

Approved Ivan Sand
Date

MINUTES OF THE HOUSE COMMITTEE ON LOCAL GOVERNMENT

The meeting was called to order by REPRESENTATIVE IVAN SAND at
Chairperson

2:00 ~~xxx~~ a.m./p.m. on MARCH 26, 1984 in room 521-S of the Capitol.

All members were present except: Representative Clarence C. Love (Excused)

Committee staff present: Theresa Kiernan, Revisor of Statutes Office
Gloria Leonhard, Secretary to the Committee

Conferees appearing before the committee:

Senator August Bogina, Jr., SB 464
Mr. Ernest Mosher, Secretary, League of Kansas Municipalities, SB 464
Mr. Fred Allen, Kansas Assn. of Counties, SB 464
Mr. Buford Watson, City Manager, City of Lawrence, SB 464
Mrs. Jean Postlethwaite, City Councilman, City of Belaire, SB 464
Ms. Janet Stubbs, Homebuilders Assn. of Kansas, SB 464

Chairman, Ivan Sand, called for hearing on the following House Bill:

SB 464, concerning the redemption of real property sold for delinquent taxes; - By Committee on Ways and Means

(See Supplemental Note on Senate Bill No. 464 -- Attachment I.)

Senator August Bogina, Jr., a sponsor of the bill appeared to give background and intent of the bill. Bogina pointed out that Lines 54 through 60 of the bill provide for the interest paid on delinquent special assessments to be credited to the county general fund; that the bill's intent has been changed somewhat from the original but helps the problem by one year.

When questioned, Bogina stated that there had been a related bill; that this one was introduced because last year's bill had been killed.

Mr. Ernest Mosher, Secretary, League of Kansas Municipalities, appeared in support of SB 464. Mosher stated that the related bill last session was HB 2011; that Lines 41-42 of SB 464 calls for a three-year redemption period on homesteads and other real estate; that the 2-year period applies only to property not a homestead which has delinquent taxes and special assessments; that the real estate must be located within a special assessment district wherein public improvements were installed by a city in response to a petition or request; that improvements including sewers and streets are paid for by bonds which are owed by cities; that failure of an individual owner to pay his taxes results in the community of the whole picking up the cost.

The problem of farmer-owned land was brought up. One opinion was that farmers should have every chance to redeem their property.

Mr. Fred Allen, Kansas Assn. of Counties, appeared to testify in mild opposition to the bill. Allen pointed out that the proviso applies entirely to cities; that the county does not have the same rate; that confusion will be caused in the assessment and taxation process. Allen recommended that an interim study be done on the bill.

When asked, Senator Bogina stated that the Senate had discussed whether the counties should split the interest with the cities.

Mr. Buford Watson, City Manager, City of Lawrence, Kansas, appeared in support of the bill.

CONTINUATION SHEET

MINUTES OF THE HOUSE COMMITTEE ON LOCAL GOVERNMENT,
 room 521-S, Statehouse, at 2:00 ~~x~~pm on MARCH 26, 1984.

Watson explained that developers come into a city and put in an improvement, then go delinquent; that presently 3 years, 10 months, are allowed before a tax sale; that the change to 2 years, 10 months, is a step in the right direction. (See Attachment II.) Watson testified that on January 1, 1984, the City of Lawrence had over \$700,000 delinquent taxes; that one mill equals \$25,000; that every person and business pays these taxes; that an estimated \$600,000 of the \$700,000 is apportioned to "vacant lots."

Mrs. Jean Postlethwaite appeared to testify in support of SB 464. (See Attachment III.) Postlethwaite urged the Committee to pass SB 464.

Ms. Janet Stubbs, representing Homebuilders Assn. of Kansas, appeared to testify regarding SB 464. Stubbs stated that the Association does not have a position supporting the non-payment of taxes by the developers; that it is a contractual agreement which should be met; that their question is, "Why have the local governments not been a little more responsible in sharing some of the blame?" Stubbs questioned how many testifying before the Committee this date have required a letter of credit so they didn't have this problem. Stubbs pointed out that part of the problem has been because the cities do not receive a portion of the delinquent tax revenue received by the county; that citizens expect responsible management on the cities' part; that many developers were caught in the economic crunch of the last three to four years; that as the economy improves, there shouldn't be a problem; that the "letter of credit" is effectively being used in Topeka and Wichita; that cities have been willing to go along with larger than necessary specials because they thought it would broaden their tax base; that it is a two-sided story; that the Association of Homebuilders agreed on the 2-year period because they felt it was a good compromise and that everyone would act more responsibly in the future.

