

Kansas Building Industry Association

2006 Statement of Policy on Legislative Issues

Mission Statement

Founded in 1978, the Kansas Building Industry Association (KBIA) is an affiliate of the National Association of Home Builders and has 10 local Home Builders Associations across Kansas. With more than 2,000 members representing 100,000 jobs and \$1.8 billion of the Kansas economy, the Kansas Building Industry Association plays a crucial role in providing housing for Kansans.

KBIA serves as an advocate for Kansas' housing industry, and as a corporate channel through which builders contribute time, money and services to local community service projects and education initiatives.

As an affiliate of the National Association of Home Builders (NAHB), a federation of more than 850 state and local associations with 210,000 members nationwide, KBIA is part of the most influential and active organization representing the building industry. KBIA members include builders, remodelers, developers, suppliers, manufacturers, and architects, engineers, real estate brokers, lenders, attorneys, insurance providers, and other industry professionals.

As an industry, KBIA supports legislation and policy that perpetuate the free enterprise system and promote a vigorous economic climate in Kansas and the Nation. Affordability in Housing is our major goal. There are, however, unintended consequences from legislative and regulatory actions that are counter to that goal and directly increase the cost of homebuilding without direct benefit to the homeowner. Traditionally, the home building industry drives the economy. In Kansas, homebuilding is dependent on industry and commerce to create jobs for workers who buy the products of the building industry.

Therefore, legislation and policy that promote Affordability in Housing and encourage and foster industry and commerce in Kansas are the mission of the Legislative Affairs Committee of the Kansas Building Industry Association.

Affordability & Need for Housing

KBIA has long been a supporter of "Affordable Housing" and chaired the last Governor's Task Force on the subject. In spite of widespread use of improved materials and techniques, the subsequent

cost of houses has increased to the point where many people dedicated to public service can no longer afford to buy a home of their own. In large part that phenomenon is due, directly or in-directly, to persistent over-regulation. Local governments, seeking to increase revenues without fighting the battle of increasing taxes, choose to impose a wide variety of fees and hidden taxes. We have already suggested that privatization could reduce the cost of infrastructure, but that is only the surface. State and local governing bodies must actively reduce the burden of local government taxes while working to streamline permitting, inspecting and maintaining public infrastructure. Local governments are attempting to make up shortfalls in payments from the Federal and State governments by adding fees and surcharges to the cost builders and developers have to pay for permits, connections, and access to public services, thereby harming one of the strongest parts of Kansas economy.

Appraisal Of Real Property

Valuations must be based on market value comparables, not equalization. Valuations must be kept current by professionals who are not tempted to improve the revenues of the taxing authorities for which they work, such as the recent attempt to boost the valuations of vacant lots by adding infrastructure financing debt to the sales price of lots as is still being done by the Saline County Appraiser, with the knowledge and approval of the Director of the State Property Valuation Department in spite of recent legislation which prohibits that practice. If this practice cannot be stopped by the State government, KBIA will support an appeal to establish a Court precedent on the issue. KBIA supports legislation to require the county to pay costs of a taxpayer where the county loses a BOTA case and appeals it. KBIA supports legislation to create a local appeals board. KBIA supports implementation of a uniform and industry acceptable valuation of real property in every Kansas County. KBIA opposes any attempt to remove the

use-value method of valuation of land platted for development currently in agricultural use, or retroactively imposing a tax on that property once it is developed. KBIA endorses payment of interest on disputed taxes if the landowner prevails in the appeal process.

Impact Fees and Excise Taxes

KBIA supports legislation to restore uniformity of the sales tax law, which would prevent cities from chartering out of the law to impose taxes prohibited by state law, such as the excise tax on development being imposed by some cities. KBIA will work to obtain passage of legislation requiring local governments to be accountable for these taxes; have some rational relationship between the source of the funds and where they are spent; and to have a public vote on the imposition of the taxes. Developers expect to pay for the added infrastructure costs of development, but assessment to do so should be made in the form of an impact fee, which provides for a public vote and requires funds generated by the fees to be spent for the development costs for which they are collected. Excise taxes, on the contrary, may be imposed by the passage of a city ordinance and may be spent for any purpose designated by the city council.

Workers Compensation

KBIA will work with other interested groups to introduce and obtain passage of legislation that corrects flaws in present the Workers Compensation law. KBIA supports workers compensation as the sole remedy for work-related injuries and benefit equity for employers and employees.

Annexation

Guidelines should be established for determining future boundaries, and the public should have input. Cities should be required to have a service plan to meet the needs of an area if they're going to annex that area. Cities should be required to perform or lose the area. "Wish list" annexation should be prevented. Cities should only annex an area if they have the

resources to serve the area. Every five years the city's performance should be reviewed by the county.

Codes and Standards

KBIA will oppose any attempt to impose a statewide building code for residential construction. While there may be a need for some minimum standard in locales where there is no permitting authority or building code, the approach being proposed will not assure compliance with a statewide code. Where the public sees a need for the protection which building codes are designed to provide, they must either convince the local governing body to adopt and enforce a building code, or retain the services of a professional inspector who can assure compliance with the standards contracted for by the customer.

Construction Safety Standards

KBIA supports enforcement of job safety at the Federal level and opposes any State Legislation to create duplication of OSHA and supports federal initiatives for the reform of OSHA to be more helpful.

