

## Administration

### Consequences of Not Funding this Program

Real estate licensure imposes important fiduciary duties meant to minimize the danger of financial harm: The duty to fully disclose all material facts to the client; a duty to fully disclose all purchase offers to sellers; a duty to handle client information and affairs with loyalty and confidentiality; and the duty to act honestly and in good faith, and without self-dealing and conflicts of interest.

Foreseeable harms attendant to real estate transactions are primarily financial, although when a property sale involves a residence, personal risks can also arise. Foreseeable financial harms include, but are not limited to, purchase of properties that are noncompliant with local laws, have latent defects or that will otherwise necessitate considerable unanticipated expenses due to failure to understand the requirements or operation of state and local law, or failure of a contract to properly specify terms and conditions.

Real estate requires considerable specialized knowledge. Applicants for real estate licenses must demonstrate proficiency in the principles and practices of the profession; state real estate and license law; professional standards; state agency law; real estate financing; real estate settlement procedures; escrow responsibilities; state record-keeping requirements; government regulations applicable to real estate; and a familiarity with state contract law.

Statutory Basis	Mandatory vs. Discretionary	MOE/Match Rqt.	Priority Level
Specific KSA 74-4202(b)	Mandatory	No	1

### Program Goals

- A. Licensing only those individuals who have successfully completed all pre-licensing and continuing education requirements required by Kansas law  
 B. Increasing licensees' knowledge of Kansas real estate practice law through education and outreach  
 C. Regulating real estate licensed activities to require compliance with commission statutes and regulations

### Program History

The Kansas Real Estate Commission operates under the authority granted by K.S.A. 74-4201 et seq. K.S.A. 58-3034 et seq. prescribes licensing standards for real estate brokers and salespersons. K.S.A. 58-30,101 et seq. governs brokerage relationships between real estate salespersons, brokers, and their clients and customers. Since 1949, the Kansas Real Estate Commission administers a program of licensure, education, and compliance relating to the transacting of real estate by salespersons and brokers in Kansas. The commission is composed of five members appointed by the Governor for staggered four-year terms. One member is appointed from each congressional district and one member from the state at large. At least three members shall have been real estate brokers for at least five years and at least one member shall have never been a real estate broker.

### Performance Measures

Outcome Measures	Goal	FY 2019	FY 2020	FY 2021	3- yr. Avg.	FY 2022	FY 2023
Percent of licenses renewed online	A	91	94	95	93	96	96
Number of compliance reviews performed	C	397	281	249	309	300	325
Average regulatory cost per real estate license	A & C	\$78.53	75.94	65.82	73	67.98	68.43
<i>Output Measures</i>							
Number of Active Real Estate Licensees	A	16,188	16,498	16,999	16,562	17,300	17,400
Percentage of licenses issued within one business day of completion	A	99	99	99	99	99	99

#### Additional Measures as Necessary

Number of prelicensing courses approved	B	20	24	48	31	50	50
Percentage of companies found with violations during compliance review	C	75	73	55	68	65	65
Number of complaints logged	C	248	252	270	257	285	270
Number of applications denied	C	18	42	18	26	28	28
Number of persons taking licensing exam	A	3,155	2,651	4,160	3,322	3,500	3,500

### Funding

Funding Source (in millions)	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
State General Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Non-SGF State Funds	\$ 1.2	\$ 1.3	\$ 1.3	\$ 1.3	\$ 1.3	\$ 1.4
Federal Funds	-	-	-	-	-	-
<b>Total</b>	\$ 1.2	\$ 1.3	\$ 1.3	\$ 1.3	\$ 1.3	\$ 1.4