

Date: March 13, 2018

To: Senate Ethics, Elections, and Local Government Committee

From: Amanda Stanley, General Counsel

Re: HB 2506 Testimony in Support - Oral

I want to thank Chairwoman Bowers and the Committee members for allowing the League of Kansas Municipalities the opportunity to provide testimony in support of HB 2506.

Abandoned property is not just a Topeka, Kansas City, and Wichita issue, but it is a Kansas Issue. In a survey conducted by our organization, 89% of our member cities indicated abandoned or blighted housing was a significant or very significant concern for their communities and that the median length of time a property was reported as abandoned was four years. An alarming one-third of the respondents noted they have properties that have been abandoned for over 10 years. Abandoned housing erodes property values for adjacent landowners, creates dangerous conditions for public safety officers, generates code enforcement complaints, and leads to an influx of vermin and pests.

Abandoned property affects the health, safety, and the welfare of the entire community, including property owners and residents of rental property. These abandoned properties lead to an increase in police calls for theft, intruders, drug issues, and squatting. Not only are these properties a problem for law enforcement, they also lead to an increase in fire calls from accidental fires and arson. These abandoned structures are especially dangerous to firefighters since they are prone to collapse, and lead to firefighters making unnecessary entry because it is unknown if there is anyone in the structure.

These properties also lead to many code enforcement issues that include overgrown vegetation, dilapidated structures, wildfires, illegal dumping, and additional demand for sanitation services. Abandoned properties have the potential to become dangerous structures as they deteriorate.

Abandoned properties results in unpaid property taxes, which in turn creates a higher tax burden on other citizens to provide the resources to government services. As these properties fall further into disrepair, the neglect will cause a blighting effect on the surrounding properties, and it rapidly

leads to a loss in values to surrounding properties. This loss in property value makes it difficult for surrounding property owners to secure financing to improve their property and for potential buyers to obtain a mortgage.

Abandoned properties regularly provide a home for vermin and pests including snakes, raccoons, rats, cockroaches, and other insects. These vermin and pests unfortunately do not remain contained to the abandoned property but rather become an issue for neighboring properties.

Cities have long had tools available to them to address issues when a dangerous structure is involved, but they have had limited resources to deal with abandoned property. HB 2506 would give cities the same ability to deal with abandoned and blighted real estate as they now have when dealing with dangerous structures. HB 2506 would allow rehabilitation action to be taken before the property became a “dangerous structure.”

While we support HB 2506 in its current form, since HB 2506 passed the House, we became aware of amendments being suggested by Americans for Prosperity (AFP). In the spirit of collaboration, the League has worked with the City of Topeka and other parties to engage AFP to find areas of compromise. While we are able to agree with most of the amendments requested by AFP, in exchange for agreeing to AFP’s requirement that “uncured housing, maintenance, and building code violations” must cost more than 50% of the county appraiser’s assessed valuation of the property before this Act can be used, we would ask for an amendment allowing a city to hire an independent fee appraisal of the property to ensure the property is correctly valued as the county’s valuation may not reflect the current condition of an abandoned property. Under current law, county appraisers appraise residential property through a computerized program which uses computer-generated data to analyze the property based on its age, size, style of construction, replacement costs, and surrounding sales data. The county appraiser is only required to visit the property once every six years to visually inspect the property’s exterior, any additions, construction, structural damage, etc. to determine the property’s general condition. If a property is abandoned and has fallen into disrepair necessitating the use of this statute, its value might not be accurately reflected using the county appraisers computerized program. If AFP would like the definition of “Blighting Influence” to be tied to uncured housing, maintenance, and building code violations costing more than 50% of the county appraiser’s assessed valuation of the property, a city should have the right to request an independent fee appraisal to ensure the valuation of the property is being accurately reflected. This amendment will in no way undermine what AFP is attempting to accomplish and is a reasonable compromise.

In conclusion, abandoned and blighted property is not a big city issue; it is a Kansas issue. Abandoned properties are dangerous for public safety officers, create a code enforcement issue, erode property values, and lead to an influx of vermin and pests.

For these reasons, we ask this Committee pass HB 2506 in either its original form or with the recommended amendments to the full Senate for its consideration.

Additional Information

Number of abandoned properties: For cities with fewer than 5,000 residents, most cities cited 30 or fewer properties that had been abandoned. This may seem like small numbers, but it is a particularly magnified issue in

- Potwin (pop. 181, 29 properties),
- Florence (pop. 471, 30 properties, and
- Attica (pop. 640, 30 properties).

Other cities that described significant abandoned housing issues included

- Fredonia (pop. 2,482, est. 15% of properties abandoned),
- Parsons (pop. 10,500, 150-200 properties),
- Junction City (pop. 25,817, 900 – 1,100 properties, and
- Topeka (pop. 127,473, 400 properties).

How long have they been abandoned? The median length of time a property was abandoned was reported to be four years. But, thirteen of the 48 cities responding – almost a third – said some of their abandoned properties had been that way for 10 or more years.

Who owns the properties? The abandoned houses most cities generally are concerned with are owned by individuals who have moved away. Those owned by landlords or a bank made up a much smaller percentage of the properties in question.