Approved		January.	3	0,	1986
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MINUTES OF THE Senate	COMMITTEE ON	Local Government	•	
The meeting was called to order	bySenator Don	Montgomery Chairperson	at	
9:00 a.m./pXX on	January 28	, 19 <u>86</u> in room <u>31</u>	3-S of the Capitol.	
All members were present except:				
Committee staff present: M	like Heim, Theresa	Kiernan, Lila McClafli	n	

Conferees appearing before the committee:

E. A. Mosher, Executive Director, League of Kansas Municipalities
Mayor Ed Eilert, Overland Park, President of the League of Kansas
Municipalities
Kent Crippin, Commissioner, Johnson County
Mayor Jim Thurman, Great Bend
Mayor Jack Reardon, Kansas City
George Marstall, Ottawa
Doug Knopp, Olathe
Howard Hill, Commissioner, Lawrence

The Chairman stated the hearings today were for the opponents of S.B. 427. He introduced Ernie Mosher, as the first conferee.

Ernie Mosher stated he asked to lead off the presentations of the opponents to S.B. 427 because of the need for a clear and common understanding of our existing annexation laws. He further stated, the League feels the existing law is fundamentally sound, it is in the public interest of the state to maintain the existing two approaches. (Attachment I)

Ed Eilert stated he represented 516 Kansas Municipalities. His organization believes there is an absolute necessity to preserve the current Kansas annexation statutes, that S.B. 427 is entirely unworkable and effectively destroys the annexation powers of cities. Included with his testimony is a written statement of Municipal Policy on annexation adopted at the League's 1985-1986 convention. In responses to a question concerning H.B. 2117, he stated he was not acquainted with that bill. (Attachment II)

A member of the Committee stated if everything is so great with the annexation procedures as they are now, why do we keep hearing from the House on this issue year after year? It is described by you as an exercise of sound judgement and responsibility if this is so, why do we have these hearings yearly? If there is all this smoke, there must be a fire someplace.

Mr. Eilert stated they still think the Board of County Commissioners is the best group to hear opposition to annexation procedures. We have tried to recognize there should be a due process but there isn't any easy answers.

Kent Crippin stated current law has worked well in Johnson County, the current statute offers guidance and criteria, rather than leaving the validity of annexation to interpretation. (Attachment III)

CONTINUATION SHEET

MINUTES OF THE	Senate C	OMMITTEE ON	Local Government	,
room 313-S Statehous	se, at <u>9:00</u>	_ a.m.\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\	January 28	, 1986

In responses to a question do you think we need to change the law? He replied, he preferred to leave it as it is.

Jim Thurman stated cities must assume leadership in economic development which was unheard of ten years ago. We need your assistance to meet this challenge, therefore, we ask that you consider the needs of the vast majority of Kansans and not allow a few people to remove one of our important economic development tools, which is annexation. It seems to be a direct conflict to pass legislation such as S.B. 427 when cities need the support of the State of Kansas now more than ever. (Attachment IV)

Jack Reardon commented on their local annexation situation in Wyandotte County, he gave the background on why the area was annexed. He stated Kansas annexation laws are not to liberal if anything they are to conservative. He further stated in his county the problem of tax fairness is an issue also. (Attachment V)

In response to a question, he stated the present law is adequate.

George Marstall, former mayor and commissioner in Ottawa, stated present law is working effectively. Cities need to have unilateral annexation authority to grow. Ottawa's economic growth has been directly related to its ability to annex. Cities must have this authority to attract new industry. (Attachment VI)

Doug Knopp, Businessman and past Mayor and Councilman, testified annexation is an emontional issue and some people feel you are taking their property when you annex them. Sub-divisions need better standards, we wouldn't have some of the problems that exist if standards were better. Johnson County is working on this now. If cities want to attract business they need to be able to annex.

Howard Hill testified it is imperative that the Legislature continue to provide cities with adequate and workable annexation authority, which will secure the long term public interest and total community needs, S.B. 427 goes against both of these basic principles. He spoke briefly of the Western Hills area that was recently annexed. He stated annexation of this area was needed to insure orderly development in a high growth area and maintain community fairness. (Attachment VII)

Mr. Hill was asked if a development plan was put together for the Western Hill Area. He responded no timetable was put together. The area probably would not want one, as it would cause a tax increase which they did not want.

