

3. Reduce the Regulatory Burden on Real Estate Licensees by Supporting Reform of the Kansas Real Estate Commission

- Over the last few years, the Kansas Real Estate Commission (KREC) has struggled to provide efficient services to real estate licensees due to budget cuts and staffing reductions. These budget problems have been caused by previous unconstitutional fee fund sweeps by the Legislature and a large reduction in the number of licensed real estate salespersons and brokers.
- Over the last year, a new leadership team has undertaken many reforms to improve the efficiency and effectiveness of KREC. In order to make further improvements, Kansas REALTORS® believe that more reforms are needed to ensure that KREC has the capacity to provide for the proper regulation of the real estate industry and protect consumers from unqualified real estate licensees.
- KREC has not increased the fees for real estate licenses since 1988. At the same time, over \$800,000 in real estate license fees have been swept by the Legislature into the state general fund.
- Reluctantly, Kansas REALTORS® believe that the only way to improve service for consumers and real estate licensees is for the Kansas Legislature to pass legislation authorizing KREC to approve incremental and reasonable increases on real estate licensing fees (less than \$1.46 a month).



The Kansas Association of REALTORS® (KAR) is the state's largest professional trade association, representing nearly 8,000 members involved in agricultural, commercial and residential real estate.

REALTORS® are the dedicated advocates for over 700,000 Kansas homeowners and commercial property owners. We serve a very important role in creating economic growth, growing jobs and stimulating the overall Kansas economy.

REALTORS® are dedicated to working with elected officials to create a better Kansas by supporting economic development, a high quality of life and affordable housing opportunities while protecting the rights of private property owners.



2015 Kansas REALTORS® Legislative Agenda



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Over the last year, the return of a healthy real estate market and real estate industry has been vital to restoring strong economic development and job growth in Kansas. The real estate industry plays a unique and major role in stimulating economic growth for the Kansas economy and creating new jobs and income for Kansans.

Each year, the construction and real estate industries generate nearly \$19.4 billion in economic growth for the Kansas economy, which is nearly 14% of the state's total GDP and the third-largest sector contribution to our state's economic growth. As the real estate market has recovered, this number continues to grow each year as Kansans invest in their communities.

Kansas REALTORS® believe that protecting private property rights, reducing the tax burden on property owners and creating a stable environment for Kansans to invest in property ownership positively impacts our neighborhoods, communities and the overall economic prosperity of Kansas.

In order to ensure that real estate remains an economic growth engine for the Kansas economy, Kansas REALTORS® respectfully request your consideration and support of the following public policy priorities for the 2015 Legislative Session:

1. Oppose Attempts to Increase the Tax Burden on Middle-Class Kansas Property Owners by Eliminating the Mortgage Interest and Property Tax Deductions

- In 2012 and 2013, the Kansas Legislature passed extensive reforms to the Kansas state income tax code. However, on both occasions, the Legislature protected the ability of Kansans to claim the mortgage interest and property tax deductions on their state income tax returns.
- Eliminating the mortgage interest and property tax deductions would have led to a tax increase for 360,000 middle-class Kansas homeowners. Thankfully, the Kansas Legislature has wisely rejected all proposals that would eliminate these important deductions.
- Economic growth depends on a stable investment environment with a consistent tax code that does not continually change each year. If the Kansas Legislature makes further changes to the state income tax code, this will continue to send a negative signal to Kansas families, farmers and small businesses and create uncertainty.
- In 2015, the Kansas Legislature should do no harm to the recovering real estate market by opposing attempts to re-open the state income tax reform debate.

2. Protect Kansas Small Businesses from Excessive Litigation by Passing Legislation to Crack Down on Abusive "Patent Trolls" by Placing Reasonable Limits on Claims

- Over the last few years, there has been a dramatic increase in the number of claims and lawsuits filed against small business owners over the licensing, ownership and use of patents. Unfortunately, abusive entities known as "patent trolls" account for roughly 60 percent of this litigation.
- These are not legitimate and productive companies that harness inventions to hire employees, produce products and create economic growth and grow jobs. They exist solely to send vague and confusing demand letters to small businesses and extort licensing fees for patents.
- Just one patent troll alone has attempted to obtain licensing fees from 16,500 small businesses across the United States over the last three years (including real estate brokerages). Reasonable reforms can be made to our state laws to provide Kansas small businesses with relief from patent trolls who assert bad faith claims.
- Importantly, these requested reforms will do nothing to prevent legitimate patent owners from protecting their patents and pursuing infringement claims in Kansas.