

Approved: Feb. 17, 1993
Date

MINUTES OF THE SENATE COMMITTEE ON LOCAL GOVERNMENT.

The meeting was called to order by Chairperson Mark Parkinson at 9:00 a.m. on February 11, 1993 in Room 531-N of the Capitol.

All members were present except:

Committee staff present: Michael Heim, Legislative Research Department
Theresa Kiernan, Revisor of Statutes
Shirley Higgins, Committee Secretary

Conferees appearing before the committee:

Mark Burghart, Department of Revenue
Janet Stubbs, Home Builders Association

Others attending: See attached list

Continued hearings on:

SB 130 -- Concerning setoff against debtors of the state and municipalities therein; authorizing reciprocal agreements with other states to allow the setoff of tax liabilities of other states.

SB 131 -- Concerning special assessments; relating to interest thereon.

SB 132 -- Concerning the county register of deeds; relating to the recording of plats.

SB 142 -- Concerning cities; relating to the general improvement and assessment law.

SB 153 -- Concerning cities; relating to special assessments to pay the costs of improvements authorized thereby.

The Chairman called the committee's attention to a letter from Douglas County in support of **SB 132**. (See Attachment 1).

Mark Burghart, Kansas Department of Revenue, testified in support of **SB 130**. (See Attachment 2).

Janet Stubbs, Home Builders Association, followed with testimony in opposition to **Senate Bills 131, 132 and 142**. (See Attachment 3).

The Chairman asked Ms. Stubbs if the bills would be acceptable to her if they were amended to provide tools to cities to change to higher assessments only if so desired, and the excess assessments collected would be kept by the city but transferred back to the benefit district. Ms. Stubbs responded that this is primarily targeted at commercial and industrial development, and she would have to confer with others in her organization to answer fully. She added that cities can already control these costs.

The Chairman stated that it is his understanding that this tool is very rarely used for residential development. Ms. Stubbs answered that it depends on the city; some cities do use it.

Sen. Ranson could find no reason why the state is telling cities how to conduct their business. In her opinion, this should be left up to each city. She questioned if all cities would use the bill if passed. Ms. Stubbs said that if the bill is passed, she believes there would be less prudent business practices by cities. Sen. Ranson reiterated her feeling that cities should be able to raise their own taxes in a way of their own choosing.

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON LOCAL GOVERNMENT, Room 531-N Statehouse, at 9:00 a.m. on February 11, 1993.

Sen. Ramirez suggested that letters of credit could be used rather than requesting this legislation. Sen. Feleciano stated that letters of credit are not easily obtained. Ms. Stubbs said that she has been informed that since Wichita has required letters of credit, it is not having problems. Sen. Feleciano felt that the requirement for letters of credit puts subcontractors out of business since banks are not willing to do it for them. Ms. Stubbs replied that, in Wichita, this has not been a problem and added that if such a problem for subcontractors should arise, then perhaps the city should get another contractor. This concluded the hearing on SB 130.

Attention was turned to SB 90, concerning the movement of buildings and structures; relating to application fees, which had been previously heard. The Chairman reminded the committee of the amendment which was offered to allow more flexibility in establishing the fee.

Sen. Ranson made a motion to repeal the whole statute, allowing cities to set the fee. Sen. Reynolds seconded the motion.

The question arose as to what the advantage of having the statute is. Staff explained that the only advantage of having a statute is to state the obvious of who to go to for the permit.

Sen. Feleciano made a substitute motion to amend SB 90 by striking out the specific fee amount and adding, "reasonable amount as determined by the governing body." Sen. Ranson seconded.

Sen. Reynolds stated she feels the statutes need to be cleared of unnecessary laws, and SB 90 is one way to start. Sen. Ramirez was in agreement.

On a call for a vote on Sen. Feleciano's substitute motion to amend SB 90, the motion carried.

Sen. Feleciano made a motion to recommend SB 90 favorable for passage as amended, Sen. Ranson seconded, and the motion carried.

Attention was returned to SB 130. A balloon of the bill incorporating the several suggested amendments was distributed. Staff explained each and noted who suggested the amendment. (See Attachment 4).

