



Kansas City Regional Association of REALTORS® Public Policy Manual

GUIDING PHILOSOPHY

The Kansas City Regional Association of REALTORS® represents over 12,000 real estate professionals in the Greater Kansas City Metropolitan Area. Our association and its members believe that REALTORS® have a role to play in every community faced with the challenges of growth and quality of life issues that are important to creating and supporting vibrant, developing areas. We believe that homeownership positively impacts neighborhoods, communities and the economic stability of the Kansas City Region.

Having pledged to abide by our REALTOR® Code of Ethics, we offer the benefits of our knowledge of real estate experience and technical facilities to the public in general and government in particular. The Association and its REALTOR® members are dedicated to working with our elected officials to create better communities by supporting quality growth, seeking sustainable economies and providing housing opportunities that embrace the environmental qualities we value, while protecting the rights of private property owners.

REALTORS® subscribe to the policy of fair housing. We believe equal opportunity in housing can best be achieved through observance of the law, education, and mutual cooperation of the real estate industry and the public in a free and open housing market. We believe in the equal rights of all individuals to own real property and to exercise and enjoy the benefits of this ownership without undue encroachment or intrusion by government, groups or individuals.

HOMEOWNERSHIP

Private ownership of real property is the foundation of our nation's free enterprise system. Homeownership is the cornerstone of the American Dream and deserves a preferred place in our system of values as it contributes to community responsibility; civic, economic, business and employment stability; family security and quality of life. We commit ourselves to helping every citizen who desires to realize the American Dream of Homeownership.

To ensure housing opportunities and choice to accommodate a growing population, state and local government policies should:

- Provide an adequate supply of land for housing, both owner-occupied and rental at all price levels, to meet existing and forecasted housing demand in accordance with future economic and projected population growth patterns;
- Recognize the tradeoffs and unintended consequences, via economic impact studies and market analyses, of restrictive growth policies, such as urban growth boundaries, building moratoria, down zoning, etc., on housing affordability and choices;
- Reduce and eliminate regulatory barriers to home rehabilitation, such as excessively long development review processes, in order to ensure preservation and modernization of older housing and to keep housing costs down;
- Encourage changes in planning, zoning and subdivision laws to accommodate mixed-use development, higher densities and changing growth patterns;

- Require implementation of fair and reasonable procedures to increase the level of certainty in the development and building review and permit processes;
- Encourage the formation of local/regional public-private housing partnerships to promote, preserve and rehabilitate existing housing and to encourage a variety of housing developments that offer consumers an affordable choice; and
- Establish tax incentives to assist first-time homebuyers and facilitate the linkage of jobs, transportation and housing in distressed and older areas to enhance the supply of affordable housing, incentives to promote energy efficiency and to encourage maintenance and improvement of older homes.

LAND USE

We believe in the fundamental right of all property owners working through local governments to determine the highest and best use of their land. Further, we maintain that every citizen should have the right to acquire real property with the confidence and certainty that the value of such property will not be diminished by governmental action at any level without just compensation or the owner's express consent.

GROWTH AND DEVELOPMENT

We believe in reasonable growth and maintain that no-growth policies, building moratoriums and burdensome annexation procedures by any level of government are not a satisfactory response to community development problems. We support community planning objectives and believe that the real estate community, as well as the public, should be involved with the elected body in composing such objectives.

The Association is opposed to unreasonable and numerous increases in development fees and other charges, including impact fees and excise taxes, levied by governing agencies which restrict growth in a given area. We believe that such fees must be considered inclusively with all other existing and proposed fees as lowering the affordability of a given property and that elected officials must realize the end cost of such fees will be paid by the consumer. Further, these fees and taxes must be reasonably based upon the actual cost of the service upon which they are assessed and should be proportionate to the infrastructure and services directly related to the specific development. Fees should not be used to subsidize other programs and services that have no connection to the fee being imposed.

The Association is opposed to restrictions and radical changes in existing zoning where the effects of such actions significantly undermine the value of property or the reasonable expectation of property owners.

FAIR HOUSING

The Kansas City Regional Association of REALTORS® firmly supports the principle of fair housing for all. Access to housing must not be denied or restricted on the basis of race, color, national origin, sex, age, marital status, personal appearance, sexual orientation, family responsibilities, physical handicap, political affiliation, matriculation, source of income and place of residence and/or business. REALTORS® are committed to complying with the fair housing law. There is no room in our profession for housing discrimination.

REAL ESTATE LICENSING AND REGULATION

In consideration of the public's best interest, we recognize the importance and necessity of licensure and the continued regulation of real estate brokers and salespersons for the purpose of maintaining and perpetuating a minimal acceptable level of competence for persons both entering the business as well as those actively engaged in the real estate business and who operate in the capacity of a real estate broker or salesperson. We also recognize the importance of protecting the home-buying public by opposing legislation designed to circumvent the licensure and regulation of real estate salespersons and brokers.

The Association favors reasonable pre-licensing real estate education requirements as well as reasonable real estate post-licensing requirements on an ongoing basis in order to enhance and maintain the competency level of real estate professionals.