Mr. Ernest Mosher gave history as to when the "1-year" proposal was initiated. Mosher explained that in 1982, HB 2011 recommended a 1-year redemption period, except for homestead property.

Senator Bogina pointed out that it was felt that the Senate would not agree to one year; thus the two-year period was inserted.

The hearing on SB 464 was closed.

Chairman Sand called for possible action on the following Senate Bills:

Substitute for SB 349, concerning district and deputy district coroners; relating to compensation and expenses; - By Committee on Judiciary

(See balloon provided by Staff showing proposed amendments to Sub. for SB 349 -- Attachment IV.)

Mr. Jerry Slaughter, representing Kansas Medical Society, appeared to testify in support of SB 349. Slaughter stated that he had conferred with Senator Norma Daniels and that an additional amendment to raise the fee of coroners from \$35 to \$50 had been proposed; also that a change in the mileage rate is proposed to conform with that of state employees and others; that the effective date for this legislation is January 1, 1985 to allow time for budgeting into 1985 operating budgets; that one final amendment to KSA 19-1030 is proposed which would change the requirement of the coroner to hold an inquest when deaths have been caused by unlawful means, making the inquest not mandatory.

Representative Steve Schweiker made a motion to adopt the amendments proposed, excluding the amendment to KSA 19-1030, regarding inquests, as this particular amendment had not been discussed in connection with the hearing of Substitute for SB 349. Representative Kenneth D. Francisco seconded the motion. Motion carried.

Representative Dorothy Nichols moved and Representative LeRoy F. Fry seconded that Substitute for SB 349 be passed as amended. Motion carried.

CONTINUATION SHEET

MINUTES OF THE HOUSE COMMITTEE ON LOCAL GOVERNMENT,
room 521-S, Statehouse, at 2:00 ~~xxx~~ p.m. on MARCH 26, 1984

SB 566, concerning certain fees charged by the county clerk; -By
Senator Bogina

One question was raised regarding the phrase "the cost of staff time."
Staff pointed out that this language had been taken from the Open Records
Law.

Representative L. V. Roper moved and Representative Elizabeth Baker
seconded that SB 566 be passed. Motion carried.

SB 607, concerning special assessments; relating to certain actions
challenging the validity thereof; - By Committee on Local Govt.

Representative Steve Schweiker moved and Representative Robert S. Wunsch
seconded that SB 607 be passed. Motion carried.

SB 668, concerning counties; relating to letterhead stationery;
-By Senator Pomeroy

Representative Dorothy Nichols moved and Representative Dorothy Flottman
seconded that SB 668 be passed. Motion carried.

SB 679, concerning certain cities and counties; relating to the
acquisition of motor vehicles.

Representative Dorothy Nichols moved and Representative Robert D.
Miller seconded that SB 679 be passed. Motion carried.

The minutes of the meetings of March 20, 1984, and March 21, 1984, were
approved as presented.

Meeting adjourned.

SESSION OF 1984

SUPPLEMENTAL NOTE ON SENATE BILL NO. 464

As Amended by Senate Committee of the Whole

Brief of Bill*

S.B. 464, as amended by the Senate Committee of the Whole, would amend two statutes dealing with the public sale of real property for delinquent taxes. Real property which has been "bid off" to the county for delinquent taxes could be sold after two years, rather than three years, as under current law, under certain circumstances. The two year period would apply if both taxes and special assessments are owed on the property, but only if the special assessments result from special improvements which were constructed pursuant to a petition or request of one or more landowners sufficient to authorize the improvement under law. If the real estate is a homestead, the current three-year period would apply.

All interest paid on delinquent special assessments would be paid to the county general fund unless otherwise agreed to by the governing bodies of the city and county.

Background

According to the proponents, delinquent special assessments on undeveloped land has created financial problems for several cities. Cities have been forced to levy against other property to meet their obligations on the improvement bonds. When delinquent special assessments and taxes are paid, the county currently receives the interest.

* Bill briefs are prepared by the Legislative Research Department and do not express legislative intent.



