

SESSION OF 2010

**SUPPLEMENTAL NOTE ON SENATE BILL NO. 432**

As Recommended by Senate Committee on  
Assessment and Taxation

**Brief\***

SB 432 would allow the Board of County Commissioners of any county to contract with attorneys or other persons to assist in the collection of real property taxes on properties that have been bid off in the name of the county pursuant to KSA 79-2306. The bill would require a county to enter into a written contract with the attorney or other person, and the contract would be on a contingent fee basis. This bill would define the contingent fee as a "cost of collection," which would be added to the amount collected. The "cost of collection" could not exceed 25 percent of the amount collected and would not be deducted from the delinquent taxes owed to the county treasurer. SB 432 also would amend KSA 79-2401a subsection (a)(2) to provide that any such collection fees would be added as a cost to the amount required for someone to redeem any abandoned building or structure and the land accommodating such building or structure when it is bid off by a county for delinquent taxes.

**Background**

Representatives of the Unified Government of Wyandotte County, Kansas Association of Counties, Greater Kansas City Chamber of Commerce, City of Lenexa, and League of Kansas Municipalities testified in support of SB 432. Proponents stated that under current law the cost of hiring a collection agency comes out of the amount of delinquent tax collected, thus reducing the tax revenue collected. The proponents also stated

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\*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>

that the current reduction in total tax revenue collected from delinquent taxpayers is not fair to other taxpayers who pay their taxes on time.

There was no opponent testimony against the bill.

The fiscal note prepared by the Division of the Budget indicates a positive, but unknown, impact for the state to the extent of increased collections relative to the 21.5 mills in state property tax levies.