Sen. Tillotson asked for an explanation of (c) on page 7 of the balloon. Rogers Brazier, Department of Administration, explained that this involves older debts, and the older the debt becomes, the less likely it is to be collected. As to the priority, it is not important to him where the legislature puts it. Staff added that this establishes a new priority.

Sen. Ramirez made a motion to adopt the proposed amendments to SB 130, Sen. Langworthy seconded, and the motion carried.

Sen. Ramirez made a motion to report SB 130 favorable for passage as amended, Sen. Reynolds seconded, and the motion carried.

Attention was turned to a balloon of SB 132 regarding the recording of plats by county register of deeds which had been previously heard. The Chairman noted that New Section 2 may cause a lot of problems, and the Register of Deeds may already be doing section (b), therefore, there is a question as to the need for the whole bill. Sen. Ramirez requested that SB 132 be held because he has been contacted by the clerk from his county, and he would like to visit with her before action is taken on the bill. (See Attachment 5)

Staff explained that subsection (a) had been suggested by the Johnson County Register of Deeds and subsection (b) by the title companies.

No action was taken on SB 130 due to Sen. Ramirez' request.

The final bill to be considered was SB 153, regarding notice and hearing on special assessments on improvements by cities, which had been previously heard. Staff explained that the bill provides an alternative law that prior to construction, the governing body can prepare an assessment, allowing the cost to be up front.

Sen. Feleciano made a motion to report SB 153 favorable for passage, Sen. Ranson seconded, and the motion carried.

The meeting was adjourned at 10:00 a.m.

The next meeting is scheduled for February 17, 1993.

Date: February 11, 1943

GUEST REGISTER

SENATE

LOCAL GOVERNMENT

[illegible]

Douglas County

TO: Committee on Local Government

FROM: Marion Johnson, Douglas County Appraiser
Patty Jaimes, Douglas County Clerk
Nancy Hempen, Douglas County Treasurer

RE: Senate Bill 132

This letter is sent in support of Senate Bill 132 on behalf of the Douglas County officials.

We would like to recommend a change in the wording of Section 1b and New Section 2 to read "is accompanied by a receipt from the County Treasurer showing all real estate taxes and special assessments due and owing on land have been paid." This would eliminate the ambiguous interpretation of the word "receipt". (Please see attached copy.)

One of the primary functions of county government is the assessment, collection and distribution of taxes. Every effort is made to do this as accurately and efficiently as possible. Each office within the county structure is charged with specific duties and statutes which govern how to accomplish these duties. It is a major task for each office to remain in compliance with their governing statutes and/or regulations and not create a situation where excess legal costs are incurred. Senate Bill 132 would assist in accomplishing this goal.

Maintaining a clear and accurate record of taxes assessed and due for collection is a special challenge. This is due, in part, to the structure of the tax calendar. It is possible, under the status quo, for a transfer of ownership to occur and the taxes are not paid. The real estate transaction, with taxes pro-rated at closing, is between the buyer/seller and/or their agents. It does not guarantee the county receives those tax dollars.

Add to this case scenario the changes in a real estate legal description, because the parcel is being split or combined. The question of "which parcel" has the delinquent taxes and "who" is the owner to collect those taxes from is not easily answered under the current regulations. This has been an expensive problem, particularly when processing a Judicial Tax Sale to collect delinquent real estate taxes. Ultimately, the taxpayers in general end up with the bill.

Your consideration and passage of Senate Bill 132 would lower the cost of possible litigation in the pursuit of the collection of delinquent taxes and provide uniform compliance throughout the county offices. It would be instrumental in saving the counties, and thereby the taxpayers, a substantial amount of money.

Courthouse

Eleventh & Massachusetts / Lawrence, Kansas 66044 / (913) 841-7700

Senate Local Gov't

3-11-93

Attachment 1

SENATE BILL No. 132

By Committee on Local Government

1-29

8 AN ACT concerning the county register of deeds; relating to the
9 recording of plats; amending K.S.A. 19-1207 and repealing the
10 existing section.

