

Mortgage Finance

Recognizing the importance of private property ownership and the real estate market to economic growth, REALTORS® support the continuation and enhancement of governmental institutions that provide for increased mortgage financing availability for residential and commercial property. Accordingly, we believe in alternative financing, including seller financing without unreasonable government restrictions. We encourage the government and private sector to continue to explore and develop financially sound financing products that make it possible for more citizens to realize the dream of property ownership.

Rental Housing

REALTORS® believe that the Kentucky Landlord Tenant Act is an effective statute that fairly balances the rights and responsibilities of landlords and tenants. We continue to believe that the statute is well-written and oppose any attempts to modify the statute by the Kentucky Legislature.

REALTORS® oppose increasing local regulation of the rental housing industry, such as tenant participation in management decisions. And, we oppose local rent control ordinances that prevent rents from keeping pace with operating expenses and discourage investment in real estate.

Real Estate Licensing and Regulation

In conjunction with the vigilant enforcement of the REALTOR® Code of Ethics, REALTORS® are acutely aware of the importance and necessity of the continued licensure and regulation of the real estate industry by the Kentucky Real Estate Commission. At all times, REALTORS® strive to protect the interests of the public by maintaining and perpetuating a high level of competence for those individuals entering and continuing to practice in the real estate industry. Toward this end, we also recognize the importance of protecting the public by opposing legislation designed to circumvent the licensure and regulation of the real estate industry.

Kentucky Real Estate Commission

REALTORS® believe it is important to maintain a cooperative and positive working relationship with the Kentucky Real Estate Commission. In upholding our commitment to active involvement in licensee regulations, the association will provide the names of qualified members for the Governor to consider when making appointments to the Kentucky Real Estate Commission. In order to preserve the effectiveness and responsiveness of the Commission, we oppose the taking of licensee monies for general fund use and we oppose placing the licensure and regulation of the real estate industry under the control and direction of any other occupational licensing agency.

Independent Contractor

REALTORS® oppose any efforts to change current state and federal laws regarding the independent contractor status of real estate licensees, which would be detrimental to REALTORS® and would bring our state laws into conflict with federal legislation in the areas of workers' compensation, income tax withholding, unemployment compensation, and social security.

Occupational Licensing and Taxation

The REALTORS® believe government efficiency is important to continue good business in the Commonwealth of Kentucky. REALTORS® support a state wide, web-based system for the centralized reporting, registration and collection of local and state occupational license taxes and fees.

Kentucky REALTORS® has over 10,000 members, which translates to about 72 REALTORS® for every Senator and Representative in the KY General Assembly.

Appraisals

The appraisal of real property is important in any real estate transaction as well as the professional relationship between the REALTOR® and appraiser.

REALTORS® supported the regulation of Appraisal Management Companies in the Commonwealth of Kentucky which required greater accountability, responsibility and transparency on third-party brokers of appraisal services. We favor appraisers performing appraisals in areas they are geographically competent.

Auctions

Real Estate is one of the fastest growing auction areas and offers clients and customers new selling and purchasing options that exposes properties to many potential purchasers.

REALTORS® add value to the real estate transaction with their expertise in managing complex real estate transactions, and auctions are no exception. REALTORS® work with both buyers and sellers in auction sales. Accordingly, REALTORS® support the licensing of auctioneers and believe auctions contribute to the advancement of the real estate industry.

Commercial/Industrial

Commercial real estate is essential to this economy and the operation of businesses. Commercial property includes a wide variety types, such as office buildings, retail space and industrial facilities. Having a sound and well-functioning commercial and multi-family real estate sector is critical to the operations of many Kentucky businesses of all sizes and we oppose a sales tax on the lease and/or rental of commercial property.

Political Involvement

REALTORS® believe in the need for continuing participation in local, state and national political affairs and urge aggressive support of those candidates who pledge and evidence by their actions a commitment to preserve and strengthen America's free enterprise system and the underlying principle of private property ownership.

