

MINUTES OF THE HOUSE COMMERCE AND LABOR COMMITTEE

The meeting was called to order by Chairman Don Dahl at 9:00 A.M. on February 13, 2006 in Room 241-N of the Capitol.

All members were present except:  
Broderick Henderson- excused

Committee staff present:  
Jerry Ann Donaldson, Kansas Legislative Research Department  
Norm Furse, Office of Revisor of Statutes  
Renaë Jefferies, Office of Revisor of Statutes  
June Evans, Committee Secretary

Conferees appearing before the committee:  
Sherry C. Diel, Executive Director, Kansas Real Estate Commission  
Representative John Grange

Others attending:  
See attached list.

The Chairman opened the hearing on **HB 2788 - Concerning expiration, suspension or revocation of real estate brokers and salespersons licenses and civil fines.**

Staff gave a briefing on **HB 2788**. When the license of a supervising broker or branch broker expires, the licenses of all licensees associated with or employed by the supervising broker or branch broker shall automatically be placed on inactive status within five calendar days after written notice is issued. When the license of a supervising broker or branch broker is suspended or revoked, the licenses of all licensees associated with or employed by the supervising broker or branch broker shall automatically be placed on inactive status within five calendar days after written notice is issued by the commission to the associated or employed licensee for the duration of the suspension or revocation.

Sherry C. Diel, Executive Director, Kansas Real Estate Commission, testified as a proponent to **HB 2788**. Sections 1 through 6 addresses the issues of what happens to the licenses of salespersons or associate brokers who are employed by or associated with a supervising broker or branch broker whose license expires or is suspended or revoked and how pending transactions must be handled. Section 7 would increase the maximum statutory fine set forth in K.S.A. 58-3050(b) from \$500 to \$1,000 per violation and up to \$10,000 per violation if the Commission makes specific findings that egregious circumstances exist and that the licensee committed one or more violations (Attachment 1).

There was no opposition to **HB 2788**.

The Chairman closed the hearing on **HB 2788**.

The Chairman stated **HB 2655 - Kansas fairness in private construction contract act** had a hearing on February 7 and Representative Grange would review the bill.

Representative Grange stated he agreed with the Associated General Contractors (AGC) position as to retaining the definition of Substantial Completion, page 1, line 39, Section 1 (h). He disagreed with the American Subcontractors Association (ASA) position to delete the same and concurred with both parties on changing from 60 to 30 days, on page 3, line 18, Section 3, (b). He disagreed with the AGC position to delete the language on page 2 line 4 that begins with "*but in any case*" and continues on page 3, lines 1-4 that ends "*under the contract*" and also disagreed with any language that would provide for "line item" substantial completion as proposed by ASA (Attachment 2).

After discussion Representative Grange moved and Representative Grant seconded to change "60" days to "30" days on page 3, lines 3 and 18. The motion carried.

Representative Sharp moved and Representative Pauls seconded on page 2, line 43 and page 3, lines 1 through

CONTINUATION SHEET

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4 to strike all in italics. A Division was called - Yeas - 9 and Nays - 7. The motion carried.

Representative Grange stated this was the meat of the bill that had been gutted.

Representative Grant moved and Representative Grange seconded to change 10% to 5% on page 3, line 15. There was a Division called - Yeas - 6 and 11 Nays. The motion failed.

Representative Sharp moved and Representative Masterson seconded to move **HB 2655** out as amended. A Division was called - Yeas - 6 and 11 Nays. The motion failed.

The meeting adjourned at 10:40 a.m. The next meeting will be February 14, 2006.