

# PERSPECTIVE ON POLITICS

A Primer on How KAR Protects  
and Advances Property Rights  
Across Kansas

## 2018 Legislative Priorities

We are the Kansas REALTOR® Party:  
An energized movement of real  
estate professionals fighting to keep  
the dream of homeownership alive  
throughout the country.

  
KANSAS  
REALTOR®  
PARTY



## PUTTING POLITICS IN PERSPECTIVE



Dear REALTOR® Friends,

When you choose the real estate business, there's no separating yourself from politics.

You may not often think about it, but decisions at the Capitol Building and across the state affect your ability to help your clients buy and sell property. From the ability to put signs in the yard of a house for sale to imposing taxes on your commissions. From down payment requirements, to mandatory insurance, to extra forms that slow down the contract process once you buy or sell a home.

While these may not shut down your business, they would certainly put up barriers.

KAR's work at the Capitol helps defeat laws that can impose burdens on you and the consumer. We lobby to pass laws that help the economy grow, help more people to purchase homes, and protect the rights of people who buy, sell, or own property.

With the power of 9,000 REALTORS® across Kansas, KAR:

- Stays on top of important legislation specific to the Kansas real estate industry.
- Has dedicated staff with expertise to follow and fight for favorable laws such as the ability to deduct property taxes and the Mortgage Interest Deduction (MID).
- Spends time at the Capitol to keep our representatives informed about industry issues.

Thank you for your support and for standing together to protect our profession and the American dream of property ownership.

Sincerely,

A handwritten signature in black ink that reads "Kathy Minden". The signature is written in a cursive, flowing style.

Kathy Minden, 2018 KAR President

## What kinds of issues does KAR get involved with?

### Your Local Association Works on Local Ordinances, City, and Neighborhood Issues

- Residents in a city lack access to a high-speed Internet service. Home values could be lower because of this. (This is a city ordinance, so the city council makes this decision.)
- Seller's neighbor has a chicken on property (The city council decides who can have animals - and how many - on a residential property.)
- A one-way traffic pattern makes it difficult for people to reach a commercial property. (This is a traffic management issue handled by the city council.)

### KAR Works on State and County Laws, Regulations and Legislation

- County wants to increase property taxes beyond the rate of inflation.
- Federal government plans to re-write the tax code, and the result could be the elimination of the mortgage interest deduction.
- State needs more revenue – so they may impose a new tax on small businesses, such as real estate agents and brokers, to make up for budget shortfalls.
- State real estate regulatory board considers an increase in the requirements to keep your real estate license.

#### What do I do if I have an issue I'd like KAR to pursue?

Our legislative agenda starts with you! We are your partner in identifying the issues that are important to your business. If you have an issue you'd like the committee to consider, contact Patrick Vogelsberg, Vice President of Governmental Affairs at (785) 267-3610 ext. 2133 or [patrick@kansasrealtor.com](mailto:patrick@kansasrealtor.com).

**Members from across the state work as a committee with KAR to choose the legislative priorities for the year. Here is what KAR and the Governmental Affairs Committee is working on in 2018:**

1

**Protect tax policy favorable to Kansas's homeowners**

2

**Defend the citizen's right to vote on property tax increases**

As of 2017, Kansas's voters have the right to vote when proposed property tax increases exceed the rate of inflation. We will defend this right.

3

**Prevent an increase in taxes on real estate related services**

Protect current tax exemptions and prevent new taxes that raise the cost of property ownership and operating a real estate business.

4

**Support responsible funding for public schools.**

Quality public schools drive community and economic growth. We ask legislators to more fairly fund public education by collecting revenue from a variety of sources.

5

**Maintain a high level of competence for real estate licensees**

Professionalism is raised across the industry and the public is better protected when all licensees must meet reasonable licensing and education requirements.

