

MINUTES OF THE HOUSE COMMERCE, LABOR AND ECONOMIC DEVELOPMENT
COMMITTEE

The meeting was called to order by Chairperson Mark Hutton at 1:30 pm on Monday, March 14, 2016, 346-S of the Capitol.

All members were present except:

Representative J. R. Claeys – Excused

Committee staff present:

Linda Herrick, Kansas Legislative Committee Assistant

Reed Holwegner, Legislative Research Department

Chuck Reimer, Office of Revisor of Statutes

Conferees appearing before the Committee:

Kansas State Senator Rick Wilborn District 35

Leo Henning, Director, Bureau of Environmental Remediation, KDHE

Eric Smith, Deputy General Counsel, League of Kansas Municipalities

Charles Brewer, President, GSI Engineering

Erik Wisner, Kansas Real Estate Commission

Luke Bell, General Counsel, Kansas Association of Realtors

Others in attendance:

[See Attached List](#)

Hearing on: SB365 — Enacting the contaminated property redevelopment act.

Chairperson Hutton opened the hearing on this bill. Chuck Reimer, Revisor, provided an overview ([Attachment 1](#)). KDHE, with this bill, is proposing establishment of the Contaminated Property Redevelopment Act, which would allow a purchaser of real estate property acquired after July 1, 2016 to be released from environmental liability for pre-existing contamination.

Senator Rick Wilborn provided proponent testimony ([Attachment 2](#)). The KDHE requested this bill to alleviate responsibility of the purchaser for contaminated property. Support has been received from bankers, realtors, and the bill passed the Senate 36-4.

Leo Henning, Director, Bureau of Environmental Remediation, KDHE, gave proponent testimony ([Attachment 3](#)). Of 234 audits done, about 77 or one-third came back as finding contamination. The property just stalls or just stands. A new property owner can be held liable. The bill provides KDHE with the authority to issue the certificates of environmental liability release. This will stimulate transactions for economic redevelopment.

Eric Smith, Deputy General Counsel, League of Kansas Municipalities, provided proponent testimony ([Attachment 4](#)). This bill would allow cities to take advantage of the federal Brownfields loan and grant

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program. In addition, it would provide health and safety of communities as well as an economic development incentive.

Charles Brewer, President, GSI Engineering, provided proponent testimony ([Attachment 5](#)). He said his firm has provided hundreds of environmental assessments mainly for buying/selling real estate. Frequently, the sale is cancelled due to not wanting to become a responsible party to clean up contamination.

Written-only proponent testimony was provided by:

Leslie Kaufman, President and CEO, Kansas Cooperative Council ([Attachment 6](#))

Luke Bell, General Counsel and Vice President of Government Affairs for the Kansas Association of Realtors ([Attachment 7](#))

Kathleen Taylor, Kansas Bankers Association ([Attachment 8](#)).

There was no opponent or neutral testimony.

The hearing was closed.

Hearing on: SB352 — Amending nonresident real estate broker and salesperson license requirements.

The hearing was opened. Mr. Reimer provided an overview ([Attachment 9](#)). The bill would amend the real estate licensure law to allow non-resident and real estate brokers to apply for a Kansas real estate salesperson's license. Under current law, non-resident real estate brokers can only apply for a Kansas real estate broker's license.

Erik Wisner, on behalf of the Kansas Real Estate Commission, provided proponent testimony ([Attachment 10](#)). The Commission has seen an increasing number of applicants who are brokers in another state but do not meet the broker level for licensure in Kansas.

Luke Bell, General Counsel and Vice President of Governmental Affairs, Kansas Association of Realtors, provided proponent testimony ([Attachment 11](#)). He said once an individual is licensed as a real estate salesperson, that person can only work under direct supervision of a broker, who is responsible for all actions by the salesperson.

There was no opponent or neutral testimony. The presenters stood for questions. The hearing was closed.

Discussion and action on SB338 - Rehabilitation of abandoned property by cities.

Representative Frownfelter distributed a packet of information ([Attachment 12](#)) on this bill so members could follow the appropriate statute currently existing for cities dealing with abandoned properties.

Unless specifically noted, the individual remarks recorded herein have not been transcribed verbatim. Individual remarks as reported herein have not been submitted to the individuals appearing before the committee for editing or corrections.

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Representative Frownfelter moved, seconded by Representative Whipple, the bill be passed as amended by the Senate. The motion carried.

Discussion and action on HB2665 - City and county inspections of rental properties; limitations.
Chuck Reimer, Revisor, distributed an amendment in two forms, one as a balloon ([Attachment 13](#)) and the other the drafted bill with the ([Attachment 14](#)).

Representative Mason moved, seconded by Representative Corbet, the bill be passed as amended.

Representative Frownfelter moved, seconded by Representative Mason, a substitute motion to amend the bill (Attachment 13). The motion carried.

Representative Mason moved, seconded by Representative Corbet, the bill as amended be passed. The motion carried.

Adjournment

The meeting adjourned at 3:10 p.m.