



To: Senate Committee on Local Government
From: Dana J. Peterson,
Director, Smith Center Economic Development department
Date: Monday, March 20, 2023
Re: Opposition to HB 2083

Chairwoman McGinn, Vice Chair Bowers, and distinguished Senators, thank you for the opportunity to testify in opposition to HB 2083. This bill would take away a tool from the rural community toolbox that we are trying to use in Smith Center, my hometown.

In the state's housing needs assessment released in 2021, the north central region is plagued by houses that are vacant. For reference, a healthy community's normal vacancy rate is 5 to 6%. According to 2020 data, the percent vacant housing units in our area by county are:

Phillips – 21.26%	Rooks – 20.05%
Smith – 19.69%	Osborne 23.53%
Jewell – 23.65%	Mitchell – 18.6%

This assessment recognizes that a vacancy rate does not tell the whole story about these vacant houses. We know that when a house is in poor condition, it may not be livable. Maybe the owner has an attachment to the house and can't allow another person to live in it, either by letting go of it or renting it. Sometimes the house may be in an area that is not desirable to live in, either on a poor road or next door to something unpleasant. And sometimes the house has fallen into disrepair and the property owner doesn't have the resources or will to repair the house. But if a house is not lived in then it dies.

This state assessment also reported the condition of the houses as reported by the Kansas Department of Revenue, Property Valuation Division. The percent of houses with Housing Condition Poor or Below in 2020 include:

Phillips – 13.9%	Rooks – 7.27%
Smith – 21.24%	Osborne 23.83%
Jewell – 14.69%	Mitchell – 3.65%

For Smith County, this data hints at one of our biggest challenges in our housing crisis: Many of our houses are vacant and not being used to house people.

Smith Center Economic Development department offers residential clean up and revitalization grants to residents of Smith Center. We also administer a Land Bank and provide outreach and connection to several regional, state, and federal housing programs. Smith County just renewed the Neighborhood Revitalization Plan, a property tax rebate program, for the next five years. We are doing our very best to incentivize the owners of these vacant, poor houses to revitalize them for the numerous people trying to move into our area and fill our jobs.

Last summer we put together a Housing Team to work on two of our goals, to rehabilitate existing houses and to build new houses. That Housing Team is considering several policy options to deal with our vacant house situation. We're working with the vacant house records at the county courthouse and trying to use incentive to get these houses back into productive use. However, after years of offering incentives, we've not been able to make a dent in the numbers.

As we've worked on this, we know that in quite a few cases, house owners are storing personal items in the houses or have stopped renting them because they don't want the trouble of managing renters. For house owners who use houses for storage, the annual property taxes are less than the cost to rent a storage unit. These vacant houses aren't using our utility systems or putting kids in our schools and increasingly frustrating for neighbors and community members who know our businesses aren't able to recruit workers into our jobs because there is no place for that worker to live.

I am a strong supporter of private property rights. Property owners have the right to do what they want with those vacant houses. However, like all rights, like the right to bear arms, or the right of free speech, private property rights are inherently tied to responsibility.

These responsibilities include civic responsibilities like paying taxes but also community responsibilities such as safety, keeping people off the property who are not to use it, and maintaining the property so that it does not create blight or harm to others. For example, as I am a farm kid, if someone has a pasture, they have the responsibility to fence out anyone or animals that should not have use of the land, and to eliminate invasive weeds so that they don't invade other properties.

Private property owners have responsibilities to the communities we live in. And I also believe those responsibilities should be determined by the level of government closest to the people and to the community.

Incentives and fees are our two tools in the rural revitalization toolbox: both the carrot and the stick. Smith Center and Smith County have several carrots but has not succeeded in getting very many vacant residential spaces moving towards revitalization. So, our Housing Team is looking at recommending a vacancy fee to the city council. Now that this bill would take away that option for us.

As an economic development director, my toughest challenges in revitalization are property owners who are against progress, who have lost hope for the future, don't want new people moving to town, or don't have the finances or will to care for their property. It's like we are trying to turn the Titanic in showing them that people do want to move to rural America.

For those of us who want to make progress in the rural housing crisis, it seems reasonable to ask property owners to register a vacant property with the city or county office and stay responsible to the community through paying a vacancy fee while the property is being updated, transitioning to another owner, or in foreclosure. Both the registration and fee allow both the property owner and the community's government to communicate regularly and seems to be a reasonable compromise of private property rights and community responsibility.

By taking away they ability to charge a fee, the state legislature is taking away a stick for the municipality and reducing the civic responsibility for the private property owner to move towards the right decision for themselves and the community they live in.

I respectfully ask that you vote in opposition to this HB 2083 and keep this policy decision local. Thank you for your consideration.