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To: House Taxation Committee

Date: May 10th, 2017

Subject: Support for SB 146; \$20,000 exemption.

Honorable Chairman Johnson and members of the House Taxation Committee:

On behalf of the Kansas Association of REALTORS® (KAR), thank you for the opportunity to provide some written comments in support of SB 146, specifically the \$20,000 exemption found in K.S.A. 79-201x.

KAR represents over 8,500 members involved in both residential and commercial real estate and has advocated 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.

SB 146 brings up two significant issues for KAR regarding school finance and property taxes used to provide revenue to public schools. The 2017 KAR Legislative Policy Statement provides:

As REALTORS®, we realize the importance of quality public schools to the local real estate market. The quality of education in our schools has proven to be a driving force in the growth or demise of our residential and business communities. It is these communities, not merely the homes within them, which are bought and sold. As such, REALTORS® support responsible funding for public schools.

KAR members 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. 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.

Again the 2017 KAR Legislative Policy Statement provides:

REALTORS® believe that real estate is burdened with an excessive share of the constantly increasing cost of state and local government. While we realize the importance of many programs funded through property tax revenues, we believe tax revenues should be equitably collected from a variety of sources and encourage taxing jurisdictions to consider the negative impact to the housing market associated with any potential increase in property tax rates.

KAR has no objection to the current, state mandated mill levy of 20 mills. Our support today is focused on the property tax relief found in Section 3 of SB 146 as amended by the Senate Committee of the Whole. While continuing the state mandated mill levy rate of 20 mills for schools, SB 146 also continues an exemption of \$20,000 of assessed valuation on residential property. K.S.A. 79-201x provides property tax relief for Kansas homeowners and, as such, KAR supports this exemption and would respectfully ask that the current K.S.A. 79-201x exemption be retained in this legislation.

Thank you for your time and consideration of our testimony.

Respectfully submitted,

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