

MINUTES OF THE SENATE COMMITTEE ON ASSESSMENT AND TAXATIONThe meeting was called to order by Senator Paul "Bud" Burke at  
Chairperson11:00 a.m./p.m. on March 17, 1983 in room 526-S of the Capitol.All members were present except: Senator Angell (Excused)Committee staff present: Wayne Morris, Research Dept.  
Tom Severn, Research Dept.  
Don Hayward, Revisor's OfficeConferees appearing before the committee: Allen Loyd, City of Lawrence Management Analyst  
Betty McBride, Treasurer, Cherokee County  
Janet Stubbs, Homebuilders  
Kim Dewey, Sedgwick County Commissioner  
Ernie Mosher, League of Kansas Municipalities  
Steve Wiechman, Kansas Association of Counties

A hearing was held on HB 2011 which pertains to the redemption period for delinquent taxes. The chairman directed the committee's attention to testimony received from Representative Kent Ott from Glenn Crum, Mayor of Haysville, in support of the bill. (Attachment #1)

The chairman recognized Allen Loyd, Lawrence, who spoke in support of the legislation which he said would greatly assist them in collecting delinquent taxes. He said most of their delinquency problem is with vacant property. He called attention to a chart showing special assessments delinquencies for Lawrence and said he believes this bill will help to collect these special assessments. (Attachment #2)

Betty McBride, County Treasurer, spoke in opposition to the amendment to HB 2011, but not to the rest of the bill. She said she doesn't think the bill will be of benefit to the taxpayer. With the economy in the situation it is in now the people really need the extra year. She is saying the expense involved in a tax sale is no small item and no county comes out even on a tax sale. (Attachment #3)

Janet Stubbs, HBA, believes this bill was introduced because of developers who were delinquent in their special assessments. She said they do not support this but feel it is a matter of economic conditions right now and also perhaps the matter of responsible planning, both on the part of the developer and city and county as to how much they develop at one time. She said they would prefer to leave the law as it is with three years so everyone is treated the same.

Kim Dewey, Wichita, spoke in opposition to HB 2011, encouraging rejection of this measure or returning it to the original form. (Attachment #4)

Ernie Mosher, League of Kansas Municipalities, spoke in support of HB 2011 with a couple of amendments. He suggested considering an amendment which provides in effect there be a one-year redemption for property with no improvements other than those financed by special assessments. If the property owner doesn't pay, the city must levy against the other taxpayers. The delinquents are paying 18% interest every three years except the city isn't getting the revenue to pay the interest on the bonds. He suggested: 1) to go back to the original intent and to deal with special assessments on vacant land - suggested a one-year redemption period for vacant land and special assessments; 2) amend on page 2 the terms of the distribution of interest, and agreed with Kim Dewey on the language in lines 55 through 58 and also suggested amending on line 58 after the period, by striking the period and adding "from any delinquent special assessments less costs and expenses." Mr. Mosher also suggested leaving the three-year period and one year for vacant land - "unimproved property except for special assessment funded improvements".

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON ASSESSMENT AND TAXATION,

room 526-S, Statehouse, at 11:00 a.m./~~pm~~ on MARCH 17, 1983

The chairman asked if the bill were restructured to provide that county treasurers can recover their costs, would that remove the objections for leaving everything at the three-year period except for vacant lots?

Kim Dewey stated that this sounds reasonable conceptually, but practically might be difficult. Betty McBride agreed with Mr. Dewey.

Mr. Loyd said they would support limiting the bill only to vacant property with special assessments; that two years was better than three for them, but limiting to vacant property would be satisfactory.

The chairman said some conceptual amendments could be prepared and another hearing held so the conferees could respond to the amendments.

Senator Chaney made a conceptual motion and Senator Johnston seconded the motion to draft the amendments to HB 2011 and bring them back to the committee. The motion failed.

The committee held a hearing on HB 2016 which pertains to the aggregate tax levy limitations on cities and counties.

Ernie Mosher said the League supports changes to help prevent a loss of tax lid authority as a result of the reduction of revenue from the farm machinery and business aircraft exemptions.

He said this was also in HB 2054, and perhaps there is a need to reconcile the two bills.

