

SESSION OF 2020

**SUPPLEMENTAL NOTE ON SENATE BILL NO. 346**

As Recommended by Senate Committee on  
Ways and Means

**Brief\***

SB 346 would amend law governing surplus real estate of state agencies (KSA 75-6609) to allow the Kansas Insurance Department (Department) to retain the proceeds on sales of surplus state real estate.

Current law directs that, upon the sale of a surplus state-owned building, 20.0 percent of the proceeds are to be deposited in the state treasury and credited to the agency that owned the building, and the remaining 80.0 percent of the proceeds are to be credited to the Kansas Public Employees Retirement System (KPERs) Fund to be applied to the payment, in full or in part, of the unfunded actuarial pension liability.

The bill would amend the surplus real estate law by exempting the sale of the Department real estate and any improvements on said real estate. The bill would also direct any expenses of the sale and costs of appraisal to be deducted from the proceeds and that the remainder would be credited to the Insurance Department Service Regulation Fund.

**Background**

The bill was introduced by the Senate Committee on Ways and Means at the request of a representative from the Department.

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\*Supplemental notes are prepared by the Legislative Research Department and do not express legislative intent. The supplemental note and fiscal note for this bill may be accessed on the Internet at <http://www.kslegislature.org>

In the Senate Committee hearing, a representative from the Department testified as a proponent, stating that the agency relocated from 420 SW 9th Street to 1300 SW Arrowhead Road, Topeka, Kansas, in November 2019. The representative further stated that the building was purchased with special revenue funds collected from entities the Department regulates and that the purpose of the bill was to redirect those funds go back to those special revenue funds.

No neutral or opponent testimony was provided.

According to the fiscal note prepared by the Division of the Budget, enactment of the bill would increase revenues for the Department by approximately \$1.2 million, which would be deposited into the Insurance Department Service Regulation Fund. The note further specified that, if enacted, KPERS would not receive approximately \$920,000 in revenues that would have otherwise been received under current law.