

March 30, 2012

The Honorable Marc Rhoades, Chairperson
House Committee on Appropriations
Statehouse, Room 351-S
Topeka, Kansas 66612

Dear Representative Rhoades:

SUBJECT: Fiscal Note for HB 2790 by House Committee on Appropriations

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2790 is respectfully submitted to your committee.

HB 2790 would give the Department of Corrections the authority to sell property near the Hutchinson Correctional Facility to Reno County. The land would be used by the county for a jail and related law enforcement purposes. Prior to the purchase, an appraiser must be appointed by the Secretary of Corrections upon agreement between the Secretary and the Reno County Commissioners. The cost of the appraisal would be paid by Reno County. Proceeds from the sale of the property would be deposited in the state treasury as prescribed by KSA 75-6609(f), which guides the disposition of funds obtained from the sale of state owned real estate under the State Surplus Property Program. The bill would take effect after its publication in the *Kansas Register*.

Estimated State Fiscal Effect				
	FY 2012 SGF	FY 2012 All Funds	FY 2013 SGF	FY 2013 All Funds
Revenue	--	--	\$55,200	\$69,000
Expenditure	--	--	--	--
FTE Pos.	--	--	--	--

It is projected that passage of HB 2790 would result in total revenue of \$69,000 and, of that amount, \$55,200 would be credited to the State General Fund and \$13,800 would be credited to the Department of Corrections. Preliminary estimates by the Department of Corrections indicate that the 11.5 acres to be sold to Reno County is valued at \$69,000; however, this does

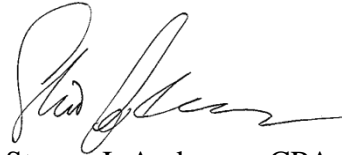
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not equate to an appraised value as an appraisal of the property has not yet been done. Under KSA 75-6609(f), 20.0 percent of any proceeds from the sale of real estate must be credited to the state agency that owned the land. The remaining 80.0 percent must be credited to the State General Fund. Any fiscal effect associated with HB 2790 is not reflected in *The FY 2013 Governor's Budget Report*.

Sincerely,

A handwritten signature in black ink, appearing to read "Steven J. Anderson", written in a cursive style.

Steven J. Anderson, CPA, MBA
Director of the Budget

cc: Jeremy Barclay, Corrections