REALTORS® have a sophisticated understanding of our political system and urge members to be involved in political activity at all levels of government. Members should offer their personal support to candidates who are committed to the free enterprise system, the protection of private property rights and the promotion of a high quality of life for the citizens of the state of Kentucky.



REALTORS® oppose the public financing of political campaigns which will inevitably lead to the elimination of private contributions to candidates for public office and will restrict freedom of speech. REALTORS® believe that any attempt to reduce the participation of voluntary political action committees in elections would undermine our basic political freedom.

Kentucky REALTORS®

LEGISLATIVE & PUBLIC POLICY

For more information about the legislative policies, issues and advocacy efforts, please visit www.kar.com > Governmental Affairs.

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Guiding Philosophy

Kentucky REALTORS® has faithfully represented the interests of over 10,000 real estate professionals and over 1.1 million homeowners in Kentucky for the last 90 years.

We strongly believe that REALTORS® have an important role to play in every community dealing with the challenges associated with increasing economic growth and quality of life that are important to creating and maintaining vibrant, growing communities. In the context of these challenges, we believe that homeownership investment and commercial real estate positively impact neighborhoods, communities and the overall vibrancy and stability of the Kentucky economy.

Having pledged to abide by the REALTOR® Code of Ethics, REALTORS® offer the benefits of their experience and technical expertise to the general public and are dedicated to working with public officials to create strong communities by supporting economic prosperity and creating new housing opportunities, while vigorously protecting the rights of private property owners.

Homeownership

REALTORS® are committed to the private ownership of real property and believe it is the foundation of our nation's free enterprise system. We adamantly oppose any governmental actions that discourage or diminish the ability and capacity of Kentucky citizens to own private property. Homeownership is the cornerstone of the American Dream and deserves a preferred place in our system of values as it



contributes to community responsibility; business, civic, and economic stability; family security and quality of life.

Economic Development, Growth and Land Use

REALTORS® believe in the fundamental right of all private property owners working through local governments to determine the highest and best use of their land. And, 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 unreasonably diminished by governmental action at any level without just compensation or the owner's expressed consent.

REALTOR® Code of Ethics Preamble

Under all is the land. Upon its wise utilization and widely allocated ownership depend the survival and growth of free institutions and of our civilization. REALTORS® should recognize that the interests of the nation and its citizens require the highest and best use of the land and the widest distribution of land ownership. They require the creation of adequate housing, the building of functioning cities, the development of productive industries and farms, and the preservation of a healthful environment.

REALTORS® believe in reasonable community growth and maintain that no-growth policies, building moratoriums and other burdensome regulations by governmental bodies are not satisfactory responses to community development issues.

Most importantly, REALTORS® believe it is the free market and individual choice that drives the amount and type of development and growth in a community. While we recognize the difficulty in maintaining the quality of communities through preservation of space and control of congestion, market forces should be the primary engine behind controlling economic and community growth.

Quality of Life

REALTORS® believe that efforts to ensure quality communities must go beyond simply limiting or prescribing the manner of growth and development. Communities must actively consider other efforts that will provide citizens with a high quality of life. A high quality of life includes a strong system of public education, adequate transportation infrastructure, access to affordable health care and adequate provisions for public safety.

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.

Property Taxes

REALTORS® believe that real estate should not be burdened with an excessive share of the constantly increasing cost of state and local government. 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.

Real Estate Transfer Taxes

REALTORS® believe that an increase of real estate transfer taxes and fees could be a major burden to both buyers and sellers of real property and could be detrimental to the overall housing market and economic vitality of areas in which they are imposed. Additionally, REALTORS® oppose the increase of real estate transfer taxes and feel these taxes are regressively burdensome to low income households, discriminatorily levied on one particular class of assets and are a volatile stream of revenue to governing jurisdictions.

Excise Taxes/Impact Fees

REALTORS® believe impact fees and excise taxes should not hamper or deter development in our communities. We urge state and local governments to limit the use of any such fees to providing those public capital improvements that are absolutely necessitated by new development. Impact fees 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.

