

Substitute for HOUSE BILL No. 2333

By Committee on Pensions and Benefits

3-18

1 AN ACT concerning retirement and benefits; relating to the Kansas public
2 employees retirement system and systems thereunder; employer
3 contributions; benefits; sale of real estate of state agencies, disposition
4 of certain proceeds to Kansas public employees retirement fund;
5 amending K.S.A. 74-4915 and K.S.A. 2010 Supp. 74-4914d, 74-4920,
6 74-49,205 and 75-6609 and repealing the existing sections.

7
8 *Be it enacted by the Legislature of the State of Kansas:*

9 Section 1. K.S.A. 2010 Supp. 74-4914d is hereby amended to read as
10 follows: 74-4914d. Any additional cost resulting from the normal
11 retirement date and retirement before such normal retirement date for
12 security officers as provided in K.S.A. 74-4914c, and amendments thereto,
13 and disability benefits as provided in K.S.A. 74-4914e, and amendments
14 thereto, shall be added to the employer rate of contribution for the
15 department of corrections as otherwise determined under K.S.A. 74-4920,
16 and amendments thereto, except that the employer rate of contribution for
17 the department of corrections including any such additional cost added to
18 such employer rate of contribution pursuant to this section shall in no
19 event exceed the employer rate of contribution for the department of
20 corrections for the immediately preceding fiscal year by more than the
21 following amounts expressed as a percentage of compensation upon which
22 security officers contribute during the period: (a) For the fiscal year
23 commencing in calendar year ~~2006~~, an amount not to exceed more than
24 ~~0.5% of the amount of the immediately preceding fiscal year; and (b) for~~
25 ~~the fiscal year commencing in calendar year 2007, and in each subsequent~~
26 ~~calendar year years 2010 and 2011~~, an amount not to exceed more than
27 0.6% of the amount of the immediately preceding fiscal year; and (b) for
28 the fiscal year commencing in calendar year 2012, and in each subsequent
29 calendar year, an amount not to exceed more than 0.8% of the amount of
30 the immediately preceding fiscal year.

31 Sec. 2. K.S.A. 74-4915 is hereby amended to read as follows: 74-
32 4915. (1) Any member who retires on or after such member's normal
33 retirement date shall be entitled to receive an annual retirement benefit
34 equal to the sum obtained by adding an amount for participating service
35 and an amount for prior service determined as provided in this section. The
36 amount for prior service shall be equal to 1% of the member's prior service

1 annual salary multiplied by the number of years of prior service entitled to
2 credit as provided in K.S.A. 74-4913, and amendments thereto, except that
3 for members retiring on or after July 1, 1981, who were last employed by a
4 participating employer which had affiliated with the system under K.S.A.
5 74-4910, 74-4912, 74-4929 or 74-4991, and amendments thereto, and for
6 the period commencing January 1, 1986, for members retiring before July
7 1, 1981, who were last employed by a participating employer which had
8 affiliated with the system under K.S.A. 74-4910, 74-4912, 74-4929 or 74-
9 4991, and amendments thereto, except that any increase in benefits under
10 this section shall be reduced by any postretirement benefit adjustments
11 received by such member prior to July 2, 1985, the amount for prior
12 service shall be calculated using final average salary in lieu of prior
13 service annual salary and, in the case of any such member who became a
14 member under subsection (3) of K.S.A. 74-4925, and amendments thereto,
15 and for whom a final average salary cannot be otherwise determined, such
16 member's final average salary shall be based on all service for which such
17 member received assistance in a plan under subsection (2) of K.S.A. 74-
18 4925, and amendments thereto, as certified by such employer upon request
19 of the board. For any member who retires on or after July 1, 1993, the
20 amount for participating service shall be equal to the total of 1.75% of the
21 member's final average salary multiplied by the number of years of
22 participating service *earned prior to July 1, 2012, and 1.4% of the*
23 *member's final average salary multiplied by the number of years of*
24 *participating service earned on and after July 1, 2012.*

25 (2) (A) Any member who retires on or after July 1, 1993, but before
26 the normal retirement date and has attained age 60 but has not attained age
27 62 with the completion of 10 years of credited service, shall receive an
28 annual retirement benefit equal to the annual retirement benefit payable
29 had the member retired on the normal retirement date but based upon the
30 member's final average salary and years of participating and prior service
31 credited to the date of actual retirement reduced by an amount equal to the
32 product of (i) such annual retirement benefit payable had the member
33 retired on the normal retirement date, multiplied by (ii) the product of .
34 2% multiplied by the number of months' difference, to the nearest whole
35 month, between the member's attained age at the time of retirement and
36 age 62.

