

MINUTES OF THE SENATE COMMITTEE ON JUDICIARYThe meeting was called to order by Senator Jeanne Hoferer at
Chairperson10:00 a.m./~~p.m.~~ on March 3, 1987 in room 514-S of the Capitol.

~~All~~ members ~~were~~ present ~~except~~: Senators Hoferer, Burke, Feleciano, Gaines, Langworthy, Parrish, Steineger, Talkington and Winter.

Committee staff present:

Mike Heim, Legislative Research Department
Jerry Donaldson, Legislative Research Department
Gordon Self, Office of Revisor of Statutes

Conferees appearing before the committee:

Jim Clark, Kansas County and District Attorneys Association
Ron Smith, Kansas Bar Association
Harold Shoaf, The Associated Landlords of Kansas, Inc.
Shirley Atteberry, Research & Data, Inc.
Steve Stagner, landlord from Rose Hill

Senate Bill 257 - Criminal procedure, taking of depositions.

Jim Clark appeared on behalf of Gunner Sunby, Atchison County Attorney. Mr. Clark stated Mr. Gunner has worked with Ron Smith, Kansas Bar Association, on this bill, and he is in support of it.

Ron Smith, Kansas Bar Association, stated the bar had requested this bill. He testified every prosecution is begun by filing of a complaint. The language in the bill that is stricken is what you have at the end of proceedings. You should be able to take a deposition at the beginning of a proceedings. If a witness is leaving the jurisdiction you want to be able to take their testimony. A committee member inquired if this is a different procedure from the criminal law. Jim Clark was recognized to respond to the question. He said once you get the authority, under Section 1 of this bill, from the judge to take the deposition then, in Section 5, you have to do as civil procedure.

Senate Bill 273 - Crimes and punishments, fraud in obtaining accommodations.

Harold Shoaf, The Associated Landlords of Kansas, Inc., appeared in support of the bill. He passed out photographs of rentals that tenants had left in a mess. He testified this bill deals only with tenants who clearly and without question defraud or cheat a landlord. It is common practice to defraud a landlord, especially a small landlord. This malicious destruction of property, nonpayment of rent, freely giving hot checks to prolong eviction, and 60 to 90 days to evict is running many small landlords out of business and causing rent to be raised on good tenants. A copy of his testimony is attached (See Attachment I).

Shirley Atteberry, Research & Data, Inc., testified in support of the bill. She stated 26% of the people Research & Data has worked on collections on bad checks for over three months, move at least twice a year. Of these, 48% do not leave a forwarding address. We average 861 letter returned "Moved, No Address" for a three month period, averaging 11 a day. A copy of her testimony is attached (See Attachment II).

Steve Stagner, landlord from Rose Hill, related his experiences with his rental properties. He passed around pictures to committee members

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON JUDICIARY,
room 514-S, Statehouse, at 10:00 a.m./~~p.m.~~ on March 3, 1987.

Senate Bill 273 continued

of one of his rental properties showing the mess that was left after a tenant had moved out and pictures showing how it looked after it had been cleaned up. He said it cost \$2,000 to put the rental back together. He said when tenants skip out owing two months rent, it takes one more month to repair the damages and clean up before they can rent it again. There is no action the landlords can take to stop these people from running away on us. We don't have any address on these people. Rent has to go up about \$50 a month after a rental has been fixed up. The good renters are paying for what the skippers did.

Harold Shoaf summarized stating the present law protecting motels and hotels has worked well, and the fact that the law is on the books is the real reason there are few who try defrauding and cheating innkeepers, making court cases very few. Landlords desperately need this same protection.

During committee discussion, a committee member inquired if this is an increasing problem. Mr. Shoaf replied, there is no question to any landlords that it is increasing. It is getting more sophisticated. People are doing this deliberately.

The meeting adjourned.

A copy of the guest list is attached (See Attachment III).

3-3-87

THE ASSOCIATED LANDLORDS OF KANSAS, INC.

PO Box 86026, Topeka, Kansas 66686
(913) 272-0058

AREA CHAPTERS

Hutchinson, Johnson County, Kansas City, Lawrence,
Salina, Shawnee County, & Wichita

Wednesday, March 3, 1987

Testimony submitted by, Harold Shoaf, Legislative Coordinator for the Associated Landlords of Kansas, Inc., 4545 SW 21st, Topeka, Kansas 66604.

To the Senate Judiciary Committee in support of SB273.

Mr. Chairman and members of the Committee, my name is Harold Shoaf. I am Legislative Coordinator for the Associated Landlords of Kansas (TALK), a statewide organization.

The Associated Landlords of Kansas (TALK) strongly supports SB273 and believes it is in the best interest of both landlords and tenants. This bill deals only with tenants who clearly and without question defraud or cheat a landlord. Statistical data will be given today that will show that the present innkeepers act is working. Evidence will be given that cases going to court relating to defrauding or cheating a motel or hotel by not paying their lodging bills are few. There are few court cases because there is a law on the books that protects these people from those who would dishonestly cheat and defraud. Landlords do not now enjoy this protection. In fact it is a common practice to defraud a landlord, especially a small landlord. This malicious destruction of property, non payment of rent, freely giving hot checks to prolong

*Attach to
Senate Judiciary
3-3-87*

eviction, and 60-90 days to evict is running many small landlords out of business and causing rent to be raised on good tenants. There is no free lunch in this business; if you dance someone must pay the fiddler. Receipts must exceed expenses or the landlord goes broke.