The chairman said if this doesn't pass, it won't adversely affect too many cities, but will affect the counties that have lost much of their assessments base - their amount of levies will be cut 10%.

Steve Wiechman, KAC, said they need HB 2016 as some additional way to take up the loss which the farm machinery and aircraft exemption has created. If at their limit then they will have to look at alternative means or cut services. They need the help this bill can afford them.

The committee considered HB 2047 which deals with tax situs for motor vehicles and the solution was to have printed on the form used at the time of registration an affidavit declaring the tax situs was the same as where the vehicle was registered. Phil Martin said that when reordering supplies this year this will be included. Wayne Morris reported that when the committee had the hearing, Ernie Mosher was concerned about people not registering in the right county and this bill does not address that problem. The House Committee was addressing people who were registering their car properly, but if a person moved from the time he gets his registration statement, under current law he has to pay tax shown on the registration statement. They cannot recompute the tax, if situs is different. That is where they are not allowing them to have their tax recomputed and that is what the bill does.

Senator Mulich moved and Senator Hayden seconded a motion to report HB 2047 favorable for passage. The motion passed.

The chairman adjourned the meeting at 11:55 a.m. The next meeting will be at 2:00 p.m. in Room 529-S.

11 am meeting

ASSESSMENT AND TAXATION

OBSERVERS  
(PLEASE PRINT)

DATE	NAME	ADDRESS	REPRESENTING
MARCH 17	Stacy Clark	2910 S. Rouse	Sen. JOHNASTON
	Sharon Hall	138 S. Custer	Sen. Belanciano
	Allen Hoyt	City Hall	City of Lawrence
	RON CALBERT	NEWTON	U.J.O.
	RICHARD P DAVIS	OSAGE Co. TREASURER	OSAGE COUNTY
	Donna Bradford	Finney Co. Treas.	Finney County
	Jessie Mae Ling	Hodge man Co. Treasurer	Hodge man County
	Leslie Phelps	1316 Western, #6	
	Nancy Weeks	Haskell Co. Treasurer	HASKELL CO.
	F.A. Mascher	Top.	League of Ks Min.
	Steven R. Wiechman	Topeka	K.A.C.
	JANET STUBBS	"	HBAK
	Tim Underwood	Topeka	KAR
	John Blythe	Manhattan	K.F.B.
	John Kobayashi	Girard	Crawford Co.
	Betty McFadden	Glenburn	County Treasurer
	Marie B. Ladosee	Wij. County	County Treasurer
	Marge Richards	Shawnee County TOPEKA, KS	Treasurer

*From Kent Ott*

Attachment

#1

JANUARY 17, 1983

Mayor Glenn Crum  
City of Haysville, KS  
200 W. Grand Ave.  
P.O. Box 404  
Haysville, Kansas 67060  
(316) 524-3243

MEMBERS OF THE HOUSE COMMITTEE ON ASSESSMENT AND TAXATION;  
LADIES AND GENTLEMEN...ON BEHALF OF THE CITY OF HAYSVILLE,  
KANSAS, A GROWING CITY OF MORE THAN 8,500 PEOPLE IN SOUTH  
SEDGWICK COUNTY, I WOULD LIKE TO THANK YOU AND YOUR CHAIR-  
PERSON FOR THE OPPORTUNITY TO ADDRESS YOU THIS MORNING.  
THIS MARKS THE FIRST TIME OUR CITY HAS ADDRESSED YOU AS A  
GROUP, BUT THE IMPORTANCE OF THE SUBJECT BEFORE YOU HAS  
PROMPTED THIS INITIATION.

TODAY, I PRESENT YOU WITH A PROBLEM THAT NOT ONLY OUR  
CITY, BUT THE ENTIRE ASSOCIATION FOR LEGISLATIVE ACTION FOR  
RURAL MAYORS IN SEDGWICK COUNTY, HAS AGREED IS ONE OF THE  
GREATEST FACING OUR CITIES AND COUNTIES DURING THIS SESSION.  
THIS PROBLEM AND POSSIBLE SOLUTION LIES BEFORE YOU TODAY...  
THAT OF RISING DELINQUENT TAXES, BOTH PROPERTY AND SPECIAL,  
AND HOW THE CITIES AND COUNTIES CAN PREVENT DELINQUENT TAX  
PAYERS FROM EXTENDING THEIR DELINQUENCIES FOR AS MUCH AS FIVE  
YEARS BEFORE THE DUE TAXES CAN BE COLLECTED.

