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Rep. Sean Tarwater, Chair, Committee on Commerce, Labor and Economic Development  
(Attention: Committee Assistant: Dana Rooney, Rm 151-S)

Subject: Testimony in OPPOSITION to House Bill No. 2314: Rehabilitation of Abandoned Property. NOTE: Committee Hearing on February 22, 2019 at 1:30 p.m., Room 112-N.

Dear Chairman and members of the Commerce, Labor, and Economic Development Committee.

Everyone wants economically vibrant neighborhoods in our cities across Kansas with secure private property rights. How can we proceed to achieve those goals?

As it is written, House Bill No. 2314 empowers local governments to take homes from Kansans and give them to nonprofit corporations of their choosing who pay no compensation to the legal property owner(s) for their properties. Allowing government or nonprofit corporations to seize property without compensation is wrong and is something that most Kansans stand unequivocally against.

House Bill No. 2314 needs to be rewritten or amended in a manner to require a public auction, perhaps similar to a public tax foreclosure sale that is open to everyone so that privately owned properties can be sold to the highest bidder for cash with the potential for compensation paid to the property owners or their heirs.

Exhibit A (attached) details how this process has worked in Wichita. The North Cleveland House was sold at a Sedgwick County Tax Foreclosure Sale for \$5,500. After all back taxes were paid out of the proceeds, the remaining balance of about \$2,500 was held by the State District Court for claim by the property owner(s) or their heirs.

This and similar Bills that have been advanced on this subject over the past several years, if passed into law, would have the greatest impact on low income community neighborhoods. The potential for private property abuse of this new statutory process cannot be ignored. Please vote NO on House Bill No. 2314 as it is currently written.

Sincerely,



John R. Todd

Realtor© Emeritus

Enclosure: Exhibit A

Exhibit A

**Private Sector Solution:** Private sector, for-profit, taxpaying entrepreneurs used their own funds and work to create quality, entry level houses that result in widespread community/neighborhood uplift.

All properties were available to individuals, businesses and the non-profit sector through market-driven transactions. Allowing government or non-profit entities to seize property without just compensation is wrong.

**BEFORE**



**AFTER**



**North Cleveland House**

A young couple paid \$5,500 at a tax foreclosure sale to save this house. The house directly north of this one has also been recently rehabilitated. Such activity spurs neighborhood uplift and expands the tax base.



**Gentry House**

This house was saved by an enterprising couple who appeared before the Wichita City Council set to recommend demolition of this property. They repaired the basement wall for under \$10,000 and saved a house from the city's bulldozer. Flipping houses for profit works!



**Carlos House**

A contractor purchased this house after city staff recommended condemnation. After rehabilitation, it sold for \$124,900 in March 2017. This is a nice save for the city, county, and school district's property tax base!