

Approved: _____
Date

MINUTES OF THE HOUSE COMMITTEE ON TAXATION.

The meeting was called to order by Chairperson Phill Kline at 1:00 p.m. on March 23, 1995 in Room 519-S of the Capitol.

All members were present except: Rep. Jo Ann Pottorff - excused
Rep. Tony Powell - excused

Committee staff present: Chris Courtwright, Legislative Research Department
Don Hayward, Revisor of Statutes
Ann McMorris, Committee Secretary

Conferees appearing before the committee: Listed after each bill heard.

Others attending: See attached list

Chair opened hearing on:

HB 2513 - Wyandotte county land bank

Corrected version of HB 2513 provided by staff (Attachment 1)

Proponents:

Mary Jane Johnson, executive director, Liveable Neighborhoods, Inc. (Attachment 2)
Chris McKenzie, League of Kansas Municipalities (Attachment 3)

Written testimony from:

Jeff Fendorf, assistant Wyandotte county counselor (Attachment 4)
Shirley Knapp, director, Wyandotte County delinquent property (Attachment 5)

Chair closed hearing on **HB 2513**.

Chair opened hearing on:

HB 2512 - Urban revitalization, Neighborhood boards; tax incentives; grants of commerce and housing

Rep. Kline explained this will would set up a pilot program in an effort to foster urban revitalization. A neighborhood group could be set up to identify the needs of their community. Much discussion on the advantages and disadvantages of this proposal.

Chair closed hearing on **HB 2512**.

Chair opened hearing on:

HB 2261 - Property tax exemption for certain government owned property

Proponents:

Chris McKenzie, League of Kansas Municipalities (Attachment 6)
Don Cooper, chairman, Shawnee County Commissioner
Jim Kalp, City of Topeka

CONTINUATION SHEET

MINUTES OF THE HOUSE COMMITTEE ON TAXATION, Room 519-S Statehouse, at 9:00 a.m. on March 23, 1995.

Both Mr. Cooper and Mr. Kalp urged the passage of this bill to aid in the combining of services in cities and counties. This is a public safety issue and would encourage the activity of combining facilities and saving the taxpayers money.

Closed hearing on **HB 2261**.

Adjournment.

The next meeting is scheduled on call of chairman.

TAXATION COMMITTEE GUEST LIST

DATE: MARCH 23, 1995

NAME	REPRESENTING
Jeff Fendorf	Wyandotte County
Shirley Knapp	Wyandotte County
Margaret Johnson	
MARIA CARDULLO	KDOR
Steve Spotts	KDOR
STEVE KEARNEY	KS. OK MARKETERS ASSN
Tom Whitaker	Ks Motor Carriers Assn.
Joe Lieber	KS Co-op Council
Wes Esping	KSU
Bob Corkins	KCCI
Karl Peterjohn	Ks Tax payers Network
DON COOPER	Shawnee County
Jim Kemp	City of Topeka
Michelle Peterson	Ks. Gov. Consulting
Anne Spiess	Ks. Assoc. of Counties
Mickie Schuetz	KDOR
Dodra Platt	KDOR

HOUSE BILL No. 2261

By Committee on Taxation

2-1

PROPOSED AMENDMENTS BY LEAGUE OF
KANSAS MUNICIPALITIES

9 AN ACT relating to property taxation; concerning exemptions of govern-
10 ment owned property; amending K.S.A. 1994 Supp. 79-201a and re-
11 pealing the existing section; also repealing K.S.A. 1994 Supp. 79-201v.
12

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

14 Section 1. K.S.A. 1994 Supp. 79-201a is hereby amended to read as
15 follows: 79-201a. The following described property, to the extent herein
16 specified, shall be exempt from all property or ad valorem taxes levied
17 under the laws of the state of Kansas:

18 *First.* All property belonging exclusively to the United States, except
19 property which congress has expressly declared to be subject to state and
20 local taxation.

21 *Second.* All property used exclusively by the state or any municipality
22 or political subdivision of the state. All property owned, being acquired
23 pursuant to a lease-purchase agreement or operated by the state or any
24 municipality or political subdivision of the state, *including property which*
25 *is vacant or lying dormant*, which is used or is to be used for any gov-
26 ernmental or proprietary function and for which bonds may be issued or
27 taxes levied to finance the same, shall be considered to be "used exclu-
28 sively" by the state, municipality or political subdivision for the purposes
29 of this section. The lease by a municipality or political subdivision of the
30 state of any real property owned or being acquired pursuant to a lease-
31 purchase agreement for the purpose of providing office space necessary
32 for the performance of medical services by a person licensed to practice
33 medicine and surgery or osteopathic medicine by the board of healing
34 arts pursuant to K.S.A. 65-2801 et seq., and amendments thereto, shall
35 be construed to be a governmental function, and such property actually
36 and regularly used for such purpose shall be deemed to be used exclu-
37 sively for the purposes of this paragraph. *The lease by a municipality or*
38 *political subdivision of the state of any real property owned or being*
39 *acquired pursuant to a lease-purchase agreement to any entity for the*
40 *exclusive use by it for an exempt purpose shall be deemed to be used*
41 *exclusively for the purposes of this paragraph.* All property leased, other
42 than property being acquired pursuant to a lease-purchase agreement, to

part or all of

provided that no portion of the lease payments,
reflects compensation for return on the lessor's
investment in the leased property.

House Taxation
3-23-95
Attachment 1-1

HOUSE BILL No. 2513

By Committee on Taxation

2-14

9 AN ACT concerning property subject to delinquent property taxes; es-
10 tablishing the Wyandotte county land bank, amending K.S.A. 79-2804f
11 and K.S.A. 1994 Supp. 19-101a and 79-2801 and repealing the existing
12 sections.

[authorizing counties to establish land banks
79-2804g

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

15 New Section 1. As used in this act:

16 (a) "County" means Wyandotte county, Kansas.

17 (b) "Board" means the board of trustees of the Wyandotte county
18 land bank.

any county located in

19 (c) "Bank" means the Wyandotte county land bank established pur-
20 suant to this act.

[a

21 New Sec. 2. (a) The board of county commissioners of Wyandotte
22 county may establish the Wyandotte county land bank by adoption of a
23 resolution.

[any

[a

24 (b) The bank shall be governed by a board of trustees consisting of
25 three members. The governing body of the city of Kansas City, Kansas
26 shall appoint one member to the board; the board of education of the
27 school district in Wyandotte county having the largest enrollment shall
28 appoint one member; and the board of county commissioners of Wyandotte
29 county shall appoint one member. No person holding an elective
30 office shall be appointed to the board. The member first appointed by
31 the city shall serve for a term of one year and until a successor is appointed
32 and qualified. The member first appointed by the school district shall
33 serve for a term of two years and until a successor is appointed and qual-
34 ified. The member first appointed by the county shall serve for a term of
35 three years and until a successor is appointed and qualified. Thereafter,
36 members shall be appointed for terms of three years and until successors
37 are appointed and qualified. Vacancies on the board shall be filled by
38 appointment for the unexpired term.

