

Oral Neutral Testimony on HB 2489

Limiting the legislative option to purchase school district buildings to buildings that were formerly used as attendance centers

By

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In

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Madam Chair and Members of the Committee,

Thank you for this opportunity to appear as neutral on HB 2489.

KASB's member-approved legislative policies call for the repeal, or if not the repeal, then the significant clarification, of the provisions of SB 113 of 2023 on the disposition of district property. We appear as neutral today on HB 2489 for several reasons.

HB 2489 tries to clarify a narrow piece of the broad language adopted last session in SB 113, by defining a "building" only as district property that "was used in any prior school year" as a K-12 attendance center.

While a narrowing of the property subject to the law is welcome—as the statute currently stands, it is broadly worded and could apply to any kind of district structure including, for example, a storage shed—the proposed definition is still overly broad. Districts across the state have buildings that, appropriately, have not been used as K-12 attendance centers for many years but are serving other educational purposes for the district and/or the community. HB 2489 remains, therefore, over-broad, as it would apply to any building that ever served as a place for students to receive instruction, throughout the history of the building.

This bill does not repeal the property disposition provisions of SB 113, which is the priority preference of local boards of education. The provisions of current law on the timeframe for the disposal process are so onerous that the law substantially impedes districts' ability to make responsible, efficient decisions on behalf of their students, staff, families, and local taxpayers.

For example, it would be possible under the statute for a school district to provide notice to the legislature of intent to sell district property on the first day after the end of the legislative session--this year that would be the day after day 90, May 3, 2024. The statute says that, if the notice is not provided during the legislative session, then the legislature has 45 days after the *next* legislative session begins to act on the notice. That could mean it would not be until the third week of February 2025 before the legislature would have to act on the notice. *Then* the statute provides an interested state agency *another 180 days* to complete a transaction to "complete the acquisition" of the property, which under the statue may be extended by an added 60 days.

In other words, if a school district decides on April 4, 2024, to sell a piece of district property, the district might not be able to conclude that transaction until *October 17, 2025*. That is two school years after the board made the decision to dispose of the property, *562 days (about 1 and a half years) after the board's adoption of a resolution to dispose of the property*. We are not aware of another circumstance under Kansas law that requires a property owner to wait 562 days to dispose of real property. And such a lengthy period is, on its face, damaging to the fiscal interests of all parties involved in such transactions.

Moreover, as the Attorney General's December 11, 2023, opinion notes (<u>Attorney General Opinion No. 2023-12</u>), the statute is ambiguous as to whether the "acquisition" of the property must be at fair market value, or if the state agency could buy it for a much-reduced price or even demand the acquisition of the property for free.

Given that many district properties have been paid for and improved solely with tax dollars provided by local taxpayers, the ambiguity in the statute on this point is extremely concerning. While the Attorney General concluded that a state agency would need to pay what a "willing buyer" proposed to pay, we doubt that there are many, if any, willing buyers who would be comfortable making an offer for a property, then waiting more than a year and a half to see whether they would be allowed to close on the deal. Such a situation severely undercuts the "fair market value" of school district property before it is ever offered for sale.

In its current form, the statutory language described above violates the constitutional authority of local boards of education to operate and manage school districts, which includes making fiscal decisions that protect the interests of local taxpayers. The minimal changes proposed by HB 2489 do not address the substantial burdens that this law places on local taxpayers and on school districts and their students and staff. Our members urge the legislature to either repeal or significantly clarify this extremely broad statute.

We appreciate the opportunity to provide this testimony on HB 2489 and look forward to working with the committee to find a way to address the legislative concerns that were behind SB 113, while also supporting districts' local decision-making authority and need for a process that makes fiscal sense and that protects the interests of all involved.

Thank you.

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