

MINUTES OF THE Senate COMMITTEE ON Local Government

The meeting was called to order by Senator Don Montgomery at
Chairperson

9:14 a.m./~~PM~~ on Monday, March 4, 1985 in room 531-N of the Capitol.

All members were present except: SenatorS: Allen, Bogina, Steineger and Winter who were excused

Committee staff present: Emalene Correll, Mike Heim, Theresa Kiernan, Lila McClaflin

Conferees appearing before the committee: Buford Watson, Jr., City Manager, Lawrence, KS.
Janet Stubbs, Homebuilders Association of Kansas
Ernie Mosher, League of Municipalities

The meeting was called to order by the Chairman.

Senator Ehrlich moved to approve the minutes of the March 1, 1985, meeting. Senator Mulich seconded the motion. The motion carried.

The Chairman then opened hearings on S.B. 212, relating to the enforcement of liens for unredeemed real estate. Buford Watson, Jr., City Manager, Lawrence, KS. presented written testimony in favor of S.B. 212. His testimony is a part of these minutes see (attachment 1). He stated due to the large amount of uncollected delinquent taxes and the lack of property tax sales, he feels that S.B. 212 should be passed. This bill would allow the city to take over the responsibility of conducting tax foreclosure sales if the county is unwilling or unable to do so. If the committee chooses not to pass this bill at this time, he requested that an interim committee be established to study this problem.

Janet Stubbs, Homebuilders Association of Kansas, stated they were not opposed to the bill, they have always supported some type of responsible dealings on the part of city management. She stated that most cities have started doing this by what Mr. Watson mentioned and what they refer to as a letter of intend. She does have some problems with the fact that if they were going to the expense of a sale shouldn't they receive the interest, also with a stipend being paid for the legal work to prepare the properties for sale, abstract, etc.

Ernie Mosher, supported the principal of the bill, he is not sure they can resolve the problem with this simple approach. He noted some changes he would like to see made in the bill. He stated he did not think the judicial procedure that you need to follow is clear in the bill.

Discussion followed on the procedure for removing the county officers as listed in lines 66 thru 68 of the bill. Mr. Mosher suggested they could develop an amendment to the bill, which practical places the city attorney to do the work of the county attorney or county counselor. Mr. Watson stated they would like to have an amendment this session that would work.

Staff is to meet with Mr. Mosher, Senator Gaines and interested parties to work on an amendment and bring it before the committee, March 5, 1985.

Meeting adjourned until Tuesday, March 5, 1985.


Chairman, Don Montgomery



City of Lawrence KANSAS

BUFORD M. WATSON, JR., CITY MANAGER

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CITY COMMISSION

MAYOR

ERNEST E. ANGINO

COMMISSIONERS

MIKE AMYX

HOWARD HILL

DAVID P.J. LONGHURST

NANCY SHONTZ

Statement by Buford M. Watson Jr.
City Manager, Lawrence, Kansas

Presented to the Senate Committee on Local Government, March 4, 1985.

RE: Support for SB 212 - City Initiation of Tax Foreclosure Sales.

Mr. Chairman, members of the committee. I am Buford Watson, City Manager for Lawrence and am here representing the Lawrence City Commission in their support of Senate Bill 212.

SB 212 amends K.S.A. 79-2801 to allow a City governing body to "stand in the shoes" of the county in tax foreclosure sales for delinquent real estate taxes located within the city, if the county has not done so 60 days following the cities request to hold such a sale.

It has become necessary to amend the existing statutes because (1) the large amount of uncollected back property taxes within Lawrence, and (2) the counties inability to hold tax foreclosure sales.

In the last few years Lawrence has experienced a large amount of lost

(Attachment 1)

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revenue due to delinquent property taxes. As of March 1, 1985, over \$100,000 in property taxes remain delinquent for tax years 1970 through 1980. This property has been eligible for tax sale but as of this date, non has been sold. Compounding this problem is the large amount of delinquent special assessments totaling over \$850,000 for a period between 1981 and January 1985. This means that Lawrence tax payers must pick up the tab for \$950,000 in delinquent property taxes. This is a problem of great concern to citizens of Lawrence.

Special Assessments Balances Due For Past Years

<u>1981</u>	<u>1982</u>	<u>1983</u>	<u>1984</u>	<u>1985</u>	<u>TOTAL</u>
\$52,995	\$156,845	\$213,277	\$260,944	\$166,111	\$850,172

The only recourse citizens have to collect delinquent taxes is through the sale of such property. Without property tax sales some citizens and developers are not compelled to pay their taxes on time, if at all. Under Kansas law, counties are the only authority allowed to conduct property tax sales. The statuetts giving counties such authority also state that such sales shall occur on an annual basis. Douglas County had its last tax sale in 1978 and has had only two such sales during the past 14 years. The statuetts further state that county commissioners, attornies, and councilors failing to hold such tax sales on an annual basis shall forfeit their office. This language appears to be strong enough to insure compliance with the law, however, this provision has not been used due to the obvious political concerns. Late in 1984 the Lawrence City Commission sent a letter to the Douglas County Commissioners urging them to conduct a tax sale for delinquent property taxes. As of this

hearing none of the properties eligible have been sold.

Due to the large amount of uncollected delinquent taxes and the lack of property tax sales, we feel that SB 212 should be considered and be passed favorably out of this committee. It allows the city to take over the responsibility of conducting tax foreclosure sales if the county is unwilling or unable to do so. The process for conducting such a sale would be the same as those outlined in existing statutes only using city personnel. Although not specifically stated in the bill, it is our desire that the city be able to recover administrative expenses from the proceeds of such tax sales with the county still being responsible for the distribution of the taxes after the property is sold.

It is our hope that you will pass SB 212. If, for some reason, the committee chooses not to pass this bill at this time, we would request that an interim committee be established to study this problem and develop a workable solution.

Thankyou for your time and consideration of this matter. I will be happy to answer any of your questions.