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

12 Section 1. K.S.A. 19-1207 is hereby amended to read as follows:
13 19-1207. (a) The register of deeds shall also shall keep a large, well-
14 bound book, in which shall be platted all maps of towns, villages
15 townsites or cities or additions to the same within the county, to-
16 gether with the description, acknowledgment or other writing
17 thereon. The register shall keep an index to such book of plats,
18 which index shall contain the name or names of the proprietor or
19 proprietors of such town, village townsite or city or addition and
20 the name of the town, village townsite or city or addition. No
21 register of deeds shall be bound to perform any of the duties required
22 to be performed by this act, for which a fee is allowed, unless such
23 fee has been paid or tendered.

24 (b) The register of deeds shall not record any plat unless such
25 showing
26 plat is accompanied by a receipt from the county treasurer for all
27 real estate taxes and special assessments due and owing on land to
28 have been paid. be platted.

29 (c) The record of plats and indexes required by this section may
30 be kept in bound paper books, plat cabinets or in another manner
31 authorized by statute.

32 New Sec. 2. The register of deeds shall not record any instru-
33 ment of sale or other transfer of real estate unless such instrument
34 making such sale or transfer is accompanied by a receipt from the
35 showing
36 county treasurer for all real estate taxes and special assessments due
37 have been paid. and owing on such real estate.

37 Sec. 3. K.S.A. 19-1207 is hereby repealed.

38 Sec. 4. This act shall take effect and be in force from and after
39 its publication in the statute book.



(S)
KANSAS COUNTY TREASURERS' ASSOCIATION

OFFICE
NANCY HEMPEN
DOUGLAS COUNTY
President

LOREN L. HIBBS
SUMNER COUNTY
Vice President

JOANN HAMILTON
OSAGE COUNTY
Secretary

KEVIN JONES
OTTAWA COUNTY
Treasurer

Feb. 10, 1993

TO: Committee on Local Government

FROM: Kansas County Treasurers Association
Nancy Hempen, Douglas County, President

RE: Senate Bill 132

This letter is sent in total support of Senate Bill 132 on behalf of the Kansas County Treasurers Association.

Counties are continually faced with difficulties in the collection of taxes. More focus on giving local officials the tools to collect taxes will have a definite impact on property tax relief.

Many parcels that go delinquent and end up in Judicial Tax sales are "partial" properties that have been divided from a parent parcel, sold and transferred during a tax year. Many times the unpaid taxes are never paid by the seller or buyer, thus resulting in lingering delinquents on parcels that do not exist on the current tax roll but are for the portion of the property that was divided off.

Your consideration on this bill will effectively assist the counties in collection of taxes and also lower the delinquency factor which becomes a burden on all taxpayers.

We ask your support and passage of Senate Bill 132

STATE OF KANSAS

Mark A. Burghart, General Counsel
Robert B. Docking State Office Building
915 S.W. Harrison St.
Topeka, Kansas 66612-1588



(913) 296-2381
FAX (913) 296-7928

Department of Revenue
Legal Services Bureau

MEMORANDUM

To: The Honorable Mark Parkinson, Chairman
Senate Committee on Local Government

From: Mark A. Burghart, General Counsel
Kansas Department of Revenue

Date: February 4, 1993

RE: 1993 S.B. 130

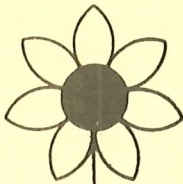
Thank you for the opportunity to appear in support of S. B. 130. The bill, among other things, would authorize the Department of Revenue and Department of Administration to enter into a reciprocal agreement with other states to allow the set-off of tax liabilities of other states.

The bill would allow the state to further utilize the existing debtor set-off program to collect delinquent tax accounts of other states. Other states would in turn collect delinquent Kansas tax accounts under the reciprocal agreements. This concept was introduced to the Kansas Department of Revenue by the Missouri Department of Revenue in the fall of 1991. Missouri passed legislation in 1984 enabling that state to set-off against another state's tax debts but have not been able to take advantage of this legislation due to a lack of comparable legislation in any other state. Since no two states have entered into such an agreement, it is difficult to determine how beneficial this concept might prove to be for the State of Kansas.