39 ~~(c) Members of the board of trustees shall receive no compensation,~~
40 ~~but shall be paid their actual and necessary expenses in attending meet-~~
41 ~~ings and in carrying out their duties as members of the board.~~

42 New Sec. 3. ~~Any property located in Wyandotte county acquired by~~
43 ~~the board of county commissioners of Wyandotte county any city or other~~

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1 taxing subdivision located within Wyandotte county may be transferred
2 to the bank. The transfer of any property pursuant to this section shall
3 not be subject to any bidding requirement and shall be exempt from any
4 provision of law requiring a public sale.

5 New Sec. 4. If property has been or shall be sold and bid by the
6 county, and the redemption period has expired, such property shall revert
7 to the bank. Such property shall not be subject to the provisions of K.S.A.
8 79-2801 et seq., and amendments thereto.

9 New Sec. 5. The board shall assume possession and control of any
10 property acquired by it under this act and shall hold and administer such
11 property. In the administration of property, the board shall:

12 (a) Manage, maintain and protect or temporarily use for a public pur-
13 pose such property in the manner it deems appropriate;

14 (b) compile and maintain a written inventory of all such property.
15 The inventory shall be available for public inspection and distribution at
16 all times;

17 (c) study, analyze and evaluate potential, present and future uses for
18 such property which would provide for the effective reutilization of such
19 property;

20 (d) plan for, and use its best efforts to consummate, the sale or other
21 disposition of such property at such times and upon such terms and con-
22 ditions deemed appropriate; and

23 (e) establish and maintain records and accounts reflecting all trans-
24 actions, expenditures and revenues relating to the bank's activities, in-
25 cluding separate itemizations of all transactions, expenditures and reve-
26 nues concerning each individual parcel of property acquired.

27 New Sec. 6. (a) The board, without competitive bidding, may sell
28 any property acquired by the board at such times, to such persons, and
29 upon such terms and conditions, and subject to such restrictions and
30 covenants deemed necessary or appropriate to assure the property's ef-
31 fective reutilization.

32 (b) The board, for purposes of land disposition, may consolidate, as-
33 semble or subdivide individual parcels of property acquired by the bank.

34 ~~(c) The board may abate the taxes on any property sold by the bank
35 for a period not to exceed five years.~~

36 New Sec. 7. ~~When the board sells any property acquired as a part of
37 the land reutilization program, the proceeds from such sale shall be re-
38 tained by the board for application to the payment of costs and expenses
39 of operation and activities of the bank.~~

40 New Sec. 8.7. (a) Any property acquired by the bank shall be exempt
41 from the payment of ad valorem taxes levied by the state and any other
42 political or taxing subdivision of the state.

43 (b) When the board acquires property pursuant to this act, the county

(c) The bank in all other counties shall be governed by a board of trustees, the size of which shall be specified in the resolution of the board of county commissioners establishing the bank, except the resolution may provide for up to seven members in order to provide for representation of the cities and school districts in the county.

(d) The board of county commissioners may advance operating funds to the bank to pay expenses of the board of trustees and the bank. Members of the board of trustees shall receive no compensation, but shall be paid their actual and necessary expenses in attending meetings and in carrying out their duties as members of the board.

(e) The bank may be dissolved by resolution of the board of county commissioners. In such case, all property of the bank shall be transferred to and held by the board of county commissioners of the county and may be disposed of as otherwise provided by law.

SECTIONS 3 and 4 ATTACHED

The sale of any real property by the board under the provisions of this act on which there are delinquent special assessments to finance public improvements shall be conditioned upon the approval of the governing body of the municipality which levied the special assessments.

Until sold or otherwise disposed of by the bank and except for special assessments levied by a municipality to finance public improvements, any

spc assess. Carryforward

Except for special assessments levied by a municipality to finance public improvements, when

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1 treasurer shall remove from the tax rolls all taxes, assessments, charges,
2 penalties and interest that are due and payable on the property at the
3 time of acquisition by the board.

4 ~~New Sec. 8.8 Any moneys derived from the sale of property by the
5 bank shall be retained by the bank.~~

6 ~~New Sec. 10.9 The board may establish separate neighborhood advi-
7 sory committees consisting of persons living or owning property within
8 the county. The board shall determine the boundaries of each neighbor-
9 hood. Each neighborhood advisory committee shall consist of not less
10 than five nor more than nine persons, to be appointed by the board for
11 two-year overlapping terms. The board shall consult with each neighbor-
12 hood advisory committee at least quarterly to review the operations and
13 activities of the bank and to receive the advice of the members of the
14 neighborhood advisory committee concerning any matter which comes
15 before the committees.~~

16 ~~Sec. 11.10 K.S.A. 1994 Supp. 79-2801 is hereby amended to read as
17 follows: 79-2801. (a) Except as provided by K.S.A. 1994 Supp. 79-2811,
18 or section 4, and amendments thereto, whenever real estate has been or
19 shall be sold and bid in by the county at any delinquent tax sale and
20 remains unredeemed on September 1 of the second year after the sale,
21 or any extension thereof as provided by subsection (b) of K.S.A. 79-2401a,
22 and amendments thereto, or whenever real estate described by subsec-
23 tion (a)(2) of K.S.A. 79-2401a, and amendments thereto, has been or shall
24 be sold and bid in by the county at any delinquent tax sale and remains
25 unredeemed on September 1 of the first year after the sale, the board of
26 county commissioners shall order the county attorney or county counselor
27 and it shall be the duty of the county attorney or county counselor to
28 institute an action in the district court, in the name of the board of county
29 commissioners, against the owners or supposed owners of the real estate
30 and all persons having or claiming to have any interest therein or thereto,
31 by filing a petition with the clerk of the court. The board of county com-
32 missioners may provide for special legal and other assistance necessary to
33 secure the timely performance of duties required by this act. Whenever
34 the real estate involved is a mineral interest in land which has been severed
35 from the fee, the bringing of the action for the foreclosure of the
36 mineral interest shall be within the discretion of the board of county
37 commissioners. Whenever the aggregate assessed valuation of the real
38 estate subject to sale is less than \$300,000, or the aggregate amount of
39 delinquent taxes, including special assessments, is less than \$10,000, the
40 bringing of the action shall be within the discretion of the board of county
41 commissioners. The petition shall contain a description of each tract, lot
42 or piece of real estate including, if in a city of the first or second class,
43 the street number or location. The petition shall be filed in the county~~

(c) The governing body of any municipality which has levied special assessments on property acquired by the bank may abate part or all of the special assessments, and the bank and governing body may enter into agreements related thereto. Any special assessments that are abated shall be removed from the tax rolls by the county treasurer as of the effective date of the abatement.

