

SESSION OF 2002

## SUPPLEMENTAL NOTE ON SENATE BILL NO. 440

As Amended by House Committee on  
Business, Commerce and Labor

### **Brief\***

SB 440 amends the Real Estate Brokers' and Salespersons' Act.

The bill prohibits a salesperson, associate broker, or branch broker from being employed or affiliated as an independent contractor with more than one supervising broker at any one time, except that an associate broker or branch broker may be employed by, or affiliated with, more than one supervising broker if each supervising broker consents.

The Committee amended the bill to require a signed consent be filed with the Commission.

The House Committee amendments were clarifying in nature.

### **Background**

The Kansas Real Estate Commission requested the introduction of SB 440. The Executive Director testified that each brokerage appoints a broker to serve as a "supervising broker" who often is the owner or principal in the brokerage company. The supervising broker may appoint a branch broker to serve as the branch broker of the main company's branch office. These brokers are responsible for supervision of any salespersons or associate brokers who are affiliated with the brokerage. The Commission requested an informal Attorney General's Opinion when an associate broker and a branch broker challenged the Commission's longstanding rule which said that a licensee could not affiliate with or be employed by more than one supervising broker at one

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\*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/cgi-bin/fulltext/bills.cgi>

time unless the supervising brokers were at the same address. The Attorney General's Opinion determined that the Commission had no statutory authority to prohibit a salesperson or broker from affiliating with more than one company at the same time. The Commission became concerned that multiple company affiliations not only would cause consumer protection problems, but also would cause enforcement problems. According to the Executive Director, SB 440, if enacted, significantly would reduce these problems.

The Kansas Association of Realtors and the Kansas City Regional Association of Realtors testified in favor of the bill. No opponents testified in opposition to the bill

The Division of Budget fiscal note indicates that the passage of SB 440 would have no fiscal impact on the Real Estate Commission's operations