It is important to note that the Department would first attempt to collect the delinquent tax in-house through the use of telephone collections and written correspondence. The account would then typically be assigned to a private collector who then has the task of convincing the taxpayer to pay the debt. S.B. 130 would simply provide another alternative for collecting the debt. The debtor is informed of the intent to set-off and it is then up to the debtor and the State to determine the terms of the set-off.

On behalf of the Department, I urge your favorable consideration of S.B. 130. I would be happy to respond to any questions you might have.

Senate Local Gov't
2-11-93
Attachment 2



HOME BUILDERS ASSOCIATION OF KANSAS, INC.

OFFICERS

President
GILBERT BRISTOW
1916 Bluestem Terrace
Manhattan, Ks. 66502
913-539-4779

Vice President
JIM PETERSON
P.O. Box 171
Hutchinson, Ks. 67501
316-662-7616

Treasurer
TOM AHLF
7247 Oxford Ct.
Wichita, Ks. 67226
316-686-0006

Secretary
R. NEIL CARLSON
1820 Van Buren
Topeka, Ks. 66612
913-232-0515

H.B.A. ASSOCIATIONS
Dodge City
Hutchinson
Junction City
Manhattan
Montgomery County
Salina
Topeka
Wichita

PAST PRESIDENTS
Lee Haworth 1965 & 1970
Warren Schmidt 1966
Mel Clingan 1967
Ken Murrow 1968
Roger Harter 1969
Dick Mika 1971-72
Terry Messing 1973-74
Denis C. Stewart 1975-76
Jerry D. Andrews 1977
R. Bradley Taylor 1978
Joel M. Pollack 1979
Richard H. Bassett 1980
John W. McKay 1981
Donald L. Tasker 1982
Frank A. Stuckey 1983
Harold Warner, Jr. 1984
Joe Pashman 1985
Jay Schrock 1986
Richard Hill 1987
M.S. Mitchell 1988
Robert Hogue 1989
Jim Miner 1990
Elton Parsons 1991
Vernon L. Weis 1992

SENATE LOCAL GOVERNMENT COMMITTEE

FEBRUARY 11, 1993

MR. CHAIRMAN AND MEMBERS OF THE COMMITTEE:

My name is Janet Stubbs appearing today in opposition to the concept of the legislation being proposed in these bills regarding special assessments. We are opposed not because we believe developers should be permitted to avoid paying taxes. We strongly oppose this and are embarrassed by it. However, we do not believe the proposed legislation is the answer to this problem.

I spoke with leadership of the Wichita and Topeka Home Builders organizations to determine if special assessment delinquency is a problem in those areas. A few years ago city officials from both Wichita and Topeka complained to the Local Government Committee of special assessment problems and we were quick to point out to them that they already possessed the ability to solve this problem by implementing more prudent business practices to operate their city.

Attached to my remarks is a lengthy explanation of the procedure implemented by both cities which, we believe, keeps taxpayers from being taxed to pay for unpaid specials.

We oppose a city requiring the taxpayers of a benefit district to pay more than the project should cost in order for the city to create additional revenue via hidden means. The homebuyers are not aware of what is happening to them. It is a hidden tax on the property owners and we are in strong opposition to the concept.

I want to express our appreciation for the opportunity to speak to this issue and, if there are questions, I will attempt to obtain the answer for the Committee from the experts in the field.



*Senate Local Gov't
2-11-93*

Attachment 3

Senate Bills - 131-132-142

A number of Senate Bills have been introduced dealing with Special Assessment financing by Municipalities and the problems Cities are encountering in the collection of these Specials.

It has been suggested that an additional surcharge be allowed to be assessed on all Special Assessments to insure that the cost of delinquent specials can be covered by the issuing City.

Before consideration is given to reducing the benefit of Special Assessment financing in our cities, it would be appropriate to review what Cities are trying to accomplish with the use of Special Assessments.

With Special Assessments, Cities are allowing growth to occur which will provide increased population, new business, new services, new jobs, an improved quality of life and a thriving economy.

Current economic trends are being forecasted by major aircraft manufactures, which will, effect thousands of jobs in the next several months in south central Kansas and especially Wichita and Sedgwick county. The Cities cannot afford to diminish one of the tools they have to assist in the financing of growth. This would be totally counter-productive to the current efforts of State and local leadership to deal with the economic problems of our Cities.

