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To: Senate Assessment and Taxation Committee
Date: February 20th, 2019
Subject: Support for HB 2063.

Honorable Chairwoman Tyson and Members of the Senate Assessment and Taxation Committee:

On behalf of the Kansas Association of REALTORS® (KAR), thank you for the opportunity to provide some written comments in support to HB 2063, which would add an exemption to K.S.A. 79-2925c.

KAR represents nearly 10,000 members involved in residential, agricultural 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.

The Taxation section of the KAR 2019 Legislative Policy Statements states:

As citizens, REALTORS® realize the importance that many government programs play in creating a prosperous economic environment and quality of life for Kansas citizens. However, we join other citizens who have a continuing concern with the increasing cost of government programs and the overlapping of services and associated increase in costs among the local, state and federal government. Accordingly, we urge local and state governments to take immediate steps to eliminate redundant and duplicative programs and services, eliminate wasteful spending on unnecessary items and reduce the increasing burden of state and local taxation. 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.

KAR was originally opposed to similar legislation during the 2018, but worked with the proponents to develop the compromise language reflected in HB 2063. Substantively, HB 2063 would amend K.S.A. 79-2925c by adding an exemption which would provide that an election would not be required for:

Any tax levy increase as a result of another taxing entity being dissolved and all powers, responsibilities, duties and liabilities of the entity have been transferred to the city or county to carry on the function and responsibilities of the dissolved taxing entity, so long as the levy increase does not exceed the levy of the dissolved taxing entity.

The net effect on a taxpayer from this situation should be zero. It allows the city or county to simply continue the mill levy previously imposed by the abolished taxing entity, but allows for efficiencies to be gained and redundancies to be eliminated through consolidation.

HB 2063 adds another exemption to K.S.A. 79-2925c, but KAR hopes that this exemption will encourage cities and counties to consider the positive effects of consolidating taxing entities. Further we hope that efficiencies gained thereby will slow the rise of property taxes on Kansans.

In closing, we would like to note that our support of HB 2063 is conditioned on the bill proceeding "clean" (without amendment). The House Taxation Committee passed this bill favorably and put the bill on the House Consent Calendar, after which it passed on final action 102-14. KAR will re-evaluate its position on HB 2063 if there are attempts to amend this bill.

KAR would respectfully request that the Senate Assessment and Taxation Committee act favorably on the provisions contained in HB 2063. Thank you for the opportunity to provide the committee with written comments regarding the proposals set out in HB 2063. I am happy to stand for questions at the appropriate time.

Respectfully submitted,

A handwritten signature in black ink that reads "Patrick Vogelsberg". The signature is written in a cursive, flowing style.

Patrick Vogelsberg
Vice President of Governmental Affairs
Kansas Association of REALTORS®