37 (B) Any member who retires on or after July 1, 1993, but before the
38 normal retirement date and has attained age 55 but has not attained age 60
39 with the completion of 10 years of credited service, shall receive an annual
40 retirement benefit equal to the annual retirement benefit payable had the
41 member retired on the normal retirement date but based upon the member's
42 final average salary and years of participating and prior service credited to
43 the date of actual retirement reduced by an amount equal to the total of: (i)

1 (a) The product of such annual retirement benefit payable had the member
2 retired on the normal retirement date, multiplied by (b) the product of .6%
3 multiplied by the number of months' difference, to the nearest whole
4 month, between the member's attained age at the time of retirement and
5 age 60; and

6 (ii) on and after July 1, 1993, the product of such annual retirement
7 benefit payable had the member retired on the normal retirement date,
8 multiplied by 4.8%.

9 (3) Upon death of a retirant, there shall be paid to such retirant's
10 beneficiary an amount equal to the excess, if any, of such retirant's
11 accumulated contributions over the sum of all retirement benefit payments
12 made.

13 (4) Such annual retirement benefits shall be paid in equal monthly
14 installments except; that the board may provide for the payment of
15 retirement benefits which total less than \$240 a year on other than a
16 monthly basis.

17 (5) In the event that an application in such form as may be prescribed
18 by the board for any amount due under the provisions of this act, is not
19 filed with the office of the retirement system by the person entitled to same
20 within five years of the date such amount became due and payable, an
21 amount equal to same shall be transferred to the retirement benefit
22 accumulation reserve and such amount shall no longer be due and payable,
23 except that if any such person shall present evidence satisfactory to the
24 board that such person's failure to file such application within that time
25 period was due to lack of knowledge or incapacity on such person's part,
26 the amount equal to the amount originally due shall be transferred from the
27 retirement benefit accumulation reserve to the reserve or reserves from
28 which such transfer was initially made and the amount originally due shall
29 be paid to such person.

30 (6) The participating employer, when an employee files an
31 application for retirement, shall certify to the system all member
32 contributions of such employee which have not been reported previously.
33 In the event the amount certified results in an overpayment of retirement
34 benefits, the employer shall be held responsible for the contribution
35 amount previously certified from the time of commencement of the
36 overpayment of retirement benefits until the time that such overpayment is
37 discovered by the system. At the time that such overpayment of retirement
38 benefits is discovered by the system, the system shall adjust the amount of
39 retirement benefits paid to the employee to the correct amount based on
40 the participating employer's certification of member contributions which
41 had not been previously reported. The participating employer of the
42 employee who has had such member's retirement benefits adjusted as
43 provided in this subsection shall notify such employee of such

1 overpayment and such adjustment of retirement benefits. If the
2 contributions previously certified are lower than the actual amount
3 reported, the employer shall be responsible for remitting the correct
4 amount and the member's monthly benefit shall be recalculated based on
5 the amount reported by the employer. When an employee in school
6 employment files such an application, the participating employer
7 responsible for any such amounts as provided in this subsection shall be
8 the employee's eligible employer as specified in subsection (1), (2) or (3)
9 of K.S.A. 74-4931, and amendments thereto, and shall not be the state of
10 Kansas. The provisions of law in effect on the retirement date of a member
11 under the system shall govern the retirement benefit payable to the retiree,
12 any joint annuitant and any beneficiary.