Through the use of Special Assessments, local governments can foster growth of housing and commercial development. This has been a proven tool for our cities and this can be illustrated no better than in one of the largest cities in the state of Kansas, the City of Wichita.

During a period of economic down turn of the mid seventies the City of Wichita adopted a very specific policy relative to the use of Special Assessments. This was done to assure that development would occur and the Specials would be paid. This has been very successful in Wichita.

The Wichita "Development Policy for Public Improvements" is provided as follows as an illustration of the requirements that cities can establish to administer the use of special assessment financing:

CITY OF WICHITA STATEMENT OF POLICY

Statement of Policy

It is the policy of the City of Wichita to facilitate new development by providing installation of public improvements (streets, drainage, sanitary sewers, water mains, etc.) upon petition, whenever reasonable assurances are provided by the developer or others that the special assessments will be paid when due.

Special Assessments

Page Two

Assurances are considered to be provided whenever the city has been furnished with a financial guarantee (irrevocable letter of credit, corporate completion bond, cashier's check, escrow account, or cash) on 35% of the estimated principal cost of the project (engineering design, construction, inspection, temporary note interest, and administration.).

In addition, installation of public improvements may be authorized and directed by the City Council, upon petition and without guarantee, whenever it is determined that such action is in the public interest and when one or more of the following conditions exist:

- 1) Projects are ordered in by the City Council.
- 2) Projects that are infill in areas with multiple owners and where a majority of the benefit district (by square foot or lots) has development on it.
- 3) The majority of the benefit district is in public ownership.

The financial guarantee will be released upon request of the developer when certificates of occupancy are issued for at least 35% of the development that received the improvements.

Should special assessments on all or a portion of the properties not be paid, the financial guarantee will be applied annually to satisfy the cost of public improvements of such property.

Any developer with delinquent special assessments on existing development will not be considered for a new development under this policy. All developers filing an application under this policy will be required to certify, under oath, that no person having a financial interest in the lands in the benefit district is delinquent in special assessments for any city special assessment project within or without the city.

Development Guarantee Procedure

The Director of Planning shall be responsible for receiving requests and assurances and monitoring the implementation of this policy.

The Planning Department shall determine the cost of and receive the credit assurance which will include a list of the key numbers of properties to be developed. The assurance will be in one of the forms listed earlier in this policy.

Special Assessments
Page Three

The development guarantees shall be submitted to the Departments of Law and Finance for review and approval as to legal and financial form, respectively.

At the time the assurances have been provided, the Director of Planning shall submit the requests for public improvements to the City Manager for presentation to the City Council. Upon approval of the governing body, the City Engineer shall initiate action to install the public improvements.

The development guarantees, along with the list of key numbers on property to be developed, shall be filed with the City Controller. The Controller shall be responsible for (a) renewing the guarantees, when necessary, and (b) semi-annually comparing key numbers for property developed under this policy and property with delinquent special assessments. Any property having delinquent special assessments with development guarantees shall be referred to the City Treasurer (with copies to Law, Planning, and the City Manager) for collection of the guarantee and payment of the delinquent special assessment and penalty.

To seek release of a financial guarantee, the developer must file with the City Controller a written request accompanied by evidence that certificates of occupancy have been issued for a least 35% of the development on which the guarantee is filed. (End)

Summary

All of the Wichita policy for development and the use of Special Assessments has been provided because it illustrates how cities can administer such a program and provide this tool for development. We can't afford to restrict the use of Special Assessments by diminishing the effectiveness of the tool.

Cities in Kansas are facing a serious challenge with the current lay-off forecasts by our major employers. Lets don't do something that would be counter-productive to the efforts now being made by our private and public leaders to deal with these local problems.

SENATE BILL No. 130

By Committee on Local Government

1-29

AN ACT concerning setoff against debtors of the state and municipalities therein; authorizing reciprocal agreements with other states to allow the setoff of tax liabilities of other states; amending K.S.A. 75-6201, 75-6202, 75-6203, 75-6204, 75-6205, 75-6206, 75-6207, 75-6210, 75-6211, 75-6212 and 75-6214 and repealing the existing sections.

