

February 1, 2024

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 2598 by House Committee on Commerce, Labor and Economic Development

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2598 is respectfully submitted to your committee.

HB 2598 would prohibit the buying, selling, offering to buy or sell, market for sale, exchange, or otherwise dealing in assignable contracts to purchase or sell options on real estate for single family residential housing and multifamily residential housing of four units or less. The bill would make this activity a violation of a deceptive practice under the Kansas Consumer Protection Act. Each unlawful transaction would be a separate violation. The bill would give the Kansas Real Estate Commission the authority to issue cease and desist orders to individuals transacting real estate without a real estate license.

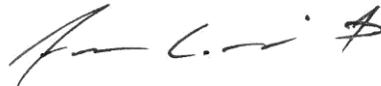
The Kansas Real Estate Commission indicates HB 2598 has the potential to increase costs for the agency by allowing it to issue cease and desist orders to individuals or entities transacting real estate without a real estate license. The Commission indicates that those additional costs would be negligible and could be absorbed within existing resources.

The Attorney General indicates the bill includes items that could be a violation of a deceptive practice under the Kansas Consumer Protection Act. Actions under the bill would be brought by the Attorney General or the county or district attorney. The Attorney General indicates that the agency would incur additional expenses to execute those actions but is unable to estimate the amount of additional time or resources required to execute those actions.

The bill has the potential for increasing litigation in the courts. If it does, the Judiciary indicates that there would be a fiscal effect on the operations of the court system. However, it is

not possible to estimate the number of additional court cases that would arise or how complex and time-consuming the cases would be. The fiscal effect would most likely be negligible and could be accommodated within the existing budget resources. The bill has the potential to increase the collections of docket fees that are deposited in the State General Fund; however, the amount of additional docket fee collections is estimated to be negligible. Any fiscal effect associated with HB 2598 is not reflected in *The FY 2025 Governor's Budget Report*.

Sincerely,

A handwritten signature in black ink, appearing to read "Adam C. Proffitt", with a stylized flourish at the end.

Adam C. Proffitt
Director of the Budget

cc: Erik Wisner, Kansas Real Estate Commission
William Hendrix, Office of the Attorney General
Trisha Morrow, Judiciary