ACCORDING TO THE 1980 POPULATION CENSUS, CITIES OF THE  
SECOND CLASS HAD GROWN BY AS MUCH AS 26% WHILE CITIES OF THE  
THIRD CLASS HAD GROWN BY 18% IN SEDGWICK COUNTY. IN ADDITION,  
UNINCORPORATED AREAS OF SEDGWICK COUNTY GREW AT A RATE OF 14%.  
SUCH GROWTH HAS ADDED TO THE RAPID DEVELOPMENT OF THE METRO-  
POLITAN AREA, CREATING A BETTER PLACE TO LIVE AND A DRAWING  
PLACE FOR NEW RESIDENTS COMING TO THE AREA FOR THE FIRST TIME.

*Atch. 1*

TO MEET THIS RAPID GROWTH IN POPULATION AND DEMAND FOR HOUSING, MANY CITIES AND COUNTIES HAVE ISSUED SPECIAL IMPROVEMENT BONDS FOR NEW HOUSING SUBDIVISIONS WITHIN THEIR JURISDICTION. THESE PREDOMINANTLY UTILITY IMPROVEMENTS, SUCH AS WATER AND SEWER MAINS, HAVE BEEN AUTHORIZED BY GOVERNING BODIES FOR THE BENEFIT OF NEW DEVELOPMENTS THAT HAVE LOOKED FOR LOW COST, LOW CAPITAL INVESTMENT, OPTIONS TO ASSIST THEM IN THE EARLY STAGES OF THEIR HOUSING AND COMMERCIAL DEVELOPMENTS. ONCE A PETITION FOR IMPROVEMENT BONDS IS RECEIVED AND APPROVED, THE DEVELOPER IS ASSURED OF BEING ABLE TO OFFER A NEW HOME AT A MORE REASONABLE COST DUE TO THE LOWER INTEREST RATE ATTRIBUTED IMPROVEMENT BOND FINANCING. MORE AFFORDABLE HOUSING MAKES FOR A MORE SUCCESSFUL DEVELOPMENT...OR SO IT WOULD SEEM.

IN MOST CASES, THE COSTS FOR THE IMPROVEMENTS WILL BE SPREAD AMONGST THE BENEFIT DISTRICT, WITH EACH HOUSE PAYING A PORTION OF THE PRINCIPAL AND INTEREST ON THE BONDS, USUALLY ISSUED FOR FROM 10 to 15 YEARS. IF THE LOTS ARE NOT SOLD BY THE FIRST PAYMENT DUE, THEN THE DEVELOPER IS OBLIGATED TO PAY THE SPECIAL ASSESSMENT.

BUT WHAT IF THESE FINANCIAL OBLIGATIONS ARE NOT PAID BY EITHER THE DEVELOPER OR THE NEW HOMEOWNER? WHO PICKS UP THE BILL? THE TAXPAYER AT LARGE...THAT'S WHO. WHY? BECAUSE EVEN THOUGH THE BOND PRINCIPAL AND INTEREST IS DUE ON AN ANNUAL BASIS, THE DELINQUENT SPECIAL ASSESSMENTS CANNOT BE RECOVERED... OR EVEN BEGIN TO BE RECOVERED...BEFORE THREE YEARS AND NINE MONTHS HAVE TRANSPIRED...ACCORDING TO THE PRESENT STATE STATUTE 79-2801. BY THEN THE TAXPAYERS AT LARGE HAVE PAID FOR ALL THE FINANCIAL OBLIGATIONS AND CAN LOOK FORWARD TO AT LEAST A YEAR MORE ACCORDING TO COURTHOUSE OFFICIALS WHILE THE ACTION

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GOES THROUGH THE PROPER DUE PROCESS.

