

Approved: 2-11-98
Date

MINUTES OF THE HOUSE COMMITTEE ON GOVERNMENTAL ORGANIZATION & ELECTIONS.

The meeting was called to order by Chairperson Kent Glasscock at 9:00 a.m. on February 2, 1998, in Room 521-S of the Capitol.

All members were present except: Representative Lisa Benlon, Excused
Representative Kenny Wilk, Excused

Committee staff present: Mike Heim, Legislative Research Department
Dennis Hodgins, Legislative Research Department
Theresa Kiernan, Revisor of Statutes
Fulva Seufert, Committee Secretary

Conferees appearing before the committee: Ms. Michelle Miller, Johnson County Board of County Commissioners
Mr. Jim Kaup, Attorney
Mr. Weldon M. Padgett, City Administrator, Iola, Kansas
Mr. Don Moler, General Counsel, League of Kansas Municipalities
Representative Nancy Kirk

Others attending: See attached list

Representative Wilk moved that the Minutes for the January 26, 1998 meeting be approved, and Representative Benlon seconded. Motion passed.

Chairperson Glasscock opened the meeting for bill introductions.

Representative Holmes introduced a bill which would essentially cut financing costs for cities in building construction.

Ms. Michelle Miller, representing the Johnson County Board of County Commissioners, introduced a bill which seeks recognition of the Kansas code enforcement. (Attachment 1.)

Jim Kaup, Attorney, introduced the following three bills: 1) For the City of Hays, an amendment to K.S.A. 58-1304 clarifying the enforcement responsibilities of local governments by the addition of two words to K.S.A. 58-1304(a)(3); 2) For the City of Topeka, a bill to amend K.S.A. 79-2927 of the municipal budget law; and 3) For the City of Garden City, an amendment to K.S.A. 60-1111, the current law requiring cities to bond public improvement construction contracts in excess of \$120,000. (Attachment 2.)

Representative Welshimer said that Representative Correll requested a bill introduction for local government libraries which is essentially a cleanup bill identifying that the abstract is recognized for library funds.

Representative Campbell introduced the following three bills for Representative Benlon and the Subcommittee on Campaign/Finance: 1) Deed restrictions; 2) Permit uses of campaign funds; and 3) All encompassing bill concerning campaign finance.

Representative Tomlinson, Chairperson of Ethics Subcommittee, introduced the following five bills: 1) Change the name Association of Register of Deeds to County Recorder; 2) Repealer in filing the register; 3) Make fees level; 4) Extend ban on disclosure of personal confidential information until after the person leaves office; 5) Codify section of ethics law to apply to public officials.

Representative Powers made a motion to introduce the above-mentioned fourteen bills, and Representative Sharp seconded. Motion passed.

Chairperson Glasscock announced that the Committee would be hearing HB 2729, HB 2731, and HB 2635, and called the Committee's attention to the following fiscal notes: HB 2658, 2659, 2661, 2662,

CONTINUATION SHEET

MINUTES OF THE HOUSE COMMITTEE ON GOVERNMENTAL ORGANIZATION & ELECTIONS, Room 521-S Statehouse, at 9:00 a.m. on February 2, 1998.

2664, 2685, and 2731.

Chairperson Glasscock opened the Public Hearing for **HB 2635.**

HB 2635 - Debt Setoff Program

The Chair recognized Mr. Weldon M. Padgett, City Administrator, Iola, Kansas, who spoke as a proponent of **HB 2635.** He said that this is a modification to K.S.A. 75-6202 which is the statute that establishes the State Setoff Program. Mr. Padgett said that this program allows debts owed to the State of Kansas and its cities and counties to be paid out of state income tax withholdings slated for refund due to overpayment to a debtor. (Attachment 3.)

Chairperson Glasscock recognized Mr. Don Moler, General Counsel, League of Kansas Municipalities, who spoke as a proponent for **HB 2635.** He informed the Committee that when cities were added to the State Setoff Program in 1993, debt under K.S.A. 75-6202(b)(1) was defined not to mean fines or penalties assessed by a municipal court. He said that the League feels that this is unnecessary and that it is time to change this policy. He further stated that **HB 2635** would delete that language and allow for setoff for municipal court costs and fines as they constitute debts to the municipalities and ultimately the public. (Attachment 4.)

Representative Huff asked Mr. Moler to explain setoff. Mr. Moler said that it is a debt owed to the State of Kansas, and that debt is certified, goes into a computer and is matched to see if a person has received additional money to offset the debt.

The Chair called attention to the written testimony submitted by Ms. Shirley A. Moses, Director of Accounts and Reports. (Attachment 5.)

