

Chair and Members of the Committee:

My name is Adam Hall. I live and work in Lawrence, and I am an attorney who represents housing providers who have been impacted by a city ordinance of the type that HB 2504 is designed to prohibit. I write to respectfully urge your support of HB 2504, which establishes a statewide rule that cities and counties may not compel private landlords to participate in voluntary tenant assistance programs, and preserves landlords' ability to apply customary, neutral screening criteria as part of the leasing process.

Although I represent clients who have been exposed to significant enforcement and litigation risk under an ordinance that HB 2504 would prohibit, my comments are not about pending legal matters. My comments are about the policy of this bill and its laudable impact on incentives, risk, and the need for clear statewide rules that protect both opportunity and lawful private enterprise in Kansas.

1) Housing markets run on incentives—and HB 2504 improves the incentives

Kansas does not “allocate” housing by decree. Housing exists because entrepreneurial Kansans decide to buy, build, renovate, and (sometimes) rent property. Those decisions depend on whether it is reasonably safe—financially and legally—to do so.

When local ordinances restrict tenant screening and impose mandatory participation rules tied to government housing assistance programs, they change the incentives involved in the rental housing market by increasing:

- Legal risk (high-stakes enforcement actions, fee exposure, vague standards),
- Administrative risk (delay, paperwork, inspections, changing regulatory requirements), and
- Business risk (payment interruptions, limitations on financial security, compliance deadlines not controlled by the owner).

When legal, administrative, and business risk rises, housing providers—especially small, local owners—often respond in predictable ways. Some postpone buying or rehabilitating rental property; some delay returning marginal units to the market; some tighten screening standards across the board; and some exit entirely by selling to larger operators who can better absorb compliance and litigation costs. Those responses tend to reduce supply and can contribute to fewer available units and higher rents over time—not because anyone is acting maliciously, but because people adjust to risk the way any responsible person must. That is not a moral judgment. It is a consequence of the incentive structure.

HB 2504 improves the incentive structure by restoring and maintaining a clear and commonsense statewide rule: cities and counties cannot convert voluntary program participation into a local mandate, they cannot strip owners of customary neutral screening criteria essential for tenant safety and property solvency, and they cannot

impose local rules that restrict deposits or create automatic rights of first refusal. That predictability lowers the “risk premium” in the rental market and facilitates an increase in supply.

2) Risk is the key variable for small housing providers—and they are the backbone of supply.

Most rental housing is not provided by billion-dollar corporations. It is provided by:

- small owners,
- local families,
- retirees,
- people with a handful of units,
- people who self-manage.

These owners are the most sensitive to risk. They do not have in-house compliance staff. They do not have large cash buffers to absorb delays, inspections, disputes, or litigation. When risk climbs, they make cautious choices—often the safest choice is simply to stop expanding, stop renovating, or exit. When cities restrict ordinary tenant screening methods and tools, they also blind the housing provider to essential risk data, forcing them to raise rents to cover unknown liability.

When small providers exit, housing does not disappear—but its ownership concentrates. Fewer hands own more property, and those owners can charge higher rents because the market is tighter, with less competition. In other words: policies that increase risk for small providers tend to reduce competition and raise costs for renters.

HB 2504 is a risk-reduction bill in the best sense: it decreases the uncertainty that drives small providers out, and that helps preserve a broad, competitive rental market.

3) HB 2504 restores the voluntary structure of the federal voucher program.

Some committee members may not be deeply familiar with how the federal Housing Choice Voucher (“HCV”) system operates. Here is what matters for policy:

- A voucher is a form of rent assistance where a local housing authority pays part of the tenant’s rent.
- Under Department of Housing and Urban Development’s (“HUD”) rules, a family may request approval only if the owner is willing to lease under the program—that “willing owner” premise is built into the structure of the program. 24 C.F.R. § 982.302(b).
- Federal law and HUD regulations also emphasize that screening and selection are the owner’s function and responsibility—including evaluation of tenancy

history and other customary risk factors. 42 U.S.C. § 1437f(o)(6)(B); 24 C.F.R. § 982.307.

