

Kansas Real Estate Commission Allows Real Estate Brokerages to Maintain Brokerage Records in an Electronic Format

In 2000, the Kansas Legislature enacted the Kansas Uniform Electronic Transactions Act (KUETA). Among other things, this act allows real estate brokerages to maintain all required brokerage records in an electronic format.

Under K.A.R. 86-3-10, each broker is required to retain a copy of all records relating to the broker's business for a period of at least three years. The records required to be retained under this regulation include contracts, closing statements, correspondence, trust account records and all other documents that relate to real estate transactions.

Prior to the passage of this legislation, all these records needed to be maintained in a paper-based format at the real estate brokerage. KUETA modified these requirements by specifically allowing real estate brokerages to satisfy all record retention requirements through the electronic storage of documents either in-house or through a qualified third party vendor.

When done properly, the electronic storage of documents can help real estate brokerages achieve cost savings and greater efficiency. Among many other benefits and advantages, the electronic storage of documents:

- (1) Helps reduce the amount of office space consumed by paper document storage;
- (2) Eliminates time-consuming manual searches through paper files for important documents;
- (3) Improves the flow and availability of documents between parties to the transaction and brokerage employees; and
- (4) Improves the security of confidential information and allows brokerages to easily backup important files in the case of a disaster.

For those real estate brokerages that are interested in storing their documents electronically, the Kansas Real Estate Commission has adopted guidelines that allow real estate brokerages to store their records in an electronic format. If you choose to retain your records in an electronic format, you must follow the requirements set forth in these guidelines that can be found at <http://www.accesskansas.org/krec/elecstor.html>.

If you would like more information on this issue, please contact Luke Bell, KAR Vice President of Governmental Affairs at lbell@kansasrealtor.com or 785-267-3610 Ext. 2133. For more information on other issues, please go to <http://www.kansasrealtor.com/legislative.html>.