Eminent Domain

KBIA supports legislation to prevent federal, state and local governments from abusing the power of eminent domain provided by the Fifth Amendment to the U.S. Constitution; KBIA also supports the use of eminent domain, with just compensation, when a governmental entity will maintain ownership or control over the property (1) if the development or redevelopment of the property will be used by members of the general public or (2) if the project addresses infrastructure necessities, like public utilities or roads; KBIA also supports eminent domain, when a private party will maintain ownership or control over the property when the development or redevelopment plan meets the requirements of state slum, blight, contamination site, nuisance, or other similar statutes.

Housing Finance

If the Legislature passes creation of a state housing finance authority, provision should be made for advisory council members with housing expertise. Local housing finance agencies should be continued and not precluded by any such state agency.

Home Inspection

Home inspectors should pass the same level of exam as locally required for the level of inspection being performed. KBIA supports legislation to preclude unlicensed, home inspectors who have not passed such exam from limiting liability to the fee charged.

Privatization

KBIA will work with other groups to improve efficiency and reduce costs of such things as infrastructure required as part of building and development, by promoting performance based standards for streets, sewers, drainage and utilities, employing design-build techniques where the builder/developer has complete control of the work up to point of a single inspection for acceptance by governing body.

Another example of recommended privatization is the use of private building and codes inspectors who would certify that provisions of the applicable codes have been met prior to certification by the governing body.

Taxation

Destination Sourcing - KBIA supports legislation to delay the implementation of destination sourcing sales tax collection until the federal government develops a policy regarding this or until compliance is simplified for retailers.

Limitation of Growth of Tax Revenue—The current crisis facing the State of Kansas and local governments is directly related to the unprecedented increase on government spending during the economic boom of the 1990's. KBIA supports the concept of limiting the growth of state tax revenue to the growth of personal income and will work for a state finance system which rewards legislative and administrative reductions in spending. KBIA will continue to oppose attempts by the state and local governments to increase their revenue by competing with private enterprise, especially where public records and information are involved.

Sales Tax Exemption—KBIA supports repeal of the sales tax on labor, overhead and profit for all construction activities of all types and sizes. Kansas can be competitive with adjacent states and obtain the economic benefits of increased employment and taxes gathered from construction only when these taxes are removed.

Sales Tax Exemption for Contractor Installed Infrastructure—Charging retail sales tax rate on materials given to the public in the form of streets, sewers and other facilities required to be dedicated to a city or county government as a condition of approval of development projects prices many prospective homebuyers out of the market. KBIA supports legislation exempting those materials from sales tax.

Privately Placed Bonds

KBIA supports legislation to increase the cap on the amount of privately placed bonds for special assessment projects. This will allow cities to better attract financing for special assessments for infrastructure projects.

Housing Trust Fund

Some local entities have proposed raising funds for low-income housing trusts through a tax or fee on mortgage registrations. KBIA opposes raising funds for housing trusts by assessing home buyers.

Claims for Attorney's Fees Involving Insurance Policies

KBIA supports the retention of KSA 40-908, which provides for reimbursement of legal expenses if the insurance company refuses to legally represent its insured.

Affordable Airfares

We support the effort to provide state funding to keep airfares competitive for South Central and Western Kansas. Competitive fares are important for business growth in Kansas.



Home Builder Associations in Kansas

Contact

Kansas BIA

212 SW 8th Street, Suite 201, Topeka, KS 66603
Phone: 785-232-2131 Fax: 785-232-3680

Chris Wilson
E-mail: chris@kansasbuilders.org

HBA of Dodge City Area

PO Box 924, Dodge City, KS 67801-0924
Phone: 620-225-0585 Fax: 620-225-1957

Lowell Brakey
E-mail: voyager@pld.com

HBA of Garden City

1514 E. Fulton, Garden City, KS 67846
Phone: 620-275-7411 Fax: 620-276-8299

Randy Jackson
Email: rjackson@wbsnet.org

HBA of Hutchinson

PO Box 2209, Hutchinson, KS 67504-2209
Phone: 620-669-0421 Fax: 620-662-5722

Alicia Ochs
E-mail: aochs@starlumber.com

HBA of Lawrence

PO Box 3490
Lawrence, KS 66046-0490
Phone: 785-748-0612 Fax: 785-748-0622

Bobbie Flory
E-mail: bobbie@lhba.net

HBA of Manhattan

PO Box 826, Manhattan, KS 66505-0826
Phone: 785-532-9080 Fax: 785-532-9081

Tammie Fisher
E-mail: maba@sbcglobal.net

McPherson Area Contractors

PO Box 407, McPherson KS 67460
Phone: 620-241-2644 Fax: 620-241-2319

Robin Werth
E-mail: rwerth3@cox.net

HBA of Salina

2125 Crawford Place, Salina, KS 67401-3719
Phone: 785-823-1457 Fax: 785-823-9113

Marilyn Johnson
E-mail: marilyn@salinahba.com

Topeka HBA

1505 SW Fairlawn Rd
Topeka, KS 66604-2411
Phone: 785-273-1260 Fax: 785-273-1286

Jerry Wittman
E-mail: jerry@thba.com

Wichita Area BA

730 N Main St., Wichita, KS 67203-3681
Phone: 316-265-4226 Fax: 316-265-5964

Wesley Galyon
E-mail: wess@wabahome.com