

STATE OF KANSAS

KANSAS REAL ESTATE COMMISSION
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GOVERNOR JEFF COLYER, M.D.
ERIK WISNER, EXECUTIVE DIRECTOR

State of Kansas **Kansas Real Estate Commission** **Notice of Public Hearing on Proposed Administrative Regulations**

September 4, 2018

A public hearing will be conducted on Monday, November 19, 2018 at 9:00 a.m. at the Kansas Real Estate Commission, 700 SW Jackson, Suite 404, Topeka, KS 66603 to consider the adoption of proposed regulations of the Kansas Real Estate Commission, on a permanent basis.

This 60-day notice of the public hearing shall constitute a public comment period for receiving written public comments on the proposed regulations. All interested parties may submit written comments prior to the hearing to the Kansas Real Estate Commission, 700 SW Jackson, Suite 404, Topeka, KS 66603 or by email to erik.wisner@ks.gov. All interested parties will be given a reasonable opportunity to present their views orally regarding the adoption of the proposed regulations during the public hearing. In order to provide all parties an opportunity to present their views, it may be necessary to request each participant limit any oral presentation to five minutes.

Any individual with a disability may request an accommodation in order to participate in the public hearing and may request the proposed regulations and economic impact statements in an accessible format. Requests for accommodation to participate in the hearing should be made at least five working days in advance of the hearing by contacting Erik Wisner at (785) 296-3411.

Summaries of the proposed regulations and their economic impact follow. Copies of the proposed regulations and the Economic Impact Statement for the proposed regulations can be viewed at the following website: <http://www.krec.ks.gov>

K.A.R. 86-1-3 adopts revisions to the expiration date for new licenses issued after January 1, 2019. The proposed change would set the license expiration date as the first day of the month of issuance two years after the issuance date. If a salesperson licensee is granted a broker's license they would have a new expiration date based on the same calculation method. Any license issued prior to the effective date of the change would keep the same expiration date they currently have unless they change their license type or let their license lapse and must apply for a new license. The current method for calculating the license expiration date based on the first letter of the licensees last name was confusing to licensees because they would have to prorate their license fee during their initial renewal period or change their expiration date if the first letter of their last name changed. The changes proposed in this regulation will have no economic impact.

K.A.R. 86-1-5 adopts revisions to the fees required for submission of a broker application and opening a primary or branch office for a company. The fee for submission of a broker application is proposed to increase from \$15 to \$50. The fee to open a primary or branch office is proposed to increase from \$25 to \$100. Both fee increases are proposed to more accurately reflect the administrative costs in reviewing broker applications and conducting compliance reviews on new offices. The revisions also eliminate language related to prorated fees since the new expiration date calculation established in K.A.R. 86-1-3 will make the calculation of a prorated fee obsolete. It is estimated the Commission will collect \$14,050 in additional fee revenue annually. The Commission has done an analysis of our direct regulatory cost over the past two years and have reduced or eliminated numerous fees. These include fees for name and address changes, duplicate licenses, certification license history and adding additional company affiliations. The Commission has also eliminated the convenience fee charged to licensees for submitting fee payments via our online licensing portal. Eliminating these fees has reduced the burden on licensees by \$55,000 annually which far exceeds the fee increase requested in the proposed change.

K.A.R. 86-1-15 is proposed for repeal because it refers to reporting a name change for licensing purposes which is no longer necessary pursuant to changes being proposed in K.A.R. 86-1-3. The requirement for reporting a name change for compliance purposes is covered in K.A.R. 86-3-15. Revoking this regulation will have no economic impact.

K.A.R. 86-1-19 modifies requirements for submitting supporting documents with a license application. The proposed changes would remove the requirement to report pending litigation. The requirement to report final court judgment or settlement would remain. The proposed changes would also remove the requirement that individuals must include documentation related to all criminal offenses. It gives the option for the commission to only require documentation for certain criminal charges and convictions. The proposed changes would also clarify that all misdemeanor charges and convictions would need to be reported to the commission. There are also technical changes that update language related to nonresident applications and requirements for renewal applications redundant with K.A.R. 86-3-15. Individuals applying for a license should see a decrease in their administrative burden due to a reduction in reporting requirements for pending litigation and certain criminal charges. The changes proposed in this regulation will have no economic impact.

K.A.R. 86-3-15 modifies requirements for current licensees to submit documentation to the commission. The proposed changes would remove the requirement to report pending litigation. The requirement to report final court judgment or settlement would remain. The proposed changes would remove the requirement that individuals must include documentation related to all criminal offenses. The proposed changes would clarify that all misdemeanor charges and convictions would need to be reported to the commission. In addition, any felony or misdemeanor charge or conviction would also need to be reported to the licensee's responsible broker within 10 days of occurrence. The regulation also requires a licensee to report any changes to the licensee's email address on file with the commission. Licensees should see a decrease in their administrative burden due to a reduction in reporting requirements for pending litigation and certain criminal charges. The changes proposed in this regulation will have no economic impact.

