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February 13, 2018

Representative Kristey Williams, Chairman
Local Government Committee
Kansas House of Representatives
Kansas State Capital
300 SW 10th Street, Room 165-W
Topeka, KS 66612

Re: House Bill 2629

Dear Representative Williams and Ladies and Gentlemen:

Thank you for the opportunity to testify about this bill, which would make home owner associations subject to the Consumer Protection Act.

For the reasons stated below, I urge you to appoint a committee of interested persons who can provide a recommendation to you after thoroughly studying options available to you.

Kansas wouldn't be the same without its vibrant homeowners associations. The state's first homeowners association was created in 1914 by J.C. Nichols, developer of Kansas City's Country Club Plaza.

Nichols created nearly 30 residential subdivisions, with more than 18,000 homes stretching from the Plaza in Kansas City to beyond Interstate 435. Each one continues today with an active home owner association. His associations are charged with enforcing deed restrictions and providing services to home owners.

In his book, "J.C. Nichols and the Shaping of Kansas City," William S. Worley says Nichols' concepts about home owner associations serve as models throughout the country.

The importance of home owner associations remains evident. Advertisements for new homes describe new neighborhoods throughout our cities with amenities provided and maintained by home owner associations. Home buyers want neighborhoods with swimming pools, clubhouses, trails and green areas. Buyers of condominiums and townhomes want lawn care, snow removal and more.

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Are home owner associations perfect? Of course not. People make mistakes despite their best intentions. But 99.99 percent of home owner associations don't deserve headlines. These associations have one goal: improving and maintaining home values. If a resident isn't happy, he can become involved in his community, talk with his neighbors and cooperate to make his neighborhood better.

The Kansas Common Interest Owners Bill of Rights is based on a model law prepared by the Commission on Uniform State Laws. In 2010, Kansas became the first state to adopt this bill. Before its adoption, the bill was thoroughly reviewed by a committee of interested persons including home owners, law professors, property managers, and the Attorney General's office. This group was convened by the Kansas Judicial Council at the request of the legislature.

There was good reason the model legislation did not incorporate the Kansas Consumer Protection Act. Also, there is good reason to determine if any state depends on its Attorney General's office to monitor home owner associations.

Based on the testimony you will receive about this bill, there are many unanswered questions. For example:

- How many home owner associations exist in Kansas?
- How will these associations learn about this bill?
- How many Kansas home owners live in home owner associations?
- What are specific complaints about home owner associations?
- Why didn't the original Bill of Rights incorporate the Consumer Protection Act?
- Is the Consumer Protection Act the proper mechanism to regulate home owner associations?
- Do any states use their consumer protection laws to regulate home owner associations?
- Do any states use mechanisms to regulate home owner associations?
- Do any states utilize their attorney generals to regulate or monitor their home owner associations?
- Will this bill discourage home owners from serving on their board of directors?
- Why are "prospective" buyers of homes included in this bill?

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- Are landlords, real estate agents, payday lenders, barbers, insurance agents, utility companies, covered by the Consumer Protection Act?
- Is the Consumer Protection Act intended to cover one-time transactions such as the purchase of a product, rather than ongoing obligations of home owners to their neighborhoods?

Before working this Bill, I encourage thorough study of these and other questions. Thank you.

Sincerely,



Rod Hoffman

RJH:vh