

Approved: 4-2-99
Date

MINUTES OF THE SENATE ELECTIONS AND LOCAL GOVERNMENT.

The meeting was called to order by Chairman Senator Janice Hardenburger at 1:30 p.m. on March 15, 1999, in Room 529-S of the Capitol.

All members were present except: Senator Lawrence

Committee staff present: Dennis Hodgins, Legislative Research Department
Mike Heim, Legislative Research Department
Ken Wilke, Revisor of Statutes
Graceanna Wood, Committee Secretary

Conferees appearing before the committee: Whitney Damron, Unified Government of
KC,KS/Wyandotte County
Johnni Vossler, Independent Landlord
Jim Kaup, Edwardsville City Attorney

Others attending: See attached list

Chairman Hardenburger opened continued hearing on **HB 2310 concerning cities; rehabilitation of abandoned property.**

Jim Kaup, Edwardsville City Attorney, requested an amendment that would remove the city of Edwardsville from provisions of the bill. (Attachment #1)

Johnni Vossler, independent landlord in Wyandotte, stated she was in favor of the bill. She objected to the way the beautiful older homes in Wyandotte County were being torn down which could be rehabilitated and put back on the tax rolls. She testified that this bill also would give people good quality homes to live in. She said that tax dollars are being spent to tear down homes and then maintain the lots, whereas the homes could be sold and refurbished.

Whitney Damron, Unified Government of Wyandotte County/Kansas City, Kansas, presented testimony in opposition to **HB 2310**. He informed the Committee that Wyandotte County is not opposed to the rehabilitation of abandoned property, but are opposed to several provisions in this bill. (Attachment #2)

Chairman Hardenburger asked if the bill gave individuals the same statutory authority as provided for not-for-profit organization in current law concerning abandoned property, and what effect would that have on the Unified Government.

Mr. Damron advised if the bill included individuals then there still would be some concerns.

Senator Becker asked if the mayor of the Unified Government and individuals involved have discussed this situation. Mr. Damron advised that Representative Haley had supported this for a number of years, and there is nothing in the bill that the Unified Government currently could not do on its own. He said many times individuals want a certain property and then do not follow through with rehabilitating the property. Those are the Government's concerns.

Senator Petty asked, if the city graded property for rehabilitation or demolition. Mr. Damron stated that they follow a criteria and procedure before property is demolished or rehabilitated.

Senator Vidricksen asked, if someone wanted to rehabilitate one of the houses and that person goes to the Commission with his plans and financing, would he be able to have ownership of the house? Mr. Moore, an attorney for Unified Government advised the Senator that the city does not acquire ownership of property, so the city is not in position to give ownership to an individual.

CONTINUATION SHEET

Senator Gooch asked how the city recover demolition cost if the property is still owned by the individual, and it has not been foreclosed. Mr. Moore advised that liens are placed against the property. Senator Gooch asked if the vacant lot is worth as much as the costs for the demolition? Mr. Moore advised that the average demolition cost is \$5000, and the city has to absorb that cost. Senator Gooch stated that getting the property back on the tax roll would be better than not getting anything back because of demolition.

Chairman Hardenburger asked staff if the provisions of the current law that apply to not-for-profit organizations could apply to individuals? Staff replied that if the bill were enacted, then individuals would have the same rights as not-for-profit organizations.

Revisor informed the Committee of the proposed changes in the bill, and the Committee discussed the changes needed to be made in the bill. (Attachment #3)

Chairman Hardenburger closed hearing on **HB 2310**.

Chairman Hardenburger appointed a subcommittee for this bill of which she will be Chairman, members include Senator Vidricksen and Senator Petty.

Meeting was adjourned at 2:30 p.m. Next meeting is scheduled for March 16, 1999.



CITY OF EDWARDSVILLE

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LEGISLATIVE TESTIMONY

TO: Senator Hardenburger and Members, Senate Elections and Local Government Committee
FROM: Jim Kaup, Edwardsville City Attorney
RE: **HB 2310; Rehabilitation of Abandoned Property**
Date: March 15, 1999

The City of Edwardsville respectfully requests amendments to HB 2310 remove Edwardsville from the scope of the proposed amendments to Supp. 12-1752(b) (page 2, lines 16:43 and page 3, lines 1:8 and 20:24).