SO WHAT HAS THIS MEANT TO HAYSVILLE AND OTHER CITIES AND COUNTIES IN THE STATE? IN 1979, SEDGWICK COUNTY INFORMED HAYSVILLE CITY OFFICIALS THAT IT HAD A TOTAL OF \$9,608 IN DELINQUENT SPECIAL ASSESSMENTS OUTSTANDING...OR A DELINQUENCY RATE OF 11 PER CENT OVER WHAT WAS EXPECTED TO BE COLLECTED THAT YEAR IN PRINCIPAL AND INTEREST PAYMENTS. IN 1980, THE COUNTY SHOWED THE CITY AN ADDITIONAL \$38,293 IN DELINQUENT SPECIALS OR WHAT AMOUNTED TO A DELINQUENCY RATE OF 32 PER CENT FOR THE YEAR. AND IN 1981, THE COUNTY SHOWED AN ADDITIONAL \$79,851 IN DELINQUENT SPECIALS OR A 44 PER CENT DELINQUENCY RATE FOR THE YEAR. EACH YEAR, THE CITY MET ITS OBLIGATIONS TO PAY PRINCIPAL AND INTEREST, BUT THE TAXPAYER AT LARGE...AND NOT THE DEVELOPER OR IMPROVED LOT OWNER...PAID THE BILL THROUGH AN INCREASE IN HIS PROPERTY TAX THE CITY MUST USE TO PAY OFF REMAINING BOND OBLIGATIONS.

BUT WHAT OF OTHER CITIES AND THE COUNTY OF SEDGWICK? ACCORDING TO THE COUNTY TREASURER'S OFFICE, OF THE 4 PER CENT OVERALL TAX DELINQUENCY RATE FOR SEDGWICK COUNTY, THE VAST PERCENTAGE OF DELINQUENCY COMES FROM SPECIAL ASSESSMENTS ISSUED BY THE COUNTY FOR NEW SUBDIVISION SPECIAL ASSESSMENTS IN UNINCORPORATED AREAS. IN THE CITY OF WICHITA, IT IS ESTIMATED THAT THERE ARE MORE THAN \$800,000 IN SPECIAL ASSESSMENTS NOW DELINQUENT...WHILE SMALL FAST GROWING CITIES LIKE BEL AIRE, PARK CITY, ROSE HILL AND DERBY SHOW A GREATER PERCENTAGE DELINQUENCY IN SPECIALS FOR NEW SUBDIVISIONS THAN EVER BEFORE. WHAT ALL THIS MEANS IS THAT THE PRESENT LAWS RELATING TO COLLECTION OF SPECIAL ASSESSMENTS AND PROPERTY TAXES IN GENERAL DO NOT LET OR ALLOW CITIES OR COUNTIES TO MEET THEIR FINANCIAL OBLIGATIONS WITHOUT HAVING TO RAISE

TAXES FOR THEIR CITIZENS AT LARGE. RATHER THAN ENCOURAGE DEVELOPERS TO PAY FOR SPECIAL ASSESSMENTS PROMPTLY, THE PRESENT LAWS ALLOW THEM TO DEFER THEIR OBLIGATIONS AT SOMEONE ELSE'S EXPENSE FOR UP TO FIVE YEARS. SOMETHING HAS TO BE DONE...AND SOON.

WHAT WE ARE TALKING ABOUT IS NOT NEW. THE LEGISLATURE MOVED SEVERAL YEARS AGO TO RAISE THE DELINQUENT INTEREST COST ON TAXES, BUT STILL WE HAVE A PROBLEM. IF THE PROBLEM CONTINUES, WE SEE A GREATER RELUCTANCE ON THE PART OF CITIES AND COUNTIES TO USE IMPROVEMENT BOND FINANCING...AND THUS DISCOURAGE DEVELOPMENT OF RESIDENTIAL AND COMERCIAL AREAS THROUGHOUT THE STATE. SOME DEVELOPERS JUST WILL NOT BUILD IN KANSAS; OTHERS ..... WITHOUT BOND FINANCING...WILL HAVE TO HAVE A GREATER INVESTMENT UP FRONT TO PASS ON TO THE NEW OCCUPANTS...AND THUS CAUSE HOUSES TO BE MORE EXPENSIVE.

