

ORDINANCE NO. 2017-11-4444

AN ORDINANCE AMENDING ARKANSAS CITY MUNICIPAL CODE CHAPTER 2 ARTICLE III, BY ADDING A NEW DIVISION 6 TITLED "LAND BANK".

WHEREAS, Kansas Statute authorizes municipalities within the State to create a formal Land Bank to hold title to properties; and

WHEREAS, the City of Arkansas City created its own Land Bank via Resolution prior to the creation of Kansas statute regarding same; and

WHEREAS, Land Banks created under Kansas statute allow cities to manage distressed properties which can become a blight in the community by clearing up title issues to the property, setting aside land for future development, getting parcels back to the open market as quickly as possible, freezing special assessments, removing back taxes (including interest and penalties), and making the properties tax exempt until sold; and

WHEREAS, the Governing Body desires to create a new Land Bank under Kansas statute, to avail itself of these statutory benefits.

BE IT ORDAINED BY THE GOVERNING BODY OF THE CITY OF ARKANSAS CITY, KANSAS:

Section 1. Arkansas City Municipal Code is hereby amended to create Chapter 2 Article III Division 6, titled "Land Bank", to read as follows:

DIVISION 6 LAND BANK

Section 2-185. Purpose.

The Land Bank Board of Trustees is hereby established pursuant to Kan. Stat. Ann. 12-5901 et seq. The Land Bank Board of Trustees is an independent agency and instrumentality of the City with the primary responsibility and authority to acquire, hold, manage and convey surplus City property and other abandoned, tax-foreclosed or otherwise underutilized or distressed properties in order to convert such properties to productive use.

Section 2-186. Definitions.

For the purpose of this Division the words set out in this Section shall have the following meanings:

City means the City of Arkansas City, Kansas.

Board means the Board of Trustees of the Land Bank.

Bank means the City Land Bank.

Governing Body means the Board of City Commissioners of the City.

Section 2-187. Land Bank board of Trustees; Appointment, Terms and Dissolution.

(a) There is hereby established a Land Bank Board of Trustees. The Board shall be composed of the entire membership of the Governing Body.

(b) The term of office of the Board members shall be coterminous with that member's term of office on the Governing Body.

(c) Primary staff support to the Board will be provided by the City Manager or his or her designee. City staff will provide technical and professional support for Land bank operations; additional support may be provided as necessary.

(d) The Bank may be dissolved by Ordinance of the Governing Body. In such case, all property of the Bank shall be transferred to and held by the City and may be disposed of as otherwise provided by law.

Section 2-188. Land Bank Board; Organization.

(a) The Board shall annually elect a chairperson, vice-chairperson and treasurer. The treasurer shall be bonded in such amounts as the Governing Body may require.

(b) The Board may appoint such officers, agents and employees as it may require for the performance of its duties, and shall determine the qualification and duties and fix the compensation of such officers, agents and employees.

(c) The Board shall fix the time and place at which its meeting shall be held. Meetings shall be subject to the Kansas Open Meetings Act, Kan. Stat. Ann. 75-4317 et seq.

(d) A majority of the Board shall constitute a quorum for the transaction of business. No action of the Board shall be binding unless taken at a meeting with at least a quorum present.

Section 2-189. Land Bank Board of Trustees; Powers and Duties.

The Land Bank Board shall have the following powers and duties:

(a) To sue and be sued;

(b) To enter into contracts;

(c) To appoint and remove staff and provide for the compensation thereof;

(d) To acquire, by purchase, gift or devise, and convey any real property, including easements and reversionary interest, and personal property, subject to the provisions of this Ordinance and state law;

1. Any property acquired by the City, Cowley County or any other city or taxing subdivision within Cowley County may be transferred to the bank.

2. The Board may accept or refuse to accept any property authorized to be transferred pursuant to this Ordinance or state law.

3. The transfer of any property pursuant to this subsection shall not be subject to any bidding requirements and shall be exempt from any provisions of law requiring a public sale.

4. The fee simple title to any real estate which is sold to Cowley County in accordance with the provisions of K.S.A 79-2803 and 79-2804, and amendments thereto, and upon acceptance by the Board may be transferred to the Bank by a good and sufficient deed by the Cowley County Clerk upon written order from the Cowley County Board of County Commissioners

(e) To rebate all, or any portion thereof, the taxes on any property sold or conveyed by the Bank.

