

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 25, 1994, in Room 531-N of the Capitol.

All members were present except: Sen. Feleciano

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

Conferees appearing before the committee:

Jim Orr, Westwood Foundation, Westwood, Kansas

Others attending: See attached list

The minutes of February 17, 22 and 23 were approved.

SB 792--Concerning certain foundations created by municipalities; relating to the investment of moneys held thereby.

Ms. Kiernan explained that the bill concerns the investment authority of charitable organizations established by municipalities. It provides that such organizations may invest 110 percent of the average expenses of the foundation for the past five years in accordance with the law governing the investment of funds by local units of government. The bill would allow all of the funds to be invested by the foundation if the municipality that created the foundation had funds equal to 110 percent of expenses required by the bill. Any funds in excess of this amount could be invested in the same manner that funds are invested by a private corporation although funds derived from any tax could not be invested in this manner.

Jim Orr, City Attorney for the City of Westwood and representing the Westwood Foundation, testified in support of the bill. He said SB 792 would permit the Westwood Foundation to create a long-term endowment for the City of Westwood. The foundation exists exclusively for charitable and civic purposes. The foundation was created by an act of the governing body of Westwood and construes itself as a part of the city, but it is funded under the Kansas investment law which would not allow more long-term investments. Mr. Orr noted that the Westwood Foundation does not function as a city with a need for fire and police protection, and it needs a more diverse strategy to invest funds. Mr. Orr also informed the committee that the Westwood Foundation was created by rental from the Westwood Rocquet Club. The bonds have now been paid off, but the foundation can only invest money as other government money at present. The bill would allow the foundation to diversify.

Ms. Kiernan explained that the bill applies statewide, but it limits to those organizations which have been in existence for 15 years and are tax exempt.

Sen. Ramirez asked if it would be better to make the bill specific to Westwood. Sen. Langworthy responded that the bill would apply to other foundations that are political such as school districts to which it could apply in 15 years, and this could be beneficial to school districts.

Mr. Orr informed the committee that the Westwood Foundation paid the annual debt service on the city hall of Westwood in the amount of approximately \$125,000.00, it provides a \$1,000.00 scholarship for four years to a graduating senior from Westwood, and also provides funds for smaller projects to improve the community grounds.

Sen. Reynolds made a motion to report SB 792 favorable for passage, Sen. Langworthy seconded, and the

## CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON LOCAL GOVERNMENT, Room 531-N Statehouse, at 9:00 a.m. on February 25, 1994.

motion carried.

The Chairman called the committee's attention to SB 712 which had been previously heard and which would authorize cities to no longer require public works bonds on some contracts. An amendment had been prepared to limit it to contracts that do not exceed \$50,000.00. (See Attachment 1)

Don Moler, League of Kansas Municipalities, stood to remind the committee that the intent of the bill is to open bids for public works to small businesses, minorities and women contractors who may not be able to obtain a bond. Originally, the limit was \$200,000.00, but the League felt this amount was too high of a risk for smaller cities, although the City of Wichita and larger cities could be comfortable with that amount. Mr. Moshier, City of Wichita, stood to state that although his city would prefer \$200,000.00, it would accept the \$50,000.00 limitation. The Chairman said that perhaps it could be limited to cities over 10,000, but Mr. Moshier felt that would not be workable. Sen. Ramirez expressed concern that some contractors might go "belly up" and leave small cities responsible for a large debt. Mr. Moshier reiterated that the amendment to \$50,000.00 addresses this concern. He added that Wichita would rather have a larger amount, but it could accept the reduction as a means of some help to Wichita.

Sen. Tillotson expressed her sympathy for minorities and women, however, she felt that the bill would not guarantee that these groups will get the contract. Former testimony contending that at least these groups would get the experience of bidding is not enough reason for the bill as she feels there must be another way to gain the experience.

Sen. Ranson clarified that there seems to be some complaints that there is bias being practiced by some bonding companies against women and minorities, and this bill is an attempt to address this. Sen. Downey added that she feels this bill is the first step to find if the situation can be improved. More could be done in the future if needed.