NO GROWING CITY OR COUNTY WANTS TO SEE WHAT I HAVE DESCRIBED HAPPEN, BUT WITHOUT YOUR HELP IN CHANGING THE LAWS THAT NOW GOVERN DELINQUENT TAXES, ANYTHING IS POSSIBLE. YOUR SUPPORT OF HOUSE BILL 2011 IS STRONGLY ENCOURAGED NOT ONLY BY THE CITY OF HAYSVILLE, BUT THE 19 MEMBERS OF THE SEDGWICK COUNTY ASSOCIATION FOR RURAL MAYORS FOR LEGISLATIVE ACTION WHO VOTED IN FAVOR OF THE BILL THIS WEEKEND.

CITIES AND COUNTIES HOLD THE TOOLS TO PROMOTE DEVELOPMENT IN KANSAS. HELP US DO IT AT THE EXPENSE OF THE PETITIONER FOR THOSE IMPROVEMENTS...AND NOT AT THE COST OF THE TAXPAYER AT LARGE.

THANK YOU FOR YOUR TIME AND INTEREST.

MAYOR GLENN CRUM  
HAYSVILLE, KANSAS  
JANUARY 17, 1983



# City of Lawrence KANSAS

BUFORD M. WATSON, JR., CITY MANAGER

CITY OFFICES 6 EAST 6th  
BOX 708 66044 913-841-7722

**CITY COMMISSION**

**MAYOR**

MARCI FRANCISCO

**COMMISSIONERS**

DONALD BINNS

BARKLEY CLARK

TOM GLEASON

NANCY SHONTZ

March 17, 1983

Chairman Paul Burke  
Senate Assessment and Taxation Committee  
Kansas State Capitol  
Topeka, Kansas

RE: Support of House Bill 2011

Mr. Chairman:

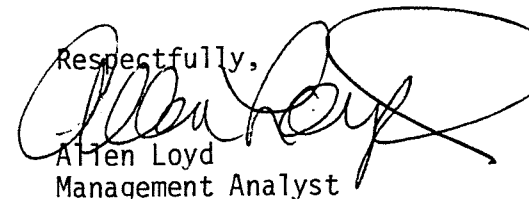
I am Allen Loyd, Management Analyst, speaking on behalf of the City of Lawrence, Kansas. I appreciate the opportunity to speak to this committee in support of House Bill 2011.

Lawrence supports this bill because we have experienced an alarming growth in special assessment delinquency the past three years. The City of Lawrence, per capita, has utilized benefit district financing for public improvements more than any other city in Kansas. The downturn in the housing market has caused the developers to default on paying the special assessments. Attached is a report on the use and amount of special assessment delinquency in Lawrence since 1966. Between 1966 and 1978, the percent of delinquency averaged 2%. Since 1978, the percent of delinquency has averaged 14%.

Almost all of our delinquency problem is on vacant property. We believe having a tax sale after two years instead of three will greatly assist in collecting the delinquency and provide new owners who can better afford to pay the remaining special assessments.

I appreciate the opportunity of addressing your committee on behalf of the City of Lawrence.

Respectfully,



Allen Loyd  
Management Analyst

attachment

Atch. 2



CITY OF LAWRENCE, KANSAS  
SPECIAL ASSESSMENTS DELINQUENT - From 1966 thru 1983

YEAR	<u>A</u> TOTAL ASSESSED	<u>B</u> RECEIPTS COLLECTED	<u>B</u> BACK COLLECTED	<u>C</u> AMOUNT AND PERCENT DELINQUENT	
1966	\$ 386,695.10	\$ 366,234.20	\$ 34,286.25	\$ 20,460.90/	5.29%
1967	372,358.45	342,810.11	13,381.19	29,548.34/	7.94%
1968	411,075.79	378,491.79	17,353.65	32,584.00/	7.93%
1969	372,001.32	353,318.42	38,673.13	18,682.90/	5.02%
1970	557,967.00	470,545.30	15,300.04	87,421.70/	15.67%
1971	669,517.16	553,585.73	41,564.00	115,931.43/	17.32%
1972	735,324.42	605,674.44	87,796.99	129,649.98/	17.63%
1973	774,707.09	664,858.35	75,980.21	109,848.74/	14.17%
1974	778,242.56	670,064.55	50,685.59	108,178.01/	13.90%
1975	848,183.52	735,308.25	44,380.55	112,875.27/	13.31%
1976	923,413.83	836,427.24	102,340.85	86,986.59/	9.42%
1977	942,221.34	888,688.11	148,645.11	53,533.23/	5.68%
1978	934,551.99	929,768.95	68,919.97	4,783.04/	0.51%
1979	995,453.51	960,306.02	30,873.62	35,147.49/	3.53%
1980	1,102,687.36	1,016,368.88	18,138.65	86,318.48/	7.83%
1981	1,530,142.07	1,267,358.97	82,799.63	262,783.11/	17.17%
1982	1,870,645.22	1,481,163.28	70,453.79	389,481.94/	20.82%
1983	2,013,552.20	-0-	-0-	(2/28/83) 498,154.21	24.74%

