Session of 2007

SENATE BILL No. 319

By Committee on Federal and State Affairs

2-6

AN ACT concerning counties; relating to foreclosure and sale of real estate; amending K.S.A. 79-2811 and K.S.A. 2006 Supp. 79-2401a and repealing the existing sections.

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

New Section 1. (a) During the period any *unoccupied*, *residential* real estate sold for delinquent taxes and bid in by the county is held by the county pending redemption or sale, pursuant to K.S.A. 79-2801, and amendments thereto, the county may make, or may cause or permit any city within the county or any organization described subsection (d) of K.S.A. 12-1750, and amendments thereto, to make such repairs to any structure upon or included within such real estate as may be needed to bring or maintain such structure in compliance with minimum housing code standards.

- As a precondition of causing or permitting such repairs, the board of county commissioners shall, at least 30 days prior to the date such repairs are to be made, cause actual notice of the proposed date, description and estimated cost of the repairs to be given to all parties having or claiming an interest in such real estate, *including lienholders of record*, whose addresses are reasonably ascertainable, and also by publication in a newspaper of general circulation within the county. The content of the notice shall include a statement of the board's intent to cause or permit the proposed repairs on the date stated in the notice unless an action seeking hearing a cause of action with respect to any matter related to the proposed repairs has been filed in the district court within the county and served upon the board. If notice has been given as required and no such action has been filed and served upon the board prior to the date of the proposed repairs as stated in the notice, the board may proceed to cause or permit such repairs pursuant to this section on or after the date stated in the notice.
- (c) The cost of such repairs shall become part of the payment required for the exercise of any redemption right prior to the date of any sale under K.S.A. 79-2803, and amendments thereto, and after the date of any such sale, shall be treated as a cost incident to the sale under

subsection (a) of K.S.A. 79-2805, and amendments thereto, and shall, in all cases, be repaid after the date of redemption or sale to the county, city or organization that made the repairs.

Sec. 2. K.S.A. 79-2811 is hereby amended to read as follows: 79-2811. (a) If real estate has been or shall be sold and bid by the county, and the redemption period has expired, the board may sell such real estate to provide affordable low-income housing or for community development or economic development purposes which are hereby declared to be public purposes. Any such sale shall not be subject to the provisions of K.S.A. 79-2801 et seq., and amendments thereto. However, at least 30 days prior to the proposed date of sale, the board shall cause actual notice of the date and terms of the proposed sale to be given to all parties having or claiming an interest in such real estate, including lienholders of record, whose addresses are reasonably ascertainable, and also by publication in a newspaper of general circulation within the county. The content of the notice shall include a statement of the board's intent to proceed with the proposed sale on the date stated in the notice unless an action seeking hearing a cause of action with respect to any matter related to the sale has been filed in the district court within the county and served upon the board. If notice has been given as required and no such action has been filed and served upon the board prior to the date of the proposed sale as stated in the notice, the board may proceed with such sale pursuant to this section on or after the date stated in the notice.

(b) The board of county commissioners may abate any delinquent ad valorem property taxes, special assessments or other special taxes on any property sold pursuant to subsection (a). If such taxes or assessments are not abated, any moneys received from the sale of such property shall be apportioned in the manner provided by K.S.A. 79-2805, and amendments thereto.

Sec. 3. K.S.A. 2006 Supp. 79-2401a is hereby amended to read as follows: 79-2401a. (a) (1) Except as provided by paragraph (2) and subsection (b), real estate bid off by the county for both delinquent taxes and special assessments, as defined by subsection (c), shall be held by the county until the expiration of two years from the date of the sale, subject only to the right of redemption as provided by this section. Any owner or holder of the record title, the owner's or holder's heirs, devisees, executors, administrators, assigns or any mortgagee or the owner's or holder's assigns may redeem the real estate sold in the sale at any time within two years after the sale by paying to the county treasurer the amount for which the real estate was sold plus the interest accrued, all delinquent taxes and special assessments and interest thereon that have accrued after the date of such sale which remain unpaid as of the date of redemption and costs and expenses of the sale and redemption, including but not limited to,

abstracting costs incurred in anticipation of a tax sale.

(2) Any abandoned building or structure and the land accommodating such building or structure bid off by the county for both either delinquent taxes and or special assessments, or both, as defined by subsection (c), shall be held by the county until the expiration of one year from the date of the sale, subject only to the right of redemption as provided by this section. Any owner or holder of the record title, the owner's or holder's heirs, devisees, executors, administrators, assigns or any mortgagee or the owner's or holder's assigns may redeem the real estate sold in the sale at any time within one year after the sale by paying to the county treasurer the amount for which the real estate was sold plus the interest accrued, all delinquent taxes and special assessments and interest thereon that have accrued after the date of such sale which remain unpaid as of the date of redemption and costs and expenses of the sale and redemption, including but not limited to abstracting costs incurred in anticipation of a tax sale.

When used in this subsection "abandoned building or structure and the land accommodating such building or structure" shall mean a building or structure which, for a period of at least one year, has been unoccupied and which there has been a failure to perform reasonable maintenance of such building or structure and the land accommodating such building or structure.

- (b) (1) Except as provided by paragraph (2), real estate which is a homestead under section 9 of article 15 of the Kansas Constitution and all real estate not described in subsection (a) shall be held by the county until the expiration of three years from the date of the sale and may be redeemed partially by paying to the county treasurer the amount of taxes for which the real estate was sold for one or more years, beginning with the first year for which the real estate was carried on the tax-sale book of the county plus interest at the rate prescribed by K.S.A. 79-2004, and amendments thereto, on the amount from the date the same was carried on the sale book. Upon payment and partial redemption, the time when a tax foreclosure sale may be commenced shall be extended by the number of years paid in the partial redemption.
- (2) In Johnson county, real estate which is a homestead under section 9 of article 15 of the Kansas constitution and all real estate not described in subsection (a) shall be held by the county until the expiration of three years from the date of the sale and may be redeemed partially by paying to the county treasurer the amount of taxes for which the real estate was sold for one or more years, beginning with the most recent year for which the real estate was carried on the tax-sale book of the county plus interest at the rate prescribed by K.S.A. 79-2004, and amendments thereto, on the amount from the date the same was carried on the sale book.

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- (c) For the purpose of this act, the term terms "real estate bid off by the county for both delinquent taxes and special assessments" and "real estate bid off by the county for either delinquent taxes or special assessments", or both, shall include only real estate on which there are delinquent taxes of a general ad valorem property tax nature and or delinquent special assessments, or both, or other special taxes levied by a city, county or other municipality in response to a petition or request of the landowners. Upon publication of the listing of real estate subject to sale under the provisions of K.S.A. 79-2302, and amendments thereto, the clerk of any city, county or other municipality which has levied special assessments during the past 10 years shall certify to the county treasurer those listed parcels of real estate which are located within a special assessment district, but no parcel shall be so certified unless the public improvement was constructed pursuant to a petition or request of one or more landowners sufficient to authorize the improvement under the applicable statutory special assessment procedure used by the city, county or other municipality.
- (d) If at the expiration of the redemption period, the real estate has not been redeemed, the real estate shall be disposed of by foreclosure and sale in the manner provided by K.S.A. 79-2801 et seq., and amendments thereto.
- 22 Sec. 4. K.S.A. 79-2811 and K.S.A. 2006 Supp. 79-2401a are hereby 23 repealed.
- Sec. 5. This act shall take effect and be in force from and after its publication in the statute book.