



## 2020 Legislative Policy Statement

### Guiding Philosophy

The Kansas Association of REALTORS® has faithfully represented the interests of the nearly 10,000 real estate professionals and over 700,000 homeowners in Kansas for over 95 years. In conjunction with other organizations involved in the construction, development, housing and real estate industries, the association seeks to increase economic prosperity and quality of life through increased housing opportunities for Kansas families and a thriving investment environment for commercial real estate.

We strongly believe that REALTORS® have an important role to play in every community dealing with the challenges associated with increasing economic growth and quality of life that are important to creating and maintaining vibrant, growing communities. In the context of these challenges, we believe that homeownership and investment in commercial real estate positively impact neighborhoods, communities and the overall vibrancy and stability of the Kansas economy.

Having pledged to abide by the REALTOR® Code of Ethics, REALTORS® offer the benefits of their experience and technical expertise to the general public and government in community development discussions. As an organization and an industry, we are dedicated to working with elected officials to create better communities by supporting new economic growth opportunities and creating new housing opportunities, while vigorously protecting the rights of private property owners.

### Homeownership

REALTORS® believe that the private ownership of real property is the foundation of our nation's free enterprise system and we adamantly oppose any governmental actions that discourage or diminish the ability and capacity of Kansas citizens to own private property. 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.

As REALTORS®, we reaffirm the national goal of "a decent home and a suitable living environment for every family." The Kansas Association of REALTORS®, through its members, will continue to commit ourselves to helping every single citizen who so desires to realize the America Dream of homeownership.

### Development, Growth and Land Use

REALTORS® believe in the fundamental right of all private property owners working through local governments to determine the highest and best use of their land. Further, we maintain that every citizen should have the right to acquire real property with the confidence and certainty that the value of such property will not be unreasonably diminished by governmental action at any level without just compensation or the owner's express consent.

Accordingly, we are opposed to any unreasonable restrictions and radical changes in existing zoning laws where such actions significantly undermine the market value and utility of private property or the reasonable expectations of property owners. Any unreasonable restrictions on land use decrease the investment value of real estate and significantly undermine economic growth opportunities.

REALTORS® believe in reasonable community growth and maintain that no-growth policies, building moratoriums and other burdensome regulations by governmental bodies are not satisfactory responses to community development issues. We support community planning objectives and believe that the real estate community should be involved in composing such objectives.

Most importantly, REALTORS® believe it is the free market and individual choice that drives the amount and type of development and growth in a community. While we recognize the difficulty in maintaining the quality of communities through preservation of space and control of congestion, market forces should be the primary engine behind controlling economic and community growth.

Although the intent of growth management may be to improve the quality of life, unreasonable growth restraints can thwart economic development as well as artificially increase the cost of residential and commercial real estate to unaffordable and economically inefficient levels. Accordingly, REALTORS® strongly oppose all unreasonable and overly broad restraints on growth and development.

### Quality of Life

REALTORS® believe that efforts to ensure quality communities must go beyond simply limiting or prescribing the manner of growth and development. Communities must actively consider other efforts that will provide citizens with a high quality of life. A high quality of life includes a strong system of public education, adequate transportation infrastructure, access to affordable health care and adequate provisions for public safety.

As REALTORS®, we realize the importance of quality public schools to the local real estate market. The quality of education in our schools has proven to be a driving force in the growth or demise of our residential and business communities. It is these communities, not merely the homes within them, which are bought and sold. As such, REALTORS® support responsible funding for public schools.

### Climate Change and Greenhouse Gas Issues

As citizens, we understand there are competing viewpoints as to whether greenhouse gas emissions caused by human activities are having a demonstrable effect on the global climate. However, we are concerned that any state or local legislation or ordinances seeking to reduce greenhouse gas emissions could have a significant negative impact on the Kansas economy.

Accordingly, we oppose any proposals at the state or local level that would utilize mandates to reduce greenhouse gas emissions from the residential, commercial and industrial sectors of the Kansas economy. Even if these proposals result in reductions of greenhouse gas emissions, greenhouse gas emissions will simply shift to other states and regions of the world as the affected industries relocate.

### Taxation

As citizens, REALTORS® realize the importance that many government programs play in creating a prosperous economic environment and quality of life for Kansas citizens. However, we join other citizens who have a continuing concern with the increasing cost of government programs and the overlapping of services and associated increase in costs among the local, state and federal government. Accordingly, we urge local and state governments to take immediate steps to eliminate redundant and duplicative programs and services, eliminate wasteful spending on unnecessary items and reduce the increasing burden of state and local taxation. Furthermore, REALTORS® support policies that give citizens a greater voice in decisions impacting their tax burden. As such, government leaders should put calls for increases in revenue to a public vote.

### Property Taxes

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.

### Real Estate Transfer Taxes

REALTORS® believe that real estate transfer taxes and fees are a major burden to both buyers and sellers of real property and are detrimental to the overall housing market and economic vitality of areas in which they are imposed.

Additionally, real estate transfer taxes are regressively burdensome to low income households, discriminatorily levied on one particular class of assets and are a volatile stream of revenue to governing jurisdictions.

