

February 23, 2011

The Honorable Pete Brungardt, Chairperson
Senate Committee on Federal and State Affairs
Statehouse, Room 136-E
Topeka, Kansas 66612

Dear Senator Brungardt:

SUBJECT: Fiscal Note for SB 121 by Senate Committee on Ways and Means

In accordance with KSA 75-3715a, the following fiscal note concerning SB 121 is respectfully submitted to your committee.

SB 121 would increase the statutory cap for the prorated monthly fee for issuance of an original real estate salesperson's license and the two-year renewal fee by \$50 from \$100 to \$150. The statutory maximum for the prorated monthly fee for issuance of an original real estate broker's license and the two-year renewal fee would increase by \$100 from \$150 to \$250.

Estimated State Fiscal Effect				
	FY 2011 SGF	FY 2011 All Funds	FY 2012 SGF	FY 2012 All Funds
Revenue	--	--	--	\$157,125
Expenditure	--	--	--	--
FTE Pos.	--	--	--	--

The Kansas Real Estate Commission estimates that SB 121 would increase revenues to the Real Estate Fee Fund by \$157,125 in FY 2012. The Commission estimates that the increase in the statutory cap for salesperson original license and renewal fees would generate approximately \$260,000 (5,200 salespersons applying/renewing with the \$50 increase) for FY 2012. However, the Commission intends to increase salesperson license fees by only \$20 which would generate \$104,000. The Commission estimates that the increase in the statutory cap for broker original license and renewal fees would generate approximately \$212,500 (2,125 brokers applying/renewing with the \$100 increase) for FY 2012. However, the Commission intends to increase license fees for brokers by only \$25 which would generate \$53,125. The Commission indicates that licensee counts may continue to decline through FY 2013, which would reduce the potential increase in revenue from this fee increase. The Commission reports that since FY

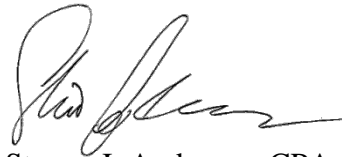
The Honorable Pete Brungardt, Chairperson

February 23, 2011

Page 2—Fisc_Note_Sb121

2007, licensee counts have dropped by approximately 3,000. The fee increase will allow the agency to maintain an adequate fee fund balance in the event license applications and renewals continue to decline. The Commission indicates the costs associated with implementing the fee increases would be negligible. Any fiscal effect associated with SB 121 is not reflected in *The FY 2012 Governor's Budget Report*.

Sincerely,

A handwritten signature in black ink, appearing to read "Steven J. Anderson", with a long horizontal flourish extending to the right.

Steven J. Anderson, CPA, MBA
Director of the Budget

cc: Sherry Diel, Real Estate Commission