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To: House Water and Environment Committee  
Date: February 15th, 2018  
Subject: Support for HB 2727

Honorable Chairman Sloan and members of the House Water and Environment Committee:

On behalf of the Kansas Association of REALTORS® (KAR), thank you for the opportunity to provide written comments in support to HB 2727.

KAR represents over 9,500 members involved in both residential and commercial real estate and has advocated on behalf of the state's property owners for over 95 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.

As responsible members of the community, REALTORS® support reasonable efforts to educate home buyers and sellers on the potential issues associated with oil and gas activity on their property. Accordingly, we urge home buyers who are concerned about the potential impact these activities have on their surface rights to consult legal advice from an attorney.

KAR supports HB 2727 but would respectfully request the committee adopt the amendment attached to this testimony. This amendment would simply make it clear this notice provision does not create an additional duty to investigate or disclose that does not otherwise exist under the Kansas Real Estate Brokers' and Salespersons' License Act.

To close, thank you for the opportunity to provide the committee with written comments regarding the proposal set out in HB 2727. KAR would respectfully request that the House Water and Environment Committee support the provisions contained in HB 2727. I am happy to stand for questions at the appropriate time.

Respectfully submitted,

*Patrick Vogelsberg*

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Vice President of Governmental Affairs  
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**HOUSE BILL No. 2727**

By Committee on Water and Environment

2-8

1 AN ACT concerning real estate; requiring conditions relating to real estate  
2 sales contracts; relating to notification and disclosure of mineral  
3 interests.

4  
5 *Be it enacted by the Legislature of the State of Kansas:*

6 Section 1. (a) Each contract for the sale of real property shall contain  
7 the following language:

8 "NOTICE: The surface estate of the property may be owned separately  
9 from the underlying mineral estate and transfer of the surface estate may  
10 not include transfer of the mineral estate. Third parties may own or lease  
11 interests in oil, gas or other minerals under the surface, and they may enter  
12 and use the surface estate to access the mineral estate.

13 The use of the surface estate to access the mineral estate may be  
14 governed by, but is not limited to, a deed, lease, right-of-way agreement,  
15 surface agreement, letter agreement, memorandum or other notice that  
16 may be recorded with the register of deeds or the state corporation  
17 commission. Buyer is advised to consult independent legal advice.

18 The oil and gas activity that may occur on or adjacent to this property  
19 may include, but is not limited to: Surveying operations; drilling  
20 operations; construction of facilities used for the production, treatment,  
21 storage or transportation of oil or gas, such as oil wells, gas wells or  
22 saltwater disposal wells; reworking operations on current wells or  
23 enhanced recovery wells; burying of oil and gas production pipelines or  
24 electrical lines; and installation of above ground electric lines or gas  
25 gathering and processing facilities.

26 The buyer is encouraged to read the title commitment and final title  
27 insurance policy and seek additional information regarding oil and gas  
28 activity on or adjacent to this property that may include, but is not limited  
29 to, any approved oil and gas operations permits and applications for  
30 permits including any applications to drill an oil and gas well. This  
31 information may be available from the state corporation commission.  
32 Buyer is encouraged to consult independent legal advice."

33 ~~(b) The notice required under subsection (a) does not create a duty to  
investigate or disclose that does not otherwise exist for the licensee  
under this Act.~~

34 ~~(bc) The provisions of this section shall be a part of and supplemental~~  
35 ~~to the Kansas real estate brokers' and salespersons' license act.~~

36 Sec. 2. This act shall take effect and be in force from and after July 1,  
37 2019, and its publication in the statute book.

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