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Adam Proffitt, Director

Laura Kelly, Governor

January 24, 2022

The Honorable Jeff Longbine, Chairperson
Senate Committee on Financial Institutions & Insurance
Statehouse, Room 546-S
Topeka, Kansas 66612

Dear Senator Longbine:

SUBJECT: Fiscal Note for SB 322 by Joint Committee on Pensions, Investments and Benefits

In accordance with KSA 75-3715a, the following fiscal note concerning SB 322 is respectfully submitted to your committee.

Under current law, 20.0 percent of the proceeds from the sale of surplus real estate property is credited to the agency that owns the property and 80.0 percent is credited to the Kansas Public Employees Retirement System (KPERS) Fund, after deducting the expense and appraisal costs. SB 322 would eliminate the 80.0 percent credit to the KPERS Fund. The bill would also specify that on and after July 1, 2022, all proceeds from the sale of surplus real estate property, after deducting the expense and appraisal costs, would be credited to the agency that owns the property.

KPERS indicates it has received proceeds from six sales of surplus real estate property since FY 2012 totaling $1.8 million. Any fiscal effect resulting from the enactment of the bill would be negligible to the KPERS Fund. The Department of Administration states enactment of the bill would not have a fiscal effect on agency operations because the agency does not receive proceeds from the sale of surplus real estate property that is not owned by the Department. Any fiscal effect associated with SB 322 is not reflected in *The FY 2023 Governor's Budget Report*.

Sincerely,

Adam Proffitt
Director of the Budget

cc: Jarod Waltner, KPERS
Celeste Chaney-Tucker, Department of Administration