Sen. Ranson suggested that the limitation be changed from \$50,000.00 to \$100,000.00. Mr. Moler expressed his concern that a city governing body have the ability to indebt the city for this large sum. Sen. Tillotson noted that \$50,000.00 is a large sum to small towns. Mr. Moshier responded that he feels small cities have good judgement and would not act unwisely.

Sen. Gooch made a motion to report SB 712 favorable for passage amended with a \$200,000.00 limitation. There was no second to Sen. Gooch's motion.

Sen. Ranson made a motion to amend SB 712 on page two, line 8, to read "when the contract does not exceed \$100,000" and report it favorable for passage, Sen. Reynolds seconded, and the motion carried.

Attention was turned to another previously heard bill, SB 570, which relates to the office of county administrator. The Chairman noted that the bill was amended so that people can petition only for an election rather than for a change in the form itself. Sen. Reynolds had a further amendment prepared to address the concern that the authority of elected officials would be usurped by the county administrator. (See Attachment 2)

Sen. Reynolds made a motion to amend SB 570 by striking lines 31-34 as indicated in her proposed amendment, Sen. Tillotson seconded the motion, and the motion carried.

Sen. Ranson made a motion to report SB 570 favorable for passage as amended, Sen. Tillotson seconded, and the motion carried.

The next previously heard bill to be considered was SB 732 which deals with cities finding a way to constructively use abandoned property. Ms. Kiernan provided copies of an Illinois statute which comes close to what the committee had requested at the hearing. (See Attachment 3)

Whitney Damron, representing the City of Kansas City, Kansas, stood to inform the committee that he had worked with staff to prepare amendments to address concerns with SB 732. (See Attachment 4) The difference between this bill and the Illinois statute is the procedure in Illinois is before a court, but his suggested procedure would be before the city.

Ms. Kiernan explained the proposed amendments. The governing body can declare the property abandoned. Then a non-profit organization could petition to be allowed to improve the building for use as low and moderate housing. At the time of the petition, a plan must be presented. A lease would be granted. The owner could come back and claim the property, but the owner would have to pay all liens. After five years, the organization may apply for a deed to the property at which time the owner would be notified.

## CONTINUATION SHEET

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Ms. Kiernan clarified that Section 9 of the bill regarding the deed would be heard before a court, but the other processes would be before the city governing body. Sen. Gooch suggested amending the bill to read that non-profit organizations and/or the city could improve the property in this manner. Sen. Downey noted that a problem may occur with the same entity making the decision to both declare the property abandoned and to rehabilitate it.

Sen. Ranson made a motion to amend SB 732 to provide that when a landowner comes back to claim his property, it must go before the court, Sen. Gooch seconded, and the motion carried.

Sen. Gooch made a motion to amend SB 732 to include cities along with non-profit organizations.

Mr. Heim noted that current law allows a city to repair property to make it safe, but this is different than rehabilitation, therefore, this amendment would allow a step further for the cities.

Sen. Ranson seconded Sen. Gooch's motion, and the motion carried.

The Chairman expressed concern about passing the bill out of committee without time for the committee to study the bill in its final form. It was the consensus of the committee that it could be discussed on the floor of the Senate.

Sen. Gooch made a motion for a Substitute for SB 732 and that it be recommended as favorable for passage, Sen. Ranson seconded, and the motion carried.

Sen Tillotson reported in regard to SB 776, dealing with an Attorney General for the First Judicial District, which had been previously heard. She said that due to the reluctance of Atchison county to have this imposed upon them, Leavenworth County has decided to proceed by having a full time county attorney as a solution to its problem. The county commissioners are in the process of doing this at present, therefore, there is no need for the bill.

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

The next meeting date will be announced.