## Here's What Members Say About Why They Get Involved in Politics

"Legislative issues have a great impact on the value of real estate: residential, agricultural and commercial. We need to be an effective provider of information in order to have a voice in solutions at the statehouse that don't negatively impact real estate."  
- Bryon Schlosser

"RPAC is the only insurance that you'll have a profession tomorrow."  
- Loren Pepperd

"This is an investment to insure that your business and property owners are protected from regulation and over taxation."  
- Chris Rost

"Our function as REALTORS® is to promote, protect and uphold the values of private property rights for all. Laws are sometimes made without understanding how those laws affect our rights as property owners. Politics takes participation. It costs money to have a seat at the table and RPAC helps REALTORS® be heard."  
- John McKenzie

## Kansas REALTORS® Accomplishments in 2017



State lawmakers and Kansas REALTORS® gather at the legislative reception during Capitol Conference.



Senate President, Susan Wagle, speaks at KAR's Capitol Conference.

### 1. Restored the mortgage interest and property tax deduction

Since 2012, KAR has opposed attempts to eliminate important tax benefits for homeowners. KAR worked with the Legislature to put these important benefits on a pathway to full restoration by 2020.

### 2. Protected right to vote on property increases

The Kansas Legislature gave Kansans the right to vote on property tax increases for county and city budgets that exceed the rate of inflation. KAR has defended this law since its enactment and in 2017 fought off several attempts to repeal or significantly weaken this law.

### 3. Fought off attempts to tax real estate related services

Legislation was introduced in 2017 to tax real estate related services, effectively increasing the cost of property ownership. We were successful in 2017 in preventing these new taxes and will continue to fight against tax policy harmful to property owners and the real estate industry.

### 4. Returned money swept from KREC

In 2009, funds were swept from several fee-funded agencies in Kansas, including KREC. These are fees real estate licensees pay to KREC so that the industry is appropriately regulated and consumers are protected. KAR worked with allies to see the return of these swept funds in the budget bill that passed late in the 2017 session.

## National Association of REALTORS® Accomplishments in 2017



Senator Jerry Moran meets with Kansas REALTORS® at NAR mid-year meetings.

NAR's efforts in 2017 focused on national tax reform. REALTORS® from across Kansas responded with emails, phone calls, and last minute flights to D.C. to meet with our representatives. The result was legislation passed by Congress that was significantly improved for homeowners and the industry. Here are the improvements that NAR fought to get in the bill:

### 1. Capital gains exclusion

In a huge win for current and prospective homeowners, current law is left in place on the capital gains exclusion of \$250,000 for an individual and \$500,000 for married couples on the sale of a home. Both the House and the Senate had sought to make it much harder to qualify for the exclusion.

### 2. Mortgage interest deduction

The maximum mortgage amount for households deducting their mortgage interest has been decreased to \$750,000 from the current \$1 million limit on primary and secondary homes. The House bill sought a reduction to \$500,000.

### 3. State and local tax deductions

Both property taxes and state and local income taxes remain deductible, although with a combined limit of \$10,000. Both the House and Senate bills sought to eliminate the state and local income tax deduction altogether.

