



Patrick Vogelsberg, JD
Vice President of Governmental Affairs
Kansas Association of REALTORS®
3644 SW Burlingame Rd.
Topeka, KS 66611
(785)845-0988 (Cell)
Email: patrick@kansasrealtor.com

To: Senate Judiciary Committee

Date: March 20, 2017

Subject: Support for HB 2153.

Hon. Chairman Wilborn and members of the Senate Judiciary Committee:

On behalf of the Kansas Association of REALTORS® (KAR), thank you for the opportunity to provide some written comments in support of HB 2153.

KAR represents over 8,500 members involved in both residential and commercial real estate and has advocated on behalf of the state's property owners for over 95 years. REALTORS® serve an important role in the state's economy and are dedicated to working with our elected officials to create better communities by supporting economic development, a high quality of life and providing affordable housing opportunities while protecting the rights of private property owners.

HB 2153 is similar to 2016 HB 2660, which passed unanimously (123-0) by the Kansas Legislature last session. Unfortunately, 2016 HB 2660 made it to the Senate late in the Regular Session (March 15th, 2016) and was not taken up by the Senate Judiciary Committee. This year, HB 2153 passed the House again 124-1.

KAR supported last year's bill and continues to support HB 2153 due to our ongoing concerns with the Legislature's sweeping of funds from the Kansas Real Estate Commission (KREC) and other fee funded agencies. It is well established, that state government can use its "police power" to regulate various businesses and industries in order to protect its citizens. By regulating the real estate industry, the Kansas Legislature, in exercising its police power, places restrictions and requirements on those individuals acting as real estate salespersons and brokers. In doing so, the Kansas Legislature protects the public through a highly regulated real estate industry overseen by KREC. As we have testified in the past, KAR supports these requirements as it maintains the credibility of our industry and protects consumers who interact with real estate licensees. This is why KAR has also supported past fee increases to ensure KREC has the resources to adequately regulate the industry.

Having said that, our support for funding KREC is conditioned on our belief that funds paid to a fee-funded agency such as KREC, be used to pay for the cost of regulating the industry and not for state general fund purposes. Previous legislatures and administrations have done the latter and we feel this behavior exceeds the bounds of the government's police powers. KAR supports HB 2153 in its endeavor to ensure that fees paid

by Kansans be used for their intended purpose of regulating a particular industry and not for unrelated general fund purposes.

Additionally, KAR supports the provisions of HB 2153 that would require the state to provide written notice when these regulatory fees are diverted to pay for unrelated general fund expenditures. One particular benefit of this requirement is that the notice provisions will enhance transparency and honest dealing in state government budgeting.

In conclusion, KAR supports HB 2153 and would request that the members of the Senate Judiciary Committee act favorably on this legislation.

Respectfully submitted,

Patrick Vogelsberg, JD
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