13 Sec. 3. K.S.A. 2010 Supp. 74-4920 is hereby amended to read as
14 follows: 74-4920. (1) (a) Upon the basis of each annual actuarial valuation
15 and appraisal as provided for in subsection (3)(a) of K.S.A. 74-4908, and
16 amendments thereto, the board shall certify, on or before July 15 of each
17 year, to the division of the budget in the case of the state and to the agent
18 for each other participating employer an actuarially determined estimate of
19 the rate of contribution which will be required, together with all
20 accumulated contributions and other assets of the system, to be paid by
21 each such participating employer to pay all liabilities which shall exist or
22 accrue under the system, including amortization of the actuarial accrued
23 liability as determined by the board. The board shall determine the
24 actuarial cost method to be used in annual actuarial valuations, to
25 determine the employer contribution rates that shall be certified by the
26 board. Such certified rate of contribution, amortization methods and
27 periods and actuarial cost method shall be based on the standards set forth
28 in subsection (3)(a) of K.S.A. 74-4908, and amendments thereto, and shall
29 not be based on any other purpose outside of the needs of the system.

30 (b) (i) For employers affiliating on and after January 1, 1999, upon
31 the basis of an annual actuarial valuation and appraisal of the system
32 conducted in the manner provided for in K.S.A. 74-4908, and amendments
33 thereto, the board shall certify, on or before July 15 of each year, to each
34 such employer an actuarially determined estimate of the rate of
35 contribution which shall be required to be paid by each such employer to
36 pay all of the liabilities which shall accrue under the system from and after
37 the entry date as determined by the board, upon recommendation of the
38 actuary. Such rate shall be termed the employer's participating service
39 contribution and shall be uniform for all participating employers. Such
40 additional liability shall be amortized as determined by the board. For all
41 participating employers described in this section, the board shall determine
42 the actuarial cost method to be used in annual actuarial valuations to
43 determine the employer contribution rates that shall be certified by the

1 board.

2 (ii) The board shall determine for each such employer separately an
3 amount sufficient to amortize all liabilities for prior service costs which
4 shall have accrued at the time of entry into the system. On the basis of
5 such determination the board shall annually certify to each such employer
6 separately an actuarially determined estimate of the rate of contribution
7 which shall be required to be paid by that employer to pay all of the
8 liabilities for such prior service costs. Such rate shall be termed the
9 employer's prior service contribution.

10 (2) The division of the budget and the governor shall include in the
11 budget and in the budget request for appropriations for personal services
12 the sum required to satisfy the state's obligation under this act as certified
13 by the board and shall present the same to the legislature for allowance and
14 appropriation.

15 (3) Each other participating employer shall appropriate and pay to the
16 system a sum sufficient to satisfy the obligation under this act as certified
17 by the board.

18 (4) Each participating employer is hereby authorized to pay the
19 employer's contribution from the same fund that the compensation for
20 which such contribution is made is paid from or from any other funds
21 available to it for such purpose. Each political subdivision, other than an
22 instrumentality of the state, which is by law authorized to levy taxes for
23 other purposes, may levy annually at the time of its levy of taxes, a tax
24 which may be in addition to all other taxes authorized by law for the
25 purpose of making its contributions under this act and, in the case of cities
26 and counties, to pay a portion of the principal and interest on bonds issued
27 under the authority of K.S.A. 12-1774, and amendments thereto, by cities
28 located in the county, which tax, together with any other fund available,
29 shall be sufficient to enable it to make such contribution. In lieu of levying
30 the tax authorized in this subsection, any taxing subdivision may pay such
31 costs from any employee benefits contribution fund established pursuant to
32 K.S.A. 12-16,102, and amendments thereto. Each participating employer
33 which is not by law authorized to levy taxes as described above, but which
34 prepares a budget for its expenses for the ensuing year and presents the
35 same to a governing body which is authorized by law to levy taxes as
36 described above, may include in its budget an amount sufficient to make
37 its contributions under this act which may be in addition to all other taxes
38 authorized by law. Such governing body to which the budget is submitted
39 for approval, may levy a tax sufficient to allow the participating employer
40 to make its contributions under this act, which tax, together with any other
41 fund available, shall be sufficient to enable the participating employer to
42 make the contributions required by this act.

43 (5) (a) The rate of contribution certified to a participating employer as

1 provided in this section shall apply during the fiscal year of the
2 participating employer which begins in the second calendar year following
3 the year of the actuarial valuation.

4 (b) (i) Except as specifically provided in this section, for fiscal years
5 commencing in calendar year 1996 and in each subsequent calendar year,
6 the rate of contribution certified to the state of Kansas shall in no event
7 exceed the state's contribution rate for the immediately preceding fiscal
8 year by more than 0.2% of the amount of compensation upon which
9 members contribute during the period.

