

February 11, 2019

The Honorable Julia Lynn, Chairperson
Senate Committee on Commerce
Statehouse, Room 445-S
Topeka, Kansas 66612

Dear Senator Lynn:

SUBJECT: Fiscal Note for SB 60 by Senate Committee on Commerce

In accordance with KSA 75-3715a, the following fiscal note concerning SB 60 is respectfully submitted to your committee.

SB 60 would reduce the timeframe for considering real estate transactions for a broker's license from five years to three years immediately preceding the date of application. The bill would remove alternative licensing criteria for broker applicants who live in a county with a population of less than 20,000 and removes outdated references to temporary licenses. The bill would remove the late fee for licenses that are renewed after the renewal date but before the expiration date, and increases the late fee for a license renewed after the expiration date but before the six-month grace period ends from \$50 to \$100. The bill would remove fees for certain services that are no longer assessed through regulation.

The bill would increase the current broker pre-license education course from 24 hours of instruction to at least 30 hours of instruction and no more than 45 hours of instruction. The course would be renamed the "Kansas Real Estate Fundamentals Course." Beginning on January 1, 2020, original broker's license applicants would also be required to complete a new required course of instruction titled "Kansas Real Estate Management Course" that would be between 30 and 45 hours of instruction.

The bill would clarify requirements for deactivated real estate licenses that are applying for reinstatement of a license that has not been suspended or revoked. The bill would remove the requirement that the Commission maintain all files, records, and property at its Topeka office. The bill would also update terms and eliminate outdated terms, consolidates provisions from multiple statutes and regulations, and add clarifying language on fees collected from fingerprinting, name changes, office locations, approved real estate courses, and Commission leadership elections.

The Kansas Real Estate Commission estimates that SB 60 would reduce Real Estate Fee Fund revenue by approximately \$42,700 in FY 2020. To formulate this estimate, the Commission reviewed data on licensees that renewed after the renewal date and after the expiration date (one-month later). The Commission indicates that 1,374 licensees paid the \$50 late fee after renewing their license fee after the renewal date in 2018, including 260 that paid after the expiration date. Only charging the late fee for licensees that renew after the expiration date and increasing the late fee to \$100 will reduce fee revenue by \$42,700 ($1,374 \times \$50 = \$68,700$ minus $260 \times \$100 = \$26,000$). The Commission indicates that the other provisions of the bill would have no fiscal effect on its operations. Any fiscal effect associated with SB 60 is not reflected in *The FY 2020 Governor's Budget Report*.

Sincerely,

A handwritten signature in black ink that reads "L. L. Campbell". The signature is written in a cursive style with a large, sweeping initial "L".

Larry L. Campbell
Director of the Budget

cc: Erik Wisner, Real Estate Commission