The sponsor of HB 2310, Representative Haley, last week testified before this Committee that while he believes that the situation which he is trying to address by HB 2310 exists in Kansas City, Kansas, to his knowledge that situation does not exist in the other cities in Wyandotte County -- including Edwardsville -- even though the bill as drafted includes all cities in Wyandotte County.

If the City of Edwardsville feels it would be in the community's best interest to create an "Abandoned Property Review Authority" we fully understand that we have the ability to create such a body by home rule. The City objects to having such an authority forced upon us, as would be the result of HB 2310.

We respectfully request what appears to be a friendly amendment to HB 2310 -- to delete the City of Edwardsville from the proposed amendments to Supp. 12-1752.

cc: Mayor Harold Berry, City of Edwardsville

Senate Elections & Local Government
Attachment: # 1-1
Date: 3-15-99

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1100 MERCANTILE BANK TOWER
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- TESTIMONY -

**TO: The Honorable Janice Hardenburger
 And Members Of The
 Senate Committee on Elections and Local Government**

**FROM: Whitney Damron
 On Behalf Of The
 Unified Government of Wyandotte County/Kansas City, Kansas**

RE: HB 2310 - Rehabilitation of Abandoned Property.

DATE: March 9, 1999

Good afternoon Madam Chair Hardenburger and Members of the Senate Committee on Elections and Local Government. My name is Whitney Damron and I appear before you today on behalf of the Unified Government of Wyandotte County/Kansas City, Kansas in opposition to HB 2310 regarding the rehabilitation of abandoned property. With me today is Mr. Ken Moore, an attorney for the Unified Government, who will be available to respond to your questions following my comments.

First of all, I would like to say that the Unified Government is not opposed to the rehabilitation of abandoned property in Wyandotte County. However, we opposed to the form and approach taken in HB 2310.

Rehabilitation of abandoned property is not a new subject to Wyandotte County, nor has it been ignored. Many of you will recall consideration of legislation authorizing the creation of a Land Bank in Wyandotte County which was ultimately adopted in 1996. During that same period of time, the Kansas City, Kansas and Wyandotte County were in the beginning stages of a consolidation effort which ultimately came together in the

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spring of 1997. That process ultimately culminated in a consolidated government which is the governing structure of Wyandotte County and Kansas City, Kansas.

Attached to my testimony you will find a copy of a recent article from the *Kansas City, Kansan* regarding the creation of the first Land Bank in Kansas. We believe the structure and resources of the Land Bank will be a model for other cities, counties and even states to follow for neighborhood rehabilitation in the years to come. We believe a coordinated and structured approach such as that taken by the Land Bank, in full cooperation with the governing body of the community, will provide the greatest opportunity for success. We do not believe the approach taken by HB 2310 will significantly help this problem and that this bill will cause unintended consequences for the Unified Government.

Specifically, the Unified Government opposes HB 2310 for the following reasons:

1. Creation of a new and unfunded local bureaucracy which is not responsible or accountable to either locally-elected officials or an elected board.
2. Creation of statutory prohibitions for addressing local property issues which may jeopardize public safety and health.
3. Confusion over the creation of a housing development fund (amendment errors from the House floor?) {New Section 11. (b)}
4. Statewide direction to a specific local unit of government for an issue which rightfully should be dealt with locally by elected officials responsible to those who elect them.
5. Possible confusion and unknown impact upon title to property located in Wyandotte County.

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March 9, 1999

On behalf of the Unified Government, I thank you for your consideration of this information. We respectfully urge you to kill this bill just as the Legislature has done in 1995, 1996, 1997 and 1998*.

Mr. Moore and I would be pleased to stand for questions.

Attachment.

*	HB 2398	(1995)	Died in House Economic Development Committee
	HB 2902	(1996)	Died in House Local Government Committee.
	HB 2356	(1997)	Died in House Economic Development Committee.
	HB 2883	(1998)	Died in Government Org. and Elections Committee.

UG OK's Land Bank

Kansas' first

By JOHN CARRAS
of the Kansan

This bank will specialize in land, not money.

A Wyandotte County Land Bank has been created in an effort to package and market large tracts of abandoned and vacant properties in inner city neighborhoods of Kansas City, Kan.

The land bank was created Thursday by adoption of a resolution by the Unified Board of Commissioners of Wyandotte County/KCK.

