

SESSION OF 2009

SUPPLEMENTAL NOTE ON HOUSE BILL NO. 2155

As Amended by Senate Committee of the Whole

Brief*

HB 2155 would authorize the creation of a land bank in any city. The provisions include these:

- The bill would grant authority for the city's governing body to establish or dissolve a city land bank by adoption of an ordinance. The city also could advance operating funds to the land bank.
- The land bank would be subject to fiscal and budgetary requirements such as the cash-basis law, would have to make investments in accordance with state law, and would have to publish annual reports.
- The land bank would be governed by a board of trustees, whose meetings would be subject to state open meetings laws. The board would be allowed to have employees.
- The city, the county, another city, or another taxing subdivision in the county could transfer property to the land bank, which could refuse to accept any property offered. The transfer of property to the land bank would not be subject to any bidding requirement and would be exempt from any provision of law requiring a public sale.
- The board's duties would include managing its property, keeping an inventory of such property, and selling or otherwise disposing of the property. The bill would allow the board to sell property without competitive bidding under terms necessary or appropriate to assure the property's effective reutilization.

*Supplemental notes are prepared by the Legislative Research Department and do not express legislative intent. The supplemental note and fiscal note for this bill may be accessed on the Internet at <http://www.kslegislature.org>

- The land bank would be exempt from property taxes and, except for special assessments levied by a municipality, the county treasurer would be required to remove from the tax rolls all taxes and other charges due on the property when it is acquired by the board.
- The board would retain moneys from the sale of properties, except that the board could use proceeds to reimburse any municipality for delinquent special assessments due on such property.
- The board could establish and consult with advisory committees.

Background

Whitney Damron and Randy Speaker, Deputy City Manager, City of Topeka, presented testimony on behalf of the City of Topeka. That testimony stated that the land bank would be similar to one created in Kansas City, Kansas, in 1996. The statutes governing the land bank in Wyandotte County are codified at KSA 19-26,103 *et seq.*

Mr. Speaker testified that the City of Topeka would use the land bank authority to compile and maintain an inventory of eligible properties, evaluate potential uses for such properties, and return the properties to tax rolls as quickly as possible. He also said that some of the advantages would be that individuals would be allowed to donate property to a land bank, assembling larger parcels could allow a land bank to attract retail business or multi-family housing in some areas, and that the city could use federal funds to construct housing on land bank properties to stabilize residential neighborhoods.

No other conferees presented testimony on the bill.

The Senate Committee of the Whole amended the bill by expanding its application to all cities. The original bill would have been limited to only a City of Topeka land bank.

According to the fiscal note on the original bill, the League of Kansas Municipalities is unable to determine the fiscal effect on the city of Topeka and Shawnee County. The Kansas Department of Revenue stated that because most, if not all, properties acquired by a land bank normally would have been acquired by the city or other taxing subdivisions anyway, there would be little change to tax revenues and passage of this bill would have a negligible fiscal effect on the state budget.