The meeting adjourned until 9:00 a.m., January 29, 1986.

Chairman, Senator Don Montgomery

Date: January	2.8,	1986	
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GUEST REGISTER

SENATE

LOCAL GOVERNMENT

NAME	ORGANIZATION	ADDRESS
Dave Toplikar	Carreno Journal - abold	Caurence
Howard Hill	City Commission	Lawrence
Hannes Znetareous	Orte of Courselle	Centure
Jun Shuman	City of Good Bend	Great Boul
Howard D Partington	City of Great Roal	Great Bond
Jim Kang	Leagle of Municipality	23 Topseka
South Welpin	AAUP	Topeko
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Don Moler	League of Municipalities	Topeta
Kevis Davis	League of Ko Munic	Topeka
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Dick Compton	MIDWEST ENERGY	Hars
Louis Stroup Jr.	KANSAS MUNICIPAL Utilities.	McPherson
VANET STUBBS	HOME BUILDERS of KS.	Topeka
DON Pips S	City of Overland PARK	8 Sou South Fe
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Jack Beardon	cits of KCK	KCK
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Minnie Tingman	Shawnee Counter Comm	Tupeha
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Glenn E. Hill	City of Russell	Russell Kansas
DENNIS M. SHOCKLOY	City of KCIC	KCK
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Date	January	/ X.	1 900

GUEST REGISTER

SENATE

LOCAL GOVERNMENT

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WARREN PORTER	City of ELLINGOOD	Ellinwood, KS
Andrew Morn's	City of OHawa	Ottawa Kansas
Lyle H. Dreshon	City of Ottown	a .,
Wisty Caum	City & Others	Othma Kausas
BUFORD WATSON	City Mgr-City of Lavrence	Lawrence Kansus
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John Springen	Budget Div.	Topeka
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PUBLISHERS OF KANSAS GOVERNMENT JOURNAL/112 WEST SEVENTH ST., TOPEKA, KANSAS 66603/AREA 913-354-9565

TO:

Senate Committee on Local Government

FROM:

E.A. Mosher, Executive Director

RE:

SB 427--Annexation

DATE:

January 28, 1986

My name is E.A. Mosher, Executive Director of the League of Kansas Municipalities. I've asked for the privilege of leading off the presentations of the opponents to SB 427 because of the need, we believe, for a clear and common understanding of our existing annexation laws. League President Ed Eilert and others will present the formal League position on the annexation proposals.

My remarks are somewhat conceptual, even philosophical, and attempt to bring to your attention some institutional memory of why we are where we are today. The principal thrust of my remarks is that SB 427 is fundamentally flawed, in concept. It is not, in our judgment, the proper public policy approach to take, even by those who want to severely restrict the annexation authority of cities, notwithstanding protestations that they want to be reasonable.

As you well know, we have two basic approaches to annexation in Kansas--unilateral and county board approval. There are some sound public policy reasons why this two-prong approach has long existed in this state, and why it should continue to exist.

The unilateral approach, found in K.S.A. 12-520, authorizes the city governing body, following notice and public hearing, to <u>independently annex adjacent land meeting certain state-defined conditions</u>. On the other hand, land adjacent to the city which fails to meet these statutory conditions may be annexed <u>only with the approval of the board of county commissioners</u>, under K.S.A. 12-521. They are entirely distinct procedures.

<u>Unilateral.</u> The concept behind unilateral annexation is that land which is in fact a part of the <u>urban community</u> should be part of the <u>legal city community</u>—that which is urban should be municipal! Under K.S.A. 12-520, the legislature, <u>not the city governing body</u>,

(Attachment I)

determines, as a matter of state interest and public policy, that land meeting these <u>defined conditions</u> should be part of a city. In essence, the decision by the city governing body is <u>administrative in nature--adjacent</u> land is annexed upon a finding that it meets certain state-described conditions. This concept is demonstrated by the fact that even the requirement of an advance notice and public hearing, as well as the service plan requirement, is relatively new (1974) to our unilateral annexation laws. Indeed, unilateral annexation was never intended to be a so-called democratic procedure or representational process. Whether or not the owners of land meeting these conditions really want to be annexed is not of legal significance—nor has it ever been—despite the claims of "disenfranchisement" that have been heard by this Committee. If the land adjacent to a city met the urban characteristics specified by law, it was intended by the Legislature that the land should become part of an incorporated city, and only a finding and action declaring that fact was necessary.

