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To: House Taxation Committee
From: Mark Tomb, VP of Governmental Affairs
Date: March 16, 2022

Re: Testimony in Support of SB 282

On behalf of the Kansas Association of REALTORS® (KAR), thank you for the opportunity to provide testimony in support of SB 282, this legislation provides important tax credits including several that will ultimately promote homeownership and reduce the property tax burden for Kansas homeowners.

The Kansas Association of REALTORS® represents over 11,000 members involved in residential, agricultural and commercial real estate and has advocated on behalf of the state's property owners for more than 100 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.

Increasing access to homeownership is a goal of REALTORS® and it should be a goal for the State of Kansas. Simply put, we need more housing to support the needs of our current and future workforce. A shortage of quality housing is an undeniable barrier to economic growth and development in any community, particularly those in rural areas. The policies included in this legislation provide powerful options for Kansans trying to solve our state's housing issues, including:

- The Kansas Housing Investor Tax Credit Act- Facilitate investments in much need residential housing projects with additional benefits for projects in rural areas.
- The Kansas Affordable Housing Tax Credit Act- This tax credit program would largely mirror a federal tax credit with the purpose of expanding housing opportunities.

SB 282 also makes several important changes that provide significant property tax relief. "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. The policies included in this legislation provides meaningful property tax relief for Kansans, including:

- Expanding the Homestead Property Tax Refund to allow expanded tax relief to those older than 65 (or a disabled veteran) with a household income of no more than \$50,000 (annually adjusted) and in a home valued at less than \$350,000. The process would provide ongoing relief and improve the ability to keep fixed income seniors and disabled veterans in their home.
- Increases the residential exemption for the statewide school levy to \$65,000. The current exemption of \$20,000 has not been adjusted since established in 1997. Increasing the exemption would provide property tax relief to all residential property taxpayers and would also be adjusted in future years.

In conclusion, KAR supports the housing tax credits and property tax relief provisions included in SB 282. Thank you for your time and consideration of our testimony.