Chairperson Glasscock closed the Public Hearing on **HB 2635.**

The Chair opened the Public Hearing on **HB 2731.**

HB 2731 - Municipalities; urban renewal

Chairperson Glasscock welcomed Representative Nancy Kirk who spoke as a proponent for **HB 2731.** She testified that **HB 2731** changes the urban renewal law in the area of condemnation. The current law permits cities to determine when it is too costly to rehab a property based on the assessed value. Topeka was used as an example, for if the cost of rehab exceeds 50% of the assessed value, the property can be torn down. **HB 2731** would change the wording from assessed value to replacement costs. (Attachment 6.)

Representative Tomlinson had a question about the workability, but said that he liked the idea. He asked about how the replacement cost would be assessed. Representative Kirk said that she had no idea.

Representative Haley complimented Representative Kirk in the articulate way in which this matter was presented and stated that it was an issue which was dear to his heart. He commended Rep. Kirk for bringing it to the Committee and said that he felt in several ways it was taking a tremendous forward leap. Representative Welshimer responded to Representative Tomlinson's question about determining replacement costs by saying that appraisers can look at these properties and estimate the top dollar worth.

The Chair closed the Public Hearing on **HB 2731.**

Chairperson Glasscock opened the Public Hearing on **HB 2729.**

HB 2729 - Cities; abatement of certain nuisances

The Chair again recognized Representative Kirk who testified as a proponent of **HB 2729.** Representative Kirk stated that **HB 2729** permits cities to use regular mail to deliver nuisance notices to the owners of the property in question. Current law requires the use of restricted mail which does not even exist anymore. She said that the change in the law would save cities thousands of taxpayer dollars. (Attachment 7.)

Representative Campbell inquired if restricted mail was an add on to certified mail and if these mailings were primarily to property owners. Representative Kirk said the answer was "yes" to both questions.

Representative Haley wanted to know if this prohibited from sending a second notice, and the answer was "no."

CONTINUATION SHEET

MINUTES OF THE HOUSE COMMITTEE ON GOVERNMENTAL ORGANIZATION & ELECTIONS, Room 521-S Statehouse, at 9:00 a.m. on February 2, 1998.

Representative Gilbert asked if the letter went to the resident or the owner. Representative Kirk responded, "the owner."

Mr. Jim Kaup explained to the Committee that this would obviously save considerable dollars. He said that restricted mail cost is significant and if the State law says that using restricted mail is the due process and if the property owner doesn't comply, the city can do the cleanup or mowing, etc. and pass on the cost.

Representative Powers said that as he understood this legislation, it gives the cities some leeway, but doesn't mean they could not do the restricted mail as an option.

Representative Tomlinson said he would like to go one step further and ask why this is being mandated in the first place if 74% of the people who receive notices by first class mail are in compliance. He was told that the first notice using first class mail was only a courtesy notice.

Representative Haley presented a scenario about receiving a Christmas card several weeks late and that he mail is not always reliable; therefore, he felt that it would be necessary to be sure a second notice was sent.

Mr. Jim Kaup responded that week notices usually go out when the weeds get too high, and if a second notice is sent several weeks later, the weeds would still be higher and more of a nuisance.

The Chair closed the Public Hearing on HB 2729.

Chairperson Glasscock asked the Committee to turn its attention back to HB 2635 -Debt Setoff Program. The Chair summarized by saying that the bill puts cities and counties on an equal footing to set off traffic fines, etc. against income tax refunds due from the State.

Representative Cox made a motion to pass out HB 2635 favorably, and Representative Campbell seconded. Motion passed.

Representative Haley moved to pass out HB 2731 marked favorable, and Representative Wells seconded. Discussion followed.

Representative Tomlinson said that he liked the idea of replacement value, but was uncomfortable with the responses as to how that value would be assessed. He suggested reworking the concept to come up with something specific.

Representative Welshimer said that she thought people were being confused by rehab property and establishment of an appraiser's value. She also stated that she thought it was as good an answer as there is no other way to do it to stop further deterioration.

The Chair asked Mr. Don Moler about how cities figure the rehab cost. Mr. Moler then asked if anyone was using this urban renewal bill because he did not think anyone was.

The Chair also asked where the appeals process ends, and the answer was in "district court."

Representative Tomlinson said that he thought the initial purpose of the law was to facilitate movement on the property either to repair or demolish. He also said that often times the owner would say he was going to rehab in order to get around doing anything.

Representative Campbell said that this bill is good for the property owner because it better protects the property owner from local units of government forcing demolition of their dwellings by raising the standard from county assessed evaluation to replacement costs.

