

Proposed

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Erik Wisner, Executive Director

Real Estate Commission

Sam Brownback, Governor

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

October 12, 2016

A public hearing will be conducted on Monday, February 20, 2017 at 9:00 a.m. at the Kansas Real Estate Commission, Three Townsite Plaza, 120 SE 6th Ave., Suite 200, Topeka, KS 66603 to consider the adoption of a proposed regulation of the Kansas Real Estate Commission, on a permanent basis.

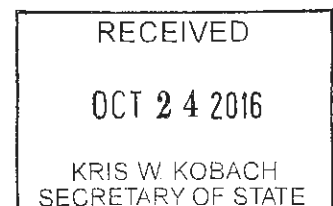
This 60-day notice of the public hearing shall constitute a public comment period for the purpose of receiving written public comments on the proposed regulation. All interested parties may submit written comments prior to the hearing to the Kansas Real Estate Commission, Three Townsite Plaza, 120 SE 6th Ave., Suite 200, 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 regulation during the public hearing. In order to provide all parties an opportunity to present their views, it may be necessary to request that 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 regulation and economic impact statement 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.

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

K.A.R. 86-1-5 amendments will eliminate fees being charged for several business processes. All fees in question are \$15 or less. The proposed regulation will increase the fee for approval of an original course of instruction from \$50 to the statutory maximum of \$75. The purpose of these amendments is to more accurately associate resource costs incurred by the Commission with revenue received through license fees.

K.A.R. 86-1-5 amendments will also provide the option for applicants and licensees to pay the fees associated with a background examination directly to an entity collecting fingerprints for the Commission's statutorily required background check. The KBI is planning on implementing an electronic fingerprinting process through a third-party vendor and this amendment will allow for the collection of those fees to be done directly by the vendor.



86-1-5. Fees. (a) Each applicant shall pay a fee in an amount equal to the actual cost of the examination and the administration of the examination to the testing service designated by the commission.

(b) Each applicant shall submit the following fees for licensure to the commission:

(1) For submission of an application for an original salesperson's or broker's license, a fee of \$15;

(2) for an original salesperson's license, a prorated fee based on a two-year amount of \$125;

(3) for an original broker's license, a prorated fee based on a two-year amount of \$175;

(4) for renewal of a salesperson's license, a two-year fee of \$125;

(5) for renewal of a broker's license, a two-year fee of \$175;

(6) for reinstatement of a license that has been deactivated or that has been canceled pursuant to K.S.A. 58-3047(c), and amendments thereto, ~~or due to termination of a salesperson or associate broker,~~ a fee of \$15;

(7) ~~for reinstatement of each license canceled pursuant to K.S.A. 58-3047(d) or (f), and amendments thereto,~~ a fee of \$7.50;

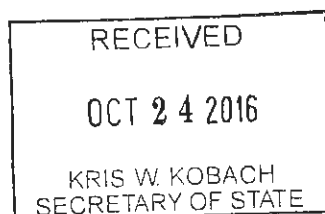
~~(8) for a duplicate license, a fee of \$10;~~

~~(9) for certification of licensure to another jurisdiction, a fee of \$10;~~

~~(10) for each branch office, a fee of \$25; and~~

~~(11) (8) for each primary office of a company created or established by a supervising broker, a fee of \$25;~~

~~(12) for certification of a licensee's education history under K.S.A. 58-3046a, and amendments thereto, a fee of \$10;~~



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~~(13) for certification of licensure of a professional corporation, a fee of \$10; and~~

~~(14) for each additional primary or branch office at which a salesperson or an associate broker, supervising broker, or branch broker is associated or employed, if the person is associated or employed by more than one primary or branch office, a fee of \$10, which shall be paid by the salesperson or broker.~~

~~(c)(1) Each applicant for an original salesperson's or broker's license shall pay a fee of \$60 for the cost of submission of the applicant's fingerprints to the Kansas bureau of investigation for the purpose of obtaining a criminal history check conducted by the Kansas bureau of investigation and the federal bureau of investigation and for the commission's reasonable costs of administering the criminal history check program. Each applicant shall meet one of the following requirements:~~

~~(A) Submit a paper fingerprint card to the commission and pay a fee of \$60 to the commission; or~~

~~(B) submit electronic fingerprints to the Kansas bureau of investigation (KBI) through a KBI-approved vendor and pay the cost for that service.~~

~~(2) Each licensee who is submitting fingerprints in connection with an investigation of that licensee shall pay a fee of \$60, upon request of the commission, for the cost of submission of the licensee's fingerprints to the Kansas bureau of investigation KBI for the purpose of obtaining a criminal history check conducted by the Kansas bureau of investigation KBI and the federal bureau of investigation and for the commission's reasonable costs of administering the criminal history check program in connection with any investigation.~~

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(d)(1)(A) For each original salesperson's license, the applicant shall pay a prorated fee that is calculated by multiplying \$5.00 by the number of months that remain in the applicant's two-year license cycle.

