



Kansas Association of REALTORS® 2009 Legislative Agenda

The Kansas Association of REALTORS® (KAR) is the state's largest professional trade association, representing nearly 9,000 members involved in all aspects of residential and commercial real estate for the last 88 years. As professionals who actively assist Kansas families in their pursuit of home ownership, REALTORS® serve a unique and important role in our state's economy.

Our statewide organization advocates for the 760,000 homeowners in the state. Homeownership is the cornerstone of the American Dream and contributes to community responsibility, economic stability, family security and quality of life.

To help meet this challenge, the Kansas Association of REALTORS® is committed to the following five public policy priorities for the 2009 Legislative Session:

1. Oppose Any Legislation That Would Impose a Sales Tax on Real Estate Brokerage Services

- The top priority of our legislative advocacy efforts is opposition to any proposals that would impose a sales tax on real estate brokerage services. If enacted by the Kansas Legislature, a sales tax on real estate brokerage services could reduce your average commission by approximately \$500 per transaction.
- Sales taxes on real estate brokerage services also drive up the cost of homeownership and would make doing business and living in Kansas less attractive. In the face of a challenging real estate market and a struggling economy, now is not the time for the state to increase taxes on small businesses and self-employed individuals like REALTORS®.

2. Oppose Any Legislation That Would Increase Existing Taxes on Real Estate or Impose a Transfer Tax on the Sale of Real Estate

- We also oppose any new taxes that would impose a burden on the real estate industry or restrict the supply of affordable, quality housing for Kansas families. To that end, REALTORS® absolutely oppose any new taxes that would be levied on the sale or transfer of real estate.
- In recent years, KAR has defeated several proposals that would have increased the state's existing mortgage registration tax and document recording fees on real estate transactions. These taxes and fees increase the cost of housing and reduce the number of Kansas families who are able to purchase their own home.

3. Oppose Any Attempt by the Governor to Increase Real Estate License Fees by Sweeping Funds from the Kansas Real Estate Commission

- In order to close the budget deficit in Fiscal Year 2009, the Governor has proposed to transfer approximately \$750,000 from the Kansas Real Estate Commission to the general state budget. If approved by the Kansas Legislature, this would force the Commission to increase real estate license fees in future years to fund the Commission's operations.

- Transferring money from the Commission to the general state budget is essentially a tax increase on the real estate industry. These fees were paid by real estate licensees and should only be used to regulate or benefit the real estate industry. To this end, we will oppose any transfer of funds from the Kansas Real Estate Commission to the general state budget.

4. Introduce Legislation to Protect Homebuyers from Hidden Fees in the Real Estate Transaction Process

- Recognizing the important role that REALTORS® play in the real estate transaction process, we will introduce legislation to protect homebuyers from hidden fees in real estate transactions. Private transfer fees are hidden fees that are concealed deep within the fine print of real estate deed covenants that require the parties to a real estate transaction to pay a percentage of the sales price of the property (normally 1%) to a third party.
- Unfortunately, many homebuyers are unaware of these fees when they made the decision to purchase the home. These fees can cause last-minute objections by the parties at the closing table, an increase in failed transactions and problems obtaining mortgage financing and title insurance due to title defects caused by the fees.

5. Introduce Legislation to Protect Private Property Rights by Eliminating Historic Environs Review

- The State of Kansas is currently the only government in the world that regulates the demolition, new construction, or remodeling of a property within the “environs” of a historic building. The “environs” of a historic building means any property located within 500 feet of any building listed on the state or national historic register. We will introduce legislation to eliminate the historic environs review requirement.
- When a homeowner or business owns property within 500 feet of a historic property, they cannot make any major improvements to the property until they go through a burdensome special review process administered by the state historical society. This process causes considerable delays in any improvement plans, is a strong impediment to development in urban areas, and can cause substantial increases in the cost of real estate development.