(a) Except as provided in paragraph (b), any moneys derived from the sale of property by the bank shall be retained by the bank.
(b) The board may use all or any part of the proceeds from the sale described in paragraph (a) to reimburse any municipality for delinquent special assessments due on such property.

or city

, city or neighborhood. In the case of neighborhood advisory committees, the

In the absence of a resolution by the board providing otherwise, each

as needed

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1 cable, the amount of taxes, charges, interest and penalties chargeable to
 2 each tract, lot or piece of real estate, the name of the owner, supposed
 3 owner and party having or claiming to have any interest therein or thereto,
 4 and giving the year the real estate was sold for delinquent taxes under
 5 the provisions of K.S.A. 79-2302, and amendments thereto. The petition
 6 shall request that the court determine the amount of taxes, charges, in-
 7 terest and penalties chargeable to each particular tract, lot or piece of
 8 real estate, the name of the owner or party having any interest therein
 9 and that the court adjudge and decree the amount due to be a first and
 10 prior lien upon the real estate and that the same be sold at public sale
 11 for the satisfaction of the lien, costs, charges and expenses of the pro-
 12 ceedings and sale and other necessary relief. The petition shall be filed
 13 in duplicate and a copy delivered by the clerk to the county treasurer,
 14 who thereafter shall accept no payments of taxes upon the real estate
 15 included in the petition except as provided by K.S.A. 79-2801 to 79-2810,
 16 inclusive, and amendments thereto.

17 A summons shall be issued and personally served or publication made
 18 as provided in other cases under the code of civil procedure. If service is
 19 made by publication, the notice, in addition to the requirements pre-
 20 scribed by the code of civil procedure, shall contain a description of the
 21 real estate. Any member of the board of county commissioners, county
 22 attorney or county counselor who fails to perform the duties required by
 23 this section shall forfeit the office held by the officer. Any person may
 24 secure enforcement of the provisions of this act through mandamus. Such
 25 proceeding shall be initiated by filing a petition in a court of competent
 26 jurisdiction.

27 (b) The governing body of any city may provide for the rendering of
 28 legal and other assistance to the county attorney or county counselor to
 29 secure the expeditious judicial foreclosure of real estate on which there
 30 is unredeemed delinquent tax liens, including delinquent special assess-
 31 ments. The provision of such services by the city shall not relieve any
 32 county officer of the requirement to perform the duties required by this
 33 act. The actual and necessary costs incurred by a city in providing such
 34 assistance shall be considered as costs incident to the sale of the real estate
 35 and the city may be reimbursed therefor from the proceeds of the sale
 36 in an amount apportioned pursuant to K.S.A. 79-2805, and amendments
 37 thereto.

38 Sec. 11 K.S.A. 79-2804f is hereby amended to read as follows: 79-
 39 2804f. (a) The county commissioners shall keep a record of all real estate
 40 acquired by the county under the provisions of K.S.A. 79-2804 or, and
 41 amendments thereto, showing: The case by name, title and number, to-
 42 gether with the date of filing of the petition and of the sale and identifying
 43 the tract, lot or piece of real estate described therein; the amount of

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1 judgment lien and the amount set forth in the order of sale of the charges,
 2 costs; and expenses of the proceeding and sale paid by the county. Such
 3 record shall upon request be open to inspection at all reasonable times.

4 (b) *Except as provided by subsection (c)*, such real estate shall be sold
 5 by the board of county commissioners of ~~said the~~ county at private or
 6 public sale for cash in hand; the consideration for the purchase to be at
 7 least the original amount of the judgment lien and interest thereon as
 8 provided by law, plus the amount of costs set forth in the order of sale
 9 and plus any and all subsequent taxes and special assessments on said real
 10 estate that were not included in said judgment. If in the discretion of the
 11 board of county commissioners it be deemed necessary to prevent a men-
 12 ace to the public health or welfare, or that repair or rehabilitation of any
 13 structures thereon would be economically unsound, ~~said the~~ board may
 14 remove or cause to be removed any such improvements upon any prop-
 15 erty acquired by the county under the provisions of this act. The board
 16 of county commissioners may sell all or any of the salvaged materials
 17 therefrom at public or private sale, and after first deducting the cost of
 18 such removal, shall credit the remainder of such proceeds to the county
 19 general fund. Any deficiency shall be charged to such general fund.

20 If, at the end of six (6) months from and after the confirmation of ~~said~~
 21 *the* sale to the county to any of ~~said the~~ real estate, any of ~~said the~~ real
 22 estate remains unsold, the board of county commissioners may reduce
 23 the price therefor and sell the same after first advertising the same once
 24 each week for three (3) consecutive weeks in ~~said the~~ county describing
 25 ~~said the~~ real estate, giving the location thereof and requesting sealed bids
 26 therefor on or before a specified date and ~~said the~~ board shall accept the
 27 highest cash bid received: ~~Provided, however,~~ The board of county com-
 28 missioners may reject bids in an amount less than the current market
 29 value of ~~said the~~ real estate and if no bid ~~be~~ is accepted or received, such
 30 board may sell the same for such sum that, in ~~their the board's~~ judgment,
 31 would be the market value thereof, but no such sale shall be made for an
 32 amount less than the best bid received, if any, and rejected: ~~Provided,~~
 33 ~~however,~~ The board of county commissioners, at any time after the end
 34 of six (6) months from and after the confirmation of ~~said the~~ sale to the
 35 county and after advertising such real estate at least three (3) times in the
 36 official county paper and such other papers as the board shall direct,
 37 describing the same, giving the general location thereof, and the time and
 38 place of sale, may sell such real estate at public auction for cash in hand
 39 to the highest bidder therefor.

40 All real estate sold by ~~said the~~ county as provided in this section *sub-*
 41 *section* shall be conveyed to the purchaser by a good and sufficient deed
 42 by the county clerk of ~~said the~~ county upon a written order from the
 43 board of county commissioners. Such order shall be deemed conclusive

1 evidence of the compliance with this section in any action challenging the
2 validity of such deed. Immediately upon the execution of any such deed,
3 the county clerk shall assess the real estate so conveyed and enter the
4 valuation thereof on the assessment and tax rolls.

5 (c) Any property acquired by the board of county commissioners of
6 ~~Wyandotte county~~ pursuant to K.S.A. 79-2804, and amendments thereto,
7 may be transferred to the ~~Wyandotte county~~ land bank.

