

SESSION OF 2012

SUPPLEMENTAL NOTE ON HOUSE BILL NO. 2646

As Amended by Senate Committee on Local
Government

Brief*

HB 2646, as amended, would expand the definition of abandoned property in statutes dealing with rehabilitation of abandoned property to add commercial real estate for which the taxes are delinquent for the preceding two years and which has a blighting influence on surrounding properties. The bill also would amend the definition of abandoned property regarding residential real estate, to include a structure for which taxes are delinquent for the preceding two years or (changed from "and") has been unoccupied continuously by people legally in possession for 180 days (changed from 90 days).

Commercial real estate would be defined as any real estate for which the present use is other than one to four residential units or for agricultural purposes.

The bill would define "blighting influence" as conditions in the structure which are dangerous or injurious to the health, safety, or morals of the building occupants or other residents of the municipality, or which have an adverse impact on properties in the area. The bill lists a number of such conditions in the definition, such as defects increasing the hazards of fire, accident, or other calamities.

The bill would allow the governing body of any city, in addition to a nonprofit organization which has among its purposes the improvement of housing as in current law, to file a petition with the district court for an order for temporary

*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>

possession of abandoned property. The governing body of the city would be required to designate an organization to rehabilitate the property, the designated organization would be required to intend to rehabilitate the property and use the property as housing, and the city's governing body would be required to have sent notice to the enforcing officer and the parties in interest of the property of the governing body's intent to file a petition for possession.

Background

Current law on unsafe and abandoned structures does not include provisions regarding commercial property or a definition for commercial property. Current law also includes processes by which a rehabilitated property may be redeemed by its owner and the rehabilitating organization reimbursed for its expenses, as well as additional requirements including notification of the owner or lien holder, hearings, and opportunity for the owner to rehabilitate the property.

At the hearing on the bill in the House Committee on Local Government, representatives from the City of Lenexa, the City of Topeka, and the League of Kansas Municipalities appeared in support of the bill. Each of the proponents expressed that, with the downturn in the economy, more and more commercial property was being abandoned, and the blighting influence on surrounding property was damaging property values. A representative from the Associated Landlords of Kansas appeared with a potential amendment to the bill, requesting the definition of abandoned residential property due to tax delinquency be changed to three years to match the definition of commercial property in Kansas statutes.

The House Committee on Local Government amended the bill in two ways. The Committee amended the definition of the term "blighting influence." The Committee also changed

the definition of abandoned property as it relates to tax delinquent commercial property, by reducing the number of years for which taxes must be delinquent from three to two.

Before the Senate Committee on Local Government, Representative Stan Frownfelter testified in support of the bill and suggested several amendments. Representatives of the League of Kansas Municipalities and the City of Lenexa also testified in support of the bill. Written proponent testimony was received from a representative of the City of Topeka. No neutral or opponent testimony was presented.

The Senate Committee on Local Government amended the bill to change the definition of abandoned property regarding residential real estate and to allow the governing body of a city to file a petition with the district court for an order for temporary possession of property that is abandoned and will be rehabilitated as housing.

According to the fiscal note prepared by the Division of the Budget on the original bill, the League of Kansas Municipalities states the fiscal effect on cities cannot be determined because the number of properties affected is unknown.