County Approval. In contrast, the county board procedure in K.S.A. 12-521 is designed to permit the annexation of <u>urbanizing</u> areas <u>not</u> meeting the statutory conditions, requiring a finding of <u>advisability</u> by the board of county commissioners as well as by the city governing body. There are no state-prescribed land conditions, except that it adjoin the city. Frankly, we are astounded that SB 427 repeals this whole procedure. We think it is sound policy that large areas, not yet platted or urbanized, be subject to this kind of review.

<u>Unilateral Conditions.</u> Reasonable people can obviously differ as to what is urban, and what therefor should be municipal, under the unilateral approach. The essential public policy question before you, it seems to us, is whether the established conditions under K.S.A. 12-520, the unilateral statute, are sufficiently definitive and descriptive so that this land should be a part of a city, and can be made a part of a city, with or without the approval of a majority of the land owners.

Since it is apparent that at least some conferees to the Special Committee and this Committee never really studied the existing annexation law, a moment to review these state established conditions seems important. (Beginning on line 74 of SB 427)

- (a) Is platted land adjoining the city effectively a part of the community, and therefor properly subject to unilateral annexation, or does it exist independently and separately of the urban community, justifying outside review?
 - (b) Should adjoining land owned or held in trust for the city be subject to annexation?
- (c) Should adjoining land owned or held in trust by another governmental unit be subject to annexation?
- (d) Should land lying within or mainly within the city, with a common boundary perimeter of at least 50 percent, be subject to annexation?
- (e) Should land adjoining the city, not exceeding 20 acres, be subject to annexation in order to make the city boundary line straight or harmonious?
- (f) Should an adjoining tract, not exceeding 20 acres, with two-thirds of its boundary line adjoining the city, be subject to annexation?
- (g) Should adjoining land, all the owners of which have consented, be subject to annexation?

These are the seven conditions—and the only conditions—where the legislature has declared, as a matter of state interest, that the land is effectively part of the community city and therefor subject to annexation by city—only action to make it a part of the legal city. In all other instances, county board approval is required for the annexation to be effective.

Please note that each of these private land conditions has acreage limits, with three exceptions. The first exception is for platted land. The second condition is for 100% consented annexation. The third exception is a condition that the land is within or mainly within the city, which has some practical built-in area limitations depending on the size of the city.

<u>Under any condition</u>, no unplatted <u>tract</u> of 55 acres or more used for agricultural purposes may be annexed under this statute without owner consent, and there is <u>no way</u> unplatted agriculture <u>land</u> over 20 acres and under 55 acres may be unilaterally annexed unless it lies within or mainly within the city.

In the past, cities have been criticized for using the unilateral procedure for annexing large areas. This occurs when a city failed to keep up with developing conditions, and attempts to make up for failures to act in the past. I call to your attention to the fact, however, that pyramidal annexations under this statute—annexing non-adjoining areas at the same time as adjoining areas are annexed—is prohibited (Banzer v. Wichita, 232 Kan. 798 (1985). Each area must stand on its own legal eligibility.

We think this basic approach is fundamentally sound, and that cities should be able to unilaterally annex land that meets the state-defined conditions. SB 427 superimposes a land owner appeal procedure, completely destroying the basic concept. At the same time, and I don't think many people are aware of this, it completely zips the county board procedure—a basic procedure which, I believe, has existed since the beginning of statehood. The county procedure, again, applies to land not meeting the statutorily defined conditions, which may be annexed only with the approval of the board of county commissioners on a failure to find manifest injury to the land owners.