[as provided by section 4

8 Sec. ~~18-12~~ K.S.A. 1994 Supp. 19-101a is hereby amended to read as
9 follows: 19-101a. (a) The board of county commissioners may transact all
10 county business and perform all powers of local legislation and adminis-
11 tration it deems appropriate, subject only to the following limitations,
12 restrictions or prohibitions:

[Sec. 18. K.S.A. 1994 Supp. 79-2804g (Attached)

13 (1) Counties shall be subject to all acts of the legislature which apply
14 uniformly to all counties.

15 (2) Counties may not consolidate or alter county boundaries.

16 (3) Counties may not affect the courts located therein.

17 (4) Counties shall be subject to acts of the legislature prescribing
18 limits of indebtedness.

19 (5) In the exercise of powers of local legislation and administration
20 authorized under provisions of this section, the home rule power con-
21 ferred on cities to determine their local affairs and government shall not
22 be superseded or impaired without the consent of the governing body of
23 each city within a county which may be affected.

24 (6) Counties may not legislate on social welfare administered under
25 state law enacted pursuant to or in conformity with public law No. 271—
26 74th congress, or amendments thereof.

27 (7) Counties shall be subject to all acts of the legislature concerning
28 elections, election commissioners and officers and their duties as such
29 officers and the election of county officers.

30 (8) Counties shall be subject to the limitations and prohibitions im-
31 posed under K.S.A. 12-187 to 12-195, inclusive, and amendments thereto,
32 prescribing limitations upon the levy of retailers' sales taxes by counties.

33 (9) Counties may not exempt from or effect changes in statutes made
34 nonuniform in application solely by reason of authorizing exceptions for
35 counties having adopted a charter for county government.

36 (10) No county may levy ad valorem taxes under the authority of this
37 section upon real property located within any redevelopment area estab-
38 lished under the authority of K.S.A. 12-1772, and amendments thereto,
39 unless the resolution authorizing the same specifically authorized a por-
40 tion of the proceeds of such levy to be used to pay the principal of and
41 interest upon bonds issued by a city under the authority of K.S.A. 12-
42 1774, and amendments thereto.

43 (11) Counties shall have no power under this section to exempt from

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1 any statute authorizing or requiring the levy of taxes and providing sub-
2 stitute and additional provisions on the same subject, unless the resolution
3 authorizing the same specifically provides for a portion of the proceeds
4 of such levy to be used to pay a portion of the principal and interest on
5 bonds issued by cities under the authority of K.S.A. 12-1774, and amend-
6 ments thereto.

7 (12) Counties may not exempt from or effect changes in the provi-
8 sions of K.S.A. 19-4601 to 19-4625, inclusive, and amendments thereto.

9 (13) Except as otherwise specifically authorized by K.S.A. 12-1,101
10 to 12-1,109, inclusive, and amendments thereto, counties may not levy
11 and collect taxes on incomes from whatever source derived.

12 (14) Counties may not exempt from or effect changes in K.S.A. 19-
13 430, and amendments thereto. Any charter resolution adopted by a
14 county prior to July 1, 1983, exempting from or effecting changes in
15 K.S.A. 19-430, and amendments thereto, is null and void.

16 (15) Counties may not exempt from or effect changes in K.S.A. 19-
17 302, 19-502b, 19-503, 19-805 or 19-1202, and amendments thereto.

18 (16) Counties may not exempt from or effect changes in K.S.A. 13-
19 13a26, and amendments thereto. Any charter resolution adopted by a
20 county, prior to the effective date of this act, exempting from or effecting
21 changes in K.S.A. 13-13a26, and amendments thereto, is null and void.

22 (17) Counties may not exempt from or effect changes in K.S.A. 71-
23 301, and amendments thereto. Any charter resolution adopted by a
24 county, prior to the effective date of this act, exempting from or effecting
25 changes in K.S.A. 71-301, and amendments thereto, is null and void.

26 (18) Counties may not exempt from or effect changes in K.S.A. 19-
27 15,139, 19-15,140 and 19-15,141, and amendments thereto. Any charter
28 resolution adopted by a county prior to the effective date of this act,
29 exempting from or effecting changes in such sections is null and void.

30 (19) Counties may not exempt from or effect changes in the provi-
31 sions of K.S.A. 12-1223, 12-1225, 12-1225a, 12-1225b, 12-1225c and 12-
32 1226, and amendments thereto, or the provisions of K.S.A. 1994 Supp.
33 12-1260 to 12-1270, inclusive, and 12-1276, and amendments thereto.

34 (20) Counties may not exempt from or effect changes in the provi-
35 sions of K.S.A. 19-211, and amendments thereto.

36 (21) Counties may not exempt from or effect changes in the provi-
37 sions of K.S.A. 19-4001 to 19-4015, inclusive, and amendments thereto.

38 (22) Counties may not regulate the production or drilling of any oil
39 or gas well in any manner which would result in the duplication of reg-
40 ulation by the state corporation commission and the Kansas department
41 of health and environment pursuant to chapter 55 and chapter 65 of the
42 Kansas Statutes Annotated and any rules and regulations adopted pur-
43 suant thereto. Counties may not require any license or permit for the

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1 drilling or production of oil and gas wells. Counties may not impose any
2 fee or charge for the drilling or production of any oil or gas well.

3 (23) Counties may not exempt from or effect changes in K.S.A. 79-
4 41a04, and amendments thereto.

5 (24) Counties may not exempt from or effect changes in K.S.A. 1994
6 Supp. 79-1611, and amendments thereto.

7 (25) Counties may not exempt from or effect changes in K.S.A. 1994
8 Supp. 79-1494, and amendments thereto.

9 (26) Counties may not exempt from or effect changes in subsection
10 (b) of K.S.A. 19-202, and amendments thereto.

11 (27) Counties may not exempt from or effect changes in sections 1 to
12 14, inclusive.

13 (28) Counties may not exempt from or effect changes in K.S.A. ~~79-~~
14 ~~2801 or 79-2804f~~

[or 79-2804g

15 (b) Counties shall apply the powers of local legislation granted in
16 subsection (a) by resolution of the board of county commissioners. If no
17 statutory authority exists for such local legislation other than that set forth
18 in subsection (a) and the local legislation proposed under the authority
19 of such subsection is not contrary to any act of the legislature, such local
20 legislation shall become effective upon passage of a resolution of the
21 board and publication in the official county newspaper. If the legislation
22 proposed by the board under authority of subsection (a) is contrary to an
23 act of the legislature which is applicable to the particular county but not
24 uniformly applicable to all counties, such legislation shall become effec-
25 tive by passage of a charter resolution in the manner provided in K.S.A.
26 19-101h, and amendments thereto.

