Date

MINUTES OF THE SENATE JUDICIARY COMMITTEE

The meeting was called to order by Chairman John Vratil at 9:35 A.M. on March 1, 2007, in Room 123-S of the Capitol.

All members were present except:

Phil Journey arrived, 9:37 A.M. Julia Lynn arrived, 9:37 A.M. David Haley arrived, 9:37 A.M. Barbara Allen arrived, 9:38 A.M. Derek Schmidt arrived, 9:42 A.M.

Committee staff present:

Athena Anadaya, Kansas Legislative Research Department Bruce Kinzie, Office of Revisor of Statutes Nobuko Folmsbee, Office of Revisor of Statutes Karen Clowers, Committee Assistant

Conferees appearing before the committee:

Mike Taylor, Unified Government, Wyandotte County
Ashley Jones, Greater Kansas City Local Initiative Support Corporation
Sandy Jacquot, General Counsel, League of Kansas Municipalities
Dale Goter, City of Wichita
Erik Sartorious, City of Overland Park
Patrick DeLapp
John Todd

Karl Peterjohn, Executive Director, Kansas Taxpayers Network Alan Cobb, Americans for Prosperity

Senator Dennis Pyle

Brad Harrelson, State Policy Director, Kansas Farm Bureau

Allie Devine, Vice President & General Counsel, Kansas Livestock Association

Mary Jane Stankiewitz, Kansas Grain & Feed; Kansas Co-op Council & Kansas Agribusiness Retailers Assn.

Others attending:

See attached list.

The hearing on **SB 296–Eminent domain; blighted property defined** was opened. The Chairman indicated that due to the large number of conferees, questions will be held until all testimony has been presented.

Mike Taylor appeared in support because the bill allows the use of eminent domain for economic development projects and eliminates urban blight (<u>Attachment 1</u>). Mr. Taylor indicated <u>SB 296</u> would allow cities to clean up neglected and abandoned properties and revitalize urban neighborhoods.

Ashley Jones spoke in favor, indicating <u>SB 296</u> is a critical tool in the redevelopment of blighted urban core neighborhoods and for nonprofit community developers (<u>Attachment 2</u>). Ms. Jones feels this bill will strike a balance between property rights and the existing residents in neighborhoods for the betterment of Kansas.

Sandy Jacquot spoke in support, stating this bill defines blight in a very narrow manner to include those kinds of properties typically found in declining urban areas of the state (<u>Attachment 3</u>). Ms. Jacquot explained that the bill includes a prohibition on property deemed blighted because of esthetic conditions and applies only to properties in need of rehabilitation due to public health, safety, and welfare concerns.

Dale Goter appeared as a proponent, relating that blight abatement is a top priority of the Wichita City Council and on rare occasions, the use of eminent domain is the only practical solution (<u>Attachment 4</u>). The remediation of slum and blight protect neighborhoods from the collateral impacts from crime. Cities are faced with the growing problem of long-term vacant or boarded up properties which present an opportunity for vagrants, drug dealers, prostitutes, gangs, and others to move into and affect the neighborhood with increased crime while lowering property values.

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Erik Satorius testified in support, stating the Legislature should return to cities the ability to utilize condemnation for blighted properties and <u>SB 296</u> is a warranted correction of the 2006 eminent domain legislation (<u>Attachment 5</u>).

Patrick DeLapp spoke in favor, but voiced concern on the term "abandoned structures" on page 2, line 7, and suggested expanding the language regarding determination of fair market value (<u>Attachment 6</u>).

John Todd appeared in opposition, stating Kansas cities have the power they need to deal with blighted properties without further legislation and there is a free-market solution to addressing the problems of blight (Attachment 7).

Karl Peterjohn testified in opposition, stating that <u>SB 296</u> would expand governmental powers and reduce private property rights (<u>Attachment 8</u>).

Allan Cobb spoke in opposition, indicating concern as to what local governments may unfairly deem to be blighted in the name of economic development (<u>Attachment 9</u>). Mr. Cobb stated that cities currently have at least two options under Kansas law available to redevelop property.

Senator Dennis Pyle testified against <u>SB 296</u>, relating there are mechanisms in place that allow cities and municipalities to deal with unsafe and uninhabitable property (<u>Attachment 10</u>). Senator Pyle stated <u>SB 296</u> is redundant and is an abuse of governmental powers to seize property.

Brad Harrelson provided neutral testimony indicating support for the bill as drafted which includes an exclusion for agricultural properties (<u>Attachment 11</u>). Mr. Harrelson encouraged the committee to retain existing language.

Allie Devine testified as a neutral party, stating support for the bill as drafted (<u>Attachment 12</u>). The bill assures that agricultural operations within city limits will not be targeted for elimination through the use of eminent domain. Ms. Devine indicated the drafted language makes it clear that eminent domain cannot be used for economic development purposes against agricultural operations.

Mary Jane Stankiewitz, a neutral party, supports <u>SB 296</u> as drafted with the exemption for "agricultural land" from being deemed "blighted"(<u>Attachment 13</u>). Ms. Stankiewitz requested an amendment that includes grain warehouses and chemical retail facilities in the "agricultural land" exception.

The Chairman invited questions from the committee. During discussion, Senator Schmidt posed a hypothetical question to Sandy Jacquot, League of Kansas Municipalities. Senator Schmidt asked her to consider the situation of a neighborhood where one or two homes do not meet the definition of blight but the rest of the neighborhood is blighted. Do you believe **SB 296** grants the authority to condemn the one or two homes which do not meet the definition of blight, because the neighborhood is blighted? Ms. Jacquot responded, "No, I do not. I think that if the city wanted to acquire the homes for the same purpose they would have to acquire them by purchase. If the homes do not meet the definition of blight I think that the city would either have to come to the Legislature on those properties or acquire them by purchase."

For the purposes of legislative history, the Chairman requested the question and response be reflected in the minutes.

Written testimony in support of **SB 296** was submitted by:

Cindy Cash, Kansas City, Kansas Chamber of Commerce (Attachment 14)

Downtown Shareholder Inc., Kansas City, Kansas (Attachment 15)

Mary Ontko, Greater Kansas City Local Initiative Support Corporation (Attachment 16)

Luke Bell, Director of Government Realations, Kansas Association of Realtors (Attachment 17)

Christy Caldwell, Vice President Government Relations, Greater Topeka Chamber (Attachment 18)

Ashley Sherard, Lenexa Chamber of Commerce (Attachment 19)

Whitney Damron, City of Topeka (Attachment 20)

Written testimony in opposition to **SB 296** was submitted by:

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William Davit (<u>Attachment 21</u>)
Derrick Sontag, National Federation of Independent Business (<u>Attapchment 22</u>)
Patrick Wilbur (<u>Attachment 23</u>)
Rob Hodgkinson (<u>Attachment 24</u>)
Jason Peck, Vice Chair, Libertarian Party of Kansas (<u>Attachment 25</u>)
Sharon DuBois (<u>Attachment 26</u>)

There being no further conferees, the hearing on **SB 296** was closed.

The meeting adjourned at 10:31 A.M. The next scheduled meeting is March 5, 2007.