After the discussion, the vote was taken on HB 2731 and the Motion passed.

The Chair called the Committee's attention to HB 2729 - Cities; abatement of certain nuisances.

Representative Haley made a motion to table HB 2729. The motion died for lack of a second.

Representative Campbell inquired concerning page 3, line 7 and how it played into the entire bill. Theresa Kiernan, Revisor, explained.

Representative Campbell said that Olathe is looking at it, and he hates this procedure. He said that any time

CONTINUATION SHEET

MINUTES OF THE HOUSE COMMITTEE ON GOVERNMENTAL ORGANIZATION & ELECTIONS, Room 521-S Statehouse, at 9:00 a.m. on February 2, 1998.

the rest of the year, the city just goes out and does it, and then places it on the property taxes. He expressed the opinion that \$90.00 was a little much to charge for mowing and that when people get liens on their property, he has a problem with this.

Representative Welshimer said that much of this takes place involving rental properties with several different owners. She said that some owners mow grass and others don't. She also said that she thought one notice was sufficient and that she had no problem with the bill.

Representative Tomlinson said that he was not so sure that he did not agree with Representative Campbell because what the Legislature is being asked to do is to mandate a specific procedure.

Representative Haley said that he did not think that the bill was so bad, but he did have concern as a property rights advocate. He said that he still had a concern about people knowing that there is a fine attached to their taxes. He still questioned about reliability of the mail and only one notice actually being received. He said that there needs to be some provision to be sure they receive the notice, but agreed that something needs to be done to get these nuisances abated.

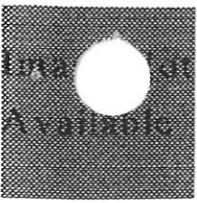
Representative Ray responded that she had researched and verified that in 1996 the Legislature passed a law that only required one notice, and that last year a law was passed to publish once a year. She wondered if this would prohibit cities from making a broader interpretation.

Representative Gilbert commented that while serving on the Board of a Children's Home in Wichita, the Home was notified about the cost the city would charge to mow. Hence, the Board was motivated to get it done themselves at considerably less cost.

Representative Wells made a motion to pass out **HB 2729** marked favorable, and Representative Ray seconded. Motion passed.

The meeting adjourned at 10:30 a.m.

The next meeting is scheduled for February 4, 1997.



REQUEST FOR INTRODUCTION OF BILL ESTABLISHING THE KANSAS ASSOCIATION OF CODE ENFORCEMENT INC. AS THE OFFICIAL CERTIFYING AUTHORITY FOR CODE ENFORCEMENT OFFICERS

BEFORE THE HOUSE GOVERNMENTAL ORGANIZATION AND ELECTIONS COMMITTEE

On Behalf of the Johnson County Board of County Commissioners

Presented by Michelle Miller, Johnson County Intergovernmental Relations Coordinator

February 2, 1998

Chairman Glasscock, members of the committee, my name is Michelle Miller, and I am the Intergovernmental Relations Coordinator for the Johnson County Board of County Commissioners. Thank you for allowing me to appear before you today to request the introduction of a bill that will recognize the *Kansas Association of Code Enforcement* (KACE) as the official certifying authority for code enforcement officers across the state.

Johnson County brings this bill to you from our Planning, Development and Codes Department. Johnson County Zoning Officer Sandy Williams is the incoming 1998 president of KACE, and is here with us today to answer any questions you may have regarding the organization and its goals. Briefly, the bill draft provided to you today attempts the recognition of KACE as the official certifying authority for code enforcement officers by granting it the authority to adopt rules and regulations governing certification standards, and establishing the scope and form of professional training and education necessary for certification.

While at this time, code enforcement certification is not mandatory for employment in the field, we hope that by achieving state recognition of KACE, code enforcement officers in cities and counties will take advantage of the educational opportunity presented to improve and professionalize the practice across the state. KACE currently sponsors a voluntary certification program consisting of 48 hours of classroom instruction that leads to certification in three different career tracks for zoning code officers, housing code officers and code administrators. The curriculum is designed to instruct code enforcement officers not only the legal aspects of code enforcement, but also provides hands-on training in structural, mechanical and building code practices that will enhance the safety and welfare of residential and commercial building occupants.

We hope that you will agree that this effort will be of widespread benefit to citizens across the state. We therefore respectfully request your consideration and introduction of this bill. Thank you for your attention, I would be happy to stand for comments or questions.