Date: 2/25/94

## GUEST REGISTER

**SENATE  
LOCAL GOVERNMENT**

[illegible]

SENATE BILL No. 712  
By Committee on Local Government

2-7

8 AN ACT concerning public works bonds; amending K.S.A. 1993  
9 Supp. 60-1111 and repealing the existing section.

10

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

12 Section 1. K.S.A. 1993 Supp. 60-1111 is hereby amended to read  
13 as follows: 60-1111. (a) *Bond by contractor.* Except as provided in  
14 subsection (c), whenever any public official, under the laws of the  
15 state, enters into contract in any sum exceeding \$10,000 with any  
16 person or persons for the purpose of making any public improve-  
17 ments, or constructing any public building or making repairs on the  
18 same, such officer shall take, from the party contracted with, a bond  
19 to the state of Kansas with good and sufficient sureties in a sum not  
20 less than the sum total in the contract, conditioned that such con-  
21 tractor or the subcontractor of such contractor shall pay all indebt-  
22 edness incurred for labor furnished, materials, equipment or sup-  
23 plies, used or consumed in connection with or in or about the  
24 construction of such public building or in making such public im-  
25 provements.

26 (b) *Filing and limitations.* The bond required under subsection

27 (a) shall be filed with the clerk of the district court of the county  
28 in which such public improvement is to be made. When such bond  
29 is filed, no lien shall attach under this article, and if when such  
30 bond is filed liens have already been filed, such liens shall be dis-  
31 charged. Any person to whom there is due any sum for labor or  
32 material furnished, as stated in the preceding section, or such per-  
33 son's assigns, may bring an action on such bond for the recovery of  
34 such indebtedness but no action shall be brought on such bond after  
35 six months from the completion of such public improvements or  
36 public buildings.

37 (c) (1) In any case of a contract for construction, repairs or im-  
38 provements for the state or a state agency under K.S.A. 75-3739 or  
39 75-3741, and amendments thereto, a certificate of deposit payable  
40 to the state may be accepted in accordance with and subject to  
41 K.S.A. 60-1112, and amendments thereto. When such certificate of  
42 deposit is so accepted, no lien shall attach under this article, and if  
43 when such certificate of deposit is so accepted, liens have already

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Attachment

1 been filed, such liens shall be discharged. Any person to whom there  
2 is due any sum for labor furnished, materials, equipment or supplies  
3 used or consumed in connection with or for such contract for con-  
4 struction, repairs or improvements, shall make a claim therefor with  
5 the director of purchases under K.S.A. 60-1112, and amendments  
6 thereto.

7 *(2) In any case of a contract for construction, repairs or im-*  
8 *provements for any city, such city may choose to waive the require-*  
9 *ment that the bond described in subsection (a) be obtained from the*  
10 *party being contracted with and, in that event, the property of such*  
11 *city shall be subject to the attachment of a lien under this section.*

12 Sec. 2. K.S.A. 1993 Supp. 60-1111 is hereby repealed.

13 Sec. 3. This act shall take effect and be in force from and after  
14 its publication in the statute book.

[ when the contract price does not exceed \$50,000 and the city has  
adopted by ordinance a policy concerning city contracts with small  
business, minority, and women contractors,

*San Rafael*

- 1 (b) present an annual recommended operating budget, capital  
2 improvements program and long-range strategic plan for all county  
3 operations for review, revision and adoption by the board of county  
4 commissioners;
- 5 (c) identify and recommend individuals to the board of county  
6 commissioners for appointment to boards and commissions;
- 7 (d) recommend individuals to the board of county commissioners  
8 for appointment to offices for which the board is the appointing  
9 authority by law. Evaluate and recommend the compensation, sus-  
10 pension or dismissal of all such appointed administrative officers;
- 11 (e) coordinate and supervise the administrative operations of the  
12 departments of all officials appointed by the board of county com-  
13 missioners. All officers and employees therein shall be administra-  
14 tively responsible to the county administrator;
- 15 (f) in conjunction with the board of county commissioners, pre-  
16 pare the meeting agenda of the board;
- 17 (g) coordinate the administrative services of county departments  
18 and agencies, offices of elected officials, advisory and governing  
19 boards appointed by the board of county commissioners. Provide  
20 technical assistance to such departments, offices, agencies and boards  
21 as needed;
- 22 (h) coordinate county programs and operations with other local  
23 governmental units, federal and state governments and other gov-  
24 ernmental and nongovernmental entities;
- 25 (i) supervise, evaluate and recommend the compensation and dis-  
26 cipline of personnel of the board of county commissioners;
- 27 (j) execute contracts and other documents as approved by the  
28 board of county commissioners;
- 29 (k) approve the appointment, compensation, discipline and  
30 change in status of personnel in the departments of all officials ap-  
31 pointed by the board of county commissioners. ~~Review and approve~~  
32 ~~such actions within the departments of elected county officials for~~  
33 ~~compliance with the personnel, budget and other policies of the~~  
34 ~~board of county commissioners.~~ All employees affected by such de-  
35 cisions shall continue to have access to all appellate and other rights  
36 granted them by county personnel policies;
- 37 (l) monitor and provide regular reports to the board of county  
38 commissioners concerning adherence by county departments to the  
39 personnel, purchasing, budget, accounting and other administrative  
40 policies of the board; and
- 41 (m) perform such other duties as shall be lawfully delegated by  
42 the board of county commissioners.

