

Kansas Real Estate Commission
Jayhawk Tower
700 SW Jackson Street, Suite 404
Topeka, KS 66603-3785



Phone: (785) 296-3411
Fax: (785) 296-1771
www.krec.ks.gov
krec@ks.gov

Erik Wisner, Executive Director

Laura Kelly, Governor

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

June 9, 2022

A public hearing will be conducted on Monday, August 22, 2022 at 9:00 a.m. at the Kansas Real Estate Commission, 700 SW Jackson, Suite 404, Topeka, KS 66603 regarding the amendment of K.A.R. 86-1-5 of the Kansas Real Estate Commission, on a permanent basis. The proposed amendment to K.A.R. 86-1-5 removes the fee to change the affiliation of a Kansas real estate license, clarifies language related to fees for submission of applicant fingerprints to the KBI and increases the fee for submitting an individual education course approval request from \$10 to \$20 per course. Adopting this amended regulation will result in the Commission collecting \$29,000 less in fees annually. This represents 2% of the total fees collected by the Commission. The affiliation change fee being eliminated will reduce revenues by \$30,000 annually. The fee increase for individual education course of instruction approvals will increase revenue by \$1,000 annually.

This 60-day notice of the public hearing shall constitute a public comment period for 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, 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 regulation during the public hearing. It may be necessary to request each participant limit any oral presentation to five minutes to provide all parties an opportunity to present.

Any individual with a disability may request an accommodation 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 or erik.wisner@ks.gov.

Copies of the proposed regulation and the Economic Impact Statement for the proposed regulation can be viewed at <https://krec.ks.gov/resources/legislative-regulatory-updates> or by contacting Erik Wisner at (785) 296-3411 or erik.wisner@ks.gov.

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for the Kansas Real Estate Commission

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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 license, a fee of \$15;
- (2) for submission of an application for an original broker's license, a fee of \$50;
- (3) for an original salesperson's license, a prorated fee based on a two-year amount of \$125;
- (4) for an original broker's license, a prorated fee based on a two-year amount of \$175;
- (5) for renewal of a salesperson's license, a two-year fee of \$125;
- (6) for renewal of a broker's license, a two-year fee of \$175;
- (7) 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, a fee of \$15;
- (8) for each branch office, a fee of \$100; and
- (9) (8) for each primary office of a company created or established by a supervising broker, a fee of \$100.

(c)(1) 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) or through a KBI approved vendor and pay the cost for that service~~ pay a fee of \$60 to the commission for the cost of submitting the applicant's fingerprints to the Kansas bureau of investigation (KBI) for

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the purpose of obtaining a criminal history check conducted by the KBI and the federal bureau of investigation and for the commission's reasonable costs of administering the criminal history check program.

(2) Each licensee who is submitting fingerprints in connection with an investigation of that licensee shall pay a fee of \$60 for the cost of ~~submission of~~ submitting the licensee's fingerprints to the KBI for the purpose of obtaining a criminal history check conducted by the 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.

(d) Each course provider seeking course approval pursuant to K.S.A. 58-3046a, and amendments thereto, shall pay a fee of \$75 to the commission.

(e) 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~~ \$20 to the commission. (Authorized by K.S.A. ~~2017~~ 2021 Supp. 58-3063; implementing K.S.A. ~~2017~~ 2021 Supp. 58-3039 and 58-3063; 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 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 March 17, 2017; amended Dec. 21, 2018; amended P- _____.)

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Kansas Administrative Regulations Economic Impact Statement (EIS)

Kansas Real Estate Commission

Agency

Erik Wisner

Agency Contact

785.296.6951

Contact Phone Number

86-1-5

K.A.R. Number(s)

☒ Permanent☐ Temporary

Is/Are the proposed rule(s) and regulation(s) mandated by the federal government as a requirement for participating in or implementing a federally subsidized or assisted program?

- ☐ Yes If yes, continue to fill out the remaining form to be included with the regulation packet submitted in the review process to the Department of Administration and the Attorney General. Budget approval is not required; however, the Division of the Budget will require submission of a copy of the EIS at the end of the review process.
- ☒ No If no, do the total annual implementation and compliance costs for the proposed rule(s) and regulation(s), calculated from the effective date of the rule(s) and regulation(s), exceed \$1.0 million over any two-year period through June 30, 2024, or exceed \$3.0 million over any two-year period on or after July 1, 2024 (as calculated in Section III, F)?
- ☐ Yes If yes, continue to fill out the remaining form to be included with the regulation packet submitted in the review process to the Department of Administration, the Attorney General, AND the Division of the Budget. The regulation(s) and the EIS will require Budget approval.
- ☒ No If no, continue to fill out the remaining form to be included with the regulation packet submitted in the review process to the Department of Administration and the Attorney General. Budget approval is not required; however, the Division of the Budget will require submission of a copy of the EIS at the end of the review process.

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Section I

Brief description of the proposed rule(s) and regulation(s).

