability to vote. The law as it stands now, allows cities and counties to check in with their constituents on budgetary policy from time to time.

KAR would respectfully request that the House Taxation Committee reject the provisions contained in HB 2626. Thank you for the opportunity to provide the committee with written comments regarding the proposals set out in HB 2626. I am happy to stand for questions at the appropriate time.

Respectfully submitted,

A handwritten signature in cursive script that reads "Patrick Vogelsberg".

Patrick Vogelsberg, JD
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Kansas Association of REALTORS®