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

New Section 1. The secretary of revenue and the director of accounts and reports are hereby authorized to enter into reciprocal agreements with other states to allow the setoff of ~~delinquent taxes~~ owed to such other states pursuant to K.S.A. 75-6201 *et seq.*, and amendments thereto.

debts

Sec. 2. K.S.A. 75-6201 is hereby amended to read as follows: 75-6201. The purpose of this act is to establish as policy that state agencies shall cooperate in identifying debtors who owe money to the state, *a foreign state agency and any municipality* and that procedures be established for setting off against debtors the sum of any debt owed to the state, *a foreign state agency or any municipality*.

Sec. 3. K.S.A. 75-6202 is hereby amended to read as follows: 75-6202. As used in this act:

(a) "Debtor" means any person who:

(1) Owes a debt to the state of Kansas or any state agency *or any municipality; or*

(2) owes support to an individual, or an agency of another state, who is receiving assistance in collecting that support under K.S.A. 39-756 and amendments thereto or under part D of title IV of the federal social security act (42 U.S.C. § 651 *et seq.*), as amended; *or*

(3) ~~owes unpaid taxes to any state which has entered into a reciprocal agreement pursuant to section 1.~~

a debt to a foreign state agency

(b) "Debt" means:

(1) Any liquidated sum due and owing to the state of Kansas, ~~any judicial district of this state or the clerk thereof,~~ or any state agency which has accrued through contract, subrogation, tort, op-

, municipality or foreign state agency

Senate Local Gov't
2-11-93
Attachment 4

eration of law, or any other legal theory regardless of whether there is an outstanding judgment for that sum; ~~or~~ _____

or

(2) any amount of support due and owing an individual, or an agency of another state, who is receiving assistance in collecting that support under K.S.A. 39-756 and amendments thereto or under part D of title IV of the federal social security act (42 U.S.C. § 651 *et seq.*), as amended, which amount shall be considered a debt due and owing the department of social and rehabilitation services for the purposes of this act;

~~(3) in the case of a municipality, a liquidated sum due and owing to the municipality, or~~

~~(4) any amount of unpaid taxes owed to any state which has entered into a reciprocal agreement pursuant to section _____,~~

(c) "Refund" means any amount of Kansas income tax refund due to any person as a result of an overpayment of tax, and for this purpose, a refund due to a husband and wife resulting from a joint return shall be considered to be separately owned by each individual in the proportion of each such spouse's contribution to income, as the term "contribution to income" is defined by rules and regulations of the secretary of revenue.

(d) "Net proceeds collected" means gross proceeds collected through final setoff against a debtor's earnings, refund or other payment due from the state or any state agency minus any collection assistance fee charged by the director of accounts and reports of the department of administration.

(e) "State agency" means any state office, officer, department, board, commission, institution, bureau, agency or authority or any division or unit thereof.

(f) "Person" means an individual, proprietorship, partnership, limited partnership, association, trust, estate, business trust, corporation, other entity or a governmental agency, unit or subdivision.

(g) "Director" means the director of accounts and reports of the department of administration.

(h) "Municipality" means any municipality as defined by K.S.A. 75-1117, and amendments thereto.

(i) "Payor agency" means any state agency which holds money for, or owes money to, a debtor.

(j) "Foreign state agency" means any state or agency of a state which has entered into a reciprocal agreement pursuant to section 1.

Sec. 4. K.S.A. 75-6203 is hereby amended to read as follows:

and any judicial district of this state or the clerk or clerks thereof

Paul Shelby

Here instead

(b) Each state agency shall, *foreign state agency and municipality*, whenever possible, *shall* obtain the full name, social security number, address and any other information required by the director of accounts and reports from any person for whom the state agency, *foreign state agency or municipality* provides any service or with whom the state agency, *foreign state agency or municipality* transacts any business and who may become a debtor under this act.