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Attachment 2

REDEVELOPMENT

ABANDONED HOUSING

67 1/2 ¶ 852

810. Default procedures

§ 10. The Agency shall establish procedures to be followed by a mortgagee in the event of a default under the terms of any mortgage insured by the Agency. The Agency may require that prior to submitting a claim to it for payment of insurance, the mortgagee pursue such actions with respect to the mortgaged property as may be specified by the Agency.  
P.A. 83-1392, § 10, eff. July 1, 1985.

WESTLAW Electronic Research

See WESTLAW Electronic Research Guide following the Preface.

811. Insurance Code

§ 11. The Agency and the Mortgage Insurance Fund created hereunder shall not be subject to the Illinois Insurance Code, as amended.<sup>1</sup>  
P.A. 83-1392, § 11, eff. July 1, 1985.  
<sup>1</sup> Chapter 73, ¶ 613 et seq.

ABANDONED HOUSING REHABILITATION ACT

851. Short title

§ 1. This Act shall be known and may be cited as the Abandoned Housing Rehabilitation Act.  
P.A. 85-862, § 1, eff. Jan. 1, 1988.

Historical Note

Title of Act:

An Act in relation to rehabilitation of abandoned housing. P.A. 85-862, approved Sept. 24, 1987, eff. Jan. 1, 1988.

852. Definitions

§ 2. Definitions. As used in this Act:

- (a) "Property" means any residential real estate for which taxes are delinquent for the preceding 2 years and which has been continuously unoccupied by persons legally in possession for the preceding 1 year.
- (b) "Nuisance" means any property which because of its physical condition or use is a public nuisance, or any property which constitutes a blight on the surrounding area, or any property which is not fit for human habitation under the applicable fire, building and housing codes.

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(c) "Organization" means any Illinois corporation, agency, partnership, association, firm or other entity consisting of 2 or more persons organized and conducted on a not-for-profit basis with no personal profit inuring to anyone as a result of its operation which has among its purposes the improvement of housing.

(d) "Parties in interest" means any owner or owners of record, judgment creditor, tax purchaser or other party having any legal or equitable title or interest in the property.

(e) "Last known address" includes the address where the property is located, or the address as listed in the tax records or as listed pursuant to any owner's registration ordinance duly adopted by a home rule unit of government.

(f) "Low or moderate income housing" means housing for persons and families with low or moderate incomes, provided that the income limits for such persons and families shall be the same as those established by rule by the Illinois Housing Development Authority in accordance with subsection (g) of Section 2 of the Illinois Housing Development Act, as amended.

(g) "Rehabilitation" means the process of improving the property, including but not limited to bringing property into compliance with applicable fire, housing and building codes.

P.A. 85-862, § 2, eff. Jan. 1, 1988.

#### Library References

Words and Phrases (Perm. Ed.)

### 853. Petition for temporary possession—Conditions precedent

§ 3. An organization may petition for temporary possession of property if:

(a) the property has been tax delinquent for the preceding 2 years and has been continuously unoccupied by persons legally in possession for the preceding year;

(b) the property is a nuisance;

(c) the organization intends to rehabilitate the property and use the property as housing for low and moderate income persons and families; and

(d) 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 under this Act.

P.A. 85-862, § 3, eff. Jan. 1, 1988.