Accordingly, REALTORS® oppose the establishment of real estate transfer taxes. The imposition of a real estate transfer tax would result in an immediate destabilization of the real estate market through a drastic reduction in home sales and housing prices. This destabilization of the real estate market would cause a ripple effect on communities through commensurate reductions in economic growth.

#### Excise Taxes/Impact Fees

REALTORS® believe impact fees and excise taxes should not hamper or deter development in our communities. We urge state and local governments to limit the use of any such fees to providing those public capital improvements that are absolutely necessitated by new development. Impact fees must be reasonably based upon the actual cost of the service upon which the fee is assessed and should be proportionate to the infrastructure and services directly related to the specific development.

Accordingly, impact fees and excise taxes should not be used to subsidize other programs and services that have no connection to the fee being imposed. The imposition of any fees should be accompanied by ordinances that define the level of service to be provided in exchange for such fees. Recognizing a desire on the part of local governments to provide services in a cost-effective manner and utilize existing infrastructure, attempts to steer development to certain areas of the community must not infringe upon private property rights.

#### Sales Taxes on Services

REALTORS® believe that instituting a tax on economic activity is equivalent to raising the price of the good or service and thus the demand for this good or service is reduced. Applying a sales tax to real estate related services will increase the cost of purchasing a property to businesses and would increase the cost of business for real estate professionals.

#### Availability and Affordability of Insurance

REALTORS® believe that all individuals should have access to adequate and affordable insurance for their businesses and property. We believe that government has a key role to play in the regulation of the insurance industry, and must keep the interest of the consumer as well as the insurance industry in mind when deciding on regulatory issues affecting the insurance marketplace.

#### Energy Conservation

REALTORS® encourage the owners of residential, commercial and industrial properties to investigate those methods of energy conservation and efficiency that are economically feasible over the life cycle of the property. We oppose any attempts to impose mandatory energy efficiency requirements on newly constructed and existing residential, commercial and industrial properties through governmental action.

Under the free enterprise system, we encourage the market to develop cost-effective, voluntary energy conservation and efficiency measures to help owners make their property more efficient. Towards this end, government should provide meaningful incentives to businesses and property owners to adopt energy conservation and efficiency measures in their properties.

#### Mortgage Finance

Recognizing the importance of private property ownership and the real estate market to economic growth, REALTORS® support the continuation and enhancement of governmental institutions that provide for increased mortgage financing availability for residential and commercial property. We encourage the government and private sector to continue to explore and develop financially sound financing products that make it possible for more citizens to realize the dream of property ownership.

## Rental Housing

REALTORS® believe that the Kansas Landlord Tenant Act is an effective statute that fairly balances the rights and responsibilities of landlords and tenants. We continue to believe that the statute is well-written and oppose any attempts to modify the statute by the Kansas Legislature.

REALTORS® oppose ever-increasing local regulation of the rental housing industry, such as tenant participation in management decisions and rental registration requirements. In addition, we oppose local rent control ordinances that prevent rents from keeping pace with operating expenses and discourage investment in real estate.

## Radon Gas

As responsible members of the community, REALTORS® support reasonable efforts to educate home buyers and sellers on the potential problems associated with radon gas exposure over long periods of time. Accordingly, we urge home buyers who are concerned about the potential exposure to radon gas to have property tested for its presence. However, we absolutely oppose any legislation that would require the mandatory testing of all new and existing homes for radon gas.

## Real Estate Licensing and Regulation

In conjunction with the vigilant enforcement of the REALTOR® Code of Ethics, REALTORS® are acutely aware of the importance and necessity of the continued licensure and regulation of the real estate industry by the Kansas Real Estate Commission. At all times, REALTORS® strive to protect the interests of the public by maintaining and perpetuating a high level of competence for those individuals entering and continuing to practice in the real estate industry.

Towards this end, we also recognize the importance of protecting the public by opposing legislation designed to circumvent the licensure and regulation of the real estate industry. Accordingly, we favor reasonable pre- and post-licensing educational requirements to enhance the competency of the industry.

## Organization of the Kansas Real Estate Commission

In upholding our commitment to active involvement in governmental activities, the association will provide the names of qualified members for the Governor to consider when making appointments to the Kansas Real Estate Commission. In order to preserve the effectiveness and responsiveness of the Commission, we absolutely oppose placing the licensure and regulation of the real estate industry under the control and direction of any other occupational licensing agency.

## Independent Contractor

REALTORS® oppose any efforts to change current state and federal laws regarding the independent contractor status of real estate licensees, which would be detrimental to REALTORS® and would bring our state laws into conflict with federal legislation in the areas of workers' compensation, income tax withholding, unemployment compensation, and social security.

## Political Involvement

Recognizing that there is a real threat to the free enterprise system in this country, REALTORS® believe in the need for continuing participation in local, state and national political affairs and urge aggressive support of those candidates who pledge and evidence by their actions a commitment to preserve and strengthen America's free enterprise system and the underlying principle of private property ownership.

REALTORS® are sophisticated in the understanding of our political system and urge members to become involved and participate in political activity at all levels of government. All members should offer their personal support to candidates who are committed to the free enterprise system, the protection of private property rights and the promotion of a high quality of life for the citizens of the state of Kansas.