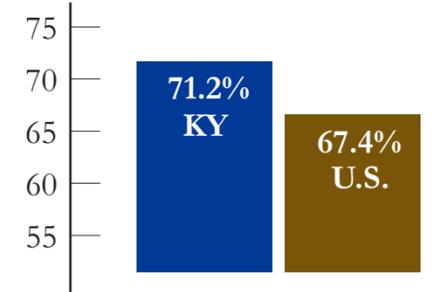
Additionally, impact fees and excise taxes should not be used to subsidize other programs and services that have no connection to the fee being imposed. The imposition of any fees should be accompanied by ordinances that define the level of service to be provided in exchange for such fees.

Sales Taxes on Services

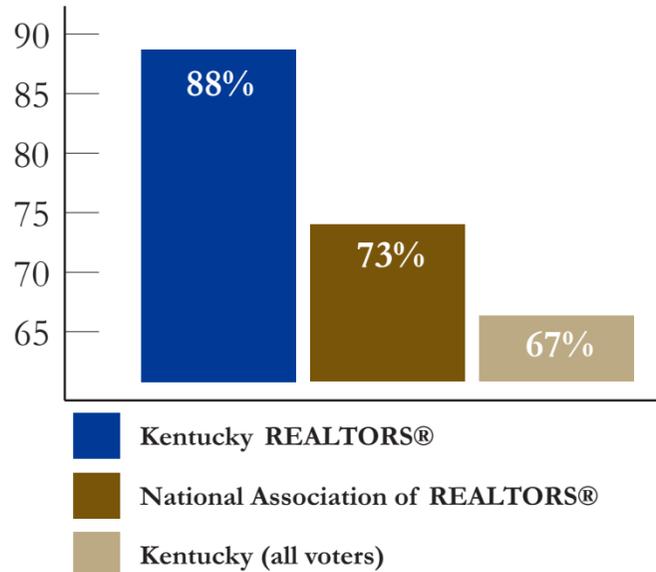
Increasingly, tax reform has been a priority topic of discussion among Kentucky legislators and other government officials and included in that discussion is Sales Tax on Services. REALTORS® believe that instituting a tax on economic activity is equivalent to raising the price of the good or service and thus the demand for this good or service is reduced. Sales Tax on Services would be costly for REALTORS® and homeowners and is likely to reduce the demand for housing in Kentucky.

The impact in Kentucky could be 3,105 fewer home purchases each year with a total economic impact of \$651 million over 10 years. Kentucky currently has a higher home ownership rate – 71.2 percent – than the US average – 67.4 percent (est. 2010). With an estimated 1.7 million occupied housing units in 2008, this translates to nearly 1.2 million homeowners. Whether Kentucky remains a leader in home ownership depends on the choices of policy makers.

Home Ownership Rates



Voter Registration



Availability and Affordability of Insurance

REALTORS® believe that all individuals should have access to adequate and affordable insurance for their property and businesses. We believe that government has a key role to play in the regulation of the insurance industry, and must keep the interest of the consumer as well as the insurance industry in mind when deciding on regulatory issues affecting the insurance marketplace.

Energy Conservation and the Environment

REALTORS® encourage the owners of residential, commercial and industrial properties to investigate those methods of energy conservation and efficiency that are economically feasible over the life cycle of the property. We oppose any attempts to impose mandatory energy efficiency requirements on newly constructed and existing residential, commercial and industrial properties through governmental action.

We encourage the development of cost-effective, voluntary energy conservation and efficiency measures to help owners make their property more efficient.

REALTORS® believe a healthy environment is critical to sustaining the high quality of life in Kentucky. The effects of pollutants (mold, radon, asbestos, etc.) in the water, air, and surface areas in a home can be a serious threat. REALTORS® believe in developing practical solutions which provide environmental benefits without damaging the Commonwealth's economy.