(B) For each original broker's license, the applicant shall pay a prorated fee that is calculated by multiplying \$7.00 by the number of months that remain in the applicant's two-year license cycle.

(2) The number of months that remain in the applicant's two-year license cycle shall be determined beginning with the month following the date on which the applicant's application is received by the commission through the applicable expiration month, as specified in K.A.R. 86-1-3.

(e) Each entity course provider seeking course approval pursuant to K.S.A. 58-3046a, and amendments thereto, shall ~~submit the following applicable fee or fees to the commission:~~

(1) ~~For approval of a course of instruction submitted by a course provider pursuant to K.S.A. 58-3046a, and amendments thereto, a fee of \$50; and~~

(2) ~~for renewal of an approved course of instruction pursuant to K.S.A. 58-3046a, and amendments thereto, a fee of \$15~~ pay a fee of \$75 to the commission.

(f) Each licensee seeking approval of a course of instruction pursuant to K.S.A. 58-3046a(k), and amendments thereto, shall pay a fee of \$10 to the commission.

~~This regulation shall be effective on and after December 1, 2015.~~ (Authorized by K.S.A. 2014 2015 Supp. 58-3063, as amended by L. 2015, ch. 21, sec. 6; implementing K.S.A. 2014 2015 Supp. 58-3039 and 58-3063, as amended by L. 2015, ch. 21, sec. 6; effective Jan. 1, 1966; amended, E-73-30, Sept. 28, 1973; amended Jan. 1, 1974; amended, E-74-50, Sept. 13, 1974; amended May 1, 1975; amended, E-81-18, July 16, 1980; amended May 1, 1981; amended May

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1, 1982; amended May 1, 1983; amended, T-86-10, May 1, 1985; amended May 1, 1986;
amended, T-87-32, Nov. 19, 1986; amended May 1, 1987; amended Sept. 26, 1988; amended
July 31, 1991; amended Dec. 20, 1993; amended July 31, 1996; amended, T-86-10-1-97, Oct. 1,
1997; amended Oct. 24, 1997; amended March 13, 1998; amended, T-86-7-2-07, July 2, 2007;
amended Nov. 16, 2007; amended Dec. 1, 2015; amended P-_____.)

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**KANSAS REAL ESTATE COMMISSION
ECONOMIC IMPACT STATEMENT FOR
PERMANENT PROPOSED REGULATION
K.A.R. 86-1-5**

Date: October 12, 2016

I. Summary of Proposed Regulation, Including Its Purpose.

The proposed regulation will eliminate fees being charged for several business processes. All fees in question are \$15 or less. The proposed regulation will increase the fee for approval of an original course of instruction from \$50 to the statutory maximum of \$75. The purpose of these amendments is to more accurately associate resource costs incurred by the Commission with revenue received through license fees.

The proposed regulation will also provide the option for applicants and licensees to pay the fees associated with a background examination directly to an entity collecting fingerprints for the Commission's statutorily required background check. The KBI is planning on implementing an electronic fingerprinting process through a third-party vendor and this amendment will allow for the collection of those fees to be done directly by the vendor.

II. Reasons the Proposed Regulation Is Required, Including Whether the Regulation Is Mandated by Federal Law.

The proposed regulation is not mandated by federal law and there are no applicable requirements under federal law.

III. Anticipated Economic Impact upon the Kansas Real Estate Commission.

In fiscal year 2016, the fees being eliminated generated \$25,500 in revenue. The loss of this revenue will be moderated by a decrease in the amount of time staff spend processing these fees. The one increase being proposed will generate approximately \$2,500 in new revenue. The net effect of all changes will be a decrease in revenue of \$23,000 or about 2.2% of total fee revenue collected by the Commission in fiscal year 2016.

IV. Anticipated Financial Impact Upon Other Governmental Agencies and Upon Private Business or Individuals.

Individual licensees will see a net financial benefit due to the proposed changes.

V. Less Costly or Intrusive Methods That Were Considered

The Commission is not aware of any less costly or less intrusive methods.