County Administration
Olathe, KS 66061-3441

Johnson County Square
(913) 764-8484 Ext. 5252

111 South Cherry St., Suite 3300
FAX (913) 791-5389

*House Gov. Org. and E
2.2.98
Attachment 1*

DRAFT

1 AN ACT concerning certification of code enforcement
2 officers.

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

4 Section 1. This act shall be known and may be cited as
5 the certification of code enforcement officers act of the
6 State of Kansas.

7 Sec. 2. It is hereby found that the Kansas Association
8 of Code Enforcement, Inc. was established for the purpose of
9 studying and advancing the science and practice of code
10 enforcement through the professional training and education of
11 code enforcement officers in the state of Kansas leading to
12 their certification; that cities and counties in the state of
13 Kansas have the authority to enact codes to enhance and
14 protect the general and public health, safety and welfare of
15 the citizens in this state; that code enforcement officers are
16 responsible for ensuring the adherence to and enforcement of
17 these codes; and therefore it is in the public interest of
18 this state and the quality of life in Kansas to promote and
19 encourage the professional training and education leading to
20 certification of code enforcement officers throughout Kansas.

21 Sec. 3. As used in this act: (a) "K.A.C.E." means the
22 Kansas Association of Code Enforcement, Inc.

23 (b) "Certification" means the formal designation con-
24 ferred upon a code enforcement officer who has fulfilled the
25 professional training and educational requirements and
26 standards established by K.A.C.E. for certification.

27 (c) "Code" means any code enacted by a city of county as
28 defined under the provisions of K.S.A. 12-3301(c) and amend-
29 ments thereto.

30 (d) "Code enforcement officer" means any designated
31 officer or employee of a city or county, whose duties include
32 the detection of violations and enforcement of codes enacted
33 by a city or county.

34 Sec. 4. Requirements for certification of code enforce-
35 ment officers in this state shall be established by K.A.C.E.
36 which shall adopt rules and regulations governing certifica-
37 tion standards and the subject, scope and form of professional
38 training and education necessary for certification or shall
39 contract with an educational institution to provide the
40 training and education approved by K.A.C.E.

41 Sec. 5. This act shall take effect and be in force from
42 and after its publication in the statute book.

LOGAN RILEY CARSON & KAUP, L.C.

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M E M O R A N D U M

TO: Representative Kent Glasscock, Chairman, Governmental Organization and Elections Committee
FROM: Jim Kaup
RE: **Requests for Committee Bill Introductions at Monday, February 2 Meeting of House Committee**
DATE: January 29, 1998

With your permission, I would like to appear before the House Committee on Monday with requests for bill introductions from three cities for which I serve as lobbyist:

1. **City of Hays; ADA Clarification.** You will recall our meeting earlier this week in your office to discuss the Americans with Disabilities issue facing the City of Hays. The City has decided to move forward and ask for a bill introduction. Contact has been made with both Representative Dan Johnson and Representative Eber Phelps. We expect both of them to be present at the meeting, perhaps along with City Manager Hannes Zacharias, to make the bill introduction request. I have attached a copy of the amendment we would like to see to K.S.A. 58-1304. The amendment clarifies the enforcement responsibilities of local governments by the addition of two words to K.S.A. 58-1304(a)(3).
2. **City of Topeka; Non-appropriated Fund Balance.** Topeka will ask for the Committee's introduction of a bill to amend K.S.A. 79-2927 of the municipal budget law. The current law forbids budgets for taxing subdivisions and municipalities (other than school districts and

community colleges) from having a non-appropriated balance within each fund of more than 5% of the total of each fund. Topeka's proposed amendment would remove that 5% limitation. A copy of the proposed bill is attached.

3. **City of Garden City; Public Works Bond.** Garden City would like to request an amendment to K.S.A. 60-1111, the current law requiring cities to bond public improvement construction contracts in excess of \$10,000. This \$10,000 threshold has been on the books for many years, with the construction contract amount never having been adjusted for inflation. This low threshold requiring bonding has been detrimental to Garden City in that it limits the ability of small contractors to compete for public improvement projects. The City's request would be to increase the threshold for the bond requirement from \$10,000 to \$40,000. A copy of the bill draft is also attached.

Thank you for your consideration of these requests.

Hayes

HOUSE BILL NO. _____

By _____

AN ACT concerning municipalities; relating to enforcement of accessibility standards for public buildings; amending K.S.A. 58-1304 and repealing the existing section.