(c) Except for debts for which a voluntary agreement for payment has been entered into and is being complied with or debts for which garnishment or other judicial proceedings are pending and except as otherwise directed by the secretary of administration, the director may require any state agency to certify all debts owed to the state agency or to certify all such debts in specified categories of debts, for setoff under K.S.A. 75-6204, *and amendments thereto*. Any state agency required to certify debts under this subsection shall give the director all information relating to such debts as may be requested by the director.

(d) The secretary of administration as provided in K.S.A. 75-3706 and amendments thereto may adopt rules and regulations necessary to carry out the provisions of this act.

(e) The secretary of revenue may adopt rules and regulations defining the term "contribution of income" for the purposes of this act.

Sec. 5. K.S.A. 75-6204 is hereby amended to read as follows: 75-6204. (a) Subject to the limitations provided in this act, if a debtor fails to pay to the state of Kansas or any state agency, *foreign state agency or a municipality* an amount owed, the director may setoff such amount against any money held for, or any money owed to, such debtor by the state or any state agency.

(b) ~~The director may enter into an agreement with a municipality~~ *judicial district of this state or the clerk thereof for participation in the setoff program for the purpose of assisting in the collection of a debt as defined by paragraph (3) of subsection (b) of K.S.A. 75-6202, and amendments thereto.*

Sec. 6. K.S.A. 75-6205 is hereby amended to read as follows: 75-6205. (a) The director shall not effect final setoff and collect debts through use of the remedy established under this act unless the debt is equal to or greater than \$25.

(b) The use of setoff against earnings of a debtor shall be subject to the same dollar limitations and dollar restrictions as are provided by law for wage garnishment. The maximum amount of the disposable earnings of an individual which will be subject to setoff to enforce any order for the support of any person shall not exceed 50% of the

4-3

4-4

shall be: (1) The debtor; (2) the state agency, *foreign state agency or municipality* which requested assistance in collecting the debt or which certified the debt; and (3) any party the district court permits to intervene in the action. Applications for a stay or other temporary remedies shall be to the ~~state agency~~ described in subsection (e)(2) *district court*.

Sec. 9. K.S.A. 75-6210 is hereby amended to read as follows: 75-6210. (a) Upon completion of a setoff transaction, the director shall transfer the net proceeds collected to the account or fund of the ~~officer or agency~~ *state agency, foreign state agency or municipality* to which the debt was owed.

(b) From the gross proceeds collected by the director through setoff, the director shall retain a reasonable collection assistance fee of not to exceed 15% *for a state agency*, except that in the case of transactions for collection of debts arising from the employment security law such fee shall not exceed \$300 for any transaction. *The director shall retain a reasonable collection assistance fee from the gross proceeds of collections through setoff on behalf of a municipality in such amount as the municipality and the director shall agree. The director shall retain a reasonable collection assistance fee from the gross proceeds of collections through setoff on behalf of a foreign state agency in such amount as specified in the reciprocal agreement entered into pursuant to section 1.* The director may credit a portion of the collection assistance fee to the appropriate account or fund of any other state agency that has incurred expenses in assisting in the collection of the debt. The amount of the collection assistance fee retained by the director shall be deposited in the state treasury and credited to the accounting services recovery fund.

(c) Upon receipt by the ~~agency~~ *state agency, foreign state agency or municipality* of the net proceeds collected, the ~~agency~~ *state agency, foreign state agency or municipality* shall credit the debtor's obligation in the amount of the gross proceeds collected.

(d) Except as otherwise prescribed by the director or the secretary of administration, any state agency, *foreign state agency or municipality* which receives any payment from a debtor after notification to the debtor under K.S.A. 75-6206 and amendments thereto, other than payments collected pursuant to K.S.A. 44-718 and amendments thereto or collected through the federal government or judicial process, shall remit the collection assistance fee imposed under subsection (b) to the director which shall be credited to the accounting services recovery fund. If a state agency fails to remit the collection assistance fee as required by subsection (b), the director may transfer for an amount equal to such collection assistance fee from the ag-

or

not needed any longer

4-5

1 appropriate account or fund of the state agency to the accounting
2 services recovery fund. If a foreign state agency or municipality fails
3 to remit the collection assistance fee as required by this subsection,
4 the director may seek collection of such fee in such manner as may
5 be allowed by law.

