

MINUTES OF THE HOUSE COMMITTEE ON Federal & State AffairsThe meeting was called to order by Representative Robert H. Miller at
Chairperson1:30 a.m./p.m. on February 27, 19⁸⁴ in room 526S of the Capitol.

All members were present except:

Representatives Peterson & Ediger

Committee staff present:

Mary Torrence, Revisor's Office

Conferees appearing before the committee:

Representative Cliff Campbell

Bob Storey

Representative Ken Francisco

Todd Sherlock, Kansas Association of Realtors

Paul Flower, Kansas Real Estate Commission

The meeting was called to order by Chairman Miller.

HB2965 - Sales of certain books and periodicals
through the mails

Representative Campbell gave testimony and explained why he introduced the bill at the request of a constituent.

Bob Storey, representing DeHart and Darr Associates, gave testimony in opposition to the bill and explained how this bill would effect book of the month clubs. See attachment A.

Hearings on HB2965 were concluded.

HB2967 - Real Estate brokers and salespersons
deactivated licensesRepresentative Francisco gave testimony in support of the bill and explained why he introduced it. He noted to the committee that an amendment needed to be added that the 30 hours be taken within a specific time prior to activation of the license. See attachment B.

The Chairman told Representative Francisco that this bill has been referred to a sub-committee and they are presently working on it.

Todd Sherlock, Kansas Association of Realtors, gave testimony in support of this bill which would allow real estate licensees on a deactivated status to waive examination requirements in lieu of completing 30 hours of coursework approved by the Kansas Real Estate Commission. See attachment C.Paul Flower, Kansas Real Estate Commission, gave testimony on this bill stating that they were comfortable with the current retesting program, but could live with the 30 hours of coursework prescribed in the bill. See attachment D.

Hearings were concluded on HB2967.

Representative Matlack made a motion, seconded by Representative Aylward, to add in HB2792 that Representative Sallee made a "substitute motion" and to delete in Rep. Vancrum's motion the words "Motion lost." and to then under HB2661 change "joint and severed" to "joint and several" and to approve the minutes as corrected. The motion carried.

The meeting was adjourned.

TESTIMONY IN OPPOSITION TO HOUSE BILL 2965
PRESENTED BY BOB W. STOREY
REPRESENTING DEHART AND DARR ASSOCIATES, INC.

COMMITTEE MEMBERS:

I am Bob W. Storey of Topeka, Kansas, and I represent DeHart and Darr Associates, Inc., who in turn represent various entities who are opposed to House Bill 2965.

We have been asked to appear in opposition to this bill by some of the finest book clubs in America. They include:

- 1. Book of the Month Club
(which has been in business 60 years)
- 2. History Book Club
- 3. Better Homes & Gardens Book Club
- 4. Doubleday Bargain Book Club

I wish to offer the following points in opposition to House Bill 2965.

1. This requires a book club to also operate as if it were not a book club in that the whole crux behind forming one of these book clubs is to give an individual the opportunity to purchase books at a much lower cost where they are not available in the local community.

2. This requires book clubs, as such, to submit lists for a patron to select a book from and to operate as other entities and not as a book club per se.

3. The reason for a book club is to provide those persons, mainly in the rural areas, with an opportunity to purchase up-to-date books at a much lower cost. In order to do this, a book

Atch. A

club must know many members it has. To make a press run, it needs to know how many books it must publish to satisfy its customers; thereby affording the book club to prepare a budget in order to make the books available at the lower price.

4. Our studies show that often people who order books are elderly, sick, or persons who live alone, do a lot of reading, and consequently want to join a book club in order to receive certain publications periodically.

5. Over 50,000 people in the state of Kansas belong to book clubs. There are 138 bookstores for 2.4 million people in the state of Kansas, and these stores include religious and college bookstores. There are only 39 general bookstores in the whole state of Kansas. You can readily see that this makes book clubs very popular.

6. The book clubs such as I represent are all regulated by the Federal Trade Commission and have certain rules and regulations to follow in all fifty states. For example, if a person forgets to send the card back in informing the book club that he or she does not want that particular book, they need only to write the company and state that they have made a mistake and did want the publication and the book club will immediately give them credit for the book. In addition, if a person is on vacation or not at home for some other reason when the book arrives, by the Federal Trade Commission rules and regulations, that person has ten days after he or she actually sees the book to return the same to the book club and not be charged for that publication. There is confusion on this matter

in that some people believe it is ten days after the book is received, but the patron actually has to see the book before the ten-day period starts to run.

7. One of the good features about a book club is when a person joins one of the clubs they will receive a volume of books for \$20.00 or \$30.00 which would cost approximately \$300.00 on the open market.

There is no question that book clubs are not intended for everyone since 42% of all of the book stores in Kansas are located in six cities, you can readily see that book clubs are more popular in the rural areas. If a person does not desire to join a book club there are other publications, such as the Publishers Central Bureau, which send, upon request, a catalog of 75 pages with 35 titles of books on each page. You may then select from this list and order books at your leisure. This, of course, is not a book club and since both options are available to an individual, the passing of House Bill 2965 would greatly damage the book clubs when, as stated above, it strictly a voluntary service. If an individual wants a list to select from then he or she may join another subscription service such as the Publishers Central Bureau.

I am not exaggerating when I state that if a bill such as this passes the Legislature in this form, it could cause the book clubs to cease operation in the state of Kansas since they could no longer operate as book clubs.

As stated above, these book clubs operate in all fifty states. Kansas would be the only state in the Union which would

have legislation making these requirements on book clubs.

I hope this Committee will report House Bill 2965 unfavorably.

Respectfully submitted,

BOB W. STCREY

8

HB2967

UNDER CURRENT LAW (58-3049) A REAL ESTATE SALESMAN OR BROKER MAY HAVE THEIR LICENSE DEACTIVATED UPON REQUEST. THE DEACTIVATED LICENSE MAY BE REINSTATED AT ANY TIME DURING THE PERIOD FOR WHICH THE LICENSE IS ISSUED UNLESS THE LICENSE HAS BEEN DEACTIVATED FOR A CONTINUOUS PERIOD OF MORE THAN TWO (2) YEARS. AFTER THE TWO YEARS THE LICENSEE MUST TAKE THE EXAMINATION AGAIN.

HB2967 PROPOSES THAT IN LIEU OF RETESTING, A PERSON SHALL COMPLETE NOT LESS THAN 30 HOURS OF ADDITIONAL INSTRUCTION AS APPROVED BY THE REAL ESTATE COMMISSION. IT IS MY INTENTION THAT THIS ADDITIONAL 30 HOURS BE TAKEN WITHIN A SPECIFIC TIME PRIOR TO ACTIVATION OF THE LICENSE. THIS NEEDS TO BE ADDRESSED IN THE BILL.

THE COMPLAINT THAT I HEARD THIS SUMMER WAS FROM A GENTLEMAN WHOSE LICENSE HAS BEEN DEACTIVATED AND RENEWED EVEN THOUGH IT HAS BEEN DEACTIVATED FOR MORE THAN TWO YEARS. ALTHOUGH HE HAS PAID HIS RENEWAL FEES AND OBTAINED SOME ADDITIONAL EDUCATION, HIS LICENSE FOR ALL PRACTICAL PURPOSES IS DEAD.

I HAVE MET WITH THE GOVERNOR, THE REAL ESTATE COMMISSION, AND THE ASSOCIATION OF REALTORS TO DISCUSS THIS ISSUE AND BELIEVE THIS CHANGE WOULD PRODUCE THE SAME RESULTS WITHOUT PLACING THE BURDEN OF RETESTING ON THOSE AFFECTED.

Rep. Lavarisco

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HOUSE FEDERAL AND STATE AFFAIRS COMMITTEE

Mr. Chairman and members of the Committee, my name is Todd Sherlock and I represent the Kansas Association of REALTORS. Our association supports House Bill 2967, an act which will allow real estate licensees on a deactivated status to waive examination requirements in lieu of completing 30 hours of coursework approved by the Kansas Real Estate Commission.

This particular bill supports our philosophy of increased education among licensees to further their knowledge of a complex and often changing industry. In theory, we believe the homebuying public will be the ultimate beneficiaries of this bill. Even though retesting is a noble idea, the increased education requirements fulfill a more practical and less troublesome means for the licensee to re-enter the business.

This bill provides built in protection for the quality of courses taken by the real estate licensee. The licensee will not be allowed to arbitrarily pick and choose courses which could be of little value, nor will the licensee be re-hasing a principles of real estate course. On the contrary, a useful set of continuing education courses approved by the commission will be implemented under the provisions of the bill.

This bill accomplishes a great deal. First, real estate licensees on a deactivated status are not simply going through the motions of retesting. Also, many individuals consider retesting to be an annoying inconvenience. The advantages of coursework, on the other hand, provides for a less-stressful environment for the licensee to learn about relevant and current real estate market trends.

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Atch. C

HOUSE FEDERAL AND STATE AFFAIRS

Page 2

The Kansas Association of REALTORS would like to see one additional requirement of this bill. We feel those licensees deactivated for longer than a 10 year period should be required to meet more stringent guidelines if the licensee plans to re-enter the business. We feel in this instance, the licensee deactivated over 10 years should be required to re-test and re-take 30 hours of pre-license requirements. This provision added to this bill would help make a strong and effective license law in Kansas even stronger for the benefit of the homebuying public.

The Kansas Association of REALTORS urges your support of House Bill 2967 as a sound and practical method of updating a licensee's knowledge of the real estate industry.

February 27, 1984



The Honorable Robert H. Miller
Chairman
House Federal and State Affairs Committee
Room 112-S
Capitol Building

STATE OF KANSAS

**KANSAS
REAL ESTATE
COMMISSION**

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CHAIRPERSON
2ND CONGRESSIONAL DISTRICT
TONGANOXIE
 - M. W. PERRY III
3RD CONGRESSIONAL DISTRICT
OVERLAND PARK
 - TERRY F. MESSING
VICE-CHAIRMAN
4TH CONGRESSIONAL DISTRICT
HUTCHINSON
 - THERESA M. KARLESKINT
5TH CONGRESSIONAL DISTRICT
PARSONS
 - J. PAUL FLOWER
DIRECTOR

Dear Representative Miller:

RE: H.B. 2967

The commission does not wish to take a stand on H.B. 2967 which addresses the specific requirements of activating a license which has been deactivated for two years or more. Currently, K.S.A. 58-3049 (c) requires the licensee to pass the licensing examination again.

This bill would allow the license to be activated after the licensee had completed at least thirty hours of additional instruction, approved by the commission. We have no problem with this concept. We would prefer the language on line 0043 read "specified by the commission" rather than "approved by the commission". All of the courses listed by the commission in a roster are approved courses.

The education specialist counsels and works with the licensees who are seeking a waiver of experience for a broker's license. The hours recommended are tailored to the individual's need. Likewise, the hours necessary to activate a license should reflect the licensee's need and background preference. The education specialist would also know all of the courses available at any given time. The licensee would have no other source of such information as this office does list all providers, in alpha order, without prejudice.

Thanking you for any consideration you may give this letter, I remain,

Respectfully yours,

J. Paul Flower
J. Paul Flower, Director
Real Estate Commission

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MEMBER:
NATIONAL
ASSOCIATION
OF
REAL ESTATE
LICENSE LAW
OFFICIALS