

SESSION OF 2023

SUPPLEMENTAL NOTE ON HOUSE BILL NO. 2323

As Amended by Senate Committee on Local
Government

Brief*

HB 2323, as amended, would regulate the process of property transfer agreements in Johnson County between a fire district and city, on land annexed by the city.

Process Deadlines

The bill would add the following deadlines to the agreement process:

- The fire district and city would have one year from the effective date of the annexation to come to an agreement transferring such land;
 - If an agreement is not submitted to the board of county commissioners within the one-year deadline, the bill would require the land to be detached from the fire district and transferred to the city; and
- The city would have 10 days of the effective date of the annexation to notify the fire district of such annexation by certified mail;
 - If the city does not send notice by this deadline, the bill would require the annexed land to continue to be part of the fire district until an agreement transferring land is approved or one year from the date the notice is mailed.

*Supplemental notes are prepared by the Legislative Research Department and do not express legislative intent. The supplemental note and fiscal note for this bill may be accessed on the Internet at <http://www.kslegislature.org>

Property Detachment and Transfer

Continuing law states that a negotiated agreement must be reached providing for the transfer of land from the fire district to the city. The bill would specify that ownership of any property of the fire district would only be transferred in accordance with a written agreement as well; the bill would require the written agreement to be executed by the fire district.

For purposes of taxation, detachment and transfer agreements would be effective on January 1 of the immediately following year.

Background

The bill was introduced by the House Committee on Local Government at the request of Representative Essex.

House Committee on Local Government

In the House Committee hearing on February 15, 2023, **proponent** testimony was provided by a representative of the City of Olathe. The proponent stated the bill would not alter the current process of negotiations and would help ensure no future issues arise by establishing a deadline by which the property would be automatically transferred if no agreement is reached. The proponent noted the issue of timely transfer was important to protect taxpayers within the annexed area from being taxed by both the city and the fire district for services while negotiations are ongoing.

Written-only **opponent** testimony was provided by the Fire Services Administrator for Johnson County, stating that the three fire districts that cover the unincorporated area in Johnson County had concerns about the bill and would like to request additional time to study and discuss the legislation.

Senate Committee on Local Government

In the Senate Committee hearing on March 7, 2023, **proponent** testimony was provided by a representative of the City of Olathe. The proponent stated the bill would ensure efficient municipal service delivery and protect tax payers from double taxation.

A representative of the Northwest Consolidated Fire District in Johnson County provided **opponent** testimony. The opponent stated the bill would negate any negotiating power the fire district might have, and the legislation is not needed because the city and fire districts to date have been able to reach agreement.

A representative of Johnson County provided neutral testimony.

The Senate Committee amended the bill to:

- Change the original deadline to submit an agreement to the county commission from one year from the date of annexation to one year from the effective date of annexation;
- Require the city to give the fire district notice of annexation and add an additional deadline if the city does not do so;
- Distinguish between land and property transfer agreements and require a written agreement executed by the fire district for transfer of fire district property; and
- Set the succeeding January 1 as the effective date of detachment and transfer for the purposes of taxation.

Fiscal Information

According to the fiscal note provided by the Division of the Budget on the bill, as introduced, the Kansas Association of Counties indicates enactment of the bill would only impact Johnson County and that any fiscal effects would be covered within existing resources. The League of Kansas Municipalities states enactment of the bill would have no fiscal effect on cities.

Local government; fire district; Johnson County; special use districts; transfers of property; annexation; cities