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GOVERNOR JEFF COLYER, M.D.
LARRY L. CAMPBELL, CHIEF BUDGET OFFICER

February 14, 2018

The Honorable Tom Sloan, Chairperson
House Committee on Water and Environment
Statehouse, Room 521-E
Topeka, Kansas 66612

Dear Representative Sloan:

SUBJECT: Fiscal Note for HB 2727 by House Committee on Water and Environment

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2727 is respectfully submitted to your committee.

HB 2727 would amend the Kansas Real Estate Brokers' and Salespersons' License Act to require that after July 1, 2019, each contract for the sale of real property in Kansas would contain a notice indicating the surface estate of the property may be owned separately from the underlying mineral estate and transfer of the surface estate may not include transfer of the mineral estate. The notice also indicates that the buyer should get independent legal advice and seek additional information regarding oil and gas activity from the Kansas Corporation Commission.

The Kansas Real Estate Commission indicates HB 2727 has the potential to increase administrative costs and staff time to examine additional documentation in real estate transactions to determine if the required notice is included in the real estate purchase contract. The Commission does not have information on the amount of additional documentation that would be required to be reviewed as part of a compliance review; however, the costs are estimated to be negligible and could be absorbed within existing budget resources.

The Kansas Corporation Commission and the Department of Revenue indicate that the bill would have no fiscal effect.

Sincerely,

A handwritten signature in black ink that reads "L. Campbell".

Larry L. Campbell
Chief Budget Officer

cc: Dale Dennis, Education
Jake Fisher, KCC
Erik Wisner, Real Estate Commission
Lynn Robinson, Department of Revenue
Chardae Caine, League of Municipalities
Melissa Wangemann, Association of Counties