### 854. Petition—Pr

§ 4. The process of petition in the circuit court shall be governed by the rules located. The petition shall be filed in the circuit court. All parties in interest in the petition shall be served in other civil cases in accordance with the Illinois Civil Procedure.<sup>2</sup>

Any defendant in the petition, if the defendant is a defendant in the petition, shall grant that the petition is in compliance with a court may, for good cause shown, for a period of 90 days or more, if the petition is dismissed. If the petition is dismissed, the defendant shall be required to file an affirmative defense.

At the hearing on the petition, the defendant shall submit to the court a plan for the rehabilitation of the property and present evidence to the court that the purpose of the petition may be accomplished at such times and on such terms as the court may determine.

P.A. 85-862, § 4, eff.

<sup>1</sup> Paragraph 353 of the Illinois Civil Procedure.

<sup>2</sup> Chapter 110, ¶ 2-20.

See WESTLAW Elec.

### 855. Order

§ 5. If the court orders the temporary possession of the property, the court may, subject to the conditions in relation to the petition, order the rehabilitation of the property.

### 856. Reports—

§ 6. The organization shall file a report of the rehabilitation of the property with the court.

## ABANDONED HOUSING

67½ ¶ 856

### 854. Petition—Proceedings

§ 4. The proceeding shall be commenced by filing a verified petition in the circuit court in the county in which the property is located. The petition shall allege the conditions specified in Section 3.<sup>1</sup> All parties in interest of the property shall be named as defendants in the petition and summons shall be issued and service had as in other civil cases pursuant to Section 2-206 of the Code of Civil Procedure.<sup>2</sup>

Any defendant may file as part of his answer, as an affirmative defense, a plan for the rehabilitation of the property. The court shall grant that defendant 90 days to bring the property into compliance with applicable fire, housing and building codes. The court may, for good cause shown, extend the 90-day compliance period. If the property is brought into such compliance within the 90-day period or extension of time thereof, the petition shall be dismissed. If the defendant fails to bring the property into such compliance within the 90-day period or extension of time thereof, or if the defendant's plan is otherwise insufficient, the defendant's affirmative defense shall be stricken.

At the hearing on the organization's petition, the organization shall 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. For the purpose of developing such a plan, representatives of the organization may be permitted entry onto the property by the court at such times and on such terms as the court may deem appropriate. P.A. 85-362, § 4, eff. Jan. 1, 1988.

<sup>1</sup> Paragraph 853 of this chapter.

<sup>2</sup> Chapter 110, ¶ 2-206.

### WESTLAW Electronic Research

See WESTLAW Electronic Research Guide following the Preface.

### 855. Order

§ 5. If the court approves the petition, the court shall enter an order approving the rehabilitation plan and granting temporary possession of the property to the organization. The organization may, subject to court approval, enter into leases or other agreements in relation to the property.

P.A. 85-362, § 5, eff. Jan. 1, 1988.

### 856. Reports—Status dates

§ 6. The organization shall file an annual report in relation to the rehabilitation and use of the property. The court shall require

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reports and status dates to be filed as it may deem appropriate under the circumstances but no less frequently than one a year. The report shall include statements of all expenditures made by the organization including but not limited to payments for the rehabilitation, operation and maintenance of and repairs to the property, and for real estate taxes, and payments to mortgagees and lienholders during the preceding year, and shall include statements of all income and receipts from the property for the preceding year. P.A. 85-862, § 6, eff. Jan. 1, 1988.

### 857. Restoration of possession

§ 7. The owner shall be entitled to regain possession of the property by petitioning to the circuit court for restoration of possession and, upon due notice to the plaintiff organization, for a hearing on such petition. At the hearing, the court shall determine proper compensation to the organization for its expenditures, including management fees, based on the organization's reports to the court. The court, in determining the proper compensation to the organization, may consider income or receipts received from the property by the organization. After the owner pays the compensation to the organization as determined by court, the owner shall resume possession of the property, subject to all existing rental agreements whether written or verbal, entered into by the organization.

P.A. 85-862, § 7, eff. Jan. 1, 1988.

