

SESSION OF 2015

SUPPLEMENTAL NOTE ON SENATE BILL NO. 84

As Amended by Senate Committee on
Commerce

Brief*

SB 84, as amended, would revise provisions of law pertaining to the authority of cities and nonprofit organizations to petition the district court to possess abandoned property temporarily for rehabilitation purposes.

“Abandoned property” would include an alternative definition to the one currently in law for residential real estate, which would mean property that has been unoccupied continuously for 180 days and has a blighting influence on surrounding properties. So long as the property’s exterior would be maintained, residential real estate which would be the subject of a probate action, a mortgage, an action to quiet title, or other ownership dispute would not be defined as abandoned property. The current residential definition for abandoned property, which the bill would retain, means property with property taxes that have been delinquent for two years and has been unoccupied for 90 days. “Blighting influence” would be redefined by deleting reference to individual or community morals, light, and the building’s exterior and grounds and by inserting reference to violation of property maintenance codes and lack of ventilation.

Following the service of process requirements in existing law, a nonprofit organization would be permitted to file a petition with the district court to take temporary possession of abandoned property for related residential purposes, such as infrastructure, open space, parks, and parking facilities. Under current law a nonprofit organization may take

*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>.

temporary possession of abandoned property for the exclusive purpose of rehabilitating housing. A city's governing body, following the service of process requirements in existing law, would be permitted to file a petition for temporary possession if the city has identified a nonprofit organization to rehabilitate the property for housing or related residential purposes.

The revisions contained in the bill would sunset on July 1, 2019.

Background

The bill was introduced by the Senate Committee on Commerce at the request of Representative Frownfelter. Senator Holmes; Representative Frownfelter; and representatives of the cities of Topeka and Wichita, Leavenworth County, the Unified Government of Wyandotte County, the Kansas City Kansas Chamber of Commerce, and the League of Kansas Municipalities testified in favor of the bill before the Senate Committee. Proponents, noting abandoned residential property is evident across Kansas, stated the legislation would mitigate the potential for criminal activity, provide affordable housing, and prevent neighboring property values from diminishing. Proponents also said the courts would continue to have an oversight role while residential property is rehabilitated.

An individual testified in opposition to the bill, stating the legislation could lead to a taking of private property for economic development purposes without compensation to the owner.

The Kansas Association of Realtors and the Associated Landlords of Kansas provided neutral testimony, expressing concern over the definition proposed for "blighting influence" and the potential to rehabilitate residential property for economic development purposes, which was not defined in the bill, as introduced.

Following the hearing on February 5, a subcommittee consisting of three members was appointed to further consider the bill and make recommendations. The subcommittee met on February 13 and heard additional testimony from the conferees and Senator Pilcher-Cook. The subcommittee recommended an amendment and the bill, as amended, be passed. On February 19 the Senate Commerce Committee amended the bill to:

- Revise the definition for “blighting influence” and change the alternative purpose for rehabilitating property (subcommittee amendment);
- Specify property subject to certain legal actions or disputes—provided the property’s exterior was maintained—would not be classified as abandoned property; and
- Sunset the provisions of the bill on July 1, 2019.

According to the fiscal note prepared by the Division of the Budget, in consultation with the League of Kansas Municipalities, the fiscal effect of the bill, as introduced, on cities would be unknown.