

SESSION OF 2010

SUPPLEMENTAL NOTE ON HOUSE BILL NO. 2560

As Amended by Senate Committee on
Federal and State Affairs

Brief*

HB 2560 would amend the Kansas Real Estate Brokers' and Salespersons' Licenses Act and the Brokerage Relationship in Real Estate Transaction Act (BRRETA) to allow for restrictions to be placed on a real estate license after notice and an opportunity for a hearing is given instead of requiring an actual hearing to be held.

Background

Testifying in favor of the bill were two representatives of the Kansas Real Estate Commission and a representative of the Kansas Association of Realtors.

After receiving initial approval by the House Committee on Commerce and Labor, the bill was re-referred to the Committee after being referred to the House Committee on Federal and State Affairs. The Committee then further amended the bill by deleting section 11 which would have increased the fees for a salesperson's original license and renewal.

The Senate Committee amended the bill to delete the provision that BRRETA would prevail over common law if a conflict arises. Other amendments were technical in nature.

The fiscal note on the original bill indicates that the Kansas Real Estate Commission estimates that HB 2560 would increase revenues to the Real Estate Fee Fund by \$136,500 in

*Supplemental notes are prepared by the Legislative Research Department and do not express legislative intent. The supplemental note and fiscal note for this bill may be accessed on the Internet at <http://www.kslegislature.org>

FY 2011. The Commission estimates that the increase in the statutory cap for broker original license and renewal fees would generate approximately \$105,000 (2,100 brokers applying/renewing with the \$50 increase) for FY 2011. However, the Commission intends to increase license fees for brokers by only \$25 which would generate \$52,500. The Commission estimates that the increase in the statutory cap for salesperson original license and renewal fees would generate approximately \$168,000 (5,600 salespersons applying/renewing with the \$30 increase) for FY 2011. However, the Commission indicates that licensee counts may continue to decline through FY 2012, which would reduce the potential increase in revenue from this fee increase. The Commission reports that since 2007, licensee counts have dropped by approximately 2,500. The fee increase will allow the agency to maintain an adequate fee fund balance in the event license applications and renewals continue to decline. The Commission indicates the costs associated with implementing the fee increases and all other provisions of the bill would be negligible and could be absorbed within existing resources. Any fiscal effect associated with HB 2560 is not reflected in *The FY 2011 Governor's Budget Report*.

The further amended bill would change the fiscal note because the original bill accounted for revenue generated by increased license fees.