Let me restate the basic substantive changes proposed by SB 427:

First, it <u>removes</u> the existing concept of unilateral annexation in K.S.A. 12-520, by permitting landowners to appeal the action to another body;

Secondly, it <u>repeals</u> the existing procedure in K.S.A. 12-521, where county board review is already required.

Frankly, we simply don't understand the concept of superimposing an advisability review procedure on top of the unilateral procedure. Conceptually, if every annexation is subject to an appeal procedure except for 100 percent consented to annexations, it makes no

sense to continue the existing statutory conditions restricting the type of land that may be annexed. If every land area is subject to this protest procedure, why have <u>any</u> conditions at all except that it adjoins the city? And if 51 percent of the land owners are going to be able to trigger county or boundary commission review, why not let 51 percent of the owners of land in an adjoining area petition for annexation, without review?

To summarize, we think the existing annexation law is fundamentally sound—that it is in the public interest of the state to maintain the existing two approaches. We now have a situation where state-determined <u>urbanized</u> areas may be unilaterally annexed, and <u>urbanizing</u> areas may be annexed only with the approval of the board of county commissioners. We urgently request you maintain this two-prong approach.

We well understand why some land owners don't want to be annexed, thereby assuming the obligations of the city as well as its benefits. We understand their desire to vote on the matter, even though they really voted when they made the choice to live or buy land adjacent to the city. We suggest your final decision be based primarily on what is in the best long-term public interest of the state, which may not always be to the advantage of private interests.





PUBLISHERS OF KANSAS GOVERNMENT JOURNAL/112 WEST SEVENTH ST., TOPEKA, KANSAS 66603/AREA 913-354-9565

STATEMENT ON ANNEXATION

by

Ed Eilert, Mayor of the City of Overland Park, and President of the League of Kansas Municipalities

To the Senate Committee on Local Government January 28, 1986

My name is Ed Eilert, Mayor of the City of Overland Park and President of the League of Kansas Municipalities. I am before you today as a representative of the League's 516 member cities to make the case for the absolute necessity for preservation of the current Kansas annexation law. Accordingly, I stress the strong opposition by cities across this State to SB 427, which we think is entirely unworkable and effectively destroys the annexation powers of cities.

Let me begin my remarks by noting the official position of the League on annexation. The full text of the League's 1985-1986 convention-adopted Statement of Municipal Policy on annexation has been attached for your information. The length, and detail, of the statement illustrates the awareness of cities of the <u>political</u> controversy which use of the present annexation law has created, and also reflects the League's thorough study of the possibilities for improvement to that law. Let me quote a few provisions from this statement.

"...Cities are where three-fourths of all Kansans live. Cities provide people with a sense of place or community. Cities are where most jobs now are, and where most jobs will be in the future. Cities, through their taxpaying residents, contribute the large bulk of the taxable income and retail sales which support the state general fund. It is contrary to the public interest, to the future economic development of Kansas, and to the long-term interest of state government itself, to bring about the gradual destruction of cities as viable places to live and work by denying cities adequate power to annex and grow--to make that which is part of the urban community a part of the legal corporate municipality...."

(Attachment II) 1/28/86 5.46

"For the past 18 years, Kansas has benefited from effective and workable general annexation laws. These laws have been used responsibly, by locally elected governing bodies, to achieve the long-term public interest of the entire community. We recognize the conflicts that often result from annexation, since the private interest of the individual landowners and the long-term public interest are not always compatible. Cities do understand the financial, tax advantages of property owners being in the "community city" but outside the "legal city." Cities also understand that annexation is often not the politically popular thing to do, even though the owners may have created the situation by their intent to obtain the benefits, services and amenities of a city, but not the responsibilities. It may be more appropriate to criticize cities for past failures of annexing too little, too late, rather than too much..."

"We believe that state laws should favor the annexation of land into existing, functioning cities as the preferred avenue for providing municipal services to unincorporated areas now urbanized or which are becoming urbanized. We believe it imperative that the legislature continue to provide cities with adequate and workable annexation authority, which will secure the long-term public interest and total community needs..."

