

HOUSE BILL No. 2122

AN ACT concerning abandoned property; relating to the rehabilitation thereof; amending K.S.A. 12-1750, 12-1756a, 12-1756b and 12-1756e and repealing the existing sections.

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

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

- (a) "Structure" means any building, wall or other structure.
- (b) "Enforcing officer" means the building inspector or other officer designated by ordinance and charged with the administration of the provisions of this act.
- (c) "Abandoned property" means any residential real estate for which taxes are delinquent for the preceding two years and which has been unoccupied continuously by persons legally in possession for the preceding ~~one year~~ 180 days.
- (d) "Organization" means any nonprofit corporation organized under the laws of this state and which has among its purposes the improvement of housing.
- (e) "Rehabilitation" means the process of improving the property; ~~including, but not limited to, bringing property~~ into compliance with applicable fire, housing and building codes.
- (f) "Parties in interest" means any owner or owners of record, judgment creditor, tax purchaser or other party having any legal or equitable title or interest in the property.
- (g) "Last known address" includes the address where the property is located, or the address as listed in the tax records.
- ~~(h) "Low or moderate income housing" means housing for persons and families with incomes within the income limitations prescribed by the department of housing and urban development pursuant to section 8 of the federal housing and community development act of 1937, as amended.~~

Sec. 2. K.S.A. 12-1756a is hereby amended to read as follows: 12-1756a. (a) An organization may file a petition with the district court for an order for temporary possession of property if:

- (1) The property ~~has been declared abandoned pursuant to K.S.A. 12-1753~~ meets the definition of abandoned as set forth in K.S.A. 12-1750, and amendments thereto;
- (2) the organization intends to rehabilitate the property and use the property as housing ~~for low and moderate income persons and families;~~ and
- (3) the organization has sent notice to the enforcing officer and the parties in interest of the property, by certified or registered mail, mailed to their last known address and posted on the property at least ~~30~~ 20 days but not more than 60 days before the date the petition is filed, of the organization's intent to file a petition for possession under K.S.A. 12-1750 through 12-1756e, and amendments thereto.

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

(c) Any defendant may file as part of such defendant's answer, as an affirmative defense, a plan for the rehabilitation of the property *and evidence of capacity and resources necessary to complete rehabilitation of the property*. The court shall grant the defendant 90 days to bring the property into compliance with applicable fire, housing and building codes *and to pay all delinquent ad valorem property tax*. ~~The court, for good cause shown, may extend the ninety-day compliance period. If the property is brought into such compliance within the ninety-day period or extension of time thereof, the petition shall be dismissed.~~ *For good cause shown, the court may extend the ninety-day compliance period. If the property is brought into such compliance within the ninety-day period or extension of time thereof, the petition shall be dismissed.* If the defendant fails to bring the property into such compliance within the ninety-day

period or extension of time thereof, or if the defendant's plan is otherwise insufficient, the defendant's affirmative defense shall be stricken.

(d) At the hearing on the organization's petition, the organization shall submit to the court a plan for the rehabilitation of the property and present evidence that the organization has adequate resources to rehabilitate and thereafter manage the property. For the purpose of developing such a plan, representatives of the organization may be permitted entry onto the property by the court at such times and on such terms as the court may deem appropriate.

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

(f) If the court approves the petition, the court shall enter an order approving the rehabilitation plan and granting temporary possession of the property to the organization. The organization, subject to court approval, may enter into leases or other agreements in relation to the property. Whether the court approves or denies the petition, the organization shall provide the governing body a copy of the order within ~~10~~ 30 days of the organization's receipt or knowledge of such order.

Sec. 3. K.S.A. 12-1756b is hereby amended to read as follows: 12-1756b. An organization which has possession of property pursuant to K.S.A. 12-1756a, and amendments thereto, shall file an annual report with the ~~governing body of the city~~ *city court* concerning the rehabilitation and use of the property. The ~~city court~~ shall require reports and status dates to be filed as it deems appropriate under the circumstances but no less frequently than once a year. The report shall include statements of all expenditures made by the organization including, but not limited to, payments for the rehabilitation, operation and maintenance of and repairs to the property, and for real estate taxes, and payments to mortgagees and lienholders during the preceding year and shall include statements of all income and receipts from the property for the preceding year.

Sec. 4. K.S.A. 12-1756e is hereby amended to read as follows: 12-1756e. If an owner of property of which temporary possession has been transferred to an organization pursuant to K.S.A. 12-1756a, and amendments thereto, takes no action to regain possession of the property ~~in the five-year period following the granting of temporary possession of the property to the organization~~ *prior to the organization completing rehabilitation of the property*, the organization may file a petition for judicial deed ~~to the property and~~. Upon due notice to the named defendants ~~and~~, an order may be entered granting a quit-claim judicial deed to the organization ~~providing that the property shall be used for low and moderate income housing for at least a 10-year period after the deed is granted~~. *A conveyance by judicial deed shall operate to extinguish all existing ownership interests in, liens on, and other interest in the property, except tax liens or mechanics' liens.*

New Sec. 5. Any person who purchases a house from an organization which has rehabilitated such house pursuant to K.S.A. 12-1750 *et seq.*, and amendments thereto, shall agree to occupy such house for at least three years following the date of taking title to such property.

Sec. 6. K.S.A. 12-1750, 12-1756a, 12-1756b and 12-1756e are hereby repealed.

Sec. 7. This act shall take effect and be in force from and after its publication in the statute book.

I hereby certify that the above BILL originated in the HOUSE, and passed that body

HOUSE concurred in
SENATE amendments _____

Speaker of the House.

Chief Clerk of the House.

Passed the SENATE
as amended _____

President of the Senate.

Secretary of the Senate.

APPROVED _____

Governor.