

February 6, 2020

The Honorable Carolyn McGinn, Chairperson  
Senate Committee on Ways and Means  
Statehouse, Room 545-S  
Topeka, Kansas 66612

Dear Senator McGinn:

**SUBJECT:** Fiscal Note for SB 346 by Senate Committee on Ways and Means

In accordance with KSA 75-3715a, the following fiscal note concerning SB 346 is respectfully submitted to your committee.

Under current law, 20.0 percent of the proceeds, after deducting the expense of the sale and appraisal costs, from the sale of surplus real estate property is credited to the agency that owned the property and 80.0 percent is credited to the Kansas Public Employees Retirement (KPERs) Trust Fund within KPERs. SB 346 would allow the Kansas Insurance Department to keep all the proceeds, minus the expense of the sale and appraisal.

Estimated State Fiscal Effect				
	FY 2020 SGF	FY 2020 All Funds	FY 2021 SGF	FY 2021 All Funds
Revenue	--	--	--	\$1,160,000
Expenditure	--	--	--	--
FTE Pos.	--	--	--	--

According to the Kansas Insurance Department, the appraised value of the building located at 420 SW 9th Ave in Topeka Kansas, is \$1,160,000. The cost of the appraisal and the survey is estimated to be \$10,000. Therefore, if SB 346 were enacted, then the Department would receive \$1,150,000 into its Insurance Department Service Regulation Fund.

If SB 346 were enacted, the Kansas Public Employees Retirement System would not receive \$920,000 ( $\$1,150,000 \times .80$ ) in revenues. Any fiscal effect associated with SB 346 is not reflected in *The FY 2021 Governor's Budget Report*.

Sincerely,

A handwritten signature in black ink, appearing to read "L. L. Campbell". The signature is fluid and cursive, with the first name "L." and last name "Campbell" clearly visible.

Larry L. Campbell  
Director of the Budget

cc: Bobbi Mariani, Insurance  
Jeff Scannell, Department of Administration  
Jarod Waltner, KPERS