

February 23, 2011

The Honorable Pete Brungardt, Chairperson
Senate Committee on Federal and State Affairs
Statehouse, Room 136-E
Topeka, Kansas 66612

Dear Senator Brungardt:

SUBJECT: Fiscal Note for SB 162 by Senate Committee on Local Government

In accordance with KSA 75-3715a, the following fiscal note concerning SB 162 is respectfully submitted to your committee.

SB 162 would require all residential real estate sales contracts to disclose if the residence being sold has been used in the illegal production, sale, or storage of methamphetamines.

Estimated State Fiscal Effect				
	FY 2011 SGF	FY 2011 All Funds	FY 2012 SGF	FY 2012 All Funds
Revenue	--	--	--	--
Expenditure	--	--	--	\$7,500
FTE Pos.	--	--	--	--

The Kansas Real Estate Commission indicates SB 162 would require \$7,500 from the Real Estate Fee Fund in FY 2012 to investigate and conduct disciplinary hearings for approximately two complaints. The Commission would be responsible for investigating complaints and to determine whether the seller's agent or transaction broker in a real estate transaction properly disclosed if the residence being sold had been used in the illegal production, sale, or storage of methamphetamines.

Under current law, the Commission is able to impose a fine for any licensee who has actual knowledge of and fails to disclose that a residence was used for storage, sale, or distribution of methamphetamines. The Commission can recover its costs and attorney fees from any fine imposed and the remainder of the fine is transferred to the State General Fund. The Commission is unable to estimate number and amount of fines that would be issued under the

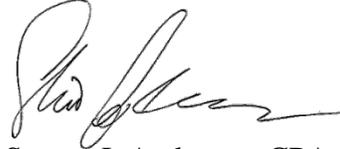
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provisions of SB 162; therefore, the fiscal effect on revenues from fines to the Real Estate Fee Fund and the State General Fund cannot be estimated. Any fiscal effect associated with SB 162 is not reflected in *The FY 2012 Governor's Budget Report*.

Sincerely,

A handwritten signature in black ink, appearing to read "Steven J. Anderson", written in a cursive style.

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

cc: Sherry Diel, Real Estate Commission