C-B ÷ A  
2%

14%

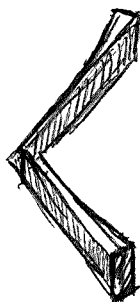
SPECIAL NOTE: These are not end of the year delinquencies. They are larger because they are based on what the City receives from the County and our last distribution is in November of each year.

Betty McBride, Treasurer

CHEROKEE COUNTY, KANSAS



COLUMBUS, KANSAS 66725



MR. CHAIRMAN AND MEMBERS OF THE COMMITTEE, MY NAME IS BETTY MCBRIDE. I AM CHEROKEE COUNTY TREASURER AND VICE PRESIDENT OF THE KANSAS COUNTY TREASURERS ASSOCIATION.

ON BEHALF OF MYSELF AND THE COUNTY TREASURERS ASSOCIATION I WANT TO THANK THIS COMMITTEE FOR ALLOWING ME THE TIME TO APPEAR BEFORE YOU TO EXPRESS OUR OPPOSITION TO HB 2011. PASSAGE OF HB 2011 WOULD CREATE ANOTHER DETRIMENTAL IMPACT UPON COUNTIES RESULTING IN A LOSS OF REVENUE TO THE GENERAL FUND AND IN SOME CASES AN INCREASE IN TAX LEVIES TO COUNTY TAXPAYERS. THE GENERAL FUND HAS HAD TO BEAR THE BURDEN OF MANY CUTBACKS IN REVENUE IN THE PAST SEVERAL YEARS TO ADD ANOTHER RESTRICTION HOWEVER SMALL, WOULD CAUSE FURTHER EROSION OF THE SHRINKING TAX BASE.

INTEREST RECEIVED ON DELINQUENT REAL ESTATE TAXES HAS HELPED COUNTIES ABSORB PART OF THE ADMINISTRATIVE COSTS OF PREPARING AND COLLECTING TAXES BY REDEMPTION OR BY A TAX FORECLOSURE SALE. IN CHEROKEE COUNTY LAST YEAR THE INTEREST ON REDEMPTION TAX CREDITED TO THE GENERAL FUND WAS \$24,691.00. THE WORK PROCEDURE FOR FIGURING AND COLLECTING DELINQUENT TAX AND INTEREST IS QUITE INVOLVED AND TIME CONSUMING AS INTEREST RATES HAVE CHANGED SEVERAL TIMES IN THE PAST THREE YEARS AND INTEREST MUST BE FIGURED AT SEVERAL DIFFERENT RATES FOR EACH DELINQUENT PARCEL BEING REDEEMED. INTEREST MUST BE FIGURED TO THE EXACT DAY OF REDEMPTION WHICH SOMETIMES CREATES PROBLEMS AS TAXPAYERS MAY CALL AND REQUEST THE AMOUNT DUE AND THEN SELECT TO WAIT SEVERAL DAYS OR SEVERAL MONTHS BEFORE REDEEMING, THIS MEANS STARTING FROM THE BEGINNING TO ARRIVE AT THE CORRECT AMOUNT TO BE COLLECTED.