27 Sec. ~~13~~ ¹³ K.S.A. 79-2804f and K.S.A. 1994 Supp. 19-101a and ~~79-2801~~
28 are hereby repealed.

[79-2804g

29 Sec. ~~16~~ ¹⁴ This act shall take effect and be in force from and after its
30 publication in the statute book.

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Attachment 1

New Sec. 3. The board may:

- (a) Sue and be sued;
- (b) enter contracts;
- (c) appoint and remove staff and provide for the compensation thereof;
- (d) acquire, by purchase, gift or devise, and convey any real or personal property subject to the provisions of this act;
- (e) rebate all, or any portion thereof, the taxes on any property sold or conveyed by the bank;
- (f) exercise any other power which may be delegated to the land bank by the board of county commissioners and the governing bodies of the cities and other taxing subdivisions located in the county by interlocal agreement and other lawful means; and
- (g) any other incidental power which is necessary to carry out the purposes of the land bank and this act.

New Sec. 4. (a) The board shall have the power to acquire the fee simple title to real property, including easements and reversionary interests, and personal property required for its purposes, by purchase, gift or devise.

(b) Any property acquired by a county, city or other taxing subdivision within such county may be transferred to the bank. The board may accept or refuse to accept any property authorized to be transferred pursuant to this subsection. The transfer of any property pursuant to this subsection shall not be subject to any bidding requirement and shall be exempt from any provision of law requiring a public sale.

(c) The fee simple title to any real estate which is sold to the county in accordance with the provisions of K.S.A. 79-2804, and amendments thereto, and upon acceptance by the board of trustees, may be transferred to the bank by a good and sufficient deed by the county clerk upon a written order from the board of county commissioners.

Attachment 2

Sec. 12. K.S.A. 1994 Supp. 79-2804g is hereby amended to read as follows: 79-2804g. (a) Whenever any tract, lot or piece of real estate is offered for sale at public auction pursuant to K.S.A. 79-2804, and amendments thereto, such tract, lot or piece of real estate shall not be sold, either directly or indirectly, to:

(1) Any person having a statutory right to redeem such real estate prior to such sale, pursuant to the provisions of K.S.A. 79-2803, and amendments thereto;

(2) any person who held an interest in a tract as owner or holder of the record title or any mortgagee or assignee who held an interest at any time when any tax constituting part of the county's judgment became due;

(3) any parent, grandparent, child, grandchild, spouse, sibling, trustee or trust beneficiary of any person enumerated in paragraph (2); or

(4) with respect to a title holding corporation, any current or former stockholder, current officer or director, or any person having a relationship enumerated in paragraph (3) to such stockholder, officer or director.

(b) If any such real estate is acquired by a county pursuant to K.S.A. 79-2804, and amendments thereto, and, at the end of six months from and after confirmation of such sale to the county, such real estate is advertised for sale at public auction, as provided in K.S.A. 79-2804f, and amendments thereto, such real estate shall not be sold, either prior to or at such auction, to any person having a statutory right to redeem such real estate,

under the provisions of K.S.A. 79-2803, and amendments thereto, for an amount less than the original judgment lien and interest thereon, plus the costs, charges and expenses of the proceedings and sale, as set forth in the execution and order of sale issued pursuant to K.S.A. 79-2804, and amendments thereto.

(c) If any tract, lot or piece of real estate purchased at public auction pursuant to K.S.A. 79-2804, and amendments thereto, is transferred, sold, given or otherwise conveyed to any person who had a statutory right to redeem such real estate prior to such sale pursuant to K.S.A. 79-2803, and amendments thereto, within 10 years of the date of the public auction, such person shall be liable for an amount equal to the original judgment lien and interest thereon from the date of the public auction.

(d) The provisions of this section shall apply to the sale or conveyance of any real estate by a county land bank established pursuant to section 2.

LIVEABLE NEIGHBORHOODS, INC.

CITY HALL OF KANSAS CITY, KANSAS 701 NORTH 7TH STREET SUITE 828 KANSAS CITY, KS. 66101



March 23, 1995

To: Chairman Kline and Members of the House Assessment and Taxation Committee:

The Liveable Neighborhoods Task Force was created in the fall of 1993, amidst growing concerns about declining conditions in many areas of the city. Established as an ad hoc advisory group, the Task Force's sole charge was to develop a strategy for reversing a host of problems besetting our neighborhoods. Following eight weeks of careful deliberation and open discussion, the Task Force presented a comprehensive report and a set of specific recommendations to the City Council. The three priority goals are: (1) Improve the process and procedures for selling tax delinquent property through establishment of a Land Bank, (2) Less crime by implementing a Community Oriented Police Unit, (3) More efficient code enforcement by working closer with citizens and neighborhood groups. In the fall of 1994 a permanent Task Force was formed to carry out its objectives.

We are here today to inform you of the necessity for H.B.2513. H.B. 2513 is a bill allowing counties to establish Land Banks. In Wyandotte County we have over 10,000 delinquent parcels, with nearly 5,000 being delinquent vacant lots. Tax delinquent properties are frequently some of the most blighted properties in a neighborhood. Refusing to pay property taxes is just one way that a property owner abandons his or her responsibility to the neighborhood and larger community. Laws governing delinquent tax properties present both an obstacle and an opportunity for efforts to combat blight. Current laws and procedures are too cumbersome allowing properties to remain delinquent too long, making it difficult to move those properties into the hands of individuals who will maintain them and keep the taxes current. Efforts to collect delinquent taxes are not coordinated with neighborhood improvement and code enforcement. Updating laws governing delinquent taxes are an untapped resource in the fight to improve the appearance of our neighborhoods.

The Land Bank would streamline the transfer of abandoned property into an authority (the Land Bank) that would maintain it, market it, and transfer it to neighborhoods, residents, and developers. The lots would be sold at \$100.00 per lot, giving residents an incentive to build. This will allow the property to be placed back on the tax roles, and also provide the ability to make them contributing properties to the neighborhood and the community. Developers could package several lots together to create new housing subdivisions, which could not be done under current law. The Land Bank would work in close cooperation with neighborhood organizations,

EXECUTIVE DIRECTOR:
MARY JANE JOHNSON
PHONE: 913-573-5137
FAX: 913-573-5115

NEIGHBORHOOD BOARD MEMBERS

OFFICERS: 1994-1995
(NEIGHBORHOOD MEMBERS)

PRESIDENT:
BRENT GILLESPIE
VICE PRESIDENT:
FRED CHATMAN
SECRETARY:
BOOKER NUNLEY
TREASURER:
JEANNE AIREY

ADDITIONAL NEIGHBORHOOD BOARD MEMBERS:

FAYDELL GRAYSON
STEVE MINEAR
MARVIN ORNDOFF
BERT HOWARD

GOVERNMENTAL BOARD MEMBERS

CITY ADMINISTRATOR:
DAVID ISABELL
CHIEF OF POLICE:
TOM DAILEY
DIRECTOR -
DELINQUENT TAX DIVISION:
SHIRLEY KNAPP
CHIEF BUILDING INSPECTOR:
RAY BOND
ASSISTANT COUNTY COUNSELOR:
JEFF FENDORF
DIRECTOR OF DEVELOPMENT:
DEAN KATERNDAHL
SUPERINTENDENT OF SCHOOLS:
JIM HENSLEY

ADMINISTRATIVE BOARD MEMBERS

KANSAS CITY, KANSAS, MAYOR:
MR. JOSEPH E.
STEINER, JR.
WYANDOTTE COUNTY COMMISSION
CHAIR, COMMISSIONER:
MS. VERDIS J.
ROBINSON
KANSAS CITY, KS. COUNCILMAN:
MR. ELMER SHARP
KANSAS CITY, KS. BOARD OF
OF EDUCATION, PRESIDENT:
MR. GEORGE
BREIDENTHAL

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developers, and the financial community to assure an aggressive program of redevelopment.

The Liveable Neighborhoods Task Force members visited Cleveland last summer to attend a conference on new and innovative ideas for state and local government. In Cleveland similar conditions of tax delinquency existed, and it was when the inner-city hit bottom that the local government officials decided to create a Land Bank. The Land Bank began the change that turned the tide which led to renewed growth and brought rooftops back to the inner-city.

KANSAS CITY KANSAS

The Daily Newspaper for Wyandotte County

Thursday, Feb. 9, 1995,

Local officials await legislative action on land

By **ANDY WILLIAMS**
of *The Kansan*

Legislation that could clear the way for local officials to begin developing a so-called land bank program could be debated in a House committee this month.

The legislation, which has the support of local officials, would streamline the foreclosure process on delinquent properties and allow properties not purchased to go into a land bank where they would be marketed to developers.

"Everyone recognizes that delinquent

property taxes are a big problem in our county," said Mary Jane Johnson, executive director of the Livable Neighborhood Task Force who has is working with legislators to draft the bill.

"This legislation would clear the way for us to proceed with the program. There is still a lot of planning needed before we ever got such a program up and going, but getting the legislation passed is the first step."

She said the legislation should be introduced to the House Taxation Committee as part of a package of recommendations made by the Blue Highway Committee on Urban

Revitalization.

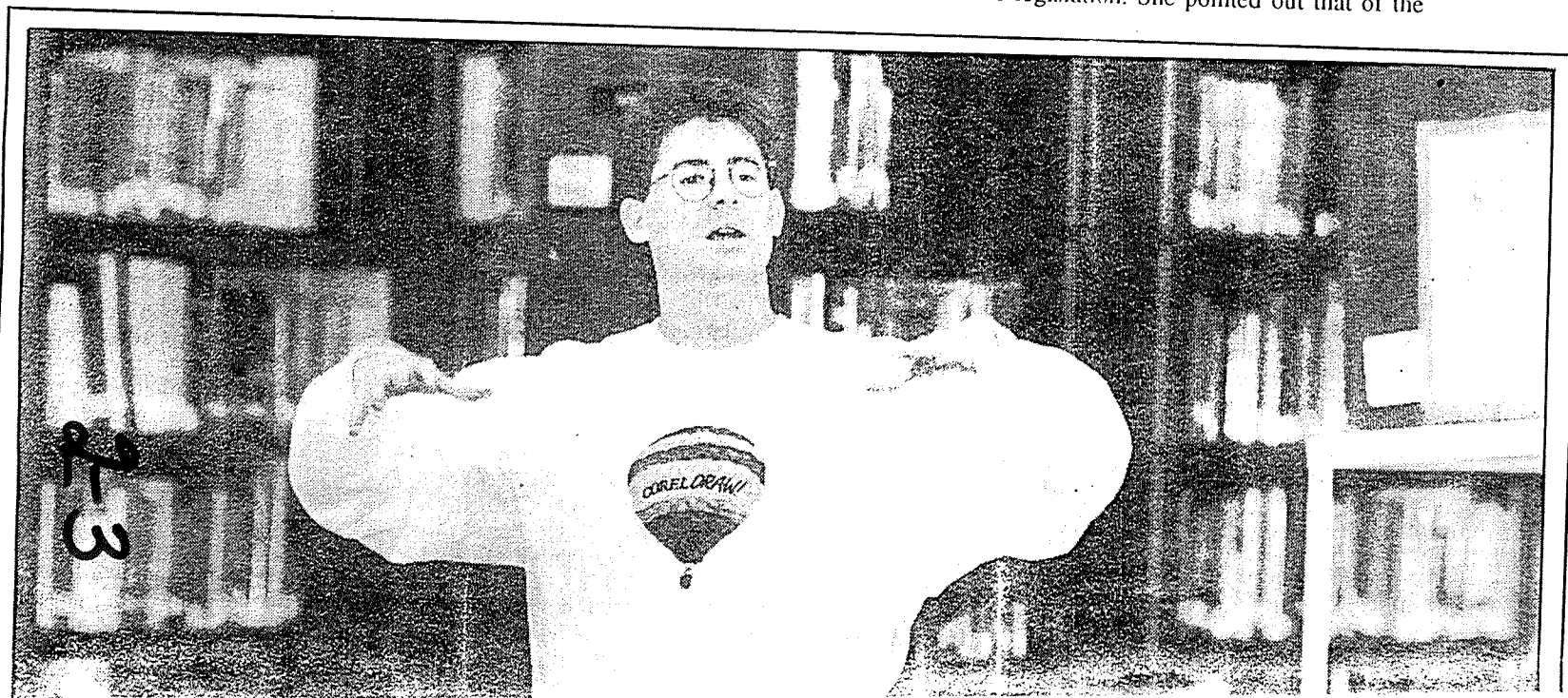
Similar legislation was approved in Ohio and used successfully to revitalize the downtown area in Cleveland. By offering low interest loans and tax abatements, city and county officials were able to allow developers to purchase land cheaply, build new homes and sell them for a fraction of what they cost in the suburbs. The result, according to officials, is a thriving downtown area.

Wyandotte County Property Management Director Shirley Knapp also has lobbied for the legislation. She pointed out that of the

more than 10,000 delinquent properties in the county, about 90 percent are located east of Interstate 635.

"This legislation would allow us to get the property into the hands of taxpayers," Knapp said. "It allows us to restructure the foreclosing process, combine small lots into larger ones, and offer opportunities to the public that they would not otherwise have - a chance to live in a nice, neighborhood with new homes and shops near downtown."