Commissioners said they believe the land bank concept used in other cities successfully can be instituted here as well to assist in acquiring, marketing and selling abandoned and vacant properties, many of which are tax delinquent. The authority to create such a land bank is vested in a Kansas state law.

The land bank has an 11-member board of trustees. The trustees will consist of the 11 Unified Board members themselves led by Mayor/CEO Carol Marinovich. The land bank will be the centralized point of contact for individuals, neighborhood groups and developers interested in acquiring developable vacant and abandoned land in the county. Only property that has potential for development within a reasonable period of time will be accepted by the board of trustees for inclusion in the land bank.

The board of trustees will oversee the land bank and adopt policies, rules and regulations. It will be months before any land packages are actually ready for marketing. Much work has to be done to get to that point.

The land bank staff will consist of the employees in the Unified Government (UG) delinquent real estate division headed by attorney Waymon Favors. UG employees in other divisions and departments will be utilized as necessary.

Property available for inclusion into the land bank will include tax delinquent parcels foreclosed on by the UG and requested by the land bank board of trustees; property currently held in the name of the UG; property donated by other governmental entities; property purchased by the land bank itself to compliment properties previously identified to the bank through other means, and property offered to and accepted by the land bank.

The board can adopt any incentives it wants to dangle before developers, neighborhood groups and individuals to entice them to buy property from the land bank and develop it into new housing or commercial projects.

KCK is the first city in the state
(See BANK, page 3)

NEWS DISPLAY ADVERTISING 371-4300

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Bank

(Continued from page 1)

to create a land bank. If the concept is successful here, other cities are expected to try it also. Mary Jane Johnson, executive director of the Liveable Neighborhoods Task Force, said the land bank is a tool to aid redevelopment of the inner city. "I hope people don't expect miracles because good things don't happen over night. This is a long range project that will take years to see obvious results," she said. It was the Liveable Neigh-

borhoods Task Force that forged the idea of a land bank here. It is based on a land bank program that helped Cleveland, Ohio revitalize its older neighborhoods. The state law to allow a land bank for Wyandotte County was passed by the state in 1996. But then the former city and county governments couldn't agree on how to formulate a land bank here. "If it had not been for consolidation, we wouldn't have the land bank instituted here," said Johnson. "That's another plus for consolidation." Another goal of the Liveable Neighborhoods Task Force was

to have a rental licensing program here also. And that became a reality under the urging of Marinovich. In other business, the Unified Board took a big step in what could possibly lead to the preservation of the old Quindaro ruins in northeast KCK. The board approved a resolution to apply to the Kansas State Historical Society and the federal government to designate the ruins near 27th and Sewell as an historic district worthy of being part of the National Underground Railroad Historic Trail. The U.S. National Park Service plans to

create such a trail so tourists can learn the history of the Underground Railroad that helped slaves escape from captivity during the days of slavery. The frontier town of Quindaro is said by some historians to have been associated with the Underground Railroad. The Quindaro site involved includes 64 acres owned by the Unified Government and 92 acres by the A.M.E. Church and the Western University Campus organization. Western University was the former college in Quindaro for black students in the days of segregation.

HOUSE BILL No. 2310

By Representative Haley

2-8

10 AN ACT concerning cities; relating to the rehabilitation of abandoned
11 property; amending [K.S.A. 79-3102 and] K.S.A. 1998 Supp. 12-1750,
12 12-1752, 12-1753, 12-1756a, 12-1756b, 12-1756c, 12-1756d, 12-1756e
13 and 12-1756f and repealing the existing sections.
14

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

16 Section 1. K.S.A. 1997 Supp. 12-1750 is hereby amended to read as
17 follows: 12-1750. As used in this act:

18 (a) "Structure" means any building, wall or other structure.

19 (b) "Enforcing officer" means the building inspector or other officer
20 designated by ordinance and charged with the administration of the pro-
21 visions of this act.

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

26 (d) ~~"Organization" means any nonprofit corporation organized under~~
27 ~~the laws of this state and which has among its purposes the improvement~~
28 ~~of housing~~ "Person" means any individual or not-for-profit corporation
29 organized under the laws of the state of Kansas.

30 (e) "Rehabilitation" means the process of improving the property,
31 including, but not limited to, bringing property into compliance with ap-
32 plicable fire, housing and building codes.

