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To: House Commerce, Labor and Economic Development Committee
From: Mark Tomb, VP of Governmental Affairs
Date: March 8, 2022

Re: Testimony in Support of SB 382

On behalf of the Kansas Association of REALTORS® (KAR), thank you for the opportunity to provide testimony in support of SB 382, which would clarify the types of transactions that requires a real estate license and gives reasonable investigative powers to the Kansas Real Estate Commission in order to better protect consumers. The primary situation addressed by this legislation is the practice of wholesaling, where a property is marketed for sale and in many ways resembles practices that would normally require a real estate license. This legislation makes it clear that those types of transactions need to be facilitated by someone with a real estate licensee. This is the same legislative approach undertaken by the Oklahoma Legislature when they passed the Predatory Real Estate Wholesaler Act in 2021 with votes of 91-1 and 46-0 in their House and Senate respectively.

KAR represents over 11,000 members involved in residential, commercial, and agricultural real estate and has advocated on behalf of the state's property owners for over 100 years. REALTORS® serve an important role in the state's economy and are dedicated to working with our elected officials to create better communities by supporting economic development, a high quality of life and providing affordable housing opportunities while protecting the rights of private property owners.

Increasingly, unlicensed individuals are performing services that resemble, or are identical, to those holding a real estate license. Kansas real estate licensing and regulation serve to protect consumers by providing a framework for competently handling real estate transactions. These unlicensed individuals escape oversight and have the potential to erode consumer trust in the real estate transaction process. The ability to fully investigate and when necessary, halt certain activities of unlicensed individuals should be granted to the Kansas Real Estate Commission.

First and foremost, KAR is supportive of this legislation because this change would benefit consumers. This bill allows for strengthened oversight and provides for a more productive way for the public to resolve disputes and claims that otherwise could only be addressed by litigation which is costly to the public and potentially difficult to resolve.

Thank you for the opportunity to provide testimony in support of SB 382. KAR requests that the House Commerce, Labor and Economic Development Committee act on SB 382 favorably.