

SESSION OF 2013

SUPPLEMENTAL NOTE ON HOUSE BILL NO. 2396

As Recommended by House Committee on
General Government Budget

Brief*

HB 2396 would amend current law concerning the Secretary of Administration's authority to sell surplus real estate owned by any state agency. The bill would require each state agency to develop and maintain a list of real estate and to transmit the list annually to the Secretary, who would then be required to publish the list in the *Kansas Register*. Under the bill, the Secretary would no longer have to consult with the head of a state agency to determine if a property should be declared surplus real estate, as required by current law. Further, the bill would allow the Secretary to receive the Governor's approval to offer real estate for sale. Current law requires the Secretary to consult with the head of the state agency that owns the real estate and the Joint Committee on State Building Construction and then gain approval from the State Finance Council before the Governor may approve the sale of property.

The bill also would require the Secretary to prepare a report of all surplus real estate subject to sale and then transmit a copy of the report to all state agencies, which own real estate contained in the report. If the real property subject to sale is valued at less than \$250,000, the Secretary could sell the property under provisions of current law: public auction; by listing the property with a licensed real estate broker or salesperson; or by sealed bid. If the property subject to sale is valued at \$250,000 or more, the state agency owning the property may appeal the sale and request a re-determination of the status of the real estate. If the

*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>

Secretary concurs with the appeal by an agency, the property would be removed from the published list of real estate for two years. If the Secretary does not concur with the appeal, the Secretary would transmit a copy of the report, along with any state agency appeals to the Governor. The Governor would make the final decision for any state agency appeal to determine the status of any property. Prior to offering any real estate for sale, the bill would require the Secretary to appoint a disinterested appraiser to determine the market value appraisal of the property, unless the Secretary determines it is in the best interest of the state to waive the appraisal.

Background

The bill was introduced by the House Appropriations Committee. A representative of the Department of Administration testified in support of the bill at the House General Government Budget Committee hearing, noting that the Legislative Division of Post Audit made several recommendations about the State Surplus Property Program, including the recommendation to give the Secretary of Administration sole authority in designating surplus state property.

The fiscal note submitted by the Division of the Budget indicates the costs of publishing notices of surplus property would be negligible. The fiscal note indicates there could be cost savings if only one appraisal, as opposed to three appraisals which are currently required, is performed but no savings amounts were estimated.