KANSAS OFFICE of
REVISOR of STATUTES
LEGISLATURE of THE STATE of KANSAS
Legislative Attorneys transforming ideas into legislation.

300 SW TENTH AVENUE ▪ SUITE 24-E ▪ TOPEKA, KS 66612 ▪ (785) 296-2321

MEMORANDUM

To: Senate committee on Ways and Means
From: Daniel Yoza and Scott Abbott, Assistant Revisors
Date: March 10, 2016
Subject: Senate Bill 498

Senate bill 498 is recommendation REAL.03 from the A&M study regarding surplus real estate. The bill provides that the secretary of administration shall contract with a project management office (PMO) for the purpose of identifying, marketing and selling surplus real estate. It also requires state agencies to cooperate with PMO under the direction of the secretary of administration. The bill exempts sales under section 1 from the property appraisal requirements of K.S.A. 75-3043a, substituting a price approval from the secretary of administration for the appraisal. The bill also exempts sales under section 1 from the statutory requirement that 80% of surplus property sales are to be deposited into the KPERS fund to be used to pay down the unfunded liability. Rather, the bill directs all proceeds from sales under section 1 to be deposited to an appropriate special revenue fund of the state agency that owned the property. The A&M study identified the appraisal process and the requirement that 80% of the proceeds go to KPERS as barriers to the sales of surplus property. Because the A&M study listed this as a short term process with the speed to market being a concern, all surplus properties are to be identified by the PMO by November 1, 2016 and the provisions of section 1 sunset on June 30, 2017.

The amendments in section 2 are simply conforming amendments to exempt sales under the PMO process in section 1 from the regular surplus property provisions of K.S.A. 75-6609.

The effective date of this bill is upon publication in the Kansas register.