33 (f) "Parties in interest" means any owner or owners of record, judg-
34 ment creditor, tax purchaser or other party having any legal or equitable
35 title or interest in the property.

36 (g) "Last known address" includes the address where the property is
37 located, or the address as listed in the tax records.

38 (h) "Low or moderate income housing" means housing for persons
39 and families with incomes within the income limitations prescribed by
40 the department of housing and urban development pursuant to section 8
41 of the federal housing and community development act of 1937, as
42 amended.

43 Sec. 2. K.S.A. 1998 Supp. 12-1752 is hereby amended to read as

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1 lows: 12-1752. [(a)] Whenever the enforcing officer files with the gov-
2 erning body of the city a statement in writing that any structure, describ-
3 ing the same and where located, is unsafe or dangerous or is abandoned
4 property, the governing body, by resolution, shall fix a time and place at
5 which the owner, the owner's agent, any lienholders of record and any
6 occupant of such structure may appear and show cause why such structure
7 should not be condemned and ordered repaired or demolished in the
8 case of unsafe or dangerous structures or rehabilitated in the case of
9 abandoned property. Such resolution shall be published once each week
10 for two consecutive weeks on the same day of each week. At least 30 days
11 shall elapse between the last publication and the date set for the hearing.
12 A copy of the resolution shall be mailed by certified mail within three
13 days after its first publication to each such owner, agent, lienholder and
14 occupant, at the last known address and shall be marked "deliver to ad-
15 dressee only."

16 [(b) *Cities located in Wyandotte county shall be subject to the follow-*
17 *ing procedure prior to making any orders concerning abandoned property*
18 *pursuant to subsection (a).*

19 (1) *A governing body shall establish and appoint the members of an*
20 *abandoned property review authority to review and set priorities for the*
21 *demolition or rehabilitation of abandoned structures. The authority shall*
22 *consist of at least five members. One member shall be a licensed architect.*
23 *One member shall be an employee of the unified government of Wyandotte*
24 *county and Kansas City, Kansas. One member shall be the county ap-*
25 *praiser or the appraiser's designee. Other members shall be selected at*
26 *large, but shall be residents of the county. The authority shall elect a*
27 *chairperson from among its members and shall meet as frequently as the*
28 *authority designates.*

29 *The authority shall cooperate with the enforcing officer to compile a*
30 *list of abandoned property within the city or property which may be*
31 *deemed dangerous or unsafe. The authority shall evaluate the property*
32 *so identified to determine the suitability of the property for rehabilitation.*
33 *Property which is structurally sound and or could be rehabilitated for*
34 *less than the cost of razing the property shall be designated as low-priority*
35 *property. Property which contains some structural flaws, but which may*
36 *be suitable for rehabilitation shall be deemed medium-priority property.*
37 *Property which is dangerous and not suitable for rehabilitation shall be*
38 *deemed high-priority property.*

39 *The authority shall develop a list of persons who are interested in re-*
40 *habilitating abandoned property. Such list shall contain the names and*
41 *addresses of persons so interested. The governing body of cities subject to*
42 *subsection shall provide written notice of low-priority property which*
43 *may be available for rehabilitation to the individuals listed*

1 *The governing body of the city shall apply the priorities estab-*
 2 *lished by the authority in scheduling properties for demolition. All high-*
 3 *priority properties shall be razed before a governing body may authorize*
 4 *demolition of medium-priority or low-priority properties unless legal or*
 5 *other extenuating circumstances significantly delay demolition of all such*
 6 *properties. All medium-priority property shall be demolished before low-*
 7 *priority property unless legal or other circumstances significantly delay*
 8 *demolition of all such properties.*]

9 Sec. 3. K.S.A. 1998 Supp. 12-1753 is hereby amended to read as
 10 follows: 12-1753. (a) On the date fixed for hearing or any adjournment
 11 thereof, the governing body shall hear all evidence submitted by the
 12 owner, the owner's agent, lienholders of record and occupants having an
 13 interest in such structure as well as evidence submitted by the enforcing
 14 officer filing the statement and shall make findings by resolution. If the
 15 governing body of the city finds that such structure is unsafe or dangerous,
 16 such resolution shall direct the structure to be repaired or removed and
 17 the premises made safe and secure. If the governing body of the city finds
 18 that such structure is abandoned property, the governing body may au-
 19 thorize the rehabilitation of such property as provided by K.S.A. 1998
 20 Supp. 12-1756a, and amendments thereto. [The governing body of any city
 21 located in Wyandotte county shall not order any property razed if a per-
 22 son has submitted a proposal which the authority determines would re-
 23 habilitate such property within 18 months at a cost less than the cost of
 24 razing and removing of such property.] ~~Such~~

