

Tuesday February 21, 2006

Honorable Senator Jay Emler Chairman
Members of the Senate Utilities Committee
Testimony presented by Representative Frank Miller.

It is my pleasure to once again come before this committee in support of HB 2592, which passed out of the House, February 14, 2006 by a vote of 114 yeas to 8 nays.

Mr. Chairman, last year I presented HB2279, which was a bill that was almost a twin of this year's version. However, the bill that I presented last year was supposed to have been uniform statewide, but somehow turned out not to be uniform. For this reason, this year I had the revisors redraft this bill from last year and had it made uniform statewide.

The injustice this bill corrects was made known to me last year by one of my constituents who is the owner of several rental houses. Since that time, I have had many other rental property owners tell me that the municipality has placed a tax lien on their rental property because a tenant moved out without paying all of his or her bills.

The bill, HB2279, that was passed last year by both the House and the Senate, and was signed into law by the governor, allows local governmental entities providing utility services to place a lien on a property owner's property tax roll for any unpaid bills, which were contracted with the property owner, for water, sewer, and trash charges. The law also allowed these services to be discontinued until the unpaid amount had been paid. However, the bill did not allow the local governmental entity to place a lien on the owner's rental property if the service was contracted with the tenant.

A brief summary of what HB2592 does is as follows:

1. The new bill requires the law to be applied uniformly statewide; which means no municipality or county can opt-out under Home Rule.
2. It does not allow a lien to be attached to a rental property owner's property tax roll for any unpaid tenant charges if the utility service provider contracted with the tenant.
3. The municipal utility service provider cannot refuse to contract with the tenant unless the tenant has outstanding unpaid utility bills.
4. It defines "utilities services" to include; water, sewer, trash, gas, and electricity.

The bill was amended twice by the House Utilities committee:

1. It provided that the utility provider may require a deposit to be paid by a tenant, but such deposit shall not exceed the amount of an average expected month's bill for use of the utility's service.
2. Amended so that the bill does not include any rural water district organized pursuant to K.S.A. 82a-612 et seq., and amendments thereto.

Other persons will testify today and emphasize the magnitude of this injustice. It is important that rental property owners be protected from irresponsible tenant's unpaid bills. It may be convenient for the utility provider to charge an unpaid bill to the rental property owner, or add the amount to the owner's tax roll, or pass it on to next renter, but it is most certainly not FAIR!

These rental property owners provide a service to communities in general by taking the responsibility of maintaining many of the older homes in our neighborhoods. This upkeep adds to the esthetic appearance of our communities, which in turn helps maintain or even increase the appraised values of all property. Thus, municipalities and counties benefit by enjoying a stable or increasing revenue base.

More importantly, these rental properties are much needed by low income families and young people not yet able to financially become homeowners. This includes, in many cases, our children or grandchildren.

Mr. Chairman I respectfully request that the Senate Utilities committee amend this bill to correct an oversight by the revisor. The technical amendment will more clearly define the uniform conditions set forth in HB2592. Revisor Bruce Kinzie is present and will present and explain the amendment for consideration by the committee.

I urge the committee to support HB 2592 as amended.

Thank you, Mr. Chairman, and I stand for questions.

Testimony submitted by

A handwritten signature in black ink that reads "Frank Miller". The signature is written in a cursive style with a large, stylized "F" and "M".

Representative Frank Miller