

SESSION OF 2015

SUPPLEMENTAL NOTE ON SENATE BILL NO. 108

As Amended by House Committee on
Commerce, Labor and Economic Development

Brief*

SB 108, as amended, would allow the Real Estate Commission (Commission) to increase license fees. The bill also would make revisions to the real estate industry laws pertaining to regulation and contractual relationships.

The bill would increase the limit placed on license fees charged to real estate salespersons and brokers. For salespersons, the fee limit for original and renewal licenses would increase by \$50, from \$100 to \$150. For brokers, the fee limit also would increase by \$50, from \$150 to \$200.

The Commission would be allowed to approve continuing education providers that offer real estate courses. The bill also would clarify the authority of the Commission to refuse to grant or renew a real estate license or place certain conditions on a license.

The Commission would be authorized to take disciplinary action toward applicants and licensees who engage in prohibited conduct, even when a licensee is not involved in a real estate transaction as an agent, transaction broker, or principal. A buyer's or tenant's agent would be permitted to present an offer to a seller or landlord if that person's transaction broker is present.

*Supplemental notes are prepared by the Legislative Research Department and do not express legislative intent. The supplemental note and fiscal note for this bill may be accessed on the Internet at <http://www.kslegislature.org>

Background

The House Committee on Commerce, Labor and Economic Development combined the contents of SB 106 into SB 108. The House Committee made one amendment to the language found in SB 106, a technical amendment making the language consistent. The following is the background of both bills.

SB 108 Background

SB 108 was introduced at the request of representatives from the Commission and the Kansas Association of Realtors, who spoke in favor of the bill before the House Committee on Commerce, Labor and Economic Development, stating the fee increase is necessary to counteract the recent economic recession and budgetary actions that could constrain the Commission from fulfilling its duties. There was no opponent testimony.

SB 106 Background

SB 106 was introduced at the request of representatives of the Commission and the Kansas Association of Realtors who provided proponent testimony before the House Committee on Commerce, Labor and Economic Development. The proponents stated the bill includes mostly technical changes that would correct problems in the statutory language and resolve uncertainties in enforcing the statutes. There was no opponent or neutral testimony.

Fiscal Notes for SB 108 and SB 106

According to the fiscal note for SB 108 prepared by the Division of the Budget, in consultation with the Commission, if the fee rates were raised administratively to the proposed limits, an additional \$337,706 would be available to the Real Estate Fee Fund. However, the Commission intends to raise

the fees by \$25. With 6,125 original and renewal salesperson licenses and 2,007 original and renewal broker licenses, the Commission estimates the additional revenue would be \$154,028 in FY 2017. Any fiscal effect associated with the bill is not reflected in *The FY 2016 Governor's Budget*.

The fiscal note prepared by the Division of the Budget states the costs associated with SB 106 would be negligible and could be absorbed within existing resources. The Commission estimates, based on the fees previously charged by the Board of Regents, the lost fee revenue would amount to \$10,000 per fiscal year. Any fiscal effect associated with the bill is not reflected in *The FY 2016 Governor's Budget Report*.