- "...(W)e are supportive of actions to assure by law greater political due process for the owners of land subject to annexation, yet maintaining workable and effective annexation authority, (such) as...
- (a) Requiring planning commission review of proposed annexations;
- (b) Providing for notice of intent to annex to other governmental units;
- (c) Mandating public hearings in areas under consideration for annexation;
- (d) Specifically authorizing service extension agreements, conditioned on possible future annexation; and

(e) Establishing a procedure for deannexation upon the failure of a city to timely provide certain city-proposed major municipal services."

The League's policy statement, which was arrived at following lengthy study and serious debate among various League committees, officers and finally the convention delegates themselves, well-states the annexation law principles which we are <u>determined</u> to hold on to. Every city in Kansas which expects to experience any future growth would be adversely affected by SB 427. It is important to recall that at some point in the past, nearly all cities have had to annex. If they had not, most of our cities would be populated with only a few hundred people—all that was needed to meet the statutory requirements for incorporation. If the average city had 300 residents at the time of incorporation, and never annexed, we would have over 6,000 cities in this state to serve the 1.9 million Kansans now living in cities. But the fact is that cities do annex, and while annexation is rarely popular, we have now reached the situation where over 78% of all Kansans live within cities.

We have two basic annexation <u>procedures</u> available to Kansas cities. One procedure is known as unilateral annexation—where property which meets certain statutory conditions, and which is limited in size, may be annexed directly by the city with or without the consent of the property owner. The other procedure, which can be used only when unilateral annexation is not possible because the land fails to meet statutory conditions is by means of annexation with the approval of boards of county commissioners.

There are also two basic <u>forms</u> of annexation. One form is where the city, in effect, buys it. This is the kind of annexation you seldom hear about, the one which land speculators, home builders, commercial and industrial developers and homeowners don't complain about. They want city-provided water or sewage treatment. The want storm sewers or sanitary sewers or streets, preferably paid for by the city-at-large. They want better police protection or better fire protection. They want land use and development controls. They want certain services offered by the city, and often agree to voluntary

annexation since there is a clear and direct economic payoff to them—the value of their property is increased.

The other basic form of annexation is the kind you have heard complaints about, where the property owner involved wants to be part of the "community city," with all its attendant benefits, but insists on being excluded from being a part of the "legal city" because of the economic costs—through payment of city taxes—that this means. These people want the advantages of both worlds, but want to pay the price of only one. They want the social and economic advantages of being near a city, but don't want to be a contributing financial partner. This is not hard to understand, as it is a matter of simple enlightened self—interest. You don't want to pay for something that you have been getting for free, and something you hope to continue getting in the future.

It is one of the harsh realities of life that private personal interests sometimes must yield to the long-term and broader public interest. Annexation is like taxes, or zoning, or building regulations, or a multitude of other governmental actions, undertaken where the paramount concern in a democratic society must be the long-term public interest. If one chooses to live in an urban or urbanizing area, and in an area that has future growth potential, it is a simple fact that that person lives there at the risk of being subject to future annexation.

While annexation may not be popular to those who want the best of both worlds, it is essential for the orderly development of a city and for the standardization of services and facilities necessary to meet the needs of the larger area. A city concerned about the future of its urban area must develop drainage systems to accommodate stormwater from outside the city, a sewage system to meet future needs, and a street system to serve an area larger than that within the city. It probably has a library and a swimming pool and a park and recreation system, and on and on, to serve a community which is bigger than the legal city itself. In addition to those time-honored and expected services, cities are hearing the

demands of their citizens to be economic development initiators as well. Citizens are demanding that their local governments emphasize economic development and work to create jobs, not just for the citizens of the city but for the entire community, in recognition of the fact that what benefits the community at-large will economically benefit the city. As such, cities are expanding and diversifying the economic base of their community, helping to provide better jobs, new jobs and generally a higher quality of life—all much needed in an economically-depressed Kansas. Annexation is part of what makes it possible for a city to do all this. Should only those who are now within the city pay all the costs for programs, services and initiatives undertaken by the city which benefit the entire community?

It is simplistic to describe annexation as a land-grab or a tax raising scheme, as some conferees have. Annexation is best described as an exercise of sound judgment and responsibility, taken by elected officials, in anticipating and planning for future community needs, in a timely fashion, which permits the securing of equity in the distribution of public costs.

