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To:

House Taxation Committee

Date:

February 28th 2018

Subject:

Support for HB 2755.

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 support to HB 2755, 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.

The Taxation section of the KAR 2018 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.

HB 2755 would amend the property tax lid found at K.S.A. 79-2925c by adding an exemption which provides 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.

This last part was requested by KAR and is the substantive difference between HB 2626 (heard on February 13, 2018 by this committee) and HB 2755. 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 2755 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 2755 is conditioned on the bill proceeding "clean" (without amendment). KAR will re-evaluate its position on HB 2755 if there are attempts to amend this bill.

KAR would respectfully request that the House Taxation Committee act favorably on the provisions contained in HB 2755. Thank you for the opportunity to provide the committee with written comments regarding the proposals set out in HB 2755. I am happy to stand for questions at the appropriate time.

Respectfully submitted,

Patrick Vogelsberg, JD

Vice President of Governmental Affairs

Kansas Association of REALTORS®