

January 23, 2018

The Honorable Kristey Williams, Chairperson
House Committee on Local Government
Statehouse, Room 165-W
Topeka, Kansas 66612

Dear Representative Williams:

SUBJECT: Fiscal Note for HB 2506 by House Committee on Local Government

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2506 is respectfully submitted to your committee.

HB 2506 would amend the definitions of “abandoned property,” “blighting influence” and “organization” in reference to the rehabilitation of abandoned property. The bill would allow cities to file a petition with the district court seeking an order for temporary possession of abandoned property. HB 2506 would also add notice and pleading requirements for cities and nonprofit housing corporations seeking an order for temporary possession of abandoned properties.

Under current law, the district court considers petitions for temporary possession and must decide as to whether the property is abandoned and enter an order approving a rehabilitation plan. HB 2506 would continue to require the court to make a determination of abandonment, but would permit not require, the court to enter an order approving a rehabilitation plan and granting temporary possession. The bill would add that one to two years after receiving temporary possession, a nonprofit housing corporation must seek title to the property by petitioning the court and complying with certain notification requirements. The court would make a finding that the property has been rehabilitation in accordance with the approved plan and grant the petition for title. If no petition for title is filed or the court finds that the rehabilitation plan was not followed, the city would be required to sell the property under the judicial tax foreclosure process.

The League of Kansas Municipalities states that enactment of HB 2506 would reduce administrative costs for cities in the form of decreased emergency services provided to blighted properties and decreased staff time spent on notifications of property owners regarding blighting issues. However, it is unknown how many properties would meet the new definition and therefore it is not possible to quantify the amount of the savings. The Kansas Association of Counties states that HB 2506 does not appear to have any fiscal effect for counties.

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HB 2506 has the potential for increasing litigation in the courts because of the new provisions created by the bill. If it does, the Office of Judicial Administration indicates that there would be a fiscal effect on the operations of the court system. However, it is not possible to predict the number of additional court cases that would arise or how complex and time-consuming they would be. Therefore, a precise fiscal effect cannot be determined. In any case, the fiscal effect would most likely be accommodated within the existing schedule of court cases and would not require additional resources. Any fiscal effect associated with HB 2506 is not reflected in *The FY 2019 Governor's Budget Report*.

Sincerely,

A handwritten signature in black ink, appearing to read "Shawn Sullivan", with a horizontal line extending to the right.

Shawn Sullivan,
Director of the Budget

cc: Ashley Michaelis, Judiciary
Melissa Wangemann, Association of Counties
Chardae Caine, League of Municipalities