The ultimate dilemma is this: How do we preserve the annexation authority of cities—an authority essential to maintain viable communities for the future, and still protect the immediate interests of those in the path of community development? In short, how do we reconcile private interests and the public interests? Perhaps there is a solution which would not effectively destroy annexation as a tool for securing the public interests of the entire community. We are willing to work with you to find a solution. But the solution is not SB 427, a bill which will be an effective barrier to the exercise of unilateral annexations under K.S.A. 12–520, and which adds insult to injury by repealing the county board approval procedure of K.S.A. 12–521.

On behalf of the membership of the League of Kansas Municipalities, and in the best interests of all Kansans, I strongly urge you to defeat this bill.

I-5. Annexation.

- state and to the general public, both city residents and non-residents. Cities are where three-fourths of all Kansans live. Cities provide people with a sense of place or community. Cities are where most jobs now are, and where most jobs will be in the future. Cities, through their taxpaying residents, contribute the large bulk of the taxable income and retail sales which support the state general fund. It is contrary to the public interest, to the future economic development of Kansas, and to the long-term interest of state government itself, to bring about the gradual destruction of cities as viable places to live and work by denying cities adequate power to annex and grow—to make that which is part of the urban community a part of the legal corporate municipality.
- (2) If Kansas is to meet the governmental and public service needs of people, property and businesses in an urbanized area, there are only two alternatives to annexation either the continued growth and proliferation of special districts, or the expansion of county government as a municipal service agency. We believe either alternative is undesirable and unacceptable. The number of special purpose districts required as a substitute to city growth would result in a quagmire of our already complex local government structure; an increase in the number of general improvement districts would simply result in the creation of a confusing jungle of pseudo-cities, under a different name. Perhaps, in the distant future, counties may legally replace cities. We believe this would simply shift certain problems to a different arena. There is also the very practical reality that, in all but Wyandotte County, the urban portion of Kansas counties is but a fraction of the whole county, and farmland should not be taxed to provide services of exclusive benefit to non-farm fringe areas any more than property within cities.
- (3) For the past 18 years, Kansas has benefited from effective and workable general annexation laws. These laws have been used responsibly, by locally elected governing bodies, to achieve the long-term public interest of the entire community. We recognize that conflicts often result from annexation, since the private interest of the individual landowners and the long-term public interest are not always compatible. Cities do understand the financial, tax advantages of property owners being in the "community city" but outside the "legal city." Cities also understand that annexation is often not the politically popular thing to do, even though the owners may have created the situation by their intent to obtain the benefits, services and amenities of a city, but not the responsibilities. It may be more appropriate to criticize cities for past failures of annexing too little, too late, rather than too much. Such criticism may be especially valid where governing bodies have failed to undertake timely annexations because of a lack of concern about the long-term future of the city, or simply out of fear of provoking the wrath of adjacent property owners.
- (4) We believe that state laws should favor the annexation of land into existing, functioning cities as the preferred avenue for providing municipal services to unincorporated areas now urbanized or which are becoming urbanized. We believe it imperative that the legislature continue to provide cities with adequate and workable annexation authority, which will secure the long-term public interest and total community needs.
- (5) We believe that the owners or residents of land adjoining a city should not be granted a statutory right to vote on or consent to annexation. It is essential that the long-term public interest of the whole community be given priority in municipal growth, in the same manner that other, over-all community needs in our society occasionally require the sacrifice of some private goals and interests in order to achieve the greatest social utility of the area and benefits to the many. It is untenable to us that the owners of land within the fringe area, whose location has benefits and value primarily in relation to the existence of the city, should be given veto power over the geographic, economic and governmental destiny of the whole community.
- (6) We generally support the findings and recommendations of the League's Technical Advisory Committee on Annexation. Specifically, we are supportive of actions to assure by law greater political due process for the owners of land subject to annexation, yet maintaining workable and effective annexation authority, as set forth in the following recommendations of the Technical Advisory Committee:
 - (a) requiring planning commission review of proposed annexations;
 - (b) providing for notice of intent to annex to other governmental units;
 - (c) mandating public hearings in areas under consideration for annexation;
- (d) specifically authorizing service extension agreements, conditioned on possible future annexation; and
- (e) establishing a procedure for deannexation upon the failure of a city to timely provide certain city-proposed major municipal services.
- (7) We also support the enactment of requirements for the special review of the creation of, or changes in the boundaries of, special districts lying within the extra-territorial jurisdiction of the city.
- (8) We also recommend an interim legislative study of the adequacy of the planning and development regulations applicable to the fringe areas of cities. We believe that cities should have more control or influence over adjacent developments which may become a part of the city in the future, or other assurance that urbanized development in the fringe area will meet urban standards.