(f) The Board shall assume possession and control of any property acquired by it under this Ordinance or state law and shall hold and administer such property. In the administration of property, the Board shall:

1. Manage, maintain and protect or temporarily use for a public purpose such property in the manner the Board deems appropriate;

2. Compile and maintain a written inventory of all such property. The inventory shall be available for public inspection and distribution at all times;
 3. Study, analyze and evaluate potential, present and future uses for such property which would provide for the effective reutilization of such property;
 4. Plan for and use the Board's best efforts to consummate the sale or other disposition of such property at such times and upon such terms and conditions deemed appropriate;
 5. Establish and maintain records and accounts reflecting all transactions, expenditures and revenues in relation to the bank's activities, including separate itemizations of all transactions, expenditures and revenues concerning each individual parcel of property acquired; and
 6. Thirty days prior to the sale of any property owned by the Bank, publish a notice in the official City newspaper announcing such sale.
- (g) To exercise any other power delegated to the Bank by the Governing Body.
- (h) To exercise any other incidental power which is necessary to carry out the purpose of the Land Bank, this Ordinance and state law.

Section 2-190. Land Bank Board of Trustees; Operational Requirements.

The Bank shall be subject to the following requirements:

- (a) The Bank shall be subject to the provisions of the Cash Basis law, K.S.A. 10-1101 et. seq., and amendments thereto.
- (b) The budget of the Bank shall be prepared, adopted and published as provided by law for other political subdivisions of the State of Kansas. No budget shall be adopted by the Board until it has been submitted to, reviewed and approved by the Governing Body. If the Governing Body elects not to ratify the budget, it must reject the plan in its entirety and remand it back to the Board with specific recommendations for reconsideration.
- (c) The Board shall keep accurate accounts of all receipts and disbursements. The receipts and disbursements of the Board shall be audited yearly by a certified or licensed public accountant and the report of the audit shall be included in and become part of the annual report of the board.
- (d) All records and accounts shall be subject to public inspection pursuant to K.S.A. 45-216 et seq., and amendments thereto.
- (e) Any moneys of the bank which are not immediately required for the purpose of the bank shall be invested in the manner prescribed by K.S.A. 12-1675, and amendments thereto.
- (f) The bank shall make an annual report to the Governing Body on or before January 31 of each year, showing receipts and disbursements from all funds under its control and showing all property held by the Bank. A copy of such inventory shall also be published in the official City newspaper on or before January 31 of each year.
- (g) The Bank shall be subject to statutory requirements for the deposit of public money as provided in K.S.A. 9-1401 et seq., and amendments thereto.
- (h) The sale of any real property by the Board, under the provisions of this ordinance or state law, on which there are delinquent special assessments to finance public improvements shall be conditioned upon the approval of the Governing Body.

(i) The Board, for the purpose of land disposition, may consolidate, assemble or subdivide individual parcels of property acquired by the bank.

(j) Until sold or otherwise disposed of by the Bank, and except for special assessments levied by the City to finance public improvements, any property acquired by the Bank shall be exempt from the payment of ad valorem taxes levied by the State of Kansas and any other political or taxing subdivision of the state.

(k) Except for special assessments levied by the City to finance public improvements, when the Board acquires property, the Cowley County Treasurer shall remove from the tax rolls all taxes, assessments, charges, penalties and interest that are due and payable on the property at the time of acquisition by the Board.

(l) Property held by the Bank shall remain liable for special assessments levied by the City for public improvements, but no payment thereof shall be required until such property is sold or otherwise conveyed by the Bank.

(m) The Governing Body may abate part or all of any special assessments which it has levied on property acquired by the Bank, and the Bank and the Governing Body may enter into agreements related thereto. Any special assessments that are abated shall be removed from the tax rolls by the County Treasurer as of the effective date of abatement.

(n) Any moneys derived from the sale of property by the Bank shall be retained by the bank for the purpose and operations thereof; provided however, that the Board may use all or part of the proceeds from such sale to reimburse the City for delinquent and/or unpaid taxes and special assessments on such property.

SECTION TWO: REPEAL. Resolution No. 2001-11-2018 and amendments thereto are hereby repealed. Title to all properties currently held by the City of Arkansas City under this Resolution shall be transferred to the City of Arkansas City Land Bank Board of Trustees, which shall hold and transfer title under this Ordinance and Arkansas City Municipal Code Chapter 2 Article III Division 6, titled "Land Bank". City staff is hereby authorized to take all actions necessary to effectuate this transfer, and other actions necessary to effectuate this Ordinance.

SECTION THREE: PUBLICATION; EFFECTIVE DATE. This ordinance, or a summary thereof, shall be published one time in the official City newspaper, and shall take effect and be in force from and after said publication.

PASSED AND ORDAINED by the Governing Body of the City of Arkansas City, Kansas, on November 7, 2017.

Dan Jurkovich, Mayor

ATTEST:

Lesley Shook, City Clerk

APPROVED AS TO FORM:

Tamara L. Niles, City Attorney