

MICROFILM DIVIDER

OMB/RECORDS MANAGEMENT DIVISION

SFN 2053 (2/85) 5M



ROLL NUMBER

DESCRIPTION

2203

2005 SENATE JUDICIARY

SB 2203

2005 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB 2203

Senate Judiciary Committee

Conference Committee

Hearing Date January 18, 2005

Tape Number	Side A	Side B	Meter #
1		X	1423-3580
Committee Clerk Signature <i>Maria L Solberg</i>			

Minutes: Relating to recovery of damages against property under a tax deed.

Senator John (Jack) T. Traynor, Chairman called the Judiciary committee to order. All

Senators were present. The hearing opened with the following testimony:

Testimony In Support of the Bill:

Sen. Rich Wardner, Dickinson Introduced the bill at the request of his city administrator (meter 1423).

Mr. Greg Sund, Dickinson City Administrator. (meter 1534) Gave Testimony Att #1.

Sen. Trenbeath stated that while he is in agreement with the county Mr. Sund wants legislation to guarantee the quality of the "risk" of doing business. The tax payer is the one picking up the cost. A person would not walk away from a piece of property that had any value.

Sen. Traynor asked why the city did not step in before the property became so dilapidated under a city ordinance. An Elks case is sited out of Dickenson. The historical society does not want to destroy. **Sen. Trenbeath** stated that he had an issue that it would become more costly for the

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Senate Judiciary Committee

Bill/Resolution Number SB-~~2180~~ 2203

Hearing Date January 18, 2005

city to reclaim the building instead of demolishing it. If the person responsible may get stuck with a larger price tag with this, due to the historical societies interest.

Jerry Hjelmstaid - League of City are in support of the Bill.

This law would make the land owner more involved.

.Testimony in Opposition of the Bill:

none

Senator John (Jack) T. Traynor, Chairman closed the Hearing

2005 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB 2203

Senate Judiciary Committee

Conference Committee

Hearing Date January 25, 2005

Tape Number	Side A	Side B	Meter #
2	X		415- End
Committee Clerk Signature <i>Maria L Solberg</i>			

Minutes: Relating to recovery of damages against property under a tax deed.

Senator John (Jack) T. Traynor, Chairman called the Judiciary committee to order. All

Senators were present. The hearing opened with the following testimony:

Sen. Trenbeath stated that he did not agree with the bill, **Sen. Traynor** agreed.

Sen. Trenbeath made the motion to do not pass and **Senator Syverson** seconded the motion, all were in favor.

Carrier: **Sen. Trenbeath**

Senator John (Jack) T. Traynor, Chairman closed the Hearing

Date: 1/25/05
Roll Call Vote #: 1

2005 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. SB 2203

Senate Judiciary Committee

Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken Do Not Pass

Motion Made By Sen Trenbeath Seconded By Sen Syverson

Senators	Yes	No	Senators Sen. Nelson	Yes	No
Sen. Traynor	✓		Sen. Nelson	✓	
Senator Syverson	✓		Senator Triplett	✓	
Senator Hacker	✓				
Sen. Trenbeath	✓				

Total (Yes) _____ 6 No _____ 0

Absent _____ 0

Floor Assignment Sen. Trenbeath

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE (410)
January 25, 2005 1:16 p.m.

Module No: SR-16-0991
Carrier: Trenbeath
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE

SB 2203: Judiciary Committee (Sen. Traynor, Chairman) recommends DO NOT PASS
(6 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SB 2203 was placed on the
Eleventh order on the calendar.

2005 TESTIMONY

SB 2203

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TESTIMONY IN SUPPORT OF SB 2203

Chairman Traynor and members of the committee, for the record, my name is Greg Sund. I am the Dickinson City Administrator. Senator Wardner sponsored this bill on behalf of the City of Dickinson to address a situation that has become a concern.

It has been the city of Dickinson's experience that State law assumes that when a property is taken for delinquent taxes, the government is acquiring an asset. Contrary to this, in some cases, the government actually receives a liability.

I believe the best way to describe the need for this bill is to describe situations of which I am familiar. As do other counties, from time to time Stark County takes property for delinquent property taxes. After taking the property, the County holds a public auction to sell the property. Any property that has sufficient marketable value is sold to private parties by auction. For the properties left after auction, the city of Dickinson has an agreement with Stark County, that it will purchase all remaining properties in the city limits taken by the County for delinquent property taxes for the sum of \$25 each. Considering the low cost of acquisition, the City can hold most of the properties for a long time, if necessary before sale. It is important to note however that the City does not have the option of picking and choosing which property it will purchase and which it will not. Occasionally, the City finds itself in the situation of acquiring a liability. In three separate cases in recent years, the property acquired from the County included dilapidated buildings. In two of the cases, the City had to demolish the properties and restore the sites, before the property was salable. In one of those cases, the City still owns the property three years after paying for the demolition of the house on the property. The City has received offers to purchase the property. In the third case, the City acquired the Historic Elks Building, a once prominent building in the downtown area in early 2002. The building has historic value and many persons lobbied the City to consider renovation over demolition. The City estimated it would cost at least \$150,000 to demolish the building. Because the City now owned the building, such cost was its responsibility. Before attempting any work, the City was successful in award of an EPA Brownfields Targeted Environmental Assessment Grant. The Phase II Environmental Assessment made possible by the grant identified the contaminants asbestos, lead paint, and black mold. In order to encourage renovation, the City agreed to dedicate \$150,000 to the environmental clean-up and renovation of the building. In the summer of 2004, the City learned it won approval of an EPA Brownfields Clean-up Grant in the amount of \$200,000. The City also selected a party interested in renovating the building, but the company is not interested in doing so until the environmental cleanup is completed. Following the cleanup, the City anticipates it will have to give the building to the developer as enticement to do the renovation.

In the case of the Historic Elks Building, the government received a \$350,000 liability when the property was taken for delinquent taxes, plus the cost of the phase II environmental assessment. Contrary to this, the former property owner took the opportunity to salvage many of the building's components over the years of ownership,

while permitting it to become dilapidated. We believe the prior owner should bear responsibility for allowing the building to become dilapidated.

The purpose of this bill is to give the government the opportunity to recover its costs following acquisition through delinquent taxes to make a property salable from the prior property owner.

I encourage support for SB 2203.