25 (b) The resolution required by subsection (a) shall be published once
 26 in the official city paper and a copy mailed to the owners, agents, lien-
 27 holders of record and occupants in the same manner provided for the
 28 notice of hearing. The resolution shall fix a reasonable time within which
 29 the repair or removal of such structure shall be commenced and a state-
 30 ment that if the owner of such structure fails to commence the repair or
 31 removal of such structure within the time stated or fails to diligently
 32 prosecute the same until the work is completed, the governing body will
 33 cause the structure to be repaired or razed and removed in the case of
 34 unsafe or dangerous structures or rehabilitated in the case of abandoned
 35 property.

36 Sec. 4. K.S.A. 1998 Supp. 12-1756a is hereby amended to read as
 37 follows: 12-1756a. (a) ~~An organization~~ Any person may file a petition with
 38 the district court for an order for temporary possession of property if:

39 (1) The property has been declared abandoned pursuant to K.S.A.
 40 12-1753, and amendments thereto;

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

3-3

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1 (3) the ~~organization~~ *person* has sent notice to the enforcing officer
2 and the parties in interest of the property, by certified or registered mail,
3 mailed to their last known address and posted on the property at least 30
4 days but not more than 60 days before the date the petition is filed, of
5 the ~~organization's~~ *person's* intent to file a petition for possession under
6 K.S.A. 12-1750 through 12-1756e, and amendments thereto.

7 (b) The proceeding shall be commenced by filing a verified petition
8 in the district court in the county in which the property is located. The
9 petition shall state that the conditions specified in subsection (a) exist. All
10 parties in interest of the property shall be named as defendants in the
11 petition. Summons shall be issued and service shall be made pursuant to
12 K.S.A. 60-303, and amendments thereto. Service may be made by pub-
13 lication if the ~~organization~~ *petitioner* with due diligence is unable to make
14 service of summons upon a defendant pursuant to subsection (a)(3) of
15 K.S.A. 60-307, and amendments thereto.

16 (c) Any defendant may file as part of such defendant's answer, as an
17 affirmative defense, a plan for the rehabilitation of the property. The
18 court shall grant the defendant 90 days to bring the property into com-
19 pliance with applicable fire, housing and building codes. The court, for
20 good cause shown, may extend the ninety-day compliance period. If the
21 property is brought into such compliance within the ninety-day period or
22 extension of time thereof, the petition shall be dismissed. If the defendant
23 fails to bring the property into such compliance within the ninety-day
24 period or extension of time thereof, or if the defendant's plan is otherwise
25 insufficient, the defendant's affirmative defense shall be stricken.

26 (d) At the hearing on the ~~organization's~~ petition, the ~~organization~~
27 *petitioner* shall submit to the court a plan for the rehabilitation of the
28 property and present evidence that the ~~organization~~ *petitioner* has ade-
29 quate resources to rehabilitate and thereafter manage the property. For
30 the purpose of developing such a plan, ~~representatives of the organization~~
31 *the petitioner or the petitioner's designees* may be permitted entry onto
32 the property by the court at such times and on such terms as the court
33 may deem appropriate.

34 (e) The court shall make its own determination as to whether the
35 property is in fact abandoned consistent with the terms of K.S.A. 12-1750
36 through 12-1756e, and amendments thereto.

37 (f) If the court approves the petition, the court shall enter an order
38 approving the rehabilitation plan and granting temporary possession of
39 the property to the ~~organization~~ *petitioner*. The ~~organization~~ *petitioner*,
40 subject to court approval, may enter into leases or other agreements in
41 relation to the property. Whether the court approves or denies the peti-
42 tion, the ~~organization~~ *petitioner* shall provide the governing body a copy
43 of the order within 10 days of the ~~organization's~~ *petitioner's* receipt or

1 knowledge of such order.

