

**Testimony on SB 60**  
**House Commerce, Labor and Economic Development Committee**  
**Erik Wisner, Executive Director**  
**Kansas Real Estate Commission**  
**March 13, 2019**

Chairman Tarwater 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 SB 60.

The Commission is composed of five members appointed by the Governor of which four members, one from each congressional district, are real estate licensees. The mission of the Kansas Real Estate Commission is to protect the public interest in the selling, buying and leasing of real estate and developing responsive policies and procedures which are customer service focused and minimize any burden on licensees.

The Commission, in consultation with real estate industry members, researched and reviewed the Kansas Real Estate Brokers' and Salespersons' Act in order to modernize the law to address technological changes in the real estate industry. All the amendments proposed in SB 60 were vetted with industry or developed by task forces comprised of licensees to ensure they would have a positive impact on the industry while protecting the public interest in transacting real estate.

**KREC Licensing Statutes Proposed Changes—Summary**

- Change look back period for broker experience. A task force of Kansas licensed real estate brokers recommended reducing the timeframe for considering real estate transactions from five years to three years immediately preceding the date of a broker application. The requirement to have two years of experience during that timeframe would remain. The Commission recommends the change to emphasize recent experience with real estate transactions. See Sect. 1 KSA 58-3039(d)(1). Pg. 2 Line 31.
- Enhance broker pre-license education requirements. See Sect. 4. KSA 58-3046a(b) and (d). pg. 7
  - Increase the current 24 hours of instruction requirement for a broker pre-license course to between 30 and 45 hours of instruction. The course would be renamed to the “Kansas real estate fundamentals course.” The Commission would require the increased hours of instruction to focus on topics related conflicts of interest, required disclosures and fiduciary responsibilities. See
  - Establish a new required course of instruction titled “Kansas real estate management course” This course would have between 30 and 45 hours of instruction. Kansas law requires Brokers to supervise all activities conducted by affiliated licensees in their primary office. However, current requirements provide for a maximum of 24 hours of pre-license education. This change would require a new broker to have to take and pass an additional pre-license course focusing on management. The topics of the course would be focused on areas of the law where the Commission sees frequent compliance issues among brokers. Topics would include advertising requirements, managing teams and groups, cybersecurity threats, systems for review of contracts and forms, and developing office policy and procedures for training of affiliated licensees.

<b>Jurisdiction</b>	<b>Pre-License Education (Hours)</b>	<b>Experience Required</b>
<b>Kansas (current)</b>	24	2 years (in 5 years prior to application)
<b>Kansas (proposed)</b>	60	2 years (in 3 years prior to application)
<b>Arkansas</b>	60	2 years (in 4 years prior to application)
<b>Iowa</b>	72	2 years (no look back provision)
<b>Missouri</b>	48	2 years (in 2.5 years prior to application)
<b>Nebraska</b>	120/180	2 years (no look back provision/no experience w/ 180 hr. option)
<b>Oklahoma</b>	90	2 years (in 5 years prior to application)
<b>US Median</b>	80	2 years (no info. on length before application)

*Source—Association of Real Estate License Law Officials, 2018 Digest*

- Repeal requirement that the Commission adopt regulations establishing alternative licensing criteria for broker applicants who live in a county with a population of less than 20,000. This requires the Commission to make licensing decisions based on local market considerations, which could setup a challenge from the FTC/DOJ. This exemption has not been used by an applicant in any records available to staff. See Sect. 1. KSA 58-3039(d)(2) Pg. 2 Line 33.
- Eliminate the renewal date deadline. It creates confusion for licensees. Eliminates the late fee charged after the renewal date but before the expiration date. See Sect. 3 KSA 58-3045(b)(1). Pg. 6 Line 31.
- Increase the late fee for a license renewed after the expiration date but before the six-month grace period ends from \$50 to \$100. After six-month grace period licensee must reapply. See Sect. 3 KSA 58-3045(c)(2). Pg. 6 line 37.
- Technical changes
  - Clarify requirements for deactivation and reactivation of a license.
  - Revise statute related to primary office.
  - Delete fees that are no longer assessed through regulation.
  - Clarify election of Commission chair and vice chair occur at a set meeting every year instead of immediately after a new appointment and update language related to maintenance of property and agency seal.
  - Remove all references to temporary salesperson’s licenses.
  - Remove obsolete language related to the delayed effectiveness of the practice/law courses implemented in 2007.
  - Clarify fingerprint fees are deposited in the background investigation fee fund.
  - Change “filed” to “commission’s receipt of the application for a..... license” to avoid confusion over when the Commission considers the application “received.”
  - Change “received” to “completed” related to requirements for CE submission.
  - Clarify that the Commission can publish a list of approved courses more often than annually.
  - Revise language related to returning licenses to the commission for deactivation and license display requirements.

The Commission thanks you for the opportunity to provide comments on SB 60. The Commission requests the members of the Committee support these changes updating the real estate license law that enhance broker experience requirements and modernize the licensing requirements for the 21<sup>st</sup> century. I will stand for questions at the appropriate time.