

Approved: 3/21/07  
Date

## MINUTES OF THE HOUSE COMMERCE AND LABOR COMMITTEE

The meeting was called to order by Chairman Steve Brunk at 9:12 A.M. on March 13, 2007 in Room 231-N of the Capitol.

All members were present except:

Brenda Landwehr- excused  
Charles Roth- excused  
Kasha Kelley- excused  
Mario Goico- excused

Committee staff present:

Jerry Ann Donaldson, Kansas Legislative Research Department  
Duston Slinkard, Office of Revisor of Statutes  
Stephen Bainum, Committee Assistant

Conferees appearing before the committee:

Luke Bell, Director of Governmental Relations, Kansas Association of Realtors  
Sherry C. Diel, Executive Director, Kansas Real Estate Commission

Others attending:

See attached list.

The Chairman advised the committee of the changes in the Agenda and then opened the hearing on **HB 2561 - Licensure of real estate brokers and salespersons.**

Luke Bell, Director of Governmental Relations, Kansas Association of Realtors testified as a proponent of **HB 2561 (Attachment 1).** First, he said the bill would change the qualifications for obtaining a real estate license to eliminate the six-month temporary salesperson license and the 30-hour post-license course. **HB 2561** would require the applicant to take a 30-hour pre-license course, a 30-hour practice course and pass the real estate examination all before applying for the real estate license. Second, he said the bill would require all out-of-state real estate licensees who apply for real estate license in the state of Kansas to pass the Kansas portion of the real estate license examination and complete a practice course related to Kansas-specific real estate law.

Sherry C. Diel, Executive Director, Kansas Real Estate Commission testified as a proponent of **HB 2561 (Attachment 2).** Sherry mentioned the one-time expenditure for programming the licensing databases to be paid from KSIP funds. Changes in Section 4, pages 8-9 would authorize the Commission to deny use of a business or trade name if it is misleading or confusing to the public. Section 7 addresses the issue of what happens to the licenses of salespersons or associate brokers who are employed or associated with a supervising broker or branch broker whose license expires or is suspended or revoked. Section 11 would prevent a broker who is suspended or revoked from personally finalizing any closings. Her testimony also included a request for an amendment to be added which would allow the Commission's records to reflect that a licensee had a disciplinary action rather than that it was expired.

Representative Grange asked how many new Realtors are licensed annually. Sherry replied 1,700. In the last 5 years the number of Realtors has grown by 5000. We are projecting a slight decrease this year. How long is a license good for? Two years. How many out-of-state applications are received? We receive 3 or 4 a day from Missouri.

Representative Ruiz asked a question about Section 8, page 13. Can you give me an example of public interest as mentioned in the bill? When a broker is revoked it is best because of the pending transactions to have another broker who is willing go in and run the existing business and then close it down.

The Chairman asked about Section 10, page 13, who does the notice go to? Sherry replied that the broker is supposed to make the notices to the clients and customers. That is not a list of people who came to an open house or people who have been shown a house is it? No, it applies to those who have signed an agreement with the broker.

## CONTINUATION SHEET

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The Chairman asked what happens on the day the license is revoked. Do you already have someone ready to step in and take over the existing business? Usually not, because the person being revoked has a right to a hearing. Would there be a gap of time here in which the agents would not have authority to negotiate on behalf of their clients. There is a chance that a gap will exist and it will probably exist under this bill also but we are trying to have more authority to deal with it. This bill would give you the authority to potentially eliminate that gap? Yes, but we still could not do it until we knew whether the person requested a hearing or not. If they request a hearing then they can continue to operate until a decision for revocation of their license.

The Chairman asked if there were any other proponents, opponents or neutral on **HB 2561**, There being none the hearing was closed.

The Chairman adjourned the meeting at 9:42 A.M.