HCV participation requires owner consent to program inspections and administrative oversight as a condition of receiving voucher payments. Housing providers in Kansas should not be compelled by local ordinance to accept inspection/oversight obligations they would never otherwise choose voluntarily. Indeed, courts have recognized that voucher participation can involve substantial administrative obligations and that federal fair housing law does not, by itself, require private landlords to accept voucher holders. See *Salute v. Stratford Greens Garden Apartments*, 136 F.3d 293, 300–01 (2d Cir. 1998). HB 2504 is consistent with that framework by keeping participation a choice and encouraging solutions that expand participation through workable administration rather than coercion.

The key point is this: the program depends on cooperation. It works best when landlords participate because the program is administered predictably and fairly—not because the landlord is threatened with penalties if they decline.

When a local government turns that voluntary system into a compulsory one, it changes the character of the program. Instead of cooperation, you get resistance, strategic avoidance, fewer willing landlords, and more litigation—ultimately reducing housing options for voucher households.

HB 2504 restores HCV’s underlying design principle: voluntary participation. It does not prohibit vouchers. It does not block cities from supporting voucher households. It simply prevents local governments from coercing participation by ordinance.

That restoration matters because it points Kansas toward solutions that actually expand participation: reducing friction, simplifying administration, and creating incentives—rather than punishment.

4) HB 2504 restores civil liberties that are currently exposed to erosion.

This is not only economics. It is also civil liberty.

Local coercive regimes place ordinary citizens at risk of losing fundamental freedoms that Kansans assume are secure:

A. Freedom to contract—and to decline a contract with the government.

A private citizen should not be compelled by local ordinance to enter a program-based contractual relationship with the government as the price of operating a lawful rental business. HB 2504 restores the principle that participation in voluntary programs remains a choice.

B. Freedom to apply neutral, customary standards to manage financial risk.

A fair system allows owners to apply consistent screening criteria—credit, eviction history, property damage history, criminal history, and income-qualification methods—

when those are customarily used. HB 2504 protects that neutrality and predictability, allowing the management of risk by owners.

C. Freedom from coercive local overreach.

The danger is not merely that a local rule exists, but that it expands into a high-stakes enforcement environment where citizens operate under constant threat—where ordinary communication and ordinary business decisions become legal hazards. Where participation in a program may require administrative oversight and inspections on timelines set by the program administrator, some small housing providers are not willing or able to assume those obligations—especially when participation is compelled rather than voluntary.

This matters because, as a constitutional baseline, when government creates inspection or records-access requirements, the law is cautious about systems that operate without meaningful safeguards—especially where compliance is compelled by penalty rather than entered by choice. *City of Los Angeles v. Patel*, 576 U.S. 409, 420–21 (2015). HB 2504 helps Kansas avoid that conflict by preventing local ordinances from converting voluntary program participation into a coercive condition of doing business.

HB 2504 restores a statewide boundary that protects civil liberties from local escalation and keeps voluntary programs voluntary—so that Kansans are not forced into government-program relationships, with heightened compliance burdens and inspection demands, under threat of penalties.

By supporting this bill, you tell every small investor, every retiree with a rental home, and every potential developer: "Kansas is a safe place to do business. We will not force you to sign federal contracts you do not want." That confidence is what builds housing.

I respectfully ask you to support HB 2504 and vote it out of committee favorably because it aligns law with reality:

1. Incentives and risk drive housing supply. HB 2504 removes the artificial risks that drive small housing providers out of business. It ensures that the Kansas rental market is defined by mutual consent, not municipal coercion.
2. The voucher system functions best as a voluntary partnership. HB 2504 restores that structure while keeping the door open for voluntary participation.
3. Civil liberties matter. HB 2504 protects ordinary Kansans from coercive local mandates that endanger basic freedoms.

Thank you for your time and service to Kansas.

Respectfully submitted,
Adam M. Hall
Lawrence, Kansas