The proposed amendments to K.A.R. 86-1-5 do the following:

- Removes the fee to activate or change the affiliation of a Kansas real estate license.
- Clarifies the language related to fees for submission of applicant fingerprints to the KBI.
- Increases the fee for submitting an individual education course approval from \$10 to \$20.

Section II

Statement by the agency if the rule(s) and regulation(s) exceed the requirements of applicable federal law, and a statement if the approach chosen to address the policy issue(s) is different from that utilized by agencies of contiguous states or the federal government. *(If the approach is different or exceeds federal law, then include a statement of why the proposed Kansas rule and regulation is different.)*

The proposed amendments do not exceed the requirements of federal law. The proposed amendments have proposed fees that are consistent with contiguous states.

Section III

Agency analysis specifically addressing the following:

- A. The extent to which the rule(s) and regulation(s) will enhance or restrict business activities and growth;

The proposed amendments will not restrict business activity or growth.

- B. The economic effect, including a detailed quantification of implementation and compliance costs, on the specific businesses, sectors, public utility ratepayers, individuals, and local governments that would be affected by the proposed rule(s) and regulation(s) and on the state economy as a whole;

The agency will collect \$29,000 less in fees annually. This represents a 2% reduction in fee revenue annually. The reactivation fee being eliminated will reduce revenues by \$30,000 annually. The fee increase for individual education course approval requests will increase revenue by \$1,000 annually.

- C. Businesses that would be directly affected by the proposed rule(s) and regulation(s);

Individuals changing their license status or affiliation and those applying for education credit for courses not approved by the Commission.

- D. Benefits of the proposed rule(s) and regulation(s) compared to the costs;

Proposed amendments will reduce overall fees. The fees better reflect Commission regulatory cost.

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- E. Measures taken by the agency to minimize the cost and impact of the proposed rule(s) and regulation(s) on business and economic development within the State of Kansas, local government, and individuals;

Proposed amendments will reduce overall fees.

- F. An estimate of the total annual implementation and compliance costs that are reasonably expected to be incurred by or passed along to businesses, local governments, or members of the public.

Note: Do not account for any actual or estimated cost savings that may be realized.

Costs to Affected Businesses – \$-\$29,000

Costs to Local Governmental Units – \$0

Costs to Members of the Public – \$0

Total Annual Costs – \$-\$29,000

(sum of above amounts)

Give a detailed statement of the data and methodology used in estimating the above cost estimate.

Based on agency revenue in FY2021.

- ☐ Yes If the total implementation and compliance costs exceed \$1.0 million over any two-year period through June 30, 2024, or exceed \$3.0 million over any two-year period on or after July 1, 2024, and prior to the submission or resubmission of the proposed rule(s) and regulation(s), did the agency hold a public hearing to find that the estimated costs and regulation(s), did the agency hold a public hearing to find that the estimated costs
- ☐ No
- ☒ Not Applicable have been accurately determined and are necessary for achieving legislative intent? If applicable, document when the public hearing was held, those in attendance, and any pertinent information from the hearing.

If applicable, click here to enter public hearing information.

Provide an estimate to any changes in aggregate state revenues and expenditures for the implementation of the proposed rule(s) and regulation(s), for both the current fiscal year and next fiscal year.

\$29,000 in reduced revenue for KREC. No reduction in expenditures.

Provide an estimate of any immediate or long-range economic impact of the proposed rule(s) and regulation(s) on any individual(s), small employers, and the general public. If no dollar estimate can be given for any individual(s), small employers, and the general public, give specific reasons why no estimate is possible.

\$29,000 in reduced fee collection assessed to Kansas licensees annually.

- G. If the proposed rule(s) and regulation(s) increases or decreases revenues of cities, counties or school districts, or imposes functions or responsibilities on cities, counties or school districts that will increase expenditures or fiscal liability, describe how the state agency consulted with the League of

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Kansas Municipalities, Kansas Association of Counties, and/or the Kansas Association of School Boards.

N/A

- H. Describe how the agency consulted and solicited information from businesses, associations, local governments, state agencies, or institutions and members of the public that may be affected by the proposed rule(s) and regulation(s).

Proposed rule reviewed by the Commission during open meetings in January and March 2022. No comment received from industry or stakeholders.

Section IV

Does the Economic Impact Statement involve any environmental rule(s) and regulation(s)?

- ☐ Yes If yes, complete the remainder of Section IV.
☒ No If no, skip the remainder of Section IV.

- A. Describe the capital and annual costs of compliance with the proposed rule(s) and regulation(s), and the persons who would bear the costs.

Click here to enter agency response.

- B. Describe the initial and annual costs of implementing and enforcing the proposed rule(s) and regulation(s), including the estimated amount of paperwork, and the state agencies, other governmental agencies, or other persons who would bear the costs.

Click here to enter agency response.

- C. Describe the costs that would likely accrue if the proposed rule(s) and regulation(s) are not adopted, as well as the persons who would bear the costs and would be affected by the failure to adopt the rule(s) and regulation(s).

Click here to enter agency response.

- D. Provide a detailed statement of the data and methodology used in estimating the costs used.

Click here to enter agency response.

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