

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 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.

Kansas Real Estate Commission

Performance Measures

<i>Outcome Measures</i>	<i>Goal</i>	<i>FY 2019 Actuals</i>	<i>FY 2020 Actuals</i>	<i>FY 2021 Actuals</i>	<i>FY 2022 Previous Est.</i>	<i>FY 2022 Actuals</i>	<i>FY 2023 Est.</i>	<i>FY 2024 Est.</i>	<i>3- yr. Avg.</i>
1. Percent of licenses renewed online	A	91%	94%	95%	96%	95%	96%	96%	95%
2. Number of compliance reviews performed	C	397	281	249	300	260	300	325	263
3. Average regulatory cost per real estate license	A, C	\$78.53	\$75.94	\$65.82	\$67.98	\$66.47	\$84.00	\$73.91	\$69.41

Output Measures

4. Number of Active Real Estate Licensees	A	16,188	16,498	16,999	17,300	18,389	18,500	18,500	17,295
5. Percentage of licenses issued within one business day of completion	A	99%	99%	99%	99%	99%	99%	99%	99%

Additional Measures as Necessary

6. Number of salesperson prelicensing courses approved	B	20	24	48	50	56	50	52	43
7. Percentage of companies found with violations during compliance review	C	75%	73%	55%	65%	57%	55%	55%	62%
8. Number of complaints logged	C	248	252	270	285	362	375	350	295
9. Number of applications denied	A	18	42	18	28	21	20	20	27
10. Number of persons taking licensing exam	A	3,155	2,651	4,160	3,500	3,486	3,400	3,400	3,432

Kansas Real Estate Commission

Funding

<i>Funding Source (in millions)</i>	<i>FY 2019 Actuals</i>	<i>FY 2020 Actuals</i>	<i>FY 2021 Actuals</i>	<i>FY 2022 Approved</i>	<i>FY 2022 Actuals</i>	<i>FY 2023 Est.</i>	<i>FY 2024 Est.</i>	<i>3-yr. Avg.</i>
State General Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Non-SGF State Funds	\$ 1.3	\$ 1.3	\$ 1.3	\$ 1.3	\$ 1.3	\$ 1.6	\$ 1.4	\$ 1.3
Federal Funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total	\$ 1.3	\$ 1.3	\$ 1.3	\$ 1.3	\$ 1.3	\$ 1.6	\$ 1.4	\$ 1.3
FTE	11.8	11.7	12.0	12.0	12.0	12.0	12.0	11.9