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Sherry C. Diel, Executive Director | Real Estate Commission | Sam Brownback, Governor

Memo To: Senate Commerce Committee
From: Sherry C. Diel, Executive Director
RE: HB 2122—Real estate brokers and salespersons; pertaining to licensure and technical amendments
Date: March 14, 2013

Chairperson Lynn and members of the Committee, on behalf of the Kansas Real Estate Commission, thank you for the opportunity to present testimony as a **proponent** of HB 2122.

HB 2122 would amend five statutes under the Real Estate Commission's jurisdiction

The Kansas Real Estate Commission requested introduction of HB 2122 largely as a technical cleanup bill to address some issues that have been raised in licensure and disciplinary matters and recently, concerning the approval of continuing education providers.

1. **K.S.A. 58-3046a**
   - Sections (e), (f) and (k)—Updated references from "additional instruction" to "continuing education." [See Page 2, Lines 20, 29-30, and 34; Page 3, Lines 33-34]
   - Section (h)(2)—Update the terminology from "vo-tech" to "technical college" to be consistent with changes that were made to K.S.A. 72-4412 in 2011. [See Page 3, Lines 3-4]
   - Add Section (h)(6)—to allow the Commission to approve continuing education providers that offer real estate curriculum. The Kansas Board of Regents no longer wishes to extend jurisdiction over continuing education providers because the schools do not offer courses that prepare persons for an occupation or vocation. Regents would continue to approve schools that offer pre-license and pre-application courses and the Commission would continue to approve the curriculum and instructors for those schools, which has been the practice between Regents and the Commission for more than 30 years. The change involves the schools that only provide continuing education courses. Without this amendment, the Commission would have no way of approving the provider of continuing education courses; the Commission could only approve the curriculum and instructors. [See Page 3, Lines 11-12]
2. **K.S.A. 58-3050**
   - Section (a)—added "applicants" to the statute that authorizes the Commission to grant, deny, condition, restrict, revoke, suspend, censure, and assess fines. The additional term would clarify that "applicants" are covered by the provisions of the statute as well as "licensees." [See Page 4, Lines 1-23]
3. **K.S.A. 58-3062**
   - Section (f)—added a new section that mirrors specified violations in section (a) to clarify that a licensee is not required to be involved in a real estate transaction as an agent, transaction broker or principal to commit the enumerated prohibited acts. [See Page 12, Lines 23-43 through Page 13, Lines 1-24]

4. **K.S.A. 58-30,103**
    - Section (p)--reflects a technical amendment to include "transaction broker" which was inadvertently omitted when this section was revised in 2010. This section prohibits another licensee from either contacting or negotiating directly with a seller or landlord that is represented by a seller's agent or tenant's agent or doing so if the seller or landlord is being assisted by a transaction broker. [See Page 16, Lines 10-16]

5. **K.S.A. 58-30,106**
    - Section (j)—reflects a technical amendment to correct language that apparently changed at some point in the past but the Commission is not aware of a bill being passed to change the language. The corrected language clarifies procedures for showing a property or submitting offers when a seller offers cooperation with other licensees. [See Page 18, Lines 10-16]

The bill has no fiscal effect on the agency; however, the Commission may later seek approval to assess a reasonable fee to approve a continuing education provider if HB 2122 is passed. The Commission currently only has authority to assess a fee to approve the curriculum for the courses offered by schools. The fee assessed by the Commission would be much lower than the providers currently pay to become Regents' approved schools so there would be a significant savings to the entities that provide only continuing education courses.

Thank you for your support of this legislation. I would be happy to address questions from the members.