

SESSION OF 2005

SUPPLEMENTAL NOTE ON SENATE BILL NO. 152

As Amended by House Committee on
Governmental Organization and Elections

Brief*

SB 152 would amend the procedures set forth in existing hospital district law, KSA 80-2520, to allow for an alternative method of disposal of property. The bill also would allow hospital districts to secure mortgages on hospital property.

The bill provides that a hospital board may adopt a resolution establishing an alternate method for the disposal of property. At a minimum, the methodology of the disposal is to include:

- Notification of the public of the property to be sold;
- Description of the property to be sold;
- The method of sale, including but not limited to, fixed price, negotiated bid, sealed bid, public auction or auction, or any method of sale which allows for public participation; and
- Public notice inserted in one publication in a newspaper of general circulation in the hospital's taxing district.

The bill further provides that any method for disposal of property may contain different procedures for real and personal property.

The bill also would authorize hospital districts to obtain financing for construction of a hospital facility to be secured by a mortgage on any or all hospital property provided the mortgage is insured by the U.S.

*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>

Department of Housing and Urban Development's mortgage insurance program.

The House Committee added the mortgage provision.

Background

The bill was introduced by the Senate Committee on Financial Institutions and Insurance at the request of Senator Teichman who provided testimony from the Stafford District Hospital outlining problems the hospital experienced in the sale of its property. Current law requires that the district hospital board solicit sealed bids when selling any real or personal property worth \$10,000 or more. The Kansas Hospital Association supported the bill.

The fiscal note prepared by the Division of the Budget indicates that passage of the bill would have no effect on state revenues or expenditures.