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

Section 1. K.S.A. 58-1304 is hereby amended to read as follows: 58-1304. (a) The responsibility for enforcement of this act shall be as follows: (1) For all existing Title II school facilities, and the design and construction of all new, additions to and alterations of Title II school facilities, the state board of education, by plan approval as required by K.S.A. 31-150, and amendments thereto. School facilities under the control of the state board of regents shall not be subject to the provisions of this subsection;

(2) for all existing state government facilities, and the design and construction of all new, additions to and alterations of, facilities for which federal, state, county funds or funds of other political subdivisions of the state or private funds are utilized on state property, the secretary of administration;

(3) for all existing local government facilities, and the design and construction of all new additions to and alterations of, any local government facilities where funds of a county, municipality or other political subdivision are utilized, the governmental entity thereof or any agency thereof designated by the governmental entity;

(4) for the design and construction of all other new, additions to and alterations of, facilities which are subject to the provisions of this act, the building inspector or other agency or person

designated by the governmental entity in which the facility is located.

(b) The attorney general of the state of Kansas shall oversee the enforcement of this act.

Section 2. K.S.A. 58-1304 is hereby repealed.

Section 3. This act shall take effect and be in force from and after its publication in the Kansas Register.

Garden
City

HOUSE BILL NO. _____

By _____

AN ACT concerning public improvements; relating to public works bonds; amending K.S.A. 60-1111 and repealing the existing section.

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

Section 1. K.S.A. 60-1111 is hereby amended to read as follows: 60-1111. (a) *Bond by contractor.* Except as provided in subsection (c), whenever any public official, under the laws of the state, enters into contract in any sum exceeding ~~\$10,000~~ \$40,000 with any person or persons for the purpose of making any public improvements, or constructing any public building or making repairs on the same, such officer shall take, from the party contracted with, a bond to the state of Kansas with good and sufficient sureties in a sum not less than the sum total in the contract, conditioned that such contractor or the subcontractor of such contractor shall pay all indebtedness incurred for labor furnished, materials, equipment or supplies, used or consumed in connection with or in or about the construction of such public building or in making such public improvements.

(b) *Filing and limitations.* The bond required under subsection (a) shall be filed with the clerk of the district court of the county in which such public improvement is to be made. When such bond is filed, no lien shall attach under this article, and if when such bond is filed liens have already been filed, such liens shall be discharged. Any person to whom there is due any sum for labor or material furnished, as stated in the preceding section, or such person's assigns, may bring an action on such bond for the recovery of such indebtedness but no action shall be brought on such bond after six months from the completion of such public improvements or public buildings.

(c) In any case of a contract for construction, repairs or improvements for the state or a state agency under K.S.A. 75-3739 or 75-3741, and amendments thereto, a certificate of deposit payable to the state may be accepted in accordance with and subject to K.S.A. 60-1112, and amendments thereto. When such certificate of deposit is so accepted, no lien shall attach under this article, and if when such certificate of deposit is so accepted, liens have already been filed, such liens shall be discharged. Any person to whom there is due any sum of labor furnished, materials, equipment or supplies used or consumed in connection with or for such contract of construction, repairs, or improvements, shall make a claim therefor with the director of purchases under K.S.A. 60-1112, and amendments thereto.

Section 2. K.S.A. 60-1111 is hereby repealed.

Section 3. This act shall take effect and be in force from and after its publication in the statute book.

HOUSE BILL NO. _____

By _____

AN ACT concerning public improvements; relating to public works bonds; amending K.S.A. 60-1111 and repealing the existing section.

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

Section 1. K.S.A. 60-1111 is hereby amended to read as follows: 60-1111. (a) *Bond by contractor.* Except as provided in subsection (c), whenever any public official, under the laws of the state, enters into contract in any sum exceeding \$10,000 \$40,000 with any person or persons for the purpose of making any public improvements, or constructing any public building or making repairs on the same, such officer shall take, from the party contracted with, a bond to the state of Kansas with good and sufficient sureties in a sum not less than the sum total in the contract, conditioned that such contractor or the subcontractor of such contractor shall pay all indebtedness incurred for labor furnished, materials, equipment or supplies, used or consumed in connection with or in or about the construction of such public building or in making such public improvements.

(b) *Filing and limitations.* The bond required under subsection (a) shall be filed with the clerk of the district court of the county in which such public improvement is to be made. When such bond is filed, no lien shall attach under this article, and if when such bond is filed liens have already been filed, such liens shall be discharged. Any person to whom there is due any sum for labor or material furnished, as stated in the preceding section, or such person's assigns, may bring an action on such bond for the recovery of such indebtedness but no action shall be brought on such bond after six months from the completion of such public improvements or public buildings.

