To: The House Committee on Local Government

From: Natalie Bright on behalf of Daniel Yoza, Assistant City Attorney

Subject: Testimony in opposition to HB 2580

Date: February 12, 2020



Dear Chair Thompson, Vice Chair Bergquist, Ranking Member Curtis, and Committee Members,

Please consider this letter our testimony in opposition to House Bill 2580.

This bill repeals four conditions that allow a City to annex adjoining land. The policy reason for the existing law is to avoid leaving pockets of underserved areas within rapidly urbanizing areas. These pockets are also known as "enclaves." This bill will eliminate a City's ability to easily annex enclaves and will result in inconsistent growth and development and service gaps and overlaps at the fringes of Cities.

Cities are designed to serve higher density areas. Counties and special purpose districts are designed to serve lower density areas. When an area becomes higher density the City becomes the most efficient entity to provide municipal services. Allowing enclaves to persist results in municipal services being provided by a confusing patchwork combination of the county and various special purpose districts. Additionally, enclaves tend to allow tax burdens to be split unfairly between City residents and enclave residents.

The existing provisions of law are all of limited scope, in that they only affect land that is already mostly integrated into the City by platting or extensive shared boundaries. Additionally, these provisions have been in Kansas law for decades. Current Kansas annexation law benefits both Cities and residents of rapidly urbanizing areas.

In conclusion, current Annexation law works and should not be changed for the following reasons:

Efficiency: Infill development allows more efficient municipal service delivery, giving all taxpayers more and better services for their tax dollars. City service delivery tends to provide higher quality services at a similar price.

Uniformity: The City should be a single point of contact for municipal regulations and services in denser areas. When enclaves are eliminated there is less confusion about the services and mill levies of the various special purpose districts.

Fairness: Enclaves tend to receive many benefits of being located in a City without paying City property taxes. Current law creates a path to incorporate them into the City.

For the above reasons we express our opposition to House Bill 2580 and ask you to not advance the bill. Please feel free to contact me if you have questions or if you would like further information.

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<u>Case Study – 2018 Olathe Enclave Annexation</u>

The City of Olathe is rapidly growing to the West and South, and has completed several consent annexations per year for many years. The City Council policy on annexation states a preference for consent annexations. After many years of these consent annexations, there remain twelve enclaves of unannexed land that are surrounded by the City of Olathe.

In 2018, the City undertook annexation of one of these enclaves; an area of 120 acres of unincorporated land completely surrounded by the City. A development was proposed on this land that was not consistent with the existing character of the area, the City's vision of development for this area, and the City's Comprehensive Plan.

City staff had an extensive and positive dialogue with various landowners in the enclave. The City completed the annexation within about one year. After detachment from the Fire district is completed, property taxes in this area will be slightly lower than before annexation.

Annexation provided the City an opportunity to ensure that future development will subject to City ordinances and development standards. This protects nearby residents, as City ordinances and standards are more extensive than county ordinances and development standards, and more suited for land surrounded by a City. **This annexation would not be possible if House Bill 2580 passes.**