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To: House Commerce Committee

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Subject: **SB 365** – Supporting Proposed Changes to Help Municipalities and Property Owners Create Economic Development and Job Growth through the Redevelopment of Contaminated Properties

Chairman Hutton and members of the House Commerce Committee, thank you for the opportunity to provide written testimony today on behalf of the Kansas Association of REALTORS® in support of **SB 365**, which would create economic development and job growth in Kansas while helping municipalities and private property owners redevelop abandoned commercial and industrial properties. Through the comments provided in our testimony, we hope to provide some additional legal and public policy context on this issue.

KAR is the state's largest professional trade association, representing nearly 8,500 members involved in both residential and commercial real estate and advocating on behalf of the state's 700,000 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.

SB 365 Will Create Economic Development and Job Growth while Redeveloping Blighted Industrial Properties

As drafted, **SB 365** would provide a mechanism to allow real property with environmental contamination to be purchased without the purchaser becoming liable for cleanup costs. **SB 365** would also establish a fund to help municipalities redevelop contaminated properties and allow for certificates of environmental liability release (CLER) documents to be issued that release the purchaser from liability.

Unfortunately, rural and urban areas across the state of Kansas are dotted with many abandoned commercial and industrial facilities. In many cases, the owners of these vacant facilities have trouble transferring their properties to new ownership as many possible buyers and property developers are wary of the potential liability for cleanup costs and environmental contamination associated with the abandoned property.

As a result, many of these properties end up being completely abandoned, decreasing the property tax base of municipalities and becoming sources of blight in the community. The redevelopment of abandoned commercial and industrial properties can provide many benefits to a community, including a larger property tax base, the creation of jobs with new industry, utilization of existing infrastructure and the removal of blight.

In our opinion, **SB 365** creates a reasonable mechanism that would allow the state of Kansas and municipalities to leverage federal revolving loan funds and other federal funds to help municipalities and developers redevelop contaminated properties. According to our initial analysis of the legislation, there is a relatively minimal cost to Kansas state taxpayers associated with this program that has the potential to significantly increase economic development and job growth in our state through the redevelopment of abandoned properties.

Conclusion

In closing, we would respectfully request that the members of the House Commerce Committee support **SB 365**, which will help create economic development and revitalize vacant commercial and industrial properties across the state by providing purchasers of contaminated properties with a mechanism to assume ownership of the property without assuming the liability for cleanup costs. Thank you for the opportunity to provide written comments on this very important issue.