

MINUTES OF THE SENATE COMMITTEE ON COMMERCIAL AND FINANCIAL INSTITUTIONS

The meeting was called to order by Sen. Neil H. Arasmith at
Chairperson

9:00 a.m./~~p.m.~~ on March 25, 1983 in room 529-S of the Capitol.

All members were present except:

Senators Hess and Reilly - Excused

Committee staff present:

Bill Wolff, Legislative Research
Bruce Kinzie, Revisor's Office

Conferees appearing before the committee:

Representative Edgar Moore
Representative David Webb
William Mitchell, Kansas Land Title Association
Tim McCoy, Columbian Title Insurance Company
Tim Underwood, Kansas Association of Realtors

The minutes of March 24 were approved.

The hearing began on HB 2189 dealing with certain information to be specified on title insurance policies. Representative Moore, one of the authors of the bill, gave testimony in support of the bill. He said that the bill was introduced to correct a problem that has existed over the state for a long time. The problem involves special assessments against property which the home buyer might not know about at the time the property is purchased. He explained to the committee that the House Insurance Committee had changed the bill after its introduction.

Representative Webb gave testimony in support of the bill saying that he echoed the explanation of the need for the bill as presented by Representative Moore. Sen. Pomeroy asked why the bill deals only with the situation with title insurance and not with abstracters too. Rep. Webb answered that his understanding was that title insurance would cover all but that he would be willing to include wording in the bill to include abstracters if necessary.

William Mitchell, Kansas Land Title Association, gave testimony in support of HB 2189. He said that the problem goes deeper than the bill itself. He explained that when a resolution for a benefit district is set up, the improvement may not get started for several years so a dollar amount is not yet set up when the purchase of a home is made. He said that this problem is most evident in Johnson County. He explained that the bill had been amended to include all companies and to assure that a good legal description is given by the local unit of government when the resolution is adopted. The chairman asked if the land is sold after several years of ownership by one person, would the abstracter have to include this description. Mr. Mitchell answered that the description would have to be included.

Tim McCoy, Columbian Title Insurance Company, gave testimony in support of HB 2189. He said that the bill is needed because at the present time the properties to be included in special benefit districts are not properly described which makes it very difficult to locate the properties. He feels that a proper description should be available so that the homeowner would have some idea of what he was going to be assessed later. He added that if title companies must comply with the requirement to include a legal description, they should have available to them a description that enables them to find the property. He passed out copies of a resolution which contained poor description of property to show the committee an example of the problems involved. (See Attachment I). Sen. Pomeroy asked if the government officials who would be involved in this understand that this will cause them more work. Rep. Webb answered that they are aware of it and do not object because it will save work in the long run when taxes are assessed later. The chairman asked what the abstracters would do if the local units of government do not supply the descriptions. Mr. McCoy answered that the abstracters would use the general exclusion on the abstract. He also agreed with the chairman that possibly the homeowner may not notice this

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON COMMERCIAL AND FINANCIAL INSTITUTIONS,
room 529-S, Statehouse, at 9:00 a.m./~~p.m.~~ on March 25, 1983

even if it is set forth on the policy.

Tim Underwood, Kansas Association of Realtors, appeared in support of HB 2189. He noted that many times the mortgage payments are all the purchaser can afford, and when he later finds that there is a special assessment on the property, he can no longer handle it financially. The bill would help the homeowner be aware of any special assessment on the property at the time of purchase.

Sen. Gordon made a motion to recommend HB 2189 favorably. Sen. McCray seconded the motion. The motion carried.

The next meeting will be held on March 28.

The meeting was adjourned.

SENATE COMMITTEE

ON

COMMERCIAL AND FINANCIAL INSTITUTIONS

OBSERVERS
(Please print)

DATE	NAME	ADDRESS	REPRESENTING
3-25-83	Marvin Umboldt	Topeka	KUMC
	Tim Underwood	Topeka	KAR
	Tom Wilder	Topeka	KSLK
	Gregg Moore	Osaka	Legislature
	John S. Wheeler	Topeka	Legislature
	Vera Sutton	Topeka	Columbian Nat'l Title
	Tom Melon	Topeka	KLTA
	W. L. Mitchell	Hutchinson	Columbian NAT'L Title INS. Co.
	Dick Brock	Topeka	KLTA
	Hayden St John	Topeka	Ins Dept.
			Insurance title of Topeka

RESOLUTION OF ADVISABILITY AND AUTHORIZATION

No. 12-02

JUL 15 11 31 AM '01
REGISTRAR OF DEEDS
JEAN WOODRUFF

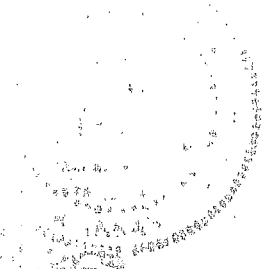
WHEREAS, the Governing Body has received a petition, pursuant to KSA 12-6a04, as amended, containing the signatures of the owners of 100% of the area in the improvement district hereinafter described:

WHEREAS, said lateral sanitary sewer district was created by City of Topeka Ordinance No. 745; and

WHEREAS, seven days have elapsed since the filing of the said petition.

NOW, THEREFORE, BE IT RESOLVED by the Governing Body of the City of Topeka, Kansas, that said Lateral Sanitary Sewer District No. 604, hereinafter, described, and the improvement district hereby authorized and order of said improvement to be made in accordance with the following:

- A. **GENERAL PURPOSE AND VENTURE:** To provide a lateral sanitary sewer to the area herein described in the improvement district, including all engineering and other work, such as required for a completed project.
- B. **IMPROVEMENT DISTRICT:** A tract of land lying in the east 1/2 of Section 16, Township 12 South, Range 16 East of 6th P.M. and the west 1/2 of said Section 6, Township 12 South, Range 16 East of 6th P.M. Shawnee County, Kansas, and more particularly described as follows:
The unplatted ten (10) acre tract (660' x 660') in northwest corner of said Section 16.
Section 16, Township 12 S, Range 16 E in Westport Subdivision "F."
- C. **ESTIMATED COST:** \$25,000.00
- D. **CONTRIBUTION:** The City of Topeka shall contribute an equal portion of the cost of the improvement district based on the estimated cost.
- E. **APPROVAL:** The City of Topeka shall approve the improvement district.



Attachment I