

January 30, 2022

Dear Chairman Thompson and members of the committee:

I am writing to support HB 2518.

I am a current homeowner in Olathe, Kansas. I purchased my first house, which was a brand new build in 2018. In January 2020, my neighbors and I received letters stating that we would be taxed additional assessments, as part of a Benefit District. The tax was for a Benefit District that was approved in 2008, and never disclosed to any homeowners purchasing in the area. The Olathe City Council reviewed and "updated" Benefit District proposal in 2019 and re-approved it in February 2020.

HB 2518 will protect all homeowners within Kansas. This bill will ensure that:

- Benefit districts can only be petitioned if 100% of the homeowners agree
- Real estate contracts must have disclosure of the benefit district, or the contract will be void

Currently, the state law allows for benefit districts to be petitioned if a majority owner in the assessed area submits for approval. This permits the creation of benefit districts with homeowners that object to the assessments, merely because their property is within the benefit district boundary. The average assessment within my benefit district is about \$15,000 per household. There are other benefit districts that have assessments over \$45,000. This is egregious considering the average income in Kansas is ~\$32,000 (in 2019). These assessments were created without the approval of homeowners.

Most real estate contracts have disclosure statements, however there are little, if any, penalties if a special assessment was not disclosed. In February 2020, my neighborhood had a majority of homeowners that were not disclosed of the benefit districts and its special assessments. Homeowners moving to the neighborhood continued to not be notified of this tax assessment after they purchased homes in February 2020. It was only until late 2021, after multiple discussions with the City of Olathe, that signage was placed in the neighborhood to increase future homeowner awareness.

Arguments were made that the 2008 Benefit District was "disclosed" in the title paperwork. If this were true, this is unethical. Kansans deserve the right to know all their options at the time of purchase. When you purchase a loaf of bread at the grocery store, you have an aisle to choose from. Each loaf of bread has a specific price. As a purchaser, you can make an informed decision to make the appropriate purchase. However, what happens if your bread turned out to be \$50 more than expected price, and you do not find out until after you returned home? This is the current situation with residential benefit districts.

Vote yes for HB 2518. Give Kansans the right to make informed decisions when purchasing their homes.

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