### 858. Tax redemption

§ 8. If the property under this Act is sold for unpaid taxes, an organization with temporary possession may redeem the property in the same manner as the owner as permitted by the Revenue Act of 1939,<sup>1</sup> and amounts paid to redeem the property shall be included as expenditures in the organization's report to the court.

P.A. 85-862, § 8, eff. Jan. 1, 1988.

<sup>1</sup> Paragraph 120, ¶ 482 et seq.

WESTLAW Electronic Research

See WESTLAW Electronic Research Guide following the Preface.

### 859. Judicial deed

§ 9. If an owner takes no action to regain possession of the property in the 5 year period following entry of an order granting temporary possession of the property to the organization, the orga-

## HUSBAND AND

nization may file a claim judicial deed shall be used for 10-year period after P.A. 85-862, § 9, eff.

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*The paragraph  
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Bureau and the*

*See Tables at*

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## HUSBAND AND WIFE

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nization may file a petition for judicial deed and upon due notice to the named defendants, an order may be entered 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 10-year period after the deed is granted.

P.A. 85-362, § 9, eff. Jan. 1, 1983.

## CHAPTER 68

## HUSBAND AND WIFE

## Transfer

*The paragraphs formerly included under this chapter have been transferred to Ch. 40, Domestic Relations, and renumbered in cooperation with the Illinois Legislative Reference Bureau and the Illinois Law Revision Commission.*

*See Tables at beginning of ch. 40.*

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## Section 1.

**12-1750.** Repair or removal of unsafe or dangerous structures; definitions. The following words and phrases when used in this act shall, for the purpose of this act, have the meanings respectively ascribed to them in this section:

- (a) "Structure" shall mean and include any building, wall or other structure; and
- (b) "Enforcing officer" shall mean the building inspector or other officer designated by ordinance and charged with the administration of the provisions of this act.

(c) "Abandoned property" means any residential real estate for which taxes are delinquent for the preceding two years and which has been unoccupied continuously by persons legally in possession for the preceding one year.

(d) "Organization" means any Illinois corporation, agency, partnership, association, firm or other entity consisting of 2 or more persons organized and conducted on a not-for-profit basis with no personal profit inuring to anyone as a result of its operation which has among its purposes the improvement of housing.

(e) "Rehabilitation" means the process of improving the property, including but not limited to bringing property into compliance with applicable fire, housing and building codes.

(f) (d) "Parties in interest" means any owner or owners of record, judgment creditor, tax purchaser or other party having any legal or equitable title or interest in the property.

(g) (e) "Last known address" includes the address where the property is located, or the address as listed in the tax records or as listed pursuant to any owner's registration ordinance duly adopted by a home rule unit of government.

(h) (f) "Low or moderate income housing" means housing for persons and families with low or moderate incomes, provided that the income limits for such persons and families shall be the same as those established by rule by the Illinois Housing Development Authority in accordance with subsection (g) of Section 2 of the Illinois Housing Development Act, as amended.

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Attachment 4

Sec. 2.

**12-1751. Same; powers of governing body.** The governing body of any city shall (a)  
have power to cause the repair or removal of,  
or to remove any structure located within the  
city, which may have become unsafe or  
dangerous.

(b) The governing body of any city shall  
have the power to cause the rehabilitation  
of abandoned property located within the  
city.

Sec. 3.

**12-1752. Removal of unsafe structures;  
filing statement; notice and hearing; require-  
ments.** Whenever the enforcing officer files  
with the governing body of the city a statement  
in writing that any structure, describing the  
same and where located, is unsafe or danger-  
ous, the governing body shall by resolution fix  
a time and place at which the owner, the own-  
er's agent, any lienholders of record and any  
occupant of such structure may appear and  
show cause why such structure should not be  
condemned and ordered repaired or demol-  
ished. Such resolution shall be published once  
each week for two consecutive weeks on the  
same day of each week. At least 30 days shall  
elapse between the last publication and the  
date set for the hearing. A copy of the reso-  
lution shall be mailed by certified mail within  
three days after its first publication to each  
such owner, agent, lienholder and occupant,  
at the last known place of residence, and shall  
be marked "deliver to addressee only."

or is abandoned property

or rehabilitated in the case of  
abandoned property

See 4.