INDEPENDENT CONTRACTOR

The Association opposes any efforts to change current laws regarding the independent contractor status, which would be to the detriment of the members of the Association or bring state laws into conflict with federal legislation in the areas of Workmen's Compensation, Income Tax Withholding, Unemployment Compensation, and Social Security.

TAXATION

As Americans, we realize the important role that many government programs play in our businesses and our lives and that these programs require adequate public funding to remain viable. However, we join with those Americans who have a continuing concern with the cost of government programs we cannot afford and the overlapping of services and associated increase in costs among cities, counties, state and other levels and types of government agencies. We are committed to work for increased efficiencies and spending and tax limitations for all levels of government.

Property Taxes. We 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 increase in property tax rates.

Real Estate Transfer Taxes. Such taxes and fees are a major burden to buyers and sellers of real property and are detrimental to the overall housing market and economic vitality of areas in which they are imposed. Additionally, real estate transfer taxes are regressively over burdensome to low income households, discriminatorily levied on one particular asset and a volatile stream of revenue to governing jurisdictions. With these facts in mind, REALTORS® oppose the establishment of real estate transfer taxes and fees.

Excise Taxes/Impact Fees. The Kansas City Regional Association of REALTORS® believes impact fees and excise taxes should not hamper or deter development in our communities. We urge that governments limit any use of such fees to providing public capital improvements necessitated by new development. In no case should these fees be used to correct existing deficiencies. Further, impact fees and excise taxes must be reasonably based upon the actual cost of the service upon which the fee is assessed and should be proportionate to the infrastructure and services directly related to the specific development. Fees should not be used to subsidize other programs and services that have no connection to the fee being imposed. Additionally, the imposition of any fees should be accompanied by an ordinance defining the level of service to be provided in exchange for such fees. While we recognize local governments' desire to provide services in a cost-efficient manner and utilize existing infrastructure, we feel strongly that attempts to steer development to certain areas must not infringe upon private property rights.

Sales Taxes on Services. Instituting a tax on an economic activity is equivalent to raising the price of the good or service and thus the demand for this good or service is reduced. Applying a sales tax to real estate related services will increase the cost to consumers of purchasing a home, increase closing costs and increase the cost of running a small business to real estate professionals. The most significant affect of increasing the costs associated with the purchase of a home is felt in the affordable housing arena. Additionally, the economic and social impact of a reduction in home sales has a ripple affect on communities, as homeowners are more likely to invest financially in their properties, and emotionally in their neighborhoods and communities. We urge elected officials to consider the overall long-term impact to the economic and social vitality of their communities that any real estate related tax would cause.

EDUCATION

As REALTORS®, we realize the importance of quality schools to the local housing 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 we sell. As such, REALTORS® support responsible increases in funding to support elementary and secondary education. We believe that governments should explore varied sources for this additional funding, including savings from increased government efficiencies. Improvements to schools and school programs should not be built solely thru increases in property taxes.

RENTAL PROPERTY REGULATION

The Kansas City Regional Association of REALTORS® believes that rental property owners provide a much-needed service in providing housing to citizens who, either by choice or other circumstances, may not want or be able to purchase a home of their own for themselves or their families. We oppose regulations that subject property owners to onerous governmental registration, inspection or licensure requirements which hinders affordable housing opportunities by discouraging investment in rental proprieties in the community.

We believe that the overwhelming majority of investment property owners provide safe, quality, and affordable housing options, and maintain their properties in a responsible manner. We believe rental property owners who do not maintain their property in accordance with existing regulations should be held accountable and prosecuted to the fullest extent of the law, just as owner-occupied homeowners should be held accountable to existing regulations.

We believe that enforcement of property maintenance codes is an important public service provided by local governments and as such should not be funded through a regressive tax imposed on a small segment of property owners, which is likely to be passed on to tenants, making housing choices less affordable. We believe everyone has the right to live in a safe, clean home in a neighborhood free from blight and we support the efforts of municipalities to ensure that quality of life for their citizens.

INSURANCE

We believe that all persons should have access to adequate and affordable insurance for themselves, their families, their businesses and their property. We believe that government has a role to play in the regulation of the insurance industry and must keep the interest of the consumer as well as the insurance corporations in mind when deciding on regulatory policies affecting insurance companies and the public.

ENERGY CONSERVATION

Such voluntary actions to conserve energy are necessary to preclude additional national, state and local regulations. We oppose governmental regulations giving mandatory energy requirements for existing housing. We encourage the private enterprise system to develop energy conservation measures. We support government's efforts to encourage conservation through incentives to businesses and property owners.

MORTGAGE FINANCE

The Association supports legislation that provides for increased mortgage fund availability for homebuyers, provided that no long-term detrimental effects would be evident at a later time. We support greater flexibility for alternative mortgage instruments without jeopardizing a buyer's ability to choose the risk he wishes to assume in terms of interest rates. We encourage government and private sector to continue to explore and develop financially sound financing alternatives to make it possible for more citizens to realize their dream of homeownership.

POLITICAL RESPONSIBILITY

As "The Voice of Real Estate" in the Kansas City Metropolitan Area, it is the responsibility of the association and its members to remain vigilant in the affairs of government. The Association urges members to become involved and participate in political activity at all levels of government. The Association will offer their services and support to candidates committed to the free enterprise system and to the protection of the rights of private property owners.