JOHNSON COUNTY KANSAS

Office of the Board of County Commissioners

JOHNSON COUNTY COURTHOUSE OLATHE, KANSAS 66061 782-5000

Kenl E. Crippin
Commissioner, Third District

January 28, 1986

Don Montgomery, Chairman Senate Local Government Committee

Senate Bill No. 427...Testimony Opposing
by: Kent E. Crippin
Johnson County Commissioner
Third District

Mr. Chairman, and Members of the Committee. I appear before you this morning as a County Commissioner, to present testimony opposing Senate Bill 427. My opposition targets upon two specific issues. They are:

- law (12-520 and 12-521) provide 1. The current currently which are annexation procedures satisfactory. Previous experience will illustrate the current law has worked well in Johnson County, and currently is in the process of working well. Johnson County within the past year has probably experienced more annexations and attempts at annexation than anywhere in the State.
- 2. It should be recognized that K.S.A. 12-520 presents situations and circumstances that may justify annexation in a manner to resolve urban issues or problems unique to a particular area. The statute offers guidance and criteria, rather than leaving the validity of annexation to interpretation. Again, the current statute works well

In many respects, the essence of my testimony focuses upon the cliche, "If it works, don't fix it".

Thank you.

KEC/db

(Attachment III) **5. LG** 1/28/86



P. O. BOX 1168 CITY BUILDING GREAT BEND, KANSAS 67530

January 28, 1986

TO: Senate Local Government Committee

RE: SB 427

Today we are faced with a big challenge. That challenge must be met with all available resources. Cities need the support of the State of Kansas in this challenge, not limitations. The challenge is economic development and the resource is our ability to continue orderly growth.

One of the most important aspects of the continued vitality of a city and for the continued safety of the environment is that city's ability to grow. What we are saying is the issue of annexation is important if we are to strengthen our economy through industrial growth.

It would seem that previous legislatures were aware of the need for planning and growth when they developed the statutory provision allowing municipalities the right to monitor and develop comprehensive development plans within a three-mile area. The primary intent of this particular legislation was based on the general knowledge that cities will continue to grow and that this growth should be as orderly and well planned for all parties concerned.

I feel that it is safe to say that those cities who choose to annex do so with the best interests of the general citizenry at heart. Concern has arisen over the fact that some cities have launched aggressive annexation procedures not only in fringe areas, but also in unplatted agricultural areas. These cities are preparing for future growth based on the actual needs determined by comprehensive development plans, and most, if not all, of these plans are developed under the auspices and coordination of a city-county planning commission with subsequent approval by the appropriate governing body. Future needs including: housing; infrastructure; and, the applicable land acreage needs are projected as a planning function. Cities using development plans as a basis for growth should be commended for preventing governing bodies from reacting to citizen dissatisfaction resulting from poor planning and haphazard service delivery rather than acting on the actual needs of all parties concerned.

(Attachment IV)
1/28/86 5.46

The potential penalization of legislation that would restrict growth of Kansas municipalities would not only have an adverse impact on service extension capabilities, but would also greatly impact the potential for fringe area economic development. Without the ability to plan for service extensions, and to be able to market availability of the various services to commercial or industrial prospects, Kansas communities will not be able to compete with their counterparts in other states.

During the past five years, the City of Great Bend has utilized its authority to annex only on 10 occasions, with only four being unilateral. To date, the City has supplied all essential services to the annexed areas.

Recently, the Barton County-Great