

HOUSE BILL No. 2790

By Committee on Appropriations

3-28

Proposed amendment
Rep. DeGraaf
April 24, 2012

1 AN ACT concerning ~~corrections~~; relating to the purchase of land.

real estate; concerning the proceeds from the sale of surplus real estate

2 *Be it enacted by the Legislature of the State of Kansas:*

3 Section 1. (a) The secretary of corrections is hereby authorized to sell
4 and convey, on behalf of the state of Kansas, to Reno county, Kansas, to be
5 used for a jail and related law enforcement purposes, in the manner
6 hereinafter provided, the following described real estate, including any
7 improvement thereon:
8

; amending K.S.A. 2011 Supp 75-6609 and repealing the existing section

9 A tract of land in the Southwest Quarter (SW/4) of the Southeast
10 Quarter (SE/4) of Section 19, Township 23 South, Range 5 West of the 6th
11 P.M., Reno County, Kansas; more particularly described as: Beginning at
12 the Southwest corner of the Southeast Quarter (SE/4) of said Section 19;
13 thence North 0°33'01" West 776.0 feet along the West line of said SE/4;
14 thence North 89°43'39" East 650.0 feet; thence South 0°33'01" East 776.0
15 feet, thence South 89°43'39" West 650.0 feet along South line of said SE/4
16 to the point of beginning, containing 11.579 acres, inclusive of road right-
17 of-way easements across the South and West 50 feet thereof, as recorded at
18 the Reno County Register of Deeds office in Book 124 Page 211.

New

19 (b) Before any property shall be sold under the provisions of this
20 section, the real estate described in subsection (a) shall be appraised by a
21 disinterested appraiser acquainted with real estate values in Reno county
22 and appointed by the secretary upon agreement between the secretary and
23 the Reno county commissioners. Such appraisement shall be in writing and
24 filed with the secretary, and the cost of the appraisement shall be paid by
25 Reno county.

26 (c) The attorney general shall approve the abstract of title or title
27 insurance policies as showing merchantable fee simple title to such
28 property and shall approve the form of the deed or deeds to such property.
29 (d) Except as proved in subsection (e), the provisions of K.S.A. 75-
30 3043a and 75-6609, and amendments thereto, shall not apply to the sale
31 and conveyance authorized by this section or any contracts required
32 therefor.

33 (e) When such real estate is sold, the proceeds thereof shall be
34 deposited in the state treasury as prescribed by subsection (f) of K.S.A. 75-
35 6609, and amendments thereto.

36 (f) In the event that the secretary of corrections determines that the

1 legal description of the parcel described by this section is incorrect, the
2 secretary of corrections may sell and convey the property utilizing the
3 correct legal description but the deed conveying the property shall be
4 subject to the approval of the attorney general.
5 Sec. 2. This act shall take effect and be in force from and after its
6 publication in the Kansas register.
7

Sec. 2. K.S.A. 2011 Supp 75-6609 is hereby amended to
read as follows. See attached.
Sec. 3. K.S.A. 2011 Supp 75-6609 is hereby repealed.
Renumber remaining section.

Sec. 2. K.S.A. 2011 Supp. 75-6609 is hereby amended to read as follows:
75-6609. (a) When used in this section, "surplus real estate" means real estate which is no longer needed by the state agency which owns such real estate as determined in accordance with this section.

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

(2) The secretary of administration shall develop guidelines for the sale of surplus real estate. In accordance with such guidelines and upon the approval of the governor, after consultation with the head of the state agency which owns such surplus real estate, after consultation with the joint committee on state building construction and after approval by the state finance council under subsection (c), the secretary may offer such property for sale by one of the following means: (A) Public auction; (B) by listing the surplus property with a licensed real estate broker or salesperson; or (C) by sealed bid. Subject to the approval of the state finance council as required by subsection (c), the secretary of administration may sell surplus real estate and any improvements thereon on behalf of the state agency which owns such property.

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

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

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

(f) (1) Any proceeds from the sale of surplus real estate and any improvements thereon, after deduction of the expenses of such sale and any cost of appraisal of the surplus real estate, shall be deposited in the state treasury as prescribed by this subsection, unless otherwise authorized by law. On and after the effective date of this act, 20% of the proceeds from each such

sale deposited in the state treasury shall be credited to the surplus real estate fund or another appropriate special revenue fund of the state agency which owned the surplus real estate, as is prescribed by law or as may be determined by the state agency, unless otherwise required by state or federal law or by the limitations or restrictions of the state's title to the real estate being sold. In the case of proceeds from the sale of surplus real estate at a state mental health institution or a state mental retardation institution, such portion of the proceeds shall be credited to the client benefit fund of such institution or to another special revenue fund of such institution for: (A) Rehabilitation and repair or other capital improvements for such institution, ; or (B) one-time expenditures for community mental health organizations if the real estate sold was at a state mental health institution or for community developmental disabilities organizations if the real estate sold was at a state mental retardation institution, and, in any such case, shall be expended in accordance with the provisions of appropriation acts. The remaining 80% of the proceeds from each such sale deposited in the state treasury shall be credited to the ~~state general fund~~ *Kansas public employees retirement fund to be applied to the payment, in full or in part, of the unfunded actuarial pension liability as directed by the Kansas public employees retirement system. As used in this section, "unfunded actuarial pension liability" means the unfunded actuarially accrued liability of the state for the state of Kansas and participating employers under K.S.A. 74- 4931, and amendments thereto, portion of such liability of the Kansas public employees retirement system, determined as of the later of December 31, 2011, or the end of the most recent calendar year for which an actuarial valuation report is available.*

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

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

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

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