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To: Senate Financial Institutions and Insurance Committee  
From: Mark Tomb, VP of Governmental Affairs  
Date: March 16, 2021

Re: Testimony in Support of HB 2187

On behalf of the Kansas Association of REALTORS® (KAR), thank you for the opportunity to appear before you today to express support for HB 2187, which would create the First-Time Home Buyer Savings Account Act. The bill would allow individuals to open first-time home buyer savings accounts for the purchase or construction of a primary residence in Kansas. Contributions to each first-time home buyer savings account would be limited in each tax year to \$3,000 for individuals and \$6,000 for a married couple filing a joint return. Those contributions would allow for a corresponding reduction in the tax filers adjusted gross income and be allowed to grow tax free for the purpose of state income taxes.

KAR represents over 10,000 members involved in residential, commercial, and agricultural real estate and has advocated on behalf of the state's property owners for 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.

REALTORS® believe that the private ownership of real property is the foundation of our nation's free enterprise system. Homeownership is the cornerstone of the American Dream and deserves a preferred place in our system of values as it contributes to community responsibility; business, civic, and economic stability; family security; and quality of life. We believe every family deserves a decent home and a suitable living environment and our members are committed to helping every single citizen, who so desires, to realize the American Dream of homeownership. It is because of these beliefs that REALTORS® strongly support policies that prioritize private property ownership. As such, private property ownership, specifically homeownership, deserves a preferred place in our Kansas tax policy.

HB 2187 is an important step to encourage home ownership while also furthering economic development across the state. It is these types of policies that will allow for sustained economic development as we recover from the financial impact of the pandemic. Strong homeownership provides returns to the state and local communities through economic and social benefits. In 2019, the real estate industry accounted for more than \$27.7 billion, or 16% of the gross state product, for the Kansas economy. Each home sale generates income from the transaction in the form of construction cost, brokerage fees, inspection cost, mortgage lending and insurance. This income is re-circulated into the economy, amplifying its impact. Economists estimate that for the sale of a median priced home in Kansas there is \$68,085 of economic impact.

Given the economic and social benefits of homeownership to Kansas, the Legislature should support policies that encourage and sustain strong homeownership. Thank you for the opportunity to appear and provide testimony in support of HB 2187. KAR requests that the Senate Financial Institutions and Insurance Committee act on HB 2187 favorably.