The Kansas City, Kan., City Council in (See LAND BANK, page 2)



Consolidation bill introduced in Legislature

Wisdom plugs plan to create 'Urban Area'

By BOB ENOCH

group block program

Cantwell, "There is potential leadership out there."

Dickens and Byers said that northeast KCK citizens and business owners interested in participating with "Adopt-A-Block" can call them at 321-7771. Dickens said that if city officials pledge support the association can get some things done. Steineger and Isabell both pledged support. Isabell praised the grass roots aspect of the association's project. "The city can assist in these kinds of projects but the city can't do it all," said Isabell. "People working together in their neighborhood can accomplish a lot."

Cantwell said citizens getting involved in their neighborhoods to improve appearances and conditions can get a lot of gratification from it. Cantwell said last fall he was among citizens who volunteered to clean up at the site of the vacant Gateway Gardens Motel at Fifth Street and Minnesota Avenue. "After we worked at that site one whole day it looked a lot better. When I drive by there now it looks a lot better than it did and it makes me feel good." Steineger pointed out the motel building will be demolished this year to make way for a new Environmental Protection Agency office building.

August 1996, and anything that gives citizens a I think is fine," Kelley said. The bill calls for a the first election following its passage. y added the plan for one council and I at the autonomy of Bonner Springs and sville is protected. the things we discussed for a long time are in slation. And the 1996 vote would give time for munity to discuss the plan and to make a deci-

Rep. Herman Dillon, D-KCK, said he has not bill "but I'm sure there are areas we could con- We'd have to change the state law, because

an interest in acquiring the land, and Sewell Avenue and the John

preservationists on the project.



ROBERT E. CHRISTIAN / of The Kansan

YOUNG INVENTORS . . . From left, second-grader Natisha Flenory, fifth-grader Jessica Stark and second-grader Shaliece Lewis look at booths honoring black inventors at Hawthorne Elementary School. The display has 12 booths featuring famous inventors such as H. Thomas, who invented potato chips; George Grant, who invented the golf tee; and Garretta Morgan, who invented the traffic light. The display is part of the school's Black History Month celebration and is designed to let students know that the attention they pay to school today can have great rewards later in life.

Grad

(Continued from page 1)
Kansas. In 1990 he started Smart Typesetting, a company which specializes in CorelDRAW! and Ventura Publisher related production and consulting. Smart Typesetting's projects have included everything from business cards to magazine advertisements appearing in such publications as PC World, Publish and Computer Shopper. Smart Typesetting's logo won an Award of Excellence in Corel Corporation's 1993 World Design Contest.

In 1991, he teamed with The Font Co. to help them produce and

In 1994, he changed the name of the business to Unleashed Productions.

Coburn is the co-author of Corel Draw Unleashed 4, published in 1993 and Corel Draw Unleashed 5 in 1994.

His mother, Etta Mae "Connie" Coburn, still lives in KCK. She is a former KCK principal and teacher and a long time volunteer with the United Way of Wyandotte County. His father is the late F. Dwight Coburn, former officer and director of Security National Bank in KCK. His grandparents are the late Dr. and Mrs. C.E. Coburn of KCK. One half brother, Dob Coburn, lives in Shawnee and another, Clay, has moved to Florida.

Land bank

(Continued from page 1)

December officially endorsed the plan for the proposal. The Wyandotte County Commission has not; but, this morning, Commission Chairman Nancy Burns said did support the program and that she included it in the county's legislative wish list that was sent to the Wyandotte County delegation.

"I support it," Burns said. "I think it's a real positive plan."

Commissioners Verdis Robinson and Richard Kaminski have favored the plan since July when the commission sent a team to Cleveland to study how they might proceed with the innovative program.

Robinson said she felt strongly about the program because the county has offered taxpayers other programs to get them to pay their taxes.

"If the property owners who are delinquent on their taxes were going to pay up they would have done it during the amnesty program where they could have avoided paying the interest," Robinson said. "They had their chance and now we need to take action and get to do something constructive with the property."

Kaminski said he believed revitalizing the eastern part of the city was crucial to stabilizing the tax base in the county.

"If we get the legislation through, and with everyone's support I believe we will, we will be able to get homes and shops constructed and occupied. Taxpayers will live and shop in the area. We have nothing to lose."

Girl

(continued from page 1)

neighborhood safer. He encouraged parents to take their children



**League
of Kansas
Municipalities**

PUBLISHERS OF KANSAS GOVERNMENT JOURNAL 300 S.W. 8TH TOPEKA, KS 66603-3896 (913) 354-9565 FAX (913) 354-4186

TO: House Taxation Committee

FROM: Chris McKenzie, Executive Director *cm*

DATE: March 23, 1995

RE: HB 2513, Concerning Land Banks

Thank you for the opportunity to testify in support of HB 2513. Management of tax delinquent properties is one of the greatest challenges facing county governments today. This task is even more problematic in counties which contain large amounts of tax delinquent property which perpetually stays delinquent because it is not cost-effective for the owners to invest in it. As a result, some of our counties and cities contain multiple parcels which are effectively abandoned and on which we can expect no substantial economic activity unless it can be done in conjunction with the improvement of adjacent properties. The same can be said in a number of our more rural communities as well.

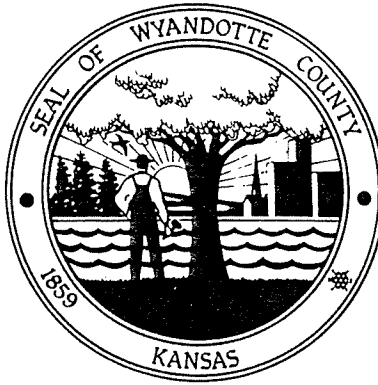
As recommended by the subcommittee, HB 2513 would provide authority to use what has proven to be an effective tool in other states through the creation of a land bank to acquire and dispose of tax delinquent and other properties in a planned, cost-effective manner. The League worked closely with the subcommittee on the amendments to this bill, and we urge you to give this bill favorable consideration in its revised form.

Thank you very much.

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Attachment 3

R. WAYNE LAMPSON
COUNTY COUNSELOR

R. JEFF FENDORF
ASSISTANT COUNTY COUNSELOR



OFFICE OF
COUNTY COUNSELOR
WYANDOTTE COUNTY COURTHOUSE
710 NORTH 7TH STREET
KANSAS CITY, KANSAS 66101
PHONE: (913) 573-2828
FAX: (913) 321-0237



LAND BANK PROPOSAL OUTLINE

I. Basic Structure

Land bank of Wyandotte County, Kansas : three member board of trustees with one member each appointed by Board of County Commissioners, governing body of largest city within county (i.e., Kansas City, Kansas), and largest school district within county (i.e., U.S.D. 500). Trustees to serve staggered three year terms.