10 (ii) Except as specifically provided in this subsection, for the fiscal
11 years commencing in the following calendar years, the rate of contribution
12 certified to the state of Kansas and to the participating employers under
13 K.S.A. 74-4931, and amendments thereto, shall in no event exceed the
14 state's contribution rate for the immediately preceding fiscal year by more
15 than the following amounts expressed as a percentage of compensation
16 upon which members contribute during the period: (A) For the fiscal year
17 commencing in calendar year 2005, an amount not to exceed more than
18 0.4% of the amount of the immediately preceding fiscal year; (B) for the
19 fiscal year commencing in calendar year 2006, an amount not to exceed
20 more than 0.5% of the amount of the immediately preceding fiscal year;
21 and (C) for the fiscal year commencing in calendar year 2007 and in each
22 subsequent calendar year years 2010 and 2011, an amount not to exceed
23 more than 0.6% of the amount of the immediately preceding fiscal year;
24 and (B) for the fiscal year commencing in calendar year 2012, and in each
25 subsequent calendar year, an amount not to exceed more than 0.8% of the
26 amount of the immediately preceding fiscal year.

27 (iii) Except as specifically provided in this section, for fiscal years
28 commencing in calendar year 1997, and in each subsequent calendar year,
29 the rate of contribution certified to participating employers other than the
30 state of Kansas shall in no event exceed such participating employer's
31 contribution rate for the immediately preceding fiscal year by more than
32 0.15% of the amount of compensation upon which members contribute
33 during the period.

34 (iv) Except as specifically provided in this subsection, for the fiscal
35 years commencing in the following calendar years, the rate of contribution
36 certified to participating employers other than the state of Kansas shall in
37 no event exceed the contribution rate for such employers for the
38 immediately preceding fiscal year by more than the following amounts
39 expressed as a percentage of compensation upon which members
40 contribute during the period: (A) For the fiscal year commencing in
41 calendar year 2006, an amount not to exceed more than 0.4% of the
42 amount of the immediately preceding fiscal year; (B) for the fiscal year
43 commencing in calendar year 2007, an amount not to exceed more than

1 0.5% of the amount of the immediately preceding fiscal year; and (C) for
2 the fiscal year commencing in calendar year 2008 and in each subsequent
3 calendar year, years 2010 through 2012, an amount not to exceed more
4 than 0.6% of the amount of the immediately preceding fiscal year; and (B)
5 for the fiscal year commencing in calendar year 2013, and in each
6 subsequent calendar year, an amount not to exceed more than 0.8% of the
7 amount of the immediately preceding fiscal year.

8 (v) As part of the annual actuarial valuation, there shall be a separate
9 employer rate of contribution calculated for the state of Kansas, a separate
10 employer rate of contribution calculated for participating employers under
11 K.S.A. 74-4931, and amendments thereto, a combined employer rate of
12 contribution calculated for the state of Kansas and participating employers
13 under K.S.A. 74-4931, and amendments thereto, and a separate employer
14 rate of contribution calculated for all other participating employers.

15 (vi) There shall be a combined employer rate of contribution certified
16 to the state of Kansas and participating employers under K.S.A. 74-4931,
17 and amendments thereto. There shall be a separate employer rate of
18 contribution certified to all other participating employers.

19 (vii) If the combined employer rate of contribution calculated for the
20 state of Kansas and participating employers under K.S.A. 74-4931, and
21 amendments thereto, is greater than the separate employer rate of
22 contribution for the state of Kansas, the difference in the two rates applied
23 to the actual payroll of the state of Kansas for the applicable fiscal year
24 shall be calculated. This amount shall be certified by the board for deposit
25 as additional employer contributions to the retirement benefit
26 accumulation reserve for the participating employers under K.S.A. 74-
27 4931, and amendments thereto.

28 (6) The actuarial cost of any legislation enacted in the 1994 session of
29 the Kansas legislature will be included in the June 30, 1994, actuarial
30 valuation in determining contribution rates for participating employers.

