

SESSION OF 2006

SUPPLEMENTAL NOTE ON SENATE BILL NO. 269

As Amended by House Committee on
Commerce and Labor

Brief*

SB 269 would amend the Real Estate Brokers' and Salespersons' License Act (KSA 58-3034 *et seq.*) and the Brokerage Relationships in Real Estate Transactions Act (KSA 58-30,101 *et seq.*). Specifically, the bill would:

- Allow a \$50 late fee to be added when a salesperson with a temporary license fails to file for a standard license within three months after the expiration of the temporary license;
- Clarify that the prohibitions for salespersons or associate brokers includes the performance of any activity for which a license is required outside the supervision of the supervising broker or branch broker;
- Permit escrow funds derived from a broker cooperation agreement to be held in either the Kansas licensed broker's trust account or be held by a third-party escrow agent located in Kansas; and
- Clarify that a licensee engaged as a transaction broker shall not act as an agent for either party in the real estate transaction.

Background

SB 269 was introduced by the Senate Committee on Federal and State Affairs at the request of the Kansas Real Estate Commission. The Executive Director of the Kansas Real Estate Commission stated the Commission estimates that 10 percent of the applications to convert a temporary salesperson license to a standard salesperson license are filed late. The Director also indicated that the remaining

*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>

amendments being requested clarify current law. A representative of the Kansas Association of Realtors, testifying in support of the bill, stated one of the most significant amendments for the Association of Realtors is the language clarifying that real estate licensees are allowed to receive compensation from the issuance of title insurance. The Association also supported the clarifying language that allows a commercial real estate broker to hold escrow funds in the broker's trust account or in a third-party escrow account located in Kansas.

The House Committee made technical and clarifying changes.

The fiscal note prepared by the Division of the Budget indicates that revenues for the Real Estate Commission's Real Estate Fee Fund would increase by \$8,000 to \$9,625 in FY 2006. Any amounts would be in addition to the *FY 2006 Governor's Budget Report*.