



February 6, 2013

The Honorable Marvin Kleeb, Chairperson
House Committee on Commerce, Labor and Economic Development
Statehouse, Room 286-N
Topeka, Kansas 66612

Dear Representative Kleeb:

SUBJECT: Fiscal Note for HB 2122 by House Committee on Commerce, Labor and Economic Development

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2122 is respectfully submitted to your committee.

HB 2122 would amend the Kansas Real Estate Brokers' and Salespersons' Licenses Act to allow the Kansas Real Estate Commission to approve education providers that offer continuing education courses in real estate. The bill replaces references to "additional instruction" with the term "continuing education" and replaces "area vocational or vocational technical schools" with the term "technical college."

Current law allows the Commission to refuse to grant a new or renewal real estate license or place certain conditions on a real estate license under certain circumstances. The bill would provide clarifying language that this provision would also apply to applicants as well as licensees. The bill allows the Commission to take disciplinary action for applicants and licensees who engage in prohibited conduct even when that conduct does not involve a real estate transaction. The bill also updates requirements for either contacting or negotiating directly with a seller or landlord who is being assisted by a transaction broker and clarifies procedures for showing a property or submitting offers when a seller offers cooperation with other licensees.

The Kansas Real Estate Commission indicates that the administrative costs associated with HB 2122 would be negligible and could be absorbed within existing resources. The Commission indicates that it is already responsible for approving courses provided by continuing education providers and can incorporate its review of these providers within its current operations. The Commission indicates that the Board of Regents previously approved education providers that offer continuing education courses in real estate; however, it has indicated that it will no longer provide this service. The Board of Regents charged providers an initial application fee and a yearly renewal fee to in-state and out-of-state education providers. Under the bill, the Commission would not have the authority to charge a fee to review and approve continuing

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education providers. The Commission estimates that based on the fees previously charged by the Board of Regents, the lost fee revenue would amount to \$7,600 in FY 2014 and \$12,000 in FY 2015. Any fiscal effect associated with HB 2122 is not reflected in *The FY 2014 Governor's Budget Report*.

Sincerely,

A handwritten signature in black ink, appearing to read "Steven J. Anderson".

Steven J. Anderson, CPA, MBA
Director of the Budget

cc: Kelly Oliver, Board of Regents
Sherry Diel, Real Estate Commission