

HOUSE BILL No. 2574

By Committee on Appropriations

3-12

9 AN ACT concerning the conveyance of real estate and improvements
10 thereon; relating to the university of Kansas hospital.

11

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

13 Section 1. (a) This section shall be known and may be cited as the
14 KPERS and regents deferred maintenance funding act.

15 (b) The university of Kansas hospital authority is hereby authorized
16 and empowered, for and on behalf of the state of Kansas, to sell and
17 convey all of the rights, title and interest in the tracts of real estate, and
18 any improvements thereon which the state of Kansas owns which are
19 commonly known as the university of Kansas hospital, for an amount of
20 not less than \$800,000,000. The provisions of this section shall not apply
21 to the university of Kansas medical center.

22 (c) Any such conveyance of such real estate and assets to the buyer
23 shall be conditioned upon the execution of a binding agreement between
24 the buyer and the authority which provides that effective on the transfer
25 date and thereafter, the buyer shall assume responsibility for and shall
26 defend, indemnify and hold harmless the state board of regents and the
27 state and its officers and directors with respect to:

28 (1) Liabilities, debts and duties of the university of Kansas hospital
29 authority pursuant to contracts, agreements and leases for commodities,
30 services and supplies utilized by university hospital, including real prop-
31 erty leases;

32 (2) claims related to the employment relationship between employ-
33 ees of the authority and the authority on and after the transfer date under
34 this act;

35 (3) claims for breach of contract resulting from the authority's action
36 or failure to act on and after the transfer date under this act; and

37 (4) claims related to the authority's errors and omissions including,
38 but not limited to: Medical malpractice; directors and officers liability;
39 workers' compensation; automobile liability; and premises, completed op-
40 erations and products liability.

41 (d) No sale and conveyance of real estate and improvements thereon
42 as authorized by this section shall be made by the university of Kansas
43 hospital authority until the deeds and conveyances have been reviewed

1 by the attorney general and, if a warranty deed is to be the instrument of
2 conveyance, a title review has been performed or title insurance has been
3 obtained and the title opinion or the certificate of title insurance, as the
4 case may be, has been approved by the attorney general. In the event
5 that the university of Kansas hospital authority determines that the legal
6 description of any parcel described by this act is incorrect, the university
7 of Kansas hospital authority may convey the property utilizing the correct
8 legal description but the deed conveying the property shall be subject to
9 the approval of the attorney general.

10 (e) Conveyance of such rights, title and interest in such real estate
11 shall be executed in the name of the university of Kansas hospital au-
12 thority by its chief executive officer. When the sale is made, the proceeds
13 thereof shall be deposited in the state treasury and credited as follows:
14 The amount equal to 50% of such proceeds shall be credited to the Kansas
15 public employees retirement fund, created in K.S.A. 74-4921, and
16 amendments thereto, and the amount equal to 50% of such proceeds
17 shall be credited to the board of regents deferred maintenance fund,
18 which is hereby created in the state treasury.

19 (f) The board or regents deferred maintenance fund shall be admin-
20 istered by the state board of regents. All expenditures from the board of
21 regents deferred maintenance fund shall be made in accordance with
22 appropriation acts upon warrants of the director of accounts and reports
23 issued pursuant to vouchers approved by the state board of regents or by
24 a person or persons designated by the state board of regents. Except as
25 provided further, the moneys credited to the fund shall be used for the
26 funding of projects for rehabilitation, maintenance and repairs of build-
27 ings and facilities of the state educational institutions, as defined in K.S.A.
28 76-711, and amendments thereto, and the community colleges as defined
29 in K.S.A. 74-3201b, and amendments thereto. Moneys from such fund
30 shall not be expended at such institutions and community colleges for
31 rehabilitation, maintenance and repairs of residences, sports and athletic
32 facilities or administrative facilities or offices; or for any architectural or
33 engineering fees, consultations or studies.

34 (g) The provisions of K.S.A. 75-3043a or K.S.A. 2006 Supp. 75-6609,
35 and amendments thereto, shall not be applicable to the real estate sale
36 authorized by this section.

37 (h) Upon the effective date of such conveyance pursuant to this sec-
38 tion, the university of Kansas medical center shall be known as the Kansas
39 life sciences research center. Whenever the university of Kansas medical
40 center, or words of like effect concerning such medical center, is referred
41 to or designated by a statute, contract or other document, such reference
42 or designation shall be deemed to apply to the Kansas life sciences re-
43 search center.

1 (i) No abatement of ad valorem property taxes nor any ad valorem
2 property tax exemption shall be granted for the real estate and improve-
3 ments conveyed pursuant to this section by the governing body of any
4 city or the board of county commissioners of any county.
5 Sec. 2. This act shall take effect and be in force from and after its
6 publication in the statute book.