**12-1753.** Same; findings; resolution; contents; notice. On the date fixed for hearing or any adjournment thereof, the governing body shall hear all evidence submitted by the owner, his or her agent, lienholders of records and occupants having an interest in such structure as well as evidence submitted by the enforcing officer filing the statement and shall make findings by resolution. If the governing body of the city shall find that such structure is unsafe or dangerous, such resolution shall direct the structure to be repaired or removed and the premises made safe and secure. Such resolution shall be published once in the official city paper and a copy mailed to the owners, agents, lienholders of record and occupants in the same manner provided for the notice of hearing. The resolution shall fix a reasonable time within which the repair or removal of such structure shall be commenced and a statement that if the owner of such structure fails to commence the repair or removal of such structure within the time stated or fails to diligently prosecute the same until the work is completed, the governing body will cause the structure to be ~~fazed~~ and removed.

If the governing body of the city finds that such structure is abandoned property, the governing body may authorize the rehabilitation of such property as provided by Section 5.

repaired or razed and removed or rehabilitated in the case of abandoned property

## New Sec. 5.

(d) An organization may petition for temporary possession of ~~property if:~~ <sup>the governing body of a city</sup> abandoned

(1) ~~(a) the property has been tax delinquent for the preceding 2 years and has been continuously unoccupied by persons legally in possession for the preceding year;~~

declared abandoned pursuant to KSA 12-1753, act;

~~(b) the property is a nuisance;~~

(2) ~~(b)~~ the organization intends to rehabilitate the property and use the property as housing for low and moderate income persons and families; and

(3) ~~(d)~~ 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 under this Act.

(b) Upon receipt of a petition pursuant to subsection (a), the governing body shall call and hold a hearing to consider such petition. Notice of such hearing shall be published at least once in the official city newspaper.

(c) At the hearing on the organization's petition, the organization shall 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. For the purpose of developing such a plan, representatives of the organization may be permitted entry onto the property by the court at such times and on such terms as the court may deem appropriate.

city

(d) If the governing body approves the rehabilitation plan, the city may grant temporary possession of the property to the organization.

(e) The organization may enter into leases or other agreements in relation to property it possesses pursuant to this section.



## New Sec. 6.

An organization shall file an annual report in relation to the rehabilitation and use of the property. The ~~court~~ shall require reports and status dates to be filed as it may deem appropriate under the circumstances but no less frequently than one a year. The report shall include statements of all expenditures made by the organization including but not limited to payments for the rehabilitation, operation and maintenance of and repairs to the property, and for real estate taxes, and payments to mortgagees and lienholders during the preceding year, and shall include statements of all income and receipts from the property for the preceding year.

which has possession of  
pursuant to section 5

city

4-5

## New Sec. 7.

The owner shall be entitled to regain possession of the property by petitioning to the ~~circuit court~~ for restoration of possession and, upon ~~due~~ notice to the plaintiff organization, for a hearing on such petition. At the hearing, the ~~court~~ shall determine proper compensation to the organization for its expenditures, including management fees, based on the organization's reports to the court. The ~~court~~, in determining the proper compensation to the organization, may consider income or receipts received from the property by the organization. After the owner pays the compensation to the organization as determined by ~~court~~, the owner shall resume possession of the property, subject to all existing rental agreements whether written or verbal, entered into by the organization.

of property declared abandoned  
pursuant to section 5

city

## New Sec. 8.

If the property under ~~this Act~~ is sold for unpaid taxes, an organization with temporary possession may redeem the property in the same manner as the owner ~~as permitted by the Revenue Act of 1939~~, and amounts paid to redeem the property shall be included as expenditures in the organization's report to the court.

declared abandoned property  
PURSUANT to section 5

4-6

## New Sec. 9.

If an owner takes no action to regain possession of the property in the 5 year period following ~~entry of an order granting of~~ temporary possession of the property to the organization, the organization may file a petition for judicial deed and upon due notice to the named defendants, ~~an order may be entered 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 10-year period after the deed is granted.~~

of property declared abandoned  
property pursuant to section 5

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