31 (7) The actuarial cost of the provisions of K.S.A. 74-4950i will be
32 included in the June 30, 1998, actuarial valuation in determining
33 contribution rates for participating employers. The actuarial accrued
34 liability incurred for the provisions of K.S.A. 74-4950i shall be amortized
35 over 15 years.

36 (8) Except as otherwise provided by law, the actuarial cost of any
37 legislation enacted by the Kansas legislature, except the actuarial cost of
38 K.S.A. 74-49,114a, and amendments thereto, shall be in addition to the
39 employer contribution rates certified for the employer contribution rate in
40 the fiscal year immediately following such enactment.

41 (9) Notwithstanding the provisions of subsection (8), the actuarial
42 cost of the provisions of K.S.A. 74-49,109 et seq., and amendments thereto
43 shall be first reflected in employer contribution rates effective with the

1 first day of the first payroll period for the fiscal year 2005. The actuarial
2 accrued liability incurred for the provisions of K.S.A. 74-49,109 et seq.,
3 and amendments thereto, shall be amortized over 10 years.

4 (10) The cost of the postretirement benefit payment provided
5 pursuant to the provisions of K.S.A. 2010 Supp. 74-49,114b, and
6 amendments thereto, for retirants other than local retirants as described in
7 subsection (11) or insured disability benefit recipients shall be paid in the
8 fiscal year commencing on July 1, 2007.

9 (11) The actuarial accrued liability incurred for the provisions of
10 K.S.A. 2010 Supp. 74-49,114b, and amendments thereto, for the KPERS
11 local group and retirants who were employees of local employers which
12 affiliated with the Kansas police and firemen's retirement system shall be
13 amortized over 10 years.

14 (12) The cost of the postretirement benefit payment provided
15 pursuant to the provisions of K.S.A. 2010 Supp. 74-49,114c, and
16 amendments thereto, for retirants other than local retirants as described in
17 subsection (13) or insured disability benefit recipients shall be paid in the
18 fiscal year commencing on July 1, 2008.

19 (13) The actuarial accrued liability incurred for the provisions of
20 K.S.A. 2010 Supp. 74-49,114c, and amendments thereto, for the KPERS
21 local group and retirants who were employees of local employers which
22 affiliated with the Kansas police and firemen's retirement system shall be
23 amortized over 10 years.

24 (14) The board, with the advice of the actuary, may fix the
25 contribution rates for participating employers joining the system after one
26 year from the first entry date or for employers who exercise the option
27 contained in K.S.A. 74-4912, and amendments thereto, at rates different
28 from the rate fixed for employers joining within one year of the first entry
29 date.

30 (15) For employers affiliating on and after January 1, 1999, the rates
31 of contribution certified to the participating employer as provided in this
32 section shall apply during the fiscal year immediately following such
33 certification, but the rate of contribution during the first year following the
34 employer's entry date shall be equal to 7% of the amount of compensation
35 on which members contribute during the year. Any amount of such first
36 year's contribution which may be in excess of the necessary current service
37 contribution shall be credited by the board to the respective employer's
38 prior service liability.

39 (16) Employer contributions shall in no way be limited by any other
40 act which now or in the future establishes or limits the compensation of
41 any member.

42 (17) Notwithstanding any provision of law to the contrary, each
43 participating employer shall remit quarterly, or as the board may otherwise

1 provide, all employee deductions and required employer contributions to
2 the executive director for credit to the Kansas public employees retirement
3 fund within three days after the end of the period covered by the
4 remittance by electronic funds transfer. Remittances of such deductions
5 and contributions received after such date are delinquent. Delinquent
6 payments due under this subsection shall be subject to interest at the rate
7 established for interest on judgments under subsection (a) of K.S.A. 16-
8 204, and amendments thereto. At the request of the board, delinquent
9 payments which are due or interest owed on such payments, or both, may
10 be deducted from any other moneys payable to such employer by any
11 department or agency of the state.