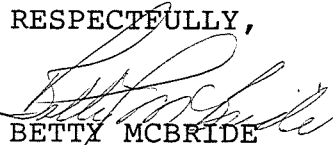
Atch. 3

INTEREST DERIVED FROM DELINQUENT REAL ESTATE REPRESENTS A VERY SMALL AMOUNT OF REVENUE IF BROKEN DOWN TO THE TAXING SUBDIVISIONS. SOME SUBDIVISIONS WOULD RECEIVE ONLY A FEW CENTS WHEN THE DISTRIBUTION WAS MADE. IT WOULD HOWEVER MEAN ANOTHER DISTRIBUTION TO BE MADE BY THE COUNTY TREASURERS OFFICE IN ADDITION TO THE OTHER DISTRIBUTIONS PRECIBED BY LAW.. THIS ADDITIONAL ADMINISTRATIVE COST PLUS LOSS OF REVENUE TO THE COUNTY COULD RESULT IN AN LEVY INCREASE TO THE TAXPAYER (THE SAME TAX PAYER WE ARE TRYING TO REDUCE TAXES FOR BY THE PASSAGE OF HB 2011.) FOR SOME COUNTIES WHO ARE OPERATING AT THE TAX LID LIMIT AND CANNOT INCREASE LEVIES AN EVEN GREATER BURDEN WILL BE ADDED.

I DO NOT FEEL THAT HB 2011 IS IN THE BEST INTEREST OF THE TAXPAYER OR COUNTY GOVERMENT, THERE I ASK YOUR SERIOUS CONSIDERATION BEFORE PASSAGE OF HB 2011.

ONCE AGAIN I WANT TO THANK YOU FOR YOUR TIME AND CONSIDERATION. IF I CAN ANSWER ANY QUESTIONS YOU MIGHT HAVE AT THIS TIME I WILL TRY AND DO SO.

RESPECTFULLY,

  
BETTY MCBRIDE  
CHEROKEE COUNTY TREASURER  
VICE PRESIDENT KANSAS  
COUNTY TREASURERS ASSOC.



# SEDGWICK COUNTY, KANSAS

## DEPARTMENT OF ADMINISTRATION

FOREST TIM WITSMAN  
COUNTY ADMINISTRATOR

COUNTY COURTHOUSE, • 525 N. MAIN, • WICHITA, KANSAS 67203-3703 • TELEPHONE 268-7575

Testimony of Kim C. Dewey, Sedgwick County  
Senate Assessment and Taxation Committee- HB 2011  
March 17, 1983

We would like to encourage your rejection of HB 2011. The bill was originally designed to alleviate serious problems many local units of government are experiencing with delinquent special assessments. Many areas in Sedgwick County and other areas of the State have experienced very high delinquency rates over the past several years. The local unit must levy either citywide or countywide to compensate for delinquencies, thus requiring all property taxpayers to bear the burden of special assessments.

One problem with the collection of delinquencies has been the three year period of time before the county can take the property to tax sale. We have found that many developers allow their taxes to remain delinquent for the three years period and then pay one year of the tax to avoid the tax sale. HB 2011 originally shortened this period of time from three years to one year, thus reducing the period of time the city or county at large would have to carry the delinquency. The House Committee amended the bill to provide for a two year period which we feel seriously weakens the effectiveness of the legislation.

We acknowledged in testimony before the House Committee that much of the blame for the delinquency problems rests with the local unit, due to the lack of controls and restraints in their established procedures for granting specials. With the growing delinquency problem, many local units have established stricter procedures which we feel will ultimately begin to alleviate this problem. HB 2011 in its original form would have contributed to the solution of the problem, but in its present form we feel that it would give little or no relief.

The Committee amendment in lines 55-58 is extremely ill-conceived and probably in direct conflict with other statutory requirements. K.S.A. 79-2004 and 79-2004a require that all interest and penalties on delinquent real estate and personal property taxes be credited to the general fund. These provisions have been in effect for many years. Your predecessors recognized that apportioning out the interest and penalties collected would be an administrative nightmare for

*Atch. 4*

the county treasurer. They recognized that, since all property taxpayers are assessed the county tax levy, crediting the general fund of the county with the interest and penalties would extend their benefits to all taxpayers in the most fair and equal manner. In any case, this amendment does not address what method should be used to calculate the "proportionate share" of interest to each taxing subdivision. Given the virtual impossibility of developing an appropriate method of doing this, we understand why this amendment does not address this.

In summary, we feel that HB 2011 is a prime example of well intentioned legislation gone bad. As such, we urge your rejection of this measure.