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To: House Taxation Committee
From: Patrick Vogelsberg
Date: March 21st, 2017
Subject: Opposition to HB 2384.

Honorable Chairman Johnson and members of the House Judiciary Committee:

On behalf of the Kansas Association of REALTORS® (KAR), thank you for the opportunity to provide some written comments regarding HB 2384, specifically as it relates to imposing sales tax on alarm system installation and monitoring services.

KAR represents over 8,500 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.

KAR has concerns regarding HB 2384 as it subjects security and fire alarm installation and monitoring services to sales tax. See NAIC 561621. Our general concern is that this would increase the costs on Kansas homeowners and business owners. Homes and businesses are commonly the largest investments individuals have and as such many Kansans choose to protect these investments with various security and fire alarm services.

Kansas communities benefit as a whole from individuals' decision to have these systems in place. There are savings to local government for law enforcement as these systems not only are a deterrent to theft but allow for quicker detection and response by law enforcement. This leads to quicker apprehension and prosecution of criminals resulting in savings to law enforcement and the criminal justice system. Likewise, there are savings for fire protection. Not only are fire alarms critical to saving lives of occupants, but monitoring services allow for quicker response by firefighters, thus minimizing or preventing the total loss of the property.

Arguably, these alarm systems offer savings in the form of insurance premiums, not only to individuals with these systems, but the broader insurance pool in the form of rate savings due to fewer or less costly claims.

Kansans who choose to protect their assets with alarm systems should be encouraged to maintain these services and not be burdened with increasing the cost with a sales tax on the installation and ongoing monitoring services.

KAR would respectfully request that the House Taxation Committee consider our concerns if it plans to work HB 2384.

Thank you for your time and consideration of this matter.

Respectfully submitted,

A handwritten signature in black ink that reads "Patrick Vogelsberg". The signature is written in a cursive style with a prominent horizontal line at the beginning.

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Kansas Association of REALTORS®