City of Lawrence

KANSAS

BUFORD M. WATSON, JR., CITY MANAGER

CITY COMMISSION

MAYOR

DAVID P.J. LONGHURST

COMMISSIONERS

MIKE AMYX

ERNEST E. ANGINO

HOWARD HILL

NANCY SHONTZ

CITY OFFICES

BOX 708

66044

6 EAST 8th

913-841-7722

March 26, 1984

Chairman Ivan Sand
House of Representatives
Local Government Committee
Topeka, Kansas

RE: Support Senate Bill 464

Mr. Chairman:

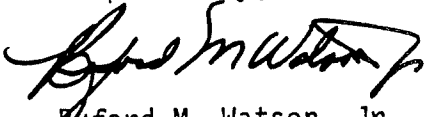
I am Buford Watson, City Manager of Lawrence, speaking on behalf of the City of Lawrence. I appreciate the opportunity to speak to the Committee in support of Senate Bill 464.

Lawrence supports this bill because we have experienced an alarming growth in special assessment delinquency the past four 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.

The present law allows a developer or other person to be delinquent three years and 10 months before a tax sale, although we had hoped to reduce the time to one year and 10 months on vacant lots. We are satisfied that the one year reduction of time will assist the City in payment of bonds and interest to some degree. Also, allowing the City and the County to cooperate in sharing the interest payments will be beneficial.

The attached report will show you the magnitude of the problem. We ask your favorable consideration of this bill.

Respectfully,


Buford M. Watson, Jr.
City Manager

BMW/ed

attachment

(ATTACHMENT II)

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

<u>YEAR</u>	<u>TOTAL ASSESSED</u>	<u>RECEIPTS COLLECTED</u>	<u>BACK COLLECTED</u>	<u>AMOUNT AND PERCENT DELINQUENT</u>	
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	1,693,062.00	97,419.05	333,381.00/	17.00%

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.

PRESENTATION TO THE HOUSE LOCAL GOVERNMENT COMMITTEE-MARCH 26, 1984

MR. CHAIRMAN, MEMBERS OF THE COMMITTEE, MY NAME IS JEAN POSTLETHWAITE AND I AM HERE ON BEHALF OF THE CITY OF BEL AIRE AND THE MUKAL MAYORS ASSOCIATION OF SEDGWICK COUNTY (ALARM). THE ASSOCIATION IS IN FAVOR OF SENATE BILL 464 AS IT HAS BEEN FOR SIMILAR BILLS IN PRIOR SESSIONS. OUR REASONS ARE SIMPLE. FOR ONE, OUR CITIES WANT TO SEE SPECIAL ASSESSMENTS USED TO PROMOTE GROWTH IN OUR CITIES...LOW INTEREST LOANS FOR CAPITAL IMPROVEMENTS SUCH AS WATER AND SEWER HAVE BEEN A REAL BENEFIT TO HOMEBUILDERS OVER THE YEARS AND SHOULD CONTINUE. HOWEVER, THE EFFORTS OF A FEW DEVELOPERS TO AVOID PAYING THEIR ASSESSMENTS HAS HURT EVERYONE AND THREATENS THE FUTURE OF SPECIAL ASSESSMENT ISSUANCES IN OUR CITIES. TODAY, OUR CITIES REPORT MORE THAN \$300,000 IN DELINQUENT SPECIALS IN ONE CITY ALONE. RATHER THAN THE DEVELOPER PAYING FOR THE SPECIALS, THE PROPERTY OWNERS AT LARGE IN THE CITY PAY THE SPECIALS THROUGH AN INCREASED BOND AND INTEREST ACCOUNT DERIVED FROM PROPERTY TAX REVENUE. IN SHORT, RATHER THAN THOSE WHO PETITIONED FOR THE IMPROVEMENTS PAY^{ING} FOR THEM, THE TAXPAYERS AT LARGE PAY FOR THEM...AND THAT IS WHERE WE SEE A PROBLEM. THE CITY HAS OFFERED ITS LOW INTEREST FINANCING...BUT HAS NO GUARANTEE THAT THE INDIVIDUAL WILL PAY IT OFF OVER THE TEN TO FIFTEEN YEAR PERIOD. ACCORDING TO THE LAW AS IT EXISTS TODAY, THE COUNTY CLERK CANNOT BEGIN COLLECTING SPECIAL ASSESSMENTS UNTIL THREE YEARS AND NINE MONTHS AFTER THE ORIGINAL DEBT WAS INCURRED. DO YOU KNOW A BANK THAT WOULD WAIT THAT LONG TO BEGIN COLLECTION PROCEEDINGS? THINK AGAIN.

