

## SENATE BILL No. 659

By Committee on Federal and State Affairs

4-8

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AN ACT concerning surplus real estate of state agencies; amending  
K.S.A. 2001 Supp. 75-6609 and repealing the existing section.

*Be it enacted by the Legislature of the State of Kansas:*

Section 1. K.S.A. 2001 Supp. 75-6609 is hereby amended to read as follows: 75-6609. (a) When used in this section, "surplus real estate" means real estate which is no longer needed by the state agency which owns such real estate as determined in accordance with this section.

(b) (1) The secretary of administration shall develop criteria for the identification of surplus real estate, including but not limited to, a review of any legal restrictions associated with the real estate and the reasons for the state agency to keep the real estate. In accordance with such criteria, the secretary shall assist state agencies in the identification of surplus real estate. The secretary of administration shall periodically review the status of all real estate of state agencies subject to this section to determine if any of the real estate owned by state agencies is potentially surplus real estate. If any real estate owned by a state agency is determined by the secretary of administration, in consultation with the head of the state agency, to be surplus real estate in accordance with the criteria developed under subsection (a), then the secretary of administration shall recommend to the governor that such real estate be sold under the procedures prescribed by this section.

(2) The secretary of administration shall develop guidelines for the sale of surplus real estate. In accordance with such guidelines and upon the approval of the governor, after consultation with the head of the state agency which owns such surplus real estate, after consultation with the joint committee on state building construction and after approval by the state finance council under subsection (c), the secretary may offer such property for sale by one of the following means: (A) Public auction; (B) by listing the surplus property with a licensed real estate broker or salesperson; or (C) by sealed bid. Subject to the approval of the state finance council as required by subsection (c), the secretary of administration may sell surplus real estate and any improvements thereon on behalf of the state agency which owns such property.

(c) Prior to the sale of any surplus real estate under subsection (b),

1 the state finance council shall approve the sale, which is hereby charac-  
2 terized as a matter of legislative delegation and subject to the guidelines  
3 prescribed in subsection (c) of K.S.A. 75-3711, and amendments thereto.  
4 The matter may be submitted to the state finance council for approval at  
5 any time, including periods of time during which the legislature is in  
6 session.

7 (d) Prior to offering any real estate for sale, such property shall be  
8 appraised pursuant to K.S.A. 75-3043a, and amendments thereto, unless  
9 the appraisal is waived as provided in this subsection. The secretary of  
10 administration may waive the requirement for appraisal for any parcel of  
11 surplus real estate that is to be sold at public auction under this section  
12 if the secretary of administration determines that it is in the best interests  
13 of the state to waive the requirement for appraisal for such parcel of  
14 surplus real estate. The costs of any such appraisal may be paid from the  
15 proceeds of the sale.

16 (e) Conveyance of title in surplus real estate offered for sale by the  
17 secretary of administration shall be executed on behalf of the state agency  
18 by the secretary of administration. The deed for the conveyance may be  
19 by warranty deed or by quitclaim deed as determined to be in the best  
20 interests of the state by the secretary of administration in consultation  
21 with the head of the state agency which owns the surplus real estate.

22 (f) (1) Any proceeds from the sale of surplus real estate and any im-  
23 provements thereon, after deduction of the expenses of such sale and any  
24 cost of appraisal of the surplus real estate, shall be deposited in the state  
25 treasury as prescribed by this subsection, unless otherwise authorized by  
26 law. On and after the effective date of this act, ~~a portion~~ 50% of the  
27 proceeds from each such sale deposited in the state treasury shall be  
28 ~~determined and designated by the state finance council acting on this~~  
29 ~~matter which is hereby characterized as a matter of legislative delegation~~  
30 ~~and subject to the guidelines prescribed in subsection (c) of K.S.A. 75-~~  
31 ~~3711e and amendments thereto and acting on this matter in conjunction~~  
32 ~~with approval of such sale under subsection (c), to be credited to the~~  
33 surplus real estate fund or another appropriate special revenue fund of  
34 the state agency which owned the surplus real estate, as is prescribed by  
35 law or as may be determined by the state agency, ~~except that such portion~~  
36 ~~shall not exceed the amount equal to 50% of such proceeds unless oth-~~  
37 ~~erwise required by state or federal law or by the limitations or restrictions~~  
38 of the state's title to the real estate being sold. In the case of proceeds  
39 from the sale of surplus real estate at a state mental health institution or  
40 a state mental retardation institution, such portion of the proceeds shall  
41 be credited to the client benefit fund of such institution or to another  
42 special revenue fund of such institution for (A) rehabilitation and repair  
43 or other capital improvements for such institution, or (B) one-time ex-

1 penditures for community mental health organizations if the real estate  
2 sold was at a state mental health institution or for community develop-  
3 mental disabilities organizations if the real estate sold was at a state mental  
4 retardation institution, and, in any such case, shall be expended in ac-  
5 cordance with the provisions of appropriation acts. After crediting the  
6 amount designated by the state finance council, the remainder of the  
7 proceeds from each such sale deposited in the state treasury shall be  
8 credited to the state general fund.

9 (2) The amount of expenses and the cost of appraisal for each sale of  
10 surplus real estate pursuant to this section shall be transferred and cred-  
11 ited to the property contingency fund created under K.S.A. 75-3652, and  
12 amendments thereto, and may be expended for any operations of the  
13 department of administration.

14 (3) Any state agency owning real estate may apply to the director of  
15 accounts and reports to establish a surplus real estate special revenue  
16 fund in the state treasury. Subject to the provisions of appropriation acts,  
17 moneys in a surplus real estate special revenue fund may be expended  
18 for the operating expenditures of the state agency.

19 (g) Any sale of property by the secretary of transportation pursuant  
20 to K.S.A. 68-413, and amendments thereto, shall not be subject to the  
21 provisions of this section.

22 Sec. 2. K.S.A. 2001 Supp. 75-6609 is hereby repealed.

23 Sec. 3. This act shall take effect and be in force from and after its  
24 publication in the Kansas register.

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