One of our present goals is to eliminate a negative misconception which regards landlords as wealthy. For example a little known fact is that most rental property in Kansas is owned by local individuals who come from all walks of life. Many of these individuals do their own maintenance and management while also working a full time job. Their average age is between 35 and 50. Some of these individuals, in their retirement years, count on their rental property to supplement their income besides being a hedge against inflation and economic uncertainty.

Rental housing is directly affected by high interest rates, rapidly increasing operating costs and current stagnant real estate values. As serious as these facts are, the final blow is cheating and fraudulent practices by some tenants who resort to unethical, malicious destructive practices. This is the cancer in the Landlords business for which we seek a cure.

I have asked Shirley Atteberry who owns Research and Data, Inc. here in Topeka to share some statistical data with you. She works closely with the District Attorney's office and others in supplying factual data.

A-I

The testimony that will be given by Steve Stagner, Rose Hill, Kansas, is an average typical case that is happening across Kansas to landlords every day, by tenants who desire to defraud, cheat and escape without paying rent ,and who leave no forwarding address and suffer no penalty.

In summary we believe that the present law protecting motels and hotels has worked well, and the fact that the law is on the books is the real reason there are few who try defrauding and cheating Innkeepers, making court cases very few.

Landlords desperately need this same protection. The open season to defraud a landlord is a common practice that is driving many out of the business. This needs to be corrected. The fact that a law exists will curtail this practice.

Good tenants will profit from this bill because they will not have to pay higher rent on a unit which was maliciously damaged by another tenant, who left without paying rent, or even leaving a forwarding address.

We urge the Committees approval of SB273.

Thank you Mr. Chairman for the opportunity to appear before this committee.

A-I

Research & Data, Inc.

3-3-87
200 WEST 30TH
VAN BUREN BLDG.
SUITE 204
TOPEKA, KAN. 66611

3-3-87

PHONES
TOPEKA, KAN. (913) 267-4931
LAWRENCE, KAN. (913) 841-3902
LELAND W. ATTEBERRY, President

To: Senate Judiciary Committee, Kansas Legislature.

RE: SENATE BILL #273, relating to DEFRAUDING AN INNKEEPER OR OWNER IN OBTAINING ACCOMMODATIONS.

26% of the people Research & Data has worked on collections on bad checks for over 3 months, move AT LEAST TWICE A YEAR.

Of these, 48% do NOT LEAVE a forwarding address. WAS THEIR RENT PAID?

We average 861 letters returned "MOVED, NOADDRESS" for a 3 month period, averaging 11 a day. There are additional 11 address corrections a day--moving again.

90% of the landlords of these people that we talk to say they, too, are looking for these "SKIPS" as they owe them back rent, and in many cases also damaged their property. The losses were usually several months rent, plus cleanup and repair. This frequently ran at least \$400 to \$600, and frequently more. If this renter moved twice a year leaving the same amount of loss each time, he could be quite a costly item to landlords. He usually has no money in the bank to garnish, and frequently no job to garnish...

Research & Data Inc, gathers public criminal records from the courts. There were 2496 criminal cases filed in Shawnee County District Court in 1985, and 2674 in 1986. There were about 1200 more criminal cases filed in Municipal Court, averaging about a total of 75 cases per week in Topeka. This includes such crimes as shoplifting, bad checks, burglary, robbery, theft, and other crimes against persons such as sex crimes & battery.

Of these, there were approximately 10 cases of defrauding inn keepers, which include theft of food at restaurants as well as lodging at motels and hotels.

Our office filed reports on 147 people involving \$100,466.57 losses in Insufficient and Account Closed checks in 1985 with the Shawnee County District Attorney. 30 of these people had over \$1000 each in bad checks. This did not include forged checks.

\$1319.00 was the total of losses in convenience store robberies in 1985. 26 of these robberies averaged \$50 each. (We do not have the 1986 figures as yet).

\$3346 total was for 25 gas station robberies, averaging \$133 each in 1985.

Sure, these robberies do involve more threat to life.

But, so are the losses from these people who skip their rents. Many of these landlords are people who are retired, or on limited income, or the rental property is their only means of support. They cannot "RAISE" the rent to offset these losses, as competition then would prohibit them from renting the property at all.

Many of these "SKIPS" make a "GAME" to see how long they can live "rent free". A lot only pay 4 months rent a year to different landlords, as it frequently takes several months to get a "non-paying" renter off the property. They can easily make \$2700 per year, plus damages thru this "cheating" of their landlords.

We need tougher laws to combat these problems. The passing of Senate Bill #273 would help prevent some of these problems.

Thank you for the opportunity to voice my opinion.

Shirley Atteberry.
Research & Data, Inc.

Atteberry, II
Senate Judiciary
3-3-87