

Approved: May 24, 2002 (by letter)
Date

MINUTES OF THE SENATE COMMITTEE ON WAYS AND MEANS.

The meeting was called to order by Chairperson Stephen Morris at 10:55 a.m. on May 2, 2002 in Room 123-S of the Capitol.

All members were present except: Senator David Adkins - excused

Committee staff present:

Alan Conroy, Chief Fiscal Analyst, Kansas Legislative Research Department
Deb Hollon, Kansas Legislative Research Department
Julian Efird, Kansas Legislative Research Department
Michael Corrigan, Assistant Revisor of Statutes
Judy Bromich, Assistant to the Chairman
Mary Shaw, Committee Secretary

Conferees appearing before the committee: None

Others attending: See attached list

Chairman Morris called the Committee's attention to discussion of:

HB 3009--Payroll deductions for state employees; changing the definition of employee

The Committee discussed the revised proposed amendments submitted by the Department of Administration regarding parking enforcement, commercial leasing and surplus real estate.

Senator Schodorf moved, with a second by Senator Jackson, to amend **HB 3009** and strike Section 1 of the bill regarding the amendment placed on the bill by the House concerning the Regents retirement plan. Motion carried on a voice vote.

Senator Feleciano moved, with a second by Senator Kerr, to adopt the proposed amendments by the Department of Administration (Attachment 1) pertaining to parking enforcement, commercial leasing and surplus real estate, and to exempt the Department of Commerce sale of the Travel Information Center at Olathe and that no proceeds from that sale shall be credited to the surplus real estate fund and not be applicable to real estate given as an endowment, bequest or gift to a state educational institution or the University of Kansas Medical Center and recommend **HB 3009** favorable for passage as amended. Motion carried on a voice vote.

Chairman Morris mentioned that he will write a letter to the Joint Committee on Pensions and Investments requesting that the committee address the issue of the amendment placed on **HB 3009** by the House relating to legislative service in 2001 concerning the Regents retirement plan.

The meeting was adjourned at 11:40 a.m. This was the final meeting of the 2002 Senate Committee on Ways and Means.

**AMENDMENTS TO 2002 HB 3009
(As amended by House Committee of the Whole)
PROPOSED BY THE
DEPARTMENT OF ADMINISTRATION**

Parking Enforcement (HB 2829): Sections 7, 8, & 9
Commercial Leasing: New Section 10
Surplus Real Estate (SB 659): Section 11

The Department of Administration requests amendment of HB 3009 as follows:

On page 10, after line 34 by inserting the following:

“Sec. 7. K.S.A. 75-4506 is hereby amended to read as follows: 75-4506. No motor vehicle, whether privately or publicly owned, may be parked upon parking lots, facilities or drives of any state owned or operated property or building in Shawnee county, Kansas, ~~except on properties listed as exceptions in K.S.A. 75-4503, or~~ except as authorized under rules and regulations adopted by the secretary of administration as provided in K.S.A. 75-3706 and amendments thereto or, in the case of the statehouse grounds, in accordance with signs posted by the capitol area security patrol. Such rules and regulations may fix and provide for collection of rents, charges or fees and administrative fines and procedures for violation of such rules and regulations to be imposed in connection with and for the use of the parking facilities so owned and operated, and the secretary of administration may enter into any contract or contracts therefor with any state officer or employee or with any board, commission, agency or instrumentality of the state of Kansas. The secretary of administration may design and issue parking permits or other forms of authorization to facilitate the best use of any such parking lots, facilities or drives. Parking permits to park on the statehouse grounds shall be designed and

issued in accordance with rules or instructions of the legislative coordinating council.

Notwithstanding the foregoing provisions of this section, the secretary of administration shall provide not less than ~~one hundred forty (140)~~ 140 parking spaces to meet the needs of the legislative branch and whenever the legislative coordinating council shall determine that additional parking spaces are necessary the secretary of administration shall provide such number of additional parking spaces as may be specified by the legislative coordinating council.

Sec. 8. K.S.A. 75-4508 is hereby amended to read as follows: 75-4508. Any (a) Except as provided in subsection (b), any person who shall violate any of the provisions of K.S.A. 75-4505, 75-4506 or 75-4507 and amendments thereto, or any rule or regulation made thereunder shall be guilty of a misdemeanor and, upon conviction, shall be punished by a fine of not more than ~~twenty five dollars (\$25)~~ \$25 or by imprisonment in the county jail for not more than ~~thirty (30)~~ 30 days or by both such fine and imprisonment.

(b)(1) The secretary of administration is authorized to adopt rules and regulations establishing administrative fines for parking violations in areas where a fee for parking is assessed, except that this subsection shall not apply to parking on the statehouse grounds. Persons paying any such fine shall not be subject to prosecution pursuant to subsection (a) relating to such offense. The secretary of administration shall assign responsibility for enforcement of parking violations under this subsection to the capitol area security patrol, the department of administration or other personnel designated by the secretary.

(2) Any administrative fines received under this subsection (b) shall be remitted by the secretary of administration to the state treasurer in accordance with the provisions of K.S.A. 75-

4215, and amendments thereto. Upon receipt of each such remittance, the state treasurer shall deposit the entire amount in the state treasury to the credit of the state general fund¹.

Sec. 9. K.S.A. 75-4510a is hereby amended to read as follows: 75-4510a. Unlawful statehouse parking is parking a vehicle within the statehouse grounds bounded by 8th street, 10th street, Jackson street and Harrison street in the city of Topeka, Kansas:

- (a) Contrary to any sign posted by the capitol area security patrol;
- (b) Contrary to any order of an officer of the capitol area security patrol; or
- (c) Without a permit issued under authority of the legislative coordinating council, except for guests in parking spaces posted for guests, emergency vehicles and delivery or maintenance vehicles on authorized business.

