

February 4, 2026

The Honorable Sean Tarwater, Chairperson
House Committee on Commerce, Labor and Economic Development
300 SW 10th Avenue, Room 346-S
Topeka, Kansas 66612

Dear Representative Tarwater:

SUBJECT: Fiscal Note for HB 2465 by House Committee on Commerce, Labor and
Economic Development

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2465 is respectfully submitted to your committee.

HB 2465 would enact the Professionals' Freedom of Expression Act. The bill would prohibit any governmental entity or private licensing organization from denying, revoking, or suspending a license, certificate, or authorization based solely on that person's or entity's beliefs or the lawful expression of those beliefs in settings unrelated to their profession or business. No governmental entity or private licensing organization would be allowed to penalize, discipline, censure, disadvantage, discriminate against, retaliate against, or take any other adverse action against a professional or business based solely on that person's or entity's beliefs or the lawful expression of those beliefs in settings unrelated to their profession or business. The bill would create a private right of action for anyone injured, or substantially likely to be injured, by a violation, and would allow courts to award actual damages, costs, attorney fees, and injunctive relief as necessary. The bill defines "beliefs" as any sincerely held religious beliefs, including, but not limited to, beliefs regarding marriage, family, or sexuality. The bill defines "governmental entity" as any state, county or city agency, department, division, bureau, or any political subdivision that issues licenses, certifies, or accredits individuals or businesses. The bill defines "private licensing organization" as any private or quasi-public organization or association that issues licenses, certifies, or accredits individuals or businesses.

The bill would prohibit any individual, organization, or association from denying a real estate licensee access, membership, or participation with a multiple listing service (MLS) or a real estate brokers' organization, or from otherwise discriminating or taking adverse action under MLS or a real estate brokers' organization rules, based solely on the licensee's beliefs or the lawful expression of those beliefs in settings unrelated to real estate activities, unless that expression violates the Real Estate Brokers' and Salespersons' License Act. The bill would also make it unlawful for an organization that owns or operates an MLS to require membership as a condition of full MLS access and would require that any MLS access fee charged to nonmembers not exceed the fee charged to members. The bill would create a private right of action for a person injured, or substantially likely to be injured, by a violation, and would allow courts to award actual damages, costs, attorney fees, and injunctive relief as necessary. The bill would amend the Real Estate Brokers' and Salespersons' License Act to make a violation of the Professionals' Freedom of Expression Act by a licensee a prohibited act.

The Kansas Real Estate Commission indicates HB 2465 has the potential to increase costs for the agency by requiring it to investigate complaints or possible violations of the Professionals' Freedom of Expression Act. The Commission does not have any information on the number of additional complaints or violations as a result of this bill to determine a precise fiscal effect.

While the Professionals' Freedom of Expression Act has specific provisions related to licensees of the Kansas Real Estate Commission, other provisions of the bill would apply to other business or professional licenses, certificates, or authorizations. The bill would allow a private right of action for anyone injured, or substantially likely to be injured, by a violation, and would allow courts to award actual damages, costs, attorney fees, and injunctive relief as necessary. If found in violation of the Professionals' Freedom of Expression Act, other regulatory fee boards, cities, counties, and private licensing organizations could have significant costs related to investigations, attorney fees, and potential judgements. However, those costs are unknown.

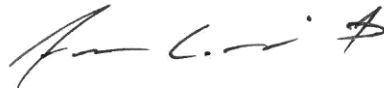
The Attorney General indicates that the bill would not have any direct costs on its operations. However, the subject matter of this bill is frequently the subject of litigation, and the Attorney General indicates that additional resources could be required to address litigation costs arising from implementation of the bill.

The Judiciary indicates that enactment of the bill could increase the number of cases filed in district courts because it allows a party to bring a private cause of action for violations. This could increase the time spent by district court judicial and nonjudicial personnel in processing, researching, and hearing cases; however, the Judiciary did not provide a precise estimate of any potential costs as a result of the bill. The bill could also result in the collection of docket fees and fines, which would be deposited into the State General Fund. Any fiscal effect associated with HB 2465 is not reflected in *The FY 2027 Governor's Budget Report*.

The Kansas Association of Counties and League of Kansas Municipalities indicate that enactment of the bill could result in increased costs related to investigations, attorney fees, potential judgements, and local court operations. The increased costs for local governments would

be dependent on the number of individuals that bring a private cause of action for violations against a city or county. However, neither organization was able to provide a specific estimate of the fiscal effect on local governments.

Sincerely,

A handwritten signature in black ink, appearing to read "Adam C. Proffitt", followed by a stylized flourish or symbol.

Adam C. Proffitt
Director of the Budget

cc: Erik Wisner, Kansas Real Estate Commission
Matt Bingesser, Office of the Attorney General
Trisha Morrow, Judiciary
Wendi Stark, League of Kansas Municipalities
Jay Hall, Kansas Association of Counties