6 (e) In cases involving the collection of debts arising from the
7 employment security law, the entire amount collected shall be cred-
8 ited to the employment security fund and the collection assistance
9 fee shall be transferred from the special employment security fund
10 to the accounting services recovery fund.

11 Sec. 10. K.S.A. 75-6211 is hereby amended to read as follows:
12 75-6211. The priority in multiple claims by state agencies, foreign
13 state agencies and municipalities for setoff under the provisions of
14 this act shall be according to the time of filing with the director
15 under K.S.A. 75-6208. Notwithstanding the priority established
16 in this section, collection of taxes shall have priority over other
17 claims for collection by the setoff procedure following priority
18 of claims:

19 (a) Collection of taxes owed to agencies of the state of Kansas;

20 (b) claims for collection of intrastate and interstate child support
21 debts;

22 (c) claims for collection of debts which have been written off by
23 assignment to the director;

24 ~~(d) claims for collection of debts owed municipalities;~~

25 ~~(e) other claims according to the time of filing with the director~~
26 under K.S.A. 75-6208 and amendments thereto; and

27 ~~(f) notwithstanding subsection (e), claims for collection of tax~~
28 liabilities of other states shall have last priority according to the
29 time of filing with the director under K.S.A. 75-6208, and amend-
30 ments thereto.

31 Sec. 11. K.S.A. 75-6212 is hereby amended to read as follows:
32 75-6212. (a) Notwithstanding any provision of law prohibiting dis-
33 closure by the department of revenue of the contents of taxpayer
34 records or information and notwithstanding any confidentiality statute
35 of any state agency, foreign state agency or municipality, all infor-
36 mation exchanged among the department of revenue, any other state
37 agency, foreign state agency or municipality and the debtor necessary
38 to accomplish and effectuate the intent of this act is lawful.

39 (b) The information obtained by any other state agency, foreign
40 state agency or municipality from the department of revenue in
41 accordance with the exemption authorized by subsection (a) shall
42 only be used by such other state agency, foreign state agency or
43 municipality in the pursuit of its debt collection duties and practices.

Banner explains

(D.O.A.)

(includes municipalities)
along w/ 37 other state
agencies

SENATE BILL No. 132

By Committee on Local Government

1-29

Senate Local Gov't
2-11-93
Attachment 5

8 AN ACT concerning the county register of deeds; relating to the
9 recording of plats; amending K.S.A. 19-1207 and repealing the
10 existing section.
11

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

13 Section 1. K.S.A. 19-1207 is hereby amended to read as follows:
14 19-1207. (a) The register of deeds shall also shall keep a large, well-
15 bound book, in which shall be ~~platted all maps of towns, villages~~
16 ~~townsites or cities~~ or additions to the same within the county, ~~to~~
17 ~~gether with the description, acknowledgment or other writing~~
18 ~~thereon~~. The register shall keep an index to such book of plats,
19 which index shall contain ~~the name or names of the proprietor or~~
20 ~~proprietors of such town, village townsite or city or addition~~ and
21 the name of the town, village townsite or city or addition. No
22 register of deeds shall be bound to perform any of the duties required
23 to be performed by this act, for which a fee is allowed, unless such
24 fee has been paid or tendered.

25 (b) The register of deeds shall not record any plat unless such
26 plat is accompanied by a receipt from the county treasurer for all
27 real estate taxes and special assessments due and owing on land to
28 be platted.

29 (c) The record of plats and indexes required by this section may
30 be kept in bound paper books, plat cabinets or in another manner
31 authorized by statute.

32 ~~New Sec. 2. The register of deeds shall not record any instru-~~
33 ~~ment of sale or other transfer of real estate unless such instrument~~
34 ~~making such sale or transfer is accompanied by a receipt from the~~
35 ~~county treasurer for all real estate taxes and special assessments due~~
36 ~~and owing on such real estate.~~

37 Sec. 3. K.S.A. 19-1207 is hereby repealed.

38 Sec. 4. This act shall take effect and be in force from and after
39 its publication in the statute book.

the original, or a reproduction thereof,
of all recorded plat

shall be retained

paid tax

the annual installments of

2

3