### 4. Pass-through entities

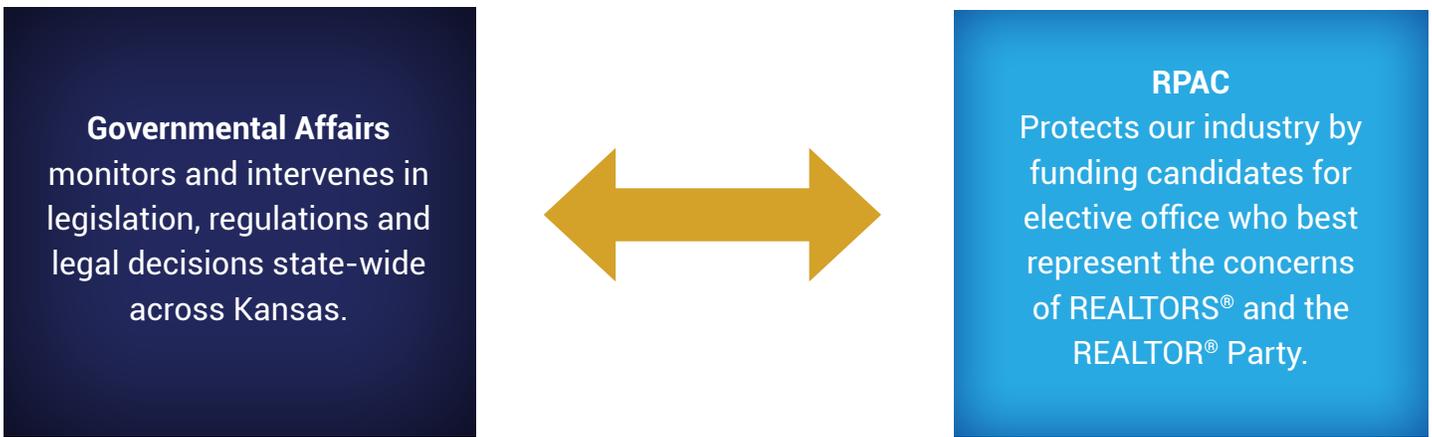
The bill significantly reduces the effective rate of tax on business income earned by independent contractors and income received from pass-through entities. This change will lower the taxes of many real estate professionals.

NAR and Kansas REALTORS® will continue to work to improve the tax code for property owners.

## How does REALTORS® Political Action Committee (RPAC) differ from KAR's Ongoing Governmental Affairs Efforts?

The two work hand in hand. We need both **monitoring** of the laws and regulations AND **contributing** to (and building relationships with) candidates who will support property rights to keep Kansas a state that is real estate-friendly for those who buy, sell, move in and live in our state.

If we **ONLY monitor and intervene** in the legislative process, we will always be on the defensive when it comes to the passage of laws and legislation that affects our industry.



The REALTOR® friendly men and women in government are willing to take time to listen to us. When we are proactive, and help keep them educated, we have a much better chance to succeed.



### TEXT and TAKE ACTION

When legislation affects the real estate industry, YOU are part of getting the best possible results. Respond to KAR's CALLS to ACTION and be part of the largest industry group influencing legislators to do what's best for Kansas property owners. Text KSREALTORS to 30644.

## REALTORS® Political Action Committee (RPAC):

Supports the election of pro-REALTOR® candidates.

Actively educates elected officials about legislative issues that most impact our business.

Comes from REALTOR® financial investments (contributions) to preserve the future of our industry.

## What if I want to learn or do more to get involved in the Kansas REALTOR® Party?

There are three important steps that will help you be more aware and make a difference in political decisions across Kansas:



### VOTE

- For starters - pay attention to elections, read about the issues, and then Vote! It's your most powerful voice in government.



### ACT

- Stay up to date by scanning the KAR Weekly Newsletter. When you see something about politics, take time to read the short article.
- Join in the effort to take action on a critical issue. Text **KSREALTORS** to **30644**. We'll contact you three to four times a year.
- Join your local RPAC committee.
- Follow the conversation on Twitter #KSRealtorParty.



### INVEST

- Consider a donation to RPAC. It will help you better understand how our political process works and how it impacts your business.

Our work in politics keeps Kansas real estate  
and your business moving forward.

REALTORS® and  
property owners

A healthy  
economy  
and business  
environment

Monitoring  
issues and  
educating  
politicians

To protect and promote a healthy real estate industry, we have to continually feed it and maintain it.

That means educating and being visible to our political leaders on issues that are important to the industry, the REALTOR®, to the business owners and especially to the consumer.

**KAR Contacts:**

**Patrick Vogelsberg**

*Vice President of Governmental Affairs, KAR*  
patrick@kansasrealtor.com

**Jon Fort**

*Chair, REALTORS® Political Action Committee, KAR*  
jfort@arcrealestate.com

**Roger Hower**

*Chair, Governmental Affairs Committee, KAR*  
rhower@kellermanrealestate.com