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Rhonda Franks
717 E 5th St
Scranton, KS 66537
(785) 633 4961

To: The Honorable Senator Jay Emler, chairman, and all members of the Senate Utilities Committee.

Mr. Chairman I support HB 2592 because it will make uniform the laws passed the last two sessions and will stop cities from unfairly placing the financial burden on property owners to pay a tenant's or any previous customer's unpaid utility bill.

With the passage of this bill, cities will no longer be able to "home rule" out of state law as many cities currently do. For the last two years I watched the Scranton City Officials "home rule" out of state law and pass ordinances which allow them to bypass the state law which state lawmakers intended to be uniform. When Scranton attempted to "home rule" out of state law regarding this issue, citizens circulated a successful petition and defeated the charter ordinance at the polls. Yet, even though the citizens spoke loud and clear with their votes at the polls, the City of Scranton passed ordinances the following year which places as much financial burden possible on the landlord or the next property owner, rather than the person who created the debt. They additionally passed ordinances which discriminate against tenants by requiring unreasonably high deposits from a tenant, but not from a home owner.

Scranton **refuses** to provide utility services at a residence until the next customer, whether it is the landlord or a new property owner, pays the previous customer's unpaid debt. This policy not only places the financial responsibility on the **wrong** person, it also **enables** someone to fail to pay their bill. Once some (not all) individuals realize that their landlord or the person they are selling their property to will be required to pay their final bill, they aren't going to pay their final bill. **Make the person who created the debt accountable. Stop enabling them to skip out. Pursue them.** Cities need to aggressively pursue collection against the person that created the debt, instead of forcing a third party who did not contract for the service to pay the debt. No other business is allowed to do this. If a customer at a gas pump drives off without paying for the gas, the gas station does not require the next customer to pay the "drive off" customer's debt before being allowed to purchase gas himself.

Without the passage of this bill, if cities are allowed to continue to force landlords to pay someone else's debt, landlords will be forced to raise rents or defer maintenance on properties. This will result in sub-standard properties which would ultimately decrease the tax base.

Myself and others in the City of Scranton have been forced on numerous occasions to pay the debt of a former city customer. As landlords, we have had to pay previous

tenant's outstanding utility bills. When purchasing new properties, we have been forced to pay the **previous property owner's** outstanding utility debt. I was even forced to pay for a **former property owners' bounced check** when I purchased a new property. In all of these situations the city did not pursue collection action against the person who created the debt—they just passed it to the landlord or the new property owner. The city also failed to pursue prosecution of the person who wrote the bad check.

In one case, when I protested paying one of these, I was told by the city council that if I failed to pay the former **home owner's** outstanding utility bill, the city would shut utilities off to my personal home, my restaurant, my husband's commercial shop and every rental that we owned. They knew my pockets weren't deep enough to fight this and I had no choice but to pay the bill. This is all a form of extortion.

I keep hearing from city officials that these unpaid bills will bankrupt them. I surveyed about 10 cities, including Scranton, to try to get statistics from them. Osage City was the only city that provided information, they stated it is NOT a problem; they lose less than 1% of their annual budget due to uncollectible accounts. All other cities told me they did not have that information available. If it is not available, how can they determine it will bankrupt them?

I had to pay nearly \$900.00 last year to the City of Scranton for debt that was not mine. This was over 2.5% of my annual budget. This was money that I could have used to improve and maintain my properties which increases the value of my properties and ultimately increases the cities tax revenues. This same \$900.00 was less than 1/10 of one percent of the city's annual budget.

Please make this bill law. Passage of this bill will not only prevent cities from unfairly burdening one class of business owner with someone else's debt; but also prevent cities from discriminating against tenants.