

RE 310 – Principles of Real Estate

Sample Exam Questions – Public Restrictions on Ownership – Solutions

Dr. Stanley D. Longhofer

- _____ 1. Special assessments are used to
- A. **CHARGE BENEFITING PRIVATE PROPERTY OWNERS FOR THE COST OF PUBLIC IMPROVEMENTS.**
 - B. avoid high property taxes.
 - C. provide public notification of proposed zoning changes.
 - D. replace restrictive covenants.
 - E. None of the above
- _____ 2. Subdivision regulations are intended to
- A. provide for the efficient and orderly layout of streets.
 - B. restrict the size of buildings on a parcel.
 - C. ensure provision of necessary off-site and on-site public improvements.
 - D. All of the above.
 - E. **BOTH A AND C.**
- _____ 3. Zoning codes typically regulate all of the following *except*
- A. the type of uses permitted on a site.
 - B. where a building may be located on a site.
 - C. lighting that may be used on a site.
 - D. **THE LAYOUT OF ROADS AND EASEMENTS ON A SITE.**
 - E. All of the above are regulated by zoning codes.
- _____ 4. The City of Wichita would like to acquire some private real estate in order to widen Kellogg, but the current property owner is unwilling to sell. Which of the following statements is most correct?
- A. If the city cannot come to terms with the current property owner, it will be unable to acquire this property.
 - B. The city may exercise its power of eminent domain to take the real estate without paying for it.
 - C. The city can take title to the real estate only if the state legislature passes a special exemption for it to do so.
 - D. **THE CITY MAY EXERCISE ITS POWER OF EMINENT DOMAIN TO TAKE THE REAL ESTATE, BUT MUST PROVIDE THE CURRENT PROPERTY OWNER JUST COMPENSATION FOR HIS LOSS.**
 - E. If the city cannot buy the property from the current owner, it can run Kellogg through a tunnel under his property without his consent.

- _____ 5. A local developer is attempting to purchase several parcels near WSU to build a “campus town” retail center. He has come to terms with most of the existing property owners, but one is demanding a price well above his property’s fair market value. This is an example an a(n):
- A. free rider problem.
 - B. HOLDOUT PROBLEM.**
 - C. positive spillover effect.
 - D. encroachment.
 - E. subdivision regulation.
- _____ 6. The Sesame Street Improvement District would like to raise \$4.5 million to repair the street. If the assessed value of all property on Sesame Street is \$300 million, how large of a mill levy will be required to raise these funds?
- A. 0.015 mills.
 - B. 15 MILLS.**
 - C. 1.5 mills.
 - D. 150 mills.
 - E. None of the above.
- _____ 7. You own a commercial office building in Hutchinson with a market value of \$1.5 million. In Kansas, the assessment factor for commercial properties is 25%. If the combined mill rate in Hutchinson is 90 mills, what will be the annual tax bill for this building?
- A. \$135,000.
 - B. \$375,000.
 - C. \$33,750.**
 - D. \$337,500.
 - E. None of the above.
- _____ 8. The local school board would like to raise \$4.5 million to renovate and old school. If the assessed value of all property in the school district is \$300 million, how large of a mill levy will be required to raise these funds?
- A. 0.015 mills.
 - B. 15 MILLS.**
 - C. 1.5 mills.
 - D. 150 mills.
 - E. None of the above.
- _____ 9. A tax rate of 20 mills indicates a tax of
- A. \$20 PER \$1,000 OF ASSESSED VALUE.**
 - B. \$20 per \$1,000 of appraised value.
 - C. \$20 per \$100 of assessed value.
 - D. \$20 per \$100 of appraised value.
 - E. None of the above

- _____ 10. Local zoning ordinances are used to regulate all of the following EXCEPT
- A. **RULES FOR CONDUCTING OPEN HOUSES.**
 - B. allowable tenants or uses on a parcel of real estate.
 - C. the height of buildings.
 - D. the how many housing units may be built on a parcel.
 - E. All of the above are regulated by zoning ordinances
- _____ 11. A community unit plan (CUP) is
- A. the authority by which local governments can obtain private property for public use.
 - B. a community development initiative.
 - C. a type of development guideline found in most zoning codes.
 - D. **A SPECIAL ZONING OVERLAY THAT ALLOWS YOU TO “WRITE YOUR OWN ZONING CODE” FOR A PARCEL.**
 - E. None of the above.
- _____ 12. Which of the following is an example of economic zoning?
- A. Community protests about the siting of a new solid waste landfill
 - B. Local codes restricting the height of buildings
 - C. **RETAIL STORES CHOOSING TO LOCATE NEAR EACH OTHER**
 - D. The use of eminent domain to condemn private property for public use
 - E. None of the above
- _____ 13. Subdivision regulations are intended to
- A. provide for the efficient and orderly layout of streets.
 - B. restrict the size of buildings on a parcel.
 - C. ensure provision of necessary off-site and on-site public improvements.
 - D. All of the above.
 - E. **BOTH A AND C.**
- _____ 14. Governments have the authority to regulate private land use through zoning and other measures through
- A. condemnation.
 - B. eminent domain.
 - C. escheat.
 - D. **POLICE POWER.**
 - E. None of the above

- _____ 15. My local neighborhood association would like to install decorative lighting on the streets. Although everyone agrees the lighting would be a good addition to the neighborhood, a few of my neighbors are refusing to pay their share of the cost. This is an example of a(n)
- A. **FREE RIDER PROBLEM.**
 - B. holdout problem.
 - C. eminent domain problem.
 - D. negative spillover effect.
 - E. None of the above.
- _____ 16. The Wichita/Sedgwick County Metropolitan Area Planning Commission (MAPC) considers nine “Golden rules” when evaluating a zoning change request. Which of the following is *not* one of these rules?
- A. The zoning, uses and character of the neighborhood.
 - B. The extent to which removal of the restrictions will detrimentally affect nearby property.
 - C. The length of time the property has remained vacant as zoned.
 - D. Recommendations of professional staff.
 - E. **ALL OF THE ABOVE ARE INCLUDED IN THE “GOLDEN RULES.”**
- _____ 17. **TRUE** or False: If a property owner dies without any legal heirs, title to the property passes to the state via escheat.
- _____ 18. **TRUE** or False: The zoning approval process is generally very political.
- _____ 19. **TRUE** or False: For minor exceptions to zoning restrictions, a variance can be obtained directly from city staff without going through the Metropolitan Area Planning Commission.
- _____ 20. True or **FALSE**: Property taxes are based on market values for all property types in Kansas.
- _____ 21. True or **FALSE**: If a local government would like to obtain land for a public purpose it must buy the land on the open market like any private purchaser.
- _____ 22. **TRUE** or False: Planned unit developments and community unit plans are typically more restrictive than base zoning districts.
- _____ 23. True or **FALSE**: The comprehensive plan is used as a guide for making specific land-use and other urban policy decisions.