(c) In any case of a contract for construction, repairs or improvements for the state or a state agency under K.S.A. 75-3739 or 75-3741, and amendments thereto, a certificate of deposit payable to the state may be accepted in accordance with and subject to K.S.A. 60-1112, and amendments thereto. When such certificate of deposit is so accepted, no lien shall attach under this article, and if when such certificate of deposit is so accepted, liens have already been filed, such liens shall be discharged. Any person to whom there is due any sum of labor furnished, materials, equipment or supplies used or consumed in connection with or for such contract of construction, repairs, or improvements, shall make a claim therefor with the director of purchases under K.S.A. 60-1112, and amendments thereto.

Section 2. K.S.A. 60-1111 is hereby repealed.

Section 3. This act shall take effect and be in force from and after its publication in the statute book.

TESTIMONY ON HB-2635

Provided by Weldon M. Padgett
City Administrator, Iola, Kansas

28 January 1998

The following Testimony was presented in favor of modifications to KSA 75-6202 as presented in House Bill #2635. This Testimony is an excerpt from a letter to Chris McKenzie, League of Kansas Municipalities, explaining the issue and requesting the League's guidance on pursuing the statutory change.

Honorable Members: Committee on Governmental Organization and Elections

I am here today to speak in support of a modification to KSA 75-6202, the statute that establishes the State Setoff Program. This program allows debts owed to the State of Kansas and its counties and cities to be paid out of state income tax withholdings slated for refund due to overpayment to a debtor. Many cities already use the program for collecting outstanding utility bills and traffic fines. It is a progressive and very useful piece of Legislation, and city governments are fortunate to have the opportunity to use it.

What is unfortunate is that under the definition of "Debt" in 75-6202 (3) (b) (1) the statute does not permit cities to claim "(B) fines or penalties assessed by a municipal court, except for cigarette or tobacco infractions and traffic infractions and offenses". This places an uncalled for restriction on cities and prohibits a very logical and important application of the Setoff Program--collection of criminal violation fines.

In Iola, this exclusion keeps us from applying the Setoff Program to such violations as misdemeanor theft, domestic and non-domestic battery and assault, criminal damage to property, disorderly conduct and public drunkenness. Total cost of bad debt for these violations in Iola is over \$49,000, and some of these debts are over 5-years old.

Oddly, counties *are* allowed to collect debts in these same situations using the Setoff Program. One would expect that since the fines and fees in question were assessed by a court of law, following due process and providing adequate notification to the debtors, the city fines would be just as eligible for collection under the Setoff Program as the counties'.

People who are in debt to cities often relocate to other communities to avoid payment. Most cities do not have the resources to track down delinquent debts or pay for skip-tracing or collection agency fees. Many cities write-off these debts as uncollectable, thus losing tens-and hundreds-of-thousands of dollars in revenue. The Setoff Program would be an effective and inexpensive alternative to collect these debts.

Since most municipal courts are self-funded, they use fees and fines to pay for their operations. As state and federal aid dwindles, local governments must use all available resources to help support the services provided to their communities. The cost of operating municipal courts requires cities to collect the fines and fees they assess so they may provide efficient court services without placing a burden on their tax supported general funds.

House GO and E
2-2-98
Attachment 3

In late 1997, I surveyed 45 Kansas cities, and had 32 responses. In those cities alone, the survey indicated that over \$8.8 million is in arrears in non-active accounts through the municipal court systems. Potentially all of this debt would be eligible for collection under the Setoff Program should HB-2635 be adopted. This is an important tool for collecting revenue that cities should be allowed to use.

Cities are not the only beneficiaries of HB-2635. The State of Kansas retains 18% to 24% of the funds collected through the Setoff Program to pay for administrative oversight costs. Given the survey data, the State's potential portion of the existing outstanding debt would be \$1.5 million to \$2.1 million. I believe that most public officials would prefer to first consider resources other than taxes, and would agree that the State of Kansas is missing an opportunity here.

I appreciate the committee's assistance in supporting HB-2635, and would be happy to answer any questions you might have.

Attachments: Survey results.
 Letter of support.

