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To: House Taxation Committee
Date: May 9th, 2017
Subject: Opposition to HB 2424.

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 opposition to HB 2424, which would add increase spending on public employee benefits to the list of exemptions to the public vote requirement for county and city budgets. Through our comments expressed herein, we hope to convey upon you that this change is unnecessary and premature.

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 testified twice this session defending the public vote requirement that went into effect on January 1st of this year. See Testimony before the House Taxation Committee on March 16th, 2017 in opposition to HB 2376 (requiring protest petition ahead of public vote) and Testimony before the Senate Assessment and Taxation Committee on March 16th, 2017 in opposition to SB 167 (repeal of public vote requirement). For the sake of time, I will simply reaffirm that testimony in support of the current law. I would note that the Senate Assessment and Taxation Committee, through amendment, rejected repealing the public vote requirement by removing the contents of SB 167 before letting it languish in committee.

HB 2424 would add new exemptions to K.S.A. 2016 Supp. 79-2925c(b)(2) with a new section (G) stating that a that an election is not required due to increased property tax revenues that will be spent on:

1. contributions for social security,
2. contributions for workers compensation,
3. contributions for unemployment insurance,
4. health-care costs,
5. employee benefit plans; and
6. employee retirement and pension programs.

A total of 6 new exemptions would be added to the existing 15 exemptions to the public vote law that were put in place by the Kansas Legislature in 2015 and 2016.

We believe that before automatically assuming that Kansas property owners are willing to pick up the tab on increased costs (that they too are struggling to pay for in their own lives) that counties and cities first consider whether budgetary savings and efficiencies can be found to pay for such increases. If savings cannot be found to pay for these cost increases, then voters should have the opportunity to ratify the increase spending policies of the city or county.

Hysterics are premature and so is any amendment to this law that went into effect on January 1st, 2017.

Voters are intelligent enough to make informed choices on these issues and the Kansas Legislature should not frustrate this capability by eroding the public vote requirement by adding 6 new exemptions.

Conclusion

Private property ownership is the cornerstone of the United States and the American Dream. Everyone should have the opportunity to own, hold, and pass property to their heirs whether it is a home, a farm, or a business. The long-term social, economic, family, and civic benefits of private property ownership, especially homeownership, are numerous. Homeownership rivals any other vehicle of wealth creation for citizens regardless of starting means. It is with this knowledge that KAR has a growing concern with the constantly increasing cost of property ownership and the erosion these costs have on the benefits of private property ownership. The current law gives Kansans a greater voice on their tax burden. Instead of strengthening property rights, HB 2424 capitulates to unrealized concerns of this law.

Therefore, KAR would respectfully request that the House Taxation Committee reject the provisions contained in HB 2424. Thank you for the opportunity to provide the committee with written comments regarding the proposals set out in HB 2424. I am happy to stand for questions at the appropriate time.

Respectfully submitted,



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