

March 7, 2014

The Honorable Steve Huebert, Chairperson
House Committee on Local Government
Statehouse, Room 149-S
Topeka, Kansas 66612

Dear Representative Huebert:

SUBJECT: Fiscal Note for HB 2733 by House Committee on Local Government

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2733 is respectfully submitted to your committee.

Under current law, three years following annexation of certain parcels of land which a city ordinarily is not permitted to annex, a hearing by the board of county commissioners must be held in order to determine whether the city has complied with the relevant timetable for the provision of municipal services in the newly-annexed area. A city's failure to provide such services can result in de-annexation of the property, and any owner of land in the annexed area is entitled to petition the court to force the board to hold a hearing if the board has failed to do so.

If a hearing is held and the board determines that the city has failed to provide municipal services or comply with the resolution approving annexation, the board may exclude the land from the boundaries of the city. However, if the board finds the exclusion of the land would have an adverse effect on the health, safety and welfare of the residents of the city or the land, the exclusion could not be ordered. Under the provisions of HB 2733, the board would still be required to hold a hearing three years following annexation of the land. However, rather than determining only whether the city has complied with the requirement to provide municipal services or the resolution approving the annexation, the board would be required to address five separate issues in determining whether the city complied with the whole of the resolution approving the annexation. In addition, the bill would remove the exemption from de-annexation on the grounds of health, safety and welfare issues.

According to the Office of Judicial Administration, passage of HB 2733 would expand the grounds for de-annexing certain property, which could result in an increase in related disputes, which would, in turn, increase the time spent by district court and appellate court judicial and non-judicial personnel in processing, researching and hearing cases. However, until

The Honorable Scott Schwab, Chairperson

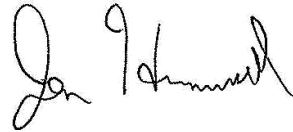
March 7, 2014

Page 2—HB 2733

the courts have had an opportunity to operate under the provisions of HB 2733, the Office cannot provide an accurate estimate of the fiscal effect on the Judicial Branch.

The League of Kansas Municipalities reports that passage of HB 2733 would cause additional expense for Kansas cities because of the requirement to address more issues during the statutory “three year” hearings. The League is unable, however, to estimate how many of these hearings have been or will be conducted in the future, nor is it able to estimate the actual increase in costs related to compliance with the new requirements. The Kansas Association of Counties indicates that passage of HB 2733 could have a fiscal effect on the counties, but is unable to estimate what that effect might be. Any fiscal effect associated with HB 2733 is not reflected in *The FY 2015 Governor’s Budget Report*.

Sincerely,

A handwritten signature in black ink, appearing to read "Jon Hummell". The signature is fluid and cursive, with the first name "Jon" being particularly prominent.

Jon Hummell,
Interim Director of the Budget

cc: Melissa Wangemann, KAC
Larry Baer, LKM
Mary Rinehart, Judiciary