

February 14, 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 450 by Senate Committee on Financial Institutions and Insurance

In accordance with KSA 75-3715a, the following fiscal note concerning SB 450 is respectfully submitted to your committee.

SB 450 would authorize a state educational institution, upon specific authorization of the Kansas Board of Regents, to sell and convey real property given as an endowment, bequest, or gift. The Board of Regents would be required to adopt policies governing the procedures and conditions under which state educational institutions may sell and convey real property given as an endowment, bequest, or gift. The policies would include the disposition of the proceeds of the sale and conveyance. The Board of Regents would be required to submit to the Legislature at each regular session a report listing any real property transfers that occurred during the previous fiscal year. SB 450 would not be subject to the provisions of KSA 75-6609, concerning the sale of surplus real estate, which requires 20.0 percent of proceeds deposited in the State Treasury to be credited to the Surplus Real Estate Fund and the remaining 80.0 percent credited to the Kansas Public Employees Retirement Fund to be applied to the unfunded actuarial pension liability.

The Kansas Board of Regents indicates the enactment of SB 450 would increase proceeds to the universities from the sale of property, but the amount would depend on several factors to include whether a university has real property to sell as well as the value of the property. The Board indicates the bill would also eliminate the administrative burden for state universities requesting legislation to retain the proceeds from the sale of real property. KPERS indicates SB

450 would have no fiscal effect on expenditures and any additional income lost from the bill's enactment would be negligible. Any fiscal effect associated with SB 450 is not reflected in *The FY 2023 Governor's Budget Report*.

Sincerely,

A handwritten signature in black ink, appearing to read "Adam Proffitt", with a stylized flourish at the end.

Adam Proffitt
Director of the Budget

cc: Kelly Oliver, Board of Regents
Celeste Chaney-Tucker, Department of Administration
Jarod Waltner, KPERS