12 Sec. 4. K.S.A. 2010 Supp. 74-49,205 is hereby amended to read as
13 follows: 74-49,205. For any member who is first employed by a
14 participating employer on or after July 1, 2009, and who retires on or after
15 such member's normal retirement date, the amount for participating service
16 shall be equal to the total of 1.75% of the member's final average salary
17 multiplied by the number of years of participating service *earned prior to*
18 *July 1, 2012*, to be used in determining such member's annual retirement
19 benefit, *and 1.4% of the member's final average salary multiplied by the*
20 *number of years of participating service earned on and after July 1, 2012,*
21 *to be used in determining such member's annual retirement benefit.*

22 Sec. 5. K.S.A. 2010 Supp. 75-6609 is hereby amended to read as
23 follows: 75-6609. (a) When used in this section, "surplus real estate"
24 means real estate which is no longer needed by the state agency which
25 owns such real estate as determined in accordance with this section.

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

40 (2) The secretary of administration shall develop guidelines for the
41 sale of surplus real estate. In accordance with such guidelines and upon the
42 approval of the governor, after consultation with the head of the state
43 agency which owns such surplus real estate, after consultation with the

1 joint committee on state building construction and after approval by the
2 state finance council under subsection (c), the secretary may offer such
3 property for sale by one of the following means: (A) Public auction; (B) by
4 listing the surplus property with a licensed real estate broker or
5 salesperson; or (C) by sealed bid. Subject to the approval of the state
6 finance council as required by subsection (c), the secretary of
7 administration may sell surplus real estate and any improvements thereon
8 on behalf of the state agency which owns such property.

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

16 (d) Prior to offering any real estate for sale, such property shall be
17 appraised pursuant to K.S.A. 75-3043a, and amendments thereto, unless
18 the appraisal is waived as provided in this subsection. The secretary of
19 administration may waive the requirement for appraisal for any parcel of
20 surplus real estate that is to be sold at public auction under this section if
21 the secretary of administration determines that it is in the best interests of
22 the state to waive the requirement for appraisal for such parcel of surplus
23 real estate. The costs of any such appraisal may be paid from the proceeds
24 of the sale.

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

31 (f) (1) Any proceeds from the sale of surplus real estate and any
32 improvements thereon, after deduction of the expenses of such sale and
33 any cost of appraisal of the surplus real estate, shall be deposited in the
34 state treasury as prescribed by this subsection, unless otherwise authorized
35 by law. On and after ~~the effective date of this act~~ *July 1, 2012*, 20% of the
36 proceeds from each such sale deposited in the state treasury shall be
37 credited to the surplus real estate fund or another appropriate special
38 revenue fund of the state agency which owned the surplus real estate, as is
39 prescribed by law or as may be determined by the state agency, unless
40 otherwise required by state or federal law or by the limitations or
41 restrictions of the state's title to the real estate being sold. In the case of
42 proceeds from the sale of surplus real estate at a state mental health
43 institution or a state mental retardation institution, such portion of the

1 proceeds shall be credited to the client benefit fund of such institution or to
2 another special revenue fund of such institution for: (A) Rehabilitation and
3 repair or other capital improvements for such institution; ; or (B) one-time
4 expenditures for community mental health organizations if the real estate
5 sold was at a state mental health institution or for community
6 developmental disabilities organizations if the real estate sold was at a
7 state mental retardation institution, and, in any such case, shall be
8 expended in accordance with the provisions of appropriation acts. The
9 remaining 80% of the proceeds from each such sale deposited in the state
10 treasury shall be credited to the ~~state general fund~~ *Kansas public*
11 *employees retirement fund to be applied to the payment, in full or in part,*
12 *of the unfunded actuarial pension liability as directed by the Kansas*
13 *public employees retirement system. As used in this section, "unfunded*
14 *actuarial pension liability" means the unfunded actuarially accrued*
15 *liability of the state for the state of Kansas and participating employers*
16 *under K.S.A. 74-4931, and amendments thereto, portion of such liability of*
17 *the Kansas public employees retirement system, determined as of the later*
18 *of December 31, 2011, or the end of the most recent calendar year for*
19 *which an actuarial valuation report is available.*

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

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

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

36 (h) Sale of the Olathe travel information center shall not be subject to
37 the provisions of this section.

38 Sec. 6. K.S.A. 74-4915 and K.S.A. 2010 Supp. 74-4914d, 74-4920,
39 74-49,205 and 75-6609 are hereby repealed.

40 Sec. 7. This act shall take effect and be in force from and after its
41 publication in the statute book.