2 Sec. 5. K.S.A. 1998 Supp. 12-1756b is hereby amended to read as
3 follows: 12-1756b. ~~An organization~~ *Any person* which has possession of
4 property pursuant to K.S.A. 12-1756a, and amendments thereto, shall file
5 an annual report with the governing body of the city concerning the re-
6 habilitation and use of the property. The city shall require reports and
7 status dates to be filed as it deems appropriate under the circumstances
8 but no less frequently than once a year. The report shall include state-
9 ments of all expenditures made by the ~~organization~~ *person* including, but
10 not limited to, payments for the rehabilitation, operation and mainte-
11 nance of and repairs to the property, and for real estate taxes, and pay-
12 ments to mortgagees and lienholders during the preceding year and shall
13 include statements of all income and receipts from the property for the
14 preceding year.

15 Sec. 6. K.S.A. 1998 Supp. 12-1756c is hereby amended to read as
16 follows: 12-1756c. The owner of property of which temporary possession
17 has been transferred to ~~an organization~~ *any person* pursuant to K.S.A.
18 12-1756a, and amendments thereto, shall be entitled to regain possession
19 of the property by petitioning to the district court of the county in which
20 such property is located for restoration of possession and, upon notice to
21 ~~the organization~~ *such person* for a hearing on such petition. At the hear-
22 ing, the court shall determine proper compensation to the ~~organization~~
23 *such person* for its expenditures, including management fees, based on
24 ~~the organization's~~ *such person's* reports to the court. The court, in deter-
25 mining the proper compensation to the ~~organization~~ *person*, may consider
26 income or receipts received from the property by the ~~organization~~ *person*.
27 After the owner pays the compensation to the ~~organization~~ *person* as
28 determined by the court, the owner shall resume possession of the prop-
29 erty, subject to all existing rental agreements whether written or verbal,
30 entered into by the ~~organization~~ *person*.

31 Sec. 7. K.S.A. 1998 Supp. 12-1756d is hereby amended to read as
32 follows: 12-1756d. If property of which temporary possession has been
33 transferred to ~~an organization~~ *a person* pursuant to K.S.A. 12-1756a, and
34 amendments thereto, is sold for unpaid taxes, ~~an organization~~ *a person*
35 with temporary possession may redeem the property in the same manner
36 as the owner and amounts paid to redeem the property shall be included
37 as expenditures in ~~the organization's~~ *such person's* report to the court.

38 Sec. 8. K.S.A. 1998 Supp. 12-1756e is hereby amended to read as
39 follows: 12-1756e. If an owner of property of which temporary possession
40 has been transferred to ~~an organization~~ *a person* pursuant to K.S.A. 12-
41 1756a, and amendments thereto, takes no action to regain possession of
42 the property in the five-year period following the granting of temporary
43 possession of the property to the ~~organization~~ *person* thereto.

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1 person may file a petition for judicial deed and upon due notice to
 2 named defendants and an order may be entered granting a quit-claim
 3 judicial deed to ~~the organization~~ such person providing that the property
 4 shall be used for low and moderate income housing for at least a ~~10-year~~
 5 *ten-year* period after the deed is granted.

6 Sec. 9. K.S.A. 1998 Supp: 12-1756f is hereby amended to read as
 7 follows: 12-1756f. The enforcing officer shall maintain a list of all ~~organ-~~
 8 ~~izations~~ persons who are interested in rehabilitating abandoned property
 9 and who have requested to be included on such list. The ~~organizations~~
 10 persons on such list shall be given written notice of abandoned property
 11 which may be available for rehabilitation by any such organization. The
 12 enforcing officer may require that requests to be included on such list be
 13 submitted annually to the enforcing officer.

14 [Sec. 10. K.S.A. 79-3102 is hereby amended to read as follows: 79-
 15 3102. (a) Before any mortgage of real property, or renewal or extension
 16 of such a mortgage, is received and filed for record, there shall be paid
 17 to the register of deeds of the county in which such property or any part
 18 thereof is situated a registration fee of .26% of the principal debt or
 19 obligation which is secured by such mortgage. In the event the mortgage
 20 states that an amount less than the entire principal debt or obligation will
 21 be secured thereby, the registration fee shall be paid on such lesser
 22 amount.