MUNICIPAL COURT FINES AND FEES

[NON-ACTIVE BAD DEBT STATUS]

City	Population (rounded)	Outstanding Court Fines & Fees
Abi	6,730	\$36,756
Ark	12,480	\$180,000
Atc	10,640	\$100,000
Au	8,440	\$13,000
Ch	9,500	\$33,243
Col	5,625	\$10,000
Der	16,590	\$250,000
Do	22,035	\$700,300
El	12,035	\$40,000
Em	25,525	\$100,000
Ga	24,900	\$88,323
Gr	15,145	\$107,084
Ha	18,000	\$25,000
Hut	39,770	\$488,000
Ind	9,910	\$45,000
Iola	6,400	\$49,262
Jun	20,380	\$2,800,000
La	71,720	\$20,000
Le	24,855	\$35,000
Le	42,250	\$200,000
Lib	16,950	\$800,000
Ma	38,515	\$500,000
Mis	9,145	\$4,000
Ola	72,455	\$150,000
Pa	5,525	\$57,257
Pitt	18,485	\$30,000
Pra	23,055	\$8,000
Sal	44,165	\$360,000
Ste	2,250	\$7,624
We	8,575	\$13,438
Wi	310,235	\$1,500,000
Wi	12,090	\$80,800
Sum	964,375	\$8,832,087

32 Responses out of 45 requests

	State's Portion	Cities' Portion	
18%	\$1,589,776	\$7,242,311	82%
24%	\$2,119,701	\$6,712,386	76%

Some cities recently wrote-off outstanding debts more than a few years old so their figures are lower than expected compared to their population.



JOHN W. WHITE
ADMINISTRATIVE JUDGE

THOMAS M. SAXTON, JR.
DISTRICT MAGISTRATE JUDGE

DISTRICT COURT
COURT HOUSE
316-365-1426
FAX: 316-365-1429
IOLA, KANSAS 66749

January 26, 1998

Weldon Padgett
City Administrator
2 West Jackson
Iola, Kansas 66749

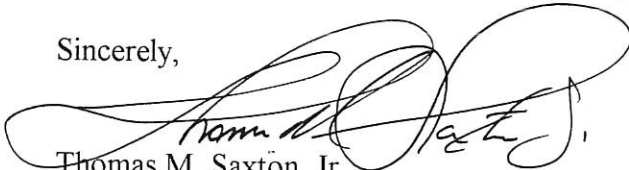
IN RE: House Bill No. 2635

Dear Weldon,

As a member of the Judiciary and in my capacity as the Municipal Judge for the City of Iola, Kansas, I wish to express my support for your efforts in changing K.S.A. 75-6202(b)(1) to allow Municipal Courts to participate in the State Debt Setoff Program. Support of this measure will be of great benefit to all municipalities in collecting outstanding debts due to the Municipal Courts.

With appreciation for your efforts in securing this change.

Sincerely,


Thomas M. Saxton, Jr.
Municipal Judge

STATE OF KANSAS

EXAMPLES OF DEBTS SUBMITTED FOR SETOFF AND WRITE OFF

Apartment lease and damages
Continuing education
Child support
Diversionary agreements
Enrollment fees
Fines
 Parking fines
Hospital services
 Parental obligation
 Patent obligation
 Treatment and care
Insufficient funds checks
Independent study
Judgments
 Civil judgments
 Court ordered restitutions
 Criminal judgments
KPERs withdrawal overpayments
Late fees
Library services
 Library fines
 Library materials
 Library overdue books
 Library processing fees
Liquidated debts
Overpayment - expense allowances
Personal telephone calls
Printing services

Promissory notes
Recoup amount for garnishment
Recovery of expenses
Recreational services
Salary overpayments
Services rendered
Student health
Student loans
 National direct student loans
 Pell grant repayments
 Perkins student loans
Surgery and medicine
Taxes
 Drug tax - criminal fraud
 Individual income taxes
 Inheritance tax and interest
 Liquor excise tax
 Premium tax - foreign
 Sales tax
 State unemployment taxes
 Withholding taxes
 Motor carrier taxes
 Unemployment taxes
Telecommunications
Tuition
Unliquidated debts
Unpaid insurance premiums
Workers' compensation overpayments



League of Kansas Municipalities

LEGAL DEPARTMENT · 300 S.W. 8TH TOPEKA, KS 66603 · TELEPHONE (785) 354-9565 · FAX (785) 354-4186

LEGISLATIVE TESTIMONY

TO: House Governmental Organization and Elections Committee
FROM: Don Moler, General Counsel
RE: Support for HB 2635
DATE: February 2, 1998

We are asking today for your support of HB 2635, a bill which will allow for a modification of the State Setoff Program as it applies to municipalities and municipal courts.

Specifically, cities were added to the State Setoff Program in 1993 as a result of legislative action for which we were very appreciative. At that time, debt under K.S.A. 75-6202(b)(1) was defined not to mean fines or penalties assessed by a municipal court and we feel that this is unnecessary and it is time to change this policy. We are therefor asking the Committee to favorably report HB 2635 which would delete that language and allow for setoff for municipal court costs and fines as they constitute debts to the municipalities and ultimately the public.

We believe literally hundreds of thousands, if not millions of dollars are currently uncollected by municipal courts and this legislation will help the public recover some of that money. We appreciate any consideration the Committee may give us on this matter and would respectfully ask for your support of HB 2635.

House GO and E
2.2.98
Attachment 4

**TESTIMONY BEFORE THE
HOUSE COMMITTEE ON GOVERNMENTAL ORGANIZATION AND ELECTIONS
February 2, 1998, 9:00 a.m., Room 521-S**

Presented by Shirley A. Moses
Director of Accounts and Reports

Mr. Chairman, Members of the Committee:

I am providing written testimony today on behalf of the Department of Administration in support of HB 2635. The bill will allow fines or penalties assessed by a municipal court to be eligible for potential recovery by the Debt Setoff Program. Formerly, only those fines or penalties assessed for cigarette, tobacco and traffic infractions were eligible. The bill represents a smart and efficient method to collect additional outstanding debts through the use of an existing program.

Pursuant to K.S.A. 75-6202 et. seq., the Division of Accounts and Reports administers the Debt Setoff Program. The program is a voluntary, automated, passive debt collection effort which matches debts owed to state agencies, municipalities and district courts against state payments in process to debtors, such as tax refunds. A collection assistance fee is assessed when a debt is recovered to allow the program to be self-supporting. Thus, the addition of debts to the program, such as those authorized by HB 2635, can be implemented without additional cost to the State.

Since the program's inception in 1982, over **\$61 million** has been collected for the benefit of state taxpayers. The management and collection of delinquent accounts receivable is a good business practice and the program allows state agencies and municipalities to recover debts with very little effort and at a low fee (17%-23% compared to 30%-50% by outside firms). Any addition to the debt pool simply represents good public policy.

Thank you for the opportunity to provide testimony to the Committee. I would be happy to address any questions or provide additional information during today's hearing.

House GO and E
2.2.98
Attachment 5

NANCY A. KIRK
REPRESENTATIVE, FIFTY-SIXTH DISTRICT
SHAWNEE COUNTY
HOME ADDRESS: 932 FRAZIER
TOPEKA, KANSAS 66606
(913) 234-8806

OFFICE: ROOM 284-W STATE CAPITOL
TOPEKA, KANSAS 66612-1504
(913) 296-7673



TOPEKA

HOUSE OF
REPRESENTATIVES

COMMITTEE ASSIGNMENTS
RANKING MINORITY MEMBER
INSURANCE
MEMBER
JUDICIARY
TAXATION

HB 2731

TESTIMONY FOR HOUSE GOVERNMENTAL ORGANIZATIONS AND ELECTIONS
February 2, 1998

The bill before you changes the urban renewal law in the area of condemnation. Currently the law permits cities to determine when it is too costly to rehab a property based on the assessed value. In Topeka, if the cost of rehab exceeds 50% of the assessed value, the property can be torn down.

The bill before you would change the wording from assessed value to replacement costs. Identical properties, one on the west side of Topeka and the other on the east side, would have different assessed values because of their locations. The properties would require the same amount of money to rehab, but the costs for rehab would be different percentages of the assessed values.

For example, identical houses with identical problems needing rehab:

West side house	value	50,000
East side house	value	30,000
Rehab costs		20,000
Replacement costs		60,000

The property on the east side would be a candidate for destruction based on the current law. Using the replacement value both properties could be saved for rehabilitation. The bill does not change the right of cities to set their own percentages for determining when rehab is too costly.

The purpose of this change is to assure like properties are treated the same and that location in the community does not inadvertently discriminate against lower income areas.

House GO and E
2.2.98
Attachment 6

NANCY A. KIRK
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TOPEKA

HOUSE OF
REPRESENTATIVES

HB 2729

COMMITTEE ASSIGNMENTS
RANKING MINORITY MEMBER
INSURANCE
MEMBER
JUDICIARY
TAXATION

TESTIMONY FOR HOUSE GOVERNMENTAL ORGANIZATIONS AND ELECTIONS
February 2, 1998

The bill before you permits cities to use regular mail to deliver nuisance notices to the owners of the property in question. The current law requires the use of restricted mail which does not exist. First class mail will be forwarded which is a very important when attempting to locate owners who have moved. Certified mail requires a signature and the owner can refuse to sign the letter.

Most importantly, the change in law will save cities thousands of taxpayer dollars. This simple change will increase the efficiency of the nuisance notice process while saving dollars

House GO and E
2.2.98
Attachment 7