

## **Recently Passed Legislation Places New Restrictions on Advertising Conducted by Real Estate Salespersons and Salesperson Teams**

During the 2008 Legislative Session, the Kansas Legislature passed legislation that made various changes to the statutes governing real estate salespersons and brokers. As part of these changes introduced by the Kansas Real Estate Commission, **HB 2746** made several major modifications to the statute governing advertising by salespersons and salesperson teams.

### All Advertising Must Prominently Display or Announce the Name of the Supervising Brokerage

Starting on July 1, 2008, all advertising conducted by associate brokers, salespersons and salesperson teams must be conducted under the direct supervision of their supervising or branch broker. In addition, all advertising must prominently display or announce the name of the supervising brokerage in a readable and identifiable manner.

The name of the supervising brokerage means the actual operating name of the real estate brokerage. If the real estate brokerage is affiliated with a national real estate franchise, the name of the supervising brokerage is the full name of the real estate brokerage with specific information identifying the local affiliated franchisee (i.e. Coldwell Banker Luke Bell and Associates).

These new requirements extend to all forms of advertising conducted by salespersons and teams. These forms of advertising include, but are not limited to, business cards, newspaper advertisements, websites, radio advertisements, television advertisements, billboards and yard signs.

### Terms “Real Estate” and “Realty” Cannot Be Used in Salesperson and Team Names

Under these changes, an associate broker, salesperson or salesperson team is still allowed to include their individual contact information, team name and slogan in all advertising. However, the Commission has determined that the provisions of **HB 2746** prohibit the use of any terms in a team name that could be construed as the name of a supervising brokerage, such as the terms “real estate” and “realty.”

As a result, the use of the terms “real estate” and “realty” will no longer be permitted in salesperson team names. Once the Commission has begun to enforce these new provisions, all salespersons who advertise under a salesperson team name that includes the terms “real estate” and “realty” will be subject to discipline by the Kansas Real Estate Commission.

To the contrary, the Commission will continue to allow the use of terms like “and Associates,” “Group” and “Team” in salesperson and team names. The Commission has determined that these terms are not as confusing or misleading as the terms “real estate” and “realty.”

### Commission Will Not Discipline Licensees on These Changes Until July 1, 2009

The Commission will not impose any disciplinary measures on real estate licensees for these changes until July 1, 2009. Essentially, this means that salespersons and teams will have one year to make these changes and purchase new advertising materials.

However, starting on July 1, 2009, the Commission will levy substantial fines on real estate salespersons, associate brokers and teams whose advertising does not comply with these changes. In the meantime, the Commission and KAR will be working with real estate licensees to answer any questions about the new requirements.

If you have any additional questions or concerns on this issue, please see the summary of **HB 2746** at <http://www.kansasrealtor.com/legislative.html>. You may also contact Luke Bell, KAR Director of Governmental Relations at [lbell@kansasrealtor.com](mailto:lbell@kansasrealtor.com) or 785-267-3610 Ext. 2133.