(ATTACHMENT III)

LOCAL GOVERNMENT

PRESENTATION

ADD ONE

ALTHOUGH CITIES AND COUNTIES SUPPORT SPECIAL ASSESSMENTS, MANY HAVE HAD TO TIGHTEN THEIR POLICIES REGARDING THEM. IN THE CITY OF ANDOVER, FOR INSTANCE, THEY DO NOT ISSUE SPECIAL ASSESSMENTS FOR STREETS BUT ONLY WATER AND SEWER. IN ADDITION, THEY REQUIRE THE DEVELOPER TO SIGN A SPECIAL CONTRACT INSURING HE OR SHE WILL PAY THE SPECIAL ASSESSMENTS EACH YEAR OR THE CITY WILL TAKE OVER THE PROPERTY. NONE OF THE CITIES NEED DEVELOPING LAND...THATS FOR THE HOMEBUILDER OR DEVELOPER TO USE... BUT IF THERE ARE CONTINUED DELINQUENCIES...SOMETHING HAS TO BE DONE. THE ASSOCIATION FEELS YOUR LEGISLATION REDUCES THE DELINQUENCY TIME PERMITTED AND THUS IS A BENEFIT TO CITIES AND COUNTIES. UNLIKE NORMAL TAXES, SPECIAL ASSESSMENTS ARE SPECIFICALLY FOR FINANCING NEW IMPROVEMENTS BY PETITION OF THE DEVELOPER AND SHOULD BE CONSIDERED NO DIFFERENT THAN A LOAN AGREEMENT BETWEEN A BANK AND ITS CUSTOMER. DELAYING OUR COLLECTION PERIOD ONLY MAKES IT MORE DIFFICULT ON THE TAXPAYERS...AND AT THE GRASSROOTS LEVEL...LET ME TELL YOU IT IS HARD TO JUSTIFY TO THE TAXPAYER ADDITIONAL MILLS OF PROPERTY TAX TO PAY FOR THE BILLS OF A FEW. LET'S CLEAN UP THE LAW AND LET OUR CITIES AND COUNTIES PULL OUT THE BAD APPLES BEFORE THEY ROT THE BARREL.

THANK YOU VERY MUCH.

JEAN POSTLETHWAITE
CITY COUNCILMAN
CITY OF BEL AIR

(316) 744-2451

Charles F. Vogt
Secretary//Treasurer
ALARM
(316) 524-3243

Substitute for SENATE BILL No. 349

By Committee on Judiciary

3-3

0016 AN ACT concerning district and deputy district coroners; relat-
 0017 ing to compensation and expenses; amending K.S.A. 19-1028 — and 19-1030
 0018 and repealing the existing section; also repealing K.S.A. 19-
 0019 1027 and 28-111. sections

0020 *Be it enacted by the Legislature of the State of Kansas:*

0021 Section 1. K.S.A. 19-1028 is hereby amended to read as fol-
 0022 lows: 19-1028. Deputy district coroners shall receive thirty-five
 0023 dollars (\$35) for each dead body examined, except in counties
 0024 having a population of more than one hundred forty thousand
 0025 (140,000) and less than two hundred twenty thousand (220,000);
 0026 the first deputy district coroner shall receive an annual salary of
 0027 one thousand seven hundred fifty-seven dollars (\$1,757), and all
 0028 other deputies serving in such counties shall receive a fee of
 0029 thirty-five dollars (\$35) for each body examined; and except in
 0030 counties having a population of more than two hundred twenty
 0031 thousand (220,000) and not more than three hundred thousand
 0032 (300,000) all deputy district coroners shall receive such com-
 0033 pensation as shall be prescribed by resolution of the board of
 0034 county commissioners of the county comprising such judicial
 0035 district; and except in counties having a population of more than
 0036 three hundred thousand (300,000), two (2) deputy coroners shall
 0037 each be paid a salary of one thousand seven hundred fifty-seven
 0038 dollars (\$1,757) per annum, and all other deputies serving in
 0039 such counties shall receive a fee of thirty-five dollars (\$35) for
 0040 each body examined. Each coroner and deputy coroner shall be
 0041 allowed and paid the allowance prescribed under the provisions
 0042 of K.S.A. 75-3203a, and amendments thereto, for each mile nec-
 0043 essarily and actually traveled in the service of his office, except
 0044 in counties having a population of more than one hundred forty

