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To: House Education Committee

Date: January 25, 2017

Subject: HB 2078 – Allowing school districts to increase property tax burden on Kansas homeowners by reducing or eliminating the provisions of K.S.A. 79-201x.

Honorable Chairman Aurand and members of the House Education Committee, thank you for the opportunity to appear in front of you today on behalf of the Kansas Association of REALTORS® (KAR) in opposition to the provisions of HB 2078.

KAR represents over 8,500 members involved in both residential and commercial real estate and advocating on behalf of the state's 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.

REALTORS® are involved in recruiting new residents to our local communities on a daily basis and realize the importance of quality public schools in building a high quality of life for Kansas residents. However, we also believe in the importance of a low tax burden on Kansas businesses and families that will help keep our state competitive in the search for new economic development and job growth opportunities.

If passed by the Kansas Legislature, HB 2078 would allow public school districts to increase the property tax burden on Kansas families by reducing or eliminating the \$20,000 property tax exemption for residential properties provided under K.S.A. 79-201x. In order to do so, a public school district would simply need to pass a resolution and publish that document once in a newspaper of general circulation in the district.

Under K.S.A. 79-201x, each property owner is entitled to a \$20,000 exemption from the appraised valuation of any residential property that is taxed pursuant to a public school district's authority to levy an ad valorem property tax under K.S.A. 72-6470.

If the committee approves this legislation as it is currently written, Kansas homeowners will face a confusing patchwork of property tax exemptions that will result in some homeowners paying higher property taxes compared to homeowners residing in other public school districts. This is hardly a fair and efficient process for determining the property tax burden on Kansas families.

We feel that your constituents deserve an opportunity to approve any property tax increase imposed by a public school district through a majority vote at a public election as contemplated in subsection (b) of New Section 1. In our opinion, the ability to protest petition wrongly places the burden on taxpayers. Instead of taxpayers being forced to argue against their property taxes going up, the burden should be on the taxing authority to simply explain why additional revenues are needed and let that explanation stand against a public vote.

Furthermore, HB 2078 only considers the reduction or elimination of the K.S.A. 79-201x exemption. At present, HB 2078 does not allow a future school board to restore or reinstate the exemption.

If the committee decides to work HB 2078, we would respectfully request that the current language in HB 2078 be amended to stipulate that the elimination of the \$20,000 property tax exemption would only become effective after an election. Although this process might seem to be more burdensome for the school district, we strongly believe this is necessary to ensure that Kansas families have an opportunity to carefully weigh the respective costs and benefits of an increase in their property tax burden.

For the foregoing reasons, we would urge the members of the House Education Committee to oppose the provisions of HB 2078 as it is currently written. Once again, thank you for the opportunity to provide comments on HB 2078 and I would be happy to respond to any questions from the committee members at the appropriate time.

Respectfully submitted,

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