23 *(b) If the governing body of any city located in Wyandotte county*
 24 *has created a housing development fund pursuant to section 11, prior to*
 25 *registration of any mortgage of real property located in such city, there*
 26 *shall be paid to the register of deeds of Wyandotte county an additional*
 27 *fee of .04% of the principal debt or obligation which is secured by such*
 28 *mortgage. The register of deeds shall deposit all moneys realized from the*
 29 *additional fee in the city's housing development fund pursuant to section*
 30 *11.*

31 ~~(b)(c)~~ As used herein, "principal debt or obligation" shall not include
 32 any finance charges or interest.

33 ~~(e)(d)~~ In any case where interest has been precomputed, the register
 34 of deeds may require the person filing the mortgage to state the amount
 35 of the debt or obligation owed before computation of interest.

36 ~~(d)(e)~~ No registration fee whatsoever shall be paid, collected or re-
 37 quired for or on: (1) Any mortgage or other instrument given solely for
 38 the purpose of correcting or perfecting a previously recorded mortgage
 39 or other instrument; (2) any mortgage or other instrument given for the
 40 purpose of providing additional security for the same indebtedness, where
 41 the registration fee herein provided for has been paid on the original
 42 mortgage or instrument; (3) any mortgage or other instrument upon that
 43 amount of the consideration stated in the mortgage tendered for filing

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1 which is verified by affidavit to be principal indebtedness covered or in-
 2 cluded in a previously recorded mortgage or other instrument with the
 3 same lender or their assigns upon which the registration fee herein pro-
 4 vided for has been paid; (4) any lien, indenture, mortgage, bond or other
 5 instrument or encumbrance nor for the note or other promise to pay
 6 thereby secured, all as may be assigned, continued, transferred, reissued
 7 or otherwise changed by reason of, incident to or having to do with the
 8 migration to this state of any corporation, by merger or consolidation with
 9 a domestic corporation as survivor, or by other means, where the original
 10 secured transaction, for which the registration fee has once been paid, is
 11 thereby continued or otherwise acknowledged or validated; (5) any mort-
 12 gage or other instrument given in the form of an affidavit of equitable
 13 interest solely for the purpose of providing notification by the purchaser
 14 of real property of the purchaser's interest therein; (6) any mortgage in
 15 which a certified development corporation certified by the United States
 16 small business administration participates pursuant to its community ec-
 17 onomic development program; (7) any mortgage or other instrument
 18 given for the sole purpose of changing the trustee; or (8) any mortgage
 19 for which the registration fee is otherwise not required by law.

20 (e) (f) The register of deeds shall receive no additional fees or salary
 21 by reason of the receipt of fees as herein provided. After the payment of
 22 the registration fees as aforesaid the mortgage and the note thereby se-
 23 cured shall not otherwise be taxable.]

24 New Sec. 11. (a) Any city located in Wyandotte county, by adoption
 25 of an ordinance, may create a housing development fund to assist persons
 26 seeking to rehabilitate abandoned property. Such assistance may take the
 27 form of grants or loans, but shall be provided only to individuals who have
 28 taken possession of such property pursuant to K.S.A. 12-1750 et seq., and
 29 amendments thereto. Moneys may be budgeted and transferred to such
 30 fund from any source which may be lawfully utilized for such purposes.

31 [(b) Moneys credited to such fund from annually budgeted transfers
 32 shall not thereafter be subject to the provisions of K.S.A. 79-2925 through
 33 79-2937, and amendments thereto. In making the budget of the city, the
 34 amounts credited to, and the amount on hand in, such housing devel-
 35 opment fund and the amount expended therefrom shall be shown thereon
 36 for the information of taxpayers. Moneys in such fund may be invested
 37 in accordance with K.S.A. 10-131, and amendments thereto, with the
 38 interest credited to the fund.]

39 Sec. 12. ~~[[11.]]~~ K.S.A. 79-3102 and ~~[[K.S.A. 1998 Supp. 12-1750, 12-~~
 40 ~~1752, 12-1753, 12-1756a, 12-1756b, 12-1756c, 12-1756d, 12-1756e and~~ L 10.
 41 ~~12-1756f are hereby repealed.~~

42 Sec. 13. ~~[[12.]]~~ This act shall take effect and be in force from and after
 43 its publication in the statute book. L 11.