PERSPECTIVE ON POLITICS

How KAR Protects and Advances Property Rights Across Kansas

2017 Legislative Priorities

We are the Kansas REALTOR® Party. An energized movement of real estate professionals working to keep the dream of property ownership alive throughout the country.
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 advocacy at the Capitol helps defeat laws that can impose burdens on you and the consumer. We work 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 work for favorable laws such as the ability to deduct property taxes and the Mortgage Interest Deduction (MID).
• Maintains a constant presence at the Capitol.

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

Sincerely,

[Cynthia White, 2017 KAR President]
What kinds of issues does KAR get involved with?

**Your Local Association**
*Works on County, City and Neighborhood Issues*

- A city council is considering implementing or expanding a residential inspection program within the city limits. (This is a city ordinance, so the city council would make this decision.)
- A city is considering implementing a fee or tax on all property owners to pay for infrastructure. (This is likely impermissible. The ordinance should be challenged at the local level.)
- A county appraiser is changing the classification of property for valuation purposes. (The county commission appoints the county appraiser and improper classifications and valuations can be challenged at the local level.)

**Your State Association, KAR, Works on State Laws, Regulations and Legislation**

- The Governor proposes to sweep fees paid to licensing agencies and use the money to fill a budget hole in the state general fund.
- The State Legislature plans to re-write the state tax code, and the result could be the elimination of the mortgage interest or property tax deductions.
- The state needs more revenue so they consider imposing a sales tax on services, subjecting commissions to sales tax, to make up for budget shortfalls.
- Real Estate Commission considers an increase in the requirements to keep your real estate license.

What do I do if I have a statewide issue I’d like KAR to pursue?

Our legislative agenda starts with you! We are your partner in identifying the statewide 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.
Members from across the state serve on the KAR Governmental Affairs Committee and determine the policies that guide the legislative priorities for the year. Here is what KAR staff and the Governmental Affairs Committee is working on in 2017:

1. Protect the Mortgage Interest Deduction for Kansas homeowners

2. Defend the right for Kansans to vote on property tax increases. Today Kansas voters have the right to vote when proposed property tax increases exceed the rate of inflation. We will defend this right.

3. Solve the school finance issue in a fair and equitable way. 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.

4. Protect consumer choice in the housing market. DEFEND the 2016 law that prohibits any city or country from imposing price controls on privately owned property.

5. Continue background checks on real estate licensees. Real estate licensees have a special ethical responsibility. We want to continue to protect consumers and their private information.
Here’s What KAR Members Say About Why They Get Involved in Politics

“I invest my money to protect and preserve my chosen profession and the right to buy, sell and own real property.”
- Jon Fort

“Our business is in jeopardy without REALTOR® champions in government. The 30-year mortgage, FHA, VA, real estate tax and mortgage interest deductions all go away if we don’t fight to keep and improve these building blocks of the American Dream.”
- Steve LaRue

“The ability to be successful in real estate is directly impacted by things that happen - or don’t happen - in Topeka. KAR is the only organization that works at the Capitol to protect private property rights and create a better environment for buying and selling real estate in Kansas. It is worth every penny we invest.”
- Mike McGrew

“One person cannot make much of an impact politically but thousands together will make our political leaders stop and listen to our causes. We represent the property owners of Kansas!”
- JoNell Abbot
1. **Defeated property tax increases**

   Kansas has some of the highest property tax rates in the entire nation on both commercial and residential property. In 2015, the Kansas legislature required a public vote when cities or counties propose property tax increases which exceed the average rate of inflation. KAR fought to move the implementation date of the law up a year to January 1, 2017, reducing the potential tax burden on Kansans.

2. **Defeated mortgage registration fee**

   Kansas families, farmers and small businesses will no longer have to pay an unfair and often hidden tax in real estate closings. The state-imposed transfer tax affected only those taking out a mortgage. KAR was successful in persuading the legislature to phase out the tax over a five-year period ending in 2019, saving a Kansas buyer $468 at closing on a $180,000 mortgage.

3. **Retained mortgage interest and property tax deductions**

   Since 2012, KAR has opposed repeated attempts by the legislature to eliminate important tax benefits for homeowners. As the Governor and legislature struggle to balance the state budget, KAR is present to make sure deficits are not filled by eliminating deductions important to Kansas homeowners.
National Association of REALTORS® Accomplishments in 2016

1. Affordable Condo Financing and Streamlined Loans
   Americans now have access to more affordable housing and financing after Congress unanimously passed H.R. 3700 reforming loan programs for condominiums and federal assisted housing.

2. Clarity on Lenders' Ability to Share Closing Disclosure
   Lenders and title companies now have clarification on the legality of sharing loan terms and closing costs with the agent during a transaction.

3. Drones in Real Estate
   REALTORS® can now use drones in their business without having to file burdensome paperwork or have a pilot's license. A remote pilot certification from the FAA is now required.

4. Private Market Flood Insurance
   Consumers now have access to more affordable flood insurance because of NAR's efforts to educate Congress about the issue. A new law will stimulate the private flood insurance market by offering lower cost options to the National Flood Insurance Program (NFIP).
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 to and live in the 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 of success.

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. To sign up, 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 efforts
- Follow the conversation on Twitter #KSRealtorParty

**INVEST**
- Consider a contribution 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.

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.

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