(ATTACHMENT IV)

Att. IV

0045 thousand (140,000) and not more than two hundred twenty
0046 thousand (220,000); the district coroner may receive a car allow-
0047 ance of fifty dollars (\$50) per month for the operation of his car
0048 and the first deputy may receive a like amount; and except that in
0049 counties having a population of more than two hundred twenty
0050 thousand (220,000) and not more than three hundred thousand
0051 (300,000) each coroner and deputy coroner may receive a car
0052 allowance of seven hundred fifty dollars (\$750) annually; and
0053 except in counties having a population of more than three hun-
0054 dred thousand (300,000) the district coroner may receive a car
0055 allowance of one hundred dollars (\$100) per month for the
0056 operation of his car and each of the two salaried deputies may
0057 receive a car allowance of fifty dollars (\$50) per month for the
0058 operation of his car. The annual salary provided for the district
0059 coroner in K.S.A. 10-1027 and the annual salary provided for
0060 certain deputy district coroners herein (a) *The boards of county*
0061 *commissioners of all counties in a judicial district shall fix, by*
0062 *resolution adopted by each such board, the amount of compen-*
0063 *sation, mileage and expense allowances to be paid to the district*
0064 *coroner and deputy district coroners of the judicial district.*

0065 (b) *If an annual salary is paid to a district or deputy district*
0066 *coroner, it shall be paid by each of the counties in the judicial*
0067 *district in the proportion that the population of each such the*
0068 *county bears to the total population of the district. The board of*
0069 *county commissioners of the county having the largest popula-*
0070 *tion of the counties contained in such the judicial district shall*
0071 *provide for the payment of any such salary from a fund to be*
0072 *which is set aside by said the board of county commissioners and*
0073 *to which each county in the district shall contribute its share of*
0074 *such the salary payments on or before the first day of each month.*

0075 **Fees, expenses**

0076 (c) *Mileage, expense allowances and compensation provided*
0077 *for in this section, other than annual salaries, shall be paid by the*
0078 *board of county commissioners of the county in which where the*
0079 *death occurred and to which such fees to which the compensa-*
0080 *tion, mileage and expenses relate.*

0081 (d) *Compensation, mileage and expense allowances of dis-*

If no annual salary is provided, deputy district coroners shall receive not less than \$50.00, plus mileage and expenses, for each dead body examined.

, subject to K.S.A. 75-3203a, and amendments thereto,

0082 ~~trici and deputy district coroners shall not be part of or charged to~~
0083 ~~the annual budget for district court operating expenditures~~
0084 ~~pursuant to K.S.A. 20-349 and amendments thereto.~~

see attachment

0085 Sec. ~~2~~. K.S.A. 19-1027, 19-1028, and 28-111 are hereby re- 3, 19-1030
0086 pealed.

0087 Sec. ~~2~~. This act shall take effect and be in force from and 4

0088 after ~~its publication in the statute book.~~ January 1, 1985, and its publication in the statute book.

Sec. 2. K.S.A. 19-1030 is hereby amended to read as follows: 19-1030. (a) The coroner shall may hold an inquest upon the dead bodies of such persons whose deaths appear to have been caused by unlawful means when the circumstances relating to such deaths are unknown. Except as provided in subsection (b), upon being notified of any such death occurring within the district, the coroner shall forthwith summon a jury of six (6) residents of the county in which the death occurred, at a time and place named, for the purpose of inquiring into the cause of death. In any other case in which this act requires that the coroner be notified, the coroner may also summon, forthwith, six (6) citizens of the county to appear at a time and place named. The provisions of the acts contained in article 10 of chapter 19 of the Kansas Statutes Annotated, relating to an inquest held by a county coroner, and any acts amendatory thereof, shall be applicable to any inquest held pursuant to this section.

(b) When the coroner has been notified of any death as provided in subsection (a), and the cause of such death occurred in a county other than the county in which the death occurred, the coroner of the county in which the cause of death occurred shall take the responsibility of summoning a jury as provided in subsection (a) for the purpose of inquiring into the death, if requested to do so by the coroner of the county in which the death occurred.