

January 24, 2018

The Honorable Les Mason, Chairperson
House Committee on Commerce, Labor and Economic Development
Statehouse, Room 521-E
Topeka, Kansas 66612

Dear Representative Mason:

SUBJECT: Fiscal Note for HB 2494 by House Committee on Commerce, Labor and Economic Development

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2494 is respectfully submitted to your committee.

HB 2494 would amend the Kansas Real Estate Brokers' and Salespersons' License Act to provide a definition of a rebate. The bill defines "rebate" as the return of all or part of any commission or compensation paid to a licensee in any transaction that has as its purpose the purchase of real estate at a price different from the price specified in the closing statement. The bill would allow a real estate licensee to accept, give, or charge any rebate as long as the rebate is disclosed. The bill would allow a real estate licensee to pay a referral fee to a person licensed in Kansas or another jurisdiction knowing that referral fee will result in the payment of a rebate by the Kansas or out-of-state licensee as long as these actions are disclosed.

The Kansas Real Estate Commission indicates HB 2494 has the potential to increase administrative costs and staff time to examine additional documentation in real estate transactions to determine if a rebate was included in disclosure statements. The Commission does not have information on the amount of additional documentation that would be required to be reviewed as part of a compliance review or the amount of real estate licensees that would now accept, give, or charge a rebate as result of this bill. Therefore, the Commission is unable to calculate the amount of additional administrative costs that would result from the enactment of HB 2494.

Sincerely,



Shawn Sullivan,
Director of the Budget

cc: Erik Wisner, Real Estate Commission