Professional staff: land bank director appointed by and serving at the pleasure of the board of trustees. Additional staff as determined by the board of trustees.

II. Land Bank Property

Basically, all tax delinquent property which has been foreclosed upon by the County and not sold in the tax sale would be deeded to the land bank. Property will be accepted into the land bank only with approval of the trustees. This will allow the exclusion of property with potential liabilities, e.g. environmental contamination, or property with structures for which there is not sufficient budget for demolition or rehabilitation. As a practical matter the County and the land bank should work together to determine which properties are placed in the tax foreclosure sale so that any property which is not sold is accepted into the land bank.

Also a provision for deed in lieu of foreclosure to the land bank so that owners who wish to forfeit their property without going through the foreclosure process may do so. Initially, there would also be property that the County has bought in through tax sales over the years as well as certain city-owned properties which would be transferred to the land bank.

III. Land Bank Funding, Expenses

We are suggesting that a pilot project be initiated in Wyandotte County. Start up costs for the land bank primarily would be staff, office set up, and costs for obtaining mapping software and set up. Those costs presently are estimated at approximately \$150,000 for the first year.

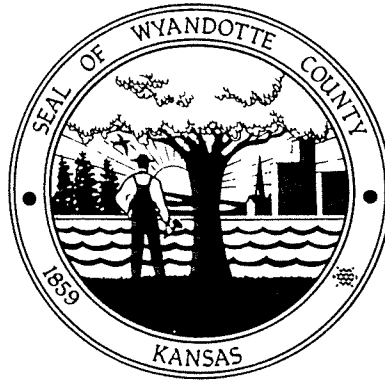
In the long term, the land bank would be funded by a special mill levy with a cap determined by statute. A budget would be

submitted by the trustees, subject to the approval of the Board of County Commissioners who would then levy accordingly. The land bank would have to bear the cost of its staff, maintenance of its property, and marketing and sale costs of property from the land bank. Hopefully, some of these costs would be recovered through the sale of properties. In the longer term, it probably would be advantageous to budget funds for demolition and redevelopment.

IV. Development Incentives

The land bank could provide blocks of land for redevelopment with clear title and free of delinquent taxes. The present scheme makes this difficult and time consuming to do. The legislation might also include provisions for tax abatements for residential development from five to ten years depending on the size of the development. Such abatements would have to be approved by the Board of County Commissioners and the City Council. Property redeveloped from the land bank should also be eligible for tax increment financing.

SHIRLEY KNAPP
DIRECTOR OF PROPERTY MANAGEMENT
(913) 573-4145



OFFICE OF
WYANDOTTE COUNTY
PROPERTY MANAGEMENT
WYANDOTTE COUNTY COURTHOUSE
710 N. 7TH ST.
KANSAS CITY, KANSAS 66101
FAX (913) 321-0237



March 23, 1995

Chairman Kline and members of the House Assessment and Taxation Committee:

My name is Shirley Knapp, Director of Wyandotte County Property Management Department. I also served as the President of the Kansas City, Kansas Housing Council in 1994, and a member of the Liveable Neighborhood Task Force. I appreciate the opportunity to speak with you in support of House Bill 2513.

The delinquent and abandoned property is a problem that makes our County seem very different from the rest of the State of Kansas, but not so unique when looking at other large cities throughout the United States with inner-city problems.

There are approximately 10,000 delinquent parcels in Wyandotte County, 4,445 are vacant lots, and a large number are parcels that have only 25' frontage, and the taxes and interest exceed the value. The new housing codes in Wyandotte County require a 25' setback and a minimum square footage of 7,150 to build a new house. These parcels are a perfect example of how the Land Bank Bill could benefit everyone, as it is very obvious the current method is not working and does nothing to promote new development.

Parcels not purchased at the Tax Foreclosure Sale must go through the lengthy process of being purchased by the County which restricts the sale of the property to Sealed Bid Sales or Auction as the only method of resale. The County must provide maintenance during this time period.

The Land Bank Program would offer solutions to these problems, by giving buyers the convenience of one department that would deal with any question regarding vacant lots. By combining functions of the government departments who deal with complaints and maintenance of vacant lots, as well as the purchase and foreclosure. Duplication of these services has created unnecessary frustrations and burdens on the individuals as well as government budgets.

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HOUSE BILL No. 2261

By Committee on Taxation

2-1

PROPOSED AMENDMENTS BY LEAGUE OF KANSAS MUNICIPALITIES

9 AN ACT relating to property taxation; concerning exemptions of govern-
10 ment owned property; amending K.S.A. 1994 Supp. 79-201a and re-
11 pealing the existing section; also repealing K.S.A. 1994 Supp. 79-201v.
12

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

14 Section 1. K.S.A. 1994 Supp. 79-201a is hereby amended to read as
15 follows: 79-201a. The following described property, to the extent herein
16 specified, shall be exempt from all property or ad valorem taxes levied
17 under the laws of the state of Kansas:

18 *First.* All property belonging exclusively to the United States, except
19 property which congress has expressly declared to be subject to state and
20 local taxation.

21 *Second.* All property used exclusively by the state or any municipality
22 or political subdivision of the state. All property owned, being acquired
23 pursuant to a lease-purchase agreement or operated by the state or any
24 municipality or political subdivision of the state, *including property which*
25 *is vacant or lying dormant*, which is used or is to be used for any gov-
26 ernmental or proprietary function and for which bonds may be issued or
27 taxes levied to finance the same, shall be considered to be "used exclu-
28 sively" by the state, municipality or political subdivision for the purposes
29 of this section. The lease by a municipality or political subdivision of the
30 state of any real property owned or being acquired pursuant to a lease-
31 purchase agreement for the purpose of providing office space necessary
32 for the performance of medical services by a person licensed to practice
33 medicine and surgery or osteopathic medicine by the board of healing
34 arts pursuant to K.S.A. 65-2801 et seq., and amendments thereto, shall
35 be construed to be a governmental function, and such property actually
36 and regularly used for such purpose shall be deemed to be used exclu-
37 sively for the purposes of this paragraph. *The lease by a municipality or*
38 *political subdivision of the state of/any real property owned or being*
39 *acquired pursuant to a lease-purchase agreement to any entity for the*
40 *exclusive use by it for an exempt purpose shall be deemed to be used*
41 *exclusively for the purposes of this paragraph/All property leased, other*
42 *than property being acquired pursuant to a lease-purchase agreement, to*

part or all of

provided that no portion of the lease payments, reflects compensation for return on the lessor's investment in the leased property.

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Attachment 6