

## **Sale of Certain State Real Property; Sub. for SB 450**

**Sub. for SB 450** enacts law and amends law relating to the sale of certain state real property and surplus real estate.

### ***Sale and Conveyance of Real Property—State Educational Institutions***

The bill amends law to permit, upon specific authorization of the State Board of Regents (Board) and in accordance with the Board's policies, the sale and conveyance of real property given as an endowment, bequest, or gift to a state educational institution.

The bill requires the Board to:

- Adopt policies governing the procedures under which state educational institutions may sell and convey real property given as an endowment, bequest, or gift to such institution; and
- Annually submit a report to the Legislature listing any real property transfers that occurred during the prior fiscal year pursuant to the requirements of this bill.

[*Note:* As defined in KSA 76-711, a “state educational institution” means the University of Kansas, Kansas State University, Wichita State University, Emporia State University, Pittsburg State University, and Fort Hays State University.]

### ***State Surplus Real Estate***

The bill amends provisions pertaining to the disposition of proceeds from the sale of surplus real estate of state agencies to provide on and after July 1, 2022, all proceeds from each sale would be credited to the appropriate agency fund. Provisions of law added by this bill relating to the sale and conveyance of real property given as a gift, endowment, bequest, or gift will be subject to the requirements pertaining to the disposition of proceeds for such property and not to the requirements for disposition of proceeds applicable to State surplus real estate.

Under current law, these proceeds must be credited as follows:

- 20.0 percent of the proceeds from the sale must be credited to the agency that owns the property; and
- 80.0 percent of the proceeds from the sale must be credited to the Kansas Public Employees Retirement Fund (Trust Fund) for the payment, in full or part, of the unfunded actuarial pension liability as directed by the Kansas Public Employees Retirement System (KPERs).

[*Note:* The provisions pertaining to the disposition of proceeds requiring the crediting to the Trust Fund were added to law in 2012 Senate Sub. for Sub. for HB 2333, the KPERs Omnibus bill, which made several changes in retirement benefits and plan design to improve the

overall funding position of the Retirement System. Prior to enactment of this law, 80.0 percent of the proceeds were credited to the State General Fund.]