Any person found guilty of unlawful statehouse parking shall pay a fine of ~~five dollars~~ (\$5) in accordance with K.S.A. 8-2118, and amendments thereto.

New Sec. 10. (a) The secretary of administration may lease real estate titled in the name of the state of Kansas or any state agency, other than real estate which is held by a state agency under the jurisdiction and control of the state board of regents or by the Kansas department of transportation, upon a finding that such real estate is not currently required for state purposes. No such lease shall be executed until the secretary of administration has consulted with and reviewed the lease with the joint committee on state building construction. Except as otherwise specifically provided by law, the state buildings operating fund shall be utilized for the operating expenses and revenues of any such leased property.

(b) Any real estate leased by the state pursuant to this section shall be exempt from ad valorem taxation as long as such property is owned by the state of Kansas and such property is:

¹ Note: In HB 2829, as amended by House Committee of the Whole, the administrative fines are to be deposited in the building and ground fund created by K.S.A. 75-3765. The proposed amendment to HB 3009 provides for the administrative fines to be deposited in the state general fund.

- (1) Used by the state of Kansas or any of its agencies;
- (2) vacant;
- (3) leased by an entity exempt from the payment of ad valorem taxation; or
- (4) used for a purpose that is exempt from the payment of ad valorem taxation.

The provisions of K.S.A. 79-201 *et seq.*, and amendments thereto, requiring the requesting and filing of property tax exemptions shall not apply to the exemption provided by this section.

(c) The only portion of state-owned property that shall not be exempt from ad valorem taxation is the actual space leased by a person or entity that is not exempt from the payment of ad valorem taxation and is not used for a tax exempt purpose. Any common area used by such a lessee that is also used by the state, an entity exempt from the payment of ad valorem taxation or used for the purpose that is exempt from the payment of ad valorem taxation, shall be exempt from ad valorem taxation.

(d) The provisions of K.S.A. 41-719 and amendments thereto relating to alcoholic liquor and the provisions of K.S.A. 75-3337 *et seq.* and amendments thereto relating to vending facilities on state property shall not be applicable to property leased pursuant to this section unless the lessee is a governmental entity.

Sec. 11. 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), the state finance council shall approve the sale, which is hereby characterized as a matter of legislative delegation and subject to the guidelines prescribed in subsection (c) of K.S.A. 75-3711, and amendments thereto. The matter may be submitted to the state finance council for approval at any time, including periods of time during which the legislature is in session.

(d) Prior to offering any real estate for sale, such property shall be appraised pursuant to K.S.A. 75-3043a, and amendments thereto, unless the appraisal is waived as provided in this subsection. The secretary of administration may waive the requirement for appraisal for any

parcel of surplus real estate that is to be sold at public auction under this section if the secretary of administration determines that it is in the best interests of the state to waive the requirement for appraisal for such parcel of surplus real estate. The costs of any such appraisal may be paid from the proceeds of the sale.

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

(f)(1) Any proceeds from the sale of surplus real estate and any improvements thereon, after deduction of the expenses of such sale and any cost of appraisal of the surplus real estate, shall be deposited in the state treasury as prescribed by this subsection, unless otherwise authorized by law. On and after the effective date of this act, ~~a portion~~ 20% of the proceeds from each such sale deposited in the state treasury shall ~~be determined and designated by the state finance council acting on this matter which is hereby characterized as a matter of legislative delegation and subject to the guidelines prescribed in subsection (c) of K.S.A. 75-3711c and amendments thereto and acting on this matter in conjunction with approval of such sale under subsection (c),~~ to be credited to the surplus real estate fund or another appropriate special revenue fund of the state agency which owned the surplus real estate, as is prescribed by law or as may be determined by the state agency, ~~except that such portion shall not exceed the amount equal to 50% of such proceeds~~ unless otherwise required by state or federal law or by the limitations or restrictions of the state's title to the real estate being sold. In the case of proceeds from the sale of surplus real estate at a state mental health institution or a state mental retardation institution, such portion of the proceeds shall be credited to the client benefit fund of such

institution or to another special revenue fund of such institution for (A) rehabilitation and repair or other capital improvements for such institution, or (B) one-time expenditures for community mental health organizations if the real estate sold was at a state mental health institution or for community developmental disabilities organizations if the real estate sold was at a state mental retardation institution, and, in any such case, shall be expended in accordance with the provisions of appropriation acts. ~~After crediting the amount designated by the state finance council, the remainder~~ The remaining 80%² of the proceeds from each such sale deposited in the state treasury shall be credited to the state general fund.

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

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

(g) Any sale of property by the secretary of transportation pursuant to K. S.A. 68-413, and amendments thereto, shall not be subject to the provisions of this section. The provisions of this section shall not be applicable to real estate given as an endowment, bequest, or gift to a state education institution as defined in K.S.A. 72-4412 and amendments thereto or to the university of Kansas medical center.”;

And renumbering the remaining sections accordingly:

² Note: SB 659 does not contain this amendment. It is necessary to conform this sentence to the previous amendments in this paragraph.

Also on page 10, in line 35, after " K.S.A." by inserting "75-4506, 75-4508, 75-4510a."; in line 36, by striking "and" and inserting a comma; also in line 36, after "75-5525" by inserting ", and 75-6609":

In the title, on page 1, in line 10, by striking "officers and employees" and inserting "agencies"; in line 11, after "retirement annuities;" by inserting "state property operations, parking, leasing, and surplus real estate"; also in line 11, after " K.S.A." by inserting "75-4506, 75-4508, 75-4510a."; in line 12, after "74-4925" by striking "and" and inserting a comma; in line 13, after "75-5525" by inserting ", and 75-6609".