

SESSION OF 2003

SUPPLEMENTAL NOTE ON HOUSE BILL NO. 2122

As Amended by Senate Committee on
Elections and Local Government

Brief*

HB 2122 amends the law dealing with city unsafe and abandoned structures to do the following:

- ! Change the definition of abandoned property to reduce the time the property is unoccupied from one year to 180 days.
- ! Delete the definition of low and moderate income housing and the requirement that property rehabilitated be for this group and provide instead that rehabilitated property must be buyers who agree to occupy the home for at least three years.
- ! Change the notice time frame to property owners of abandoned property from at least 30 days to 20 days but not more than 60 days before a petition is filed in court.
- ! Add new requirements to a defendant property owner to show the capacity and resources necessary to complete the rehabilitation and a provision requiring all delinquent property taxes be paid.
- ! Delete the five-year time frame whereby an owner of abandoned property may seek to regain the property to the time prior to the not-for-profit corporation completing the rehabilitation.

The Senate Committee deleted the requirement that buyers purchasing the home be first time home buyers.

*Supplemental notes are prepared by the Legislative Research Department and do not express legislative intent. The supplemental note and fiscal note for this bill may be accessed on the Internet at <http://www.kslegislature.org/klrd>

Background

The bill was supported by Representative Rehorn, the Rosedale Development Association, and the Community Development Association of Kansas City, Kansas.

Senator Haley suggested amendments to the bill.

Proponents said the current law needed amendments to make it a workable tool to rehabilitate abandoned property.

The law was change in 1994 to allow any local government covered by the cash basis law to offer rebates to property owners renovating property within designated neighborhood revitalization areas. The law authorizes a not-for-profit corporation which has among its purposes the improvement of housing to petition to the district court for temporary possession of abandoned property. The property first must have been declared abandoned by the court following notice and a hearing. The petition must state that the organization intends to rehabilitate the property and use the property as housing for low and moderate income persons and families; and that the organization has sent notice to the parties in interest of the property, by certified or registered mail, mailed to their last known address and posted on the property at least 30 days but not more than 60 days before the date the petition is filed, of the organization's intent to file a petition for possession.

At the hearing, the not-for-profit organization is required to submit to the court a plan for the rehabilitation of the property and present evidence that the organization has adequate resources to rehabilitate and thereafter manage the property. If the court approves the rehabilitation plan, the court may grant temporary possession of the property to the organization. The organization may enter into leases or other agreements in relation to property it possesses under this act.

The owner of property declared abandoned shall be entitled to regain possession of the property by petitioning the district court. At the hearing, the court shall determine proper compensation to the not-for-profit organization for its expenditures, including management fees, based on the organization's reports. The court may consider income or receipts received from the property by the organization. After the owner pays the compensation to the organization as determined by the court, the owner shall resume possession of the property, subject to all

existing rental agreements whether written or verbal, entered into by the not-for-profit organization.

If an owner of property declared abandoned takes no action to regain possession of the property in the five-year period following the granting of temporary possession of the property to the organization, the organization may file a petition for judicial deed in the district court. Upon due notice to the named defendants, an order may be entered by the court granting a quit-claim judicial deed to the organization providing that the property shall be used for low and moderate income housing for at least a ten-year period after the deed is granted.

The bill has no fiscal effect on the state.