

Approved: 3/15/95 ka
Date

MINUTES OF THE HOUSE COMMITTEE ON BUSINESS, COMMERCE & LABOR.

The meeting was called to order by Chairman Al Lane at 9:10 a.m. on March 8, 1995 in Room 526-S of the Capitol.

All members were present except: Rep. Greg Packer - excused
Rep. Candy Ruff - excused

Committee staff present: Jerry Donaldson, Legislative Research Department
Bob Nugent, Revisor of Statutes
Bev Adams, Committee Secretary

Conferees appearing before the committee: Jean Duncan, Director, Kansas Real Estate Commission

Others attending: See attached list

After Chairman Lane called the meeting to order, he turned it over to Rep. Jan Pauls to act as Chair today.

The minutes of February 21-24 were passed out. They will be approved at our next meeting.

Hearing on: SB 123--Real estate licensure, definitions, continuing education

Jean Duncan, Director, Kansas Real Estate Commission, appeared representing her agency. Senate Bill 123 amends four sections of the Kansas Real Estate Brokers' and Salespersons' License Act. In her testimony she stated that about a year ago an Attorney General's Opinion found that a real estate license was required for right of way acquisition. Although employees of government agencies and public utilities are exempt under the act, the exemption does not apply to contractors (see Attachment 1). This is included in Section 1 of the amendment. Section 2 changes the requirements for obtaining a license. Section 3 expands the use of restricted licenses, and Section 4 sets forth educational requirement of real estate licensees and applicants. Ms. Duncan answered many questions from the committee.

After more discussion, it was decided by Chairman Lane and Acting Chair Pauls that a sub-committee would be appointed to look into SB 123 further. Appointed to the sub-committee were: Rep. Gary Merritt as Chairman, Rep. Sabrina Standifer, and Rep. William Mason. They will report back to the committee as soon as possible.

Acting Chair Pauls asked if there were any other proponents or opponents that wanted to testify on SB 123. None were present and she closed the hearing on the bill.

The meeting was adjourned at 9:33.

The next meeting is scheduled for March 9, 1995.



BILL GRAVES, GOVERNOR

KANSAS REAL ESTATE COMMISSION

Three Townsite Plaza Ste 200
120 SE 6th Ave
Topeka, KS 66603-3511

(913) 296-3411



JEAN DUNCAN, DIRECTOR

TO: THE HOUSE BUSINESS, COMMERCE AND LABOR COMMITTEE
FROM: JEAN DUNCAN, DIRECTOR
DATE: MARCH 8, 1995
SUBJECT: SB 123

Thank you for the opportunity to testify. Senate Bill 123 amends four sections of the Kansas Real Estate Brokers' and Salespersons' License Act.

Section 1 amends the definition of real estate in two ways.

First, the new language **excludes** the acquisition of rights of way and easements for the purpose of constructing roadways, pipelines, conduits, wires and facilities related to these types of improvement projects for private and public utilities, municipalities, federal and state governments, or any political subdivision.

About a year ago an Attorney General's Opinion found that a real estate license was required for right of way acquisition. Although employees of government agencies and public utilities are exempt under the act, the exemption does not apply to contractors.

This amendment will permit agencies, such as KDOT, to contract with right-of-way agents who do not have a real estate license to acquire rights of way and easements for the purposes stated. However, licensure would still be required if a contractor were to acquire, for example, an office building for a city or state agency.

Secondly, the new language **includes** rights of redemption in the definition of real estate. We have been advised that legal arguments can be made both ways as to whether redemption rights are personal property or real estate. The new language states that redemption rights are real estate for purposes of the license act.

*Business, Commerce
& Labor*

3/8/95

Attachment 1

Section 2

Two years experience as a real estate salesperson is currently required to obtain a broker's license. The new language will allow an applicant with only one year of experience to take additional education in lieu of the second year of experience.

Section 3

This section expands the use of restricted licenses. If an applicant's activities have been limited to a specialized activity or particular type of transaction, the license may be restricted to that specialized activity or type of transaction.

Section 4

This section sets forth educational requirements of real estate licensees and applicant. The amendment gives the commission additional regulation authority, including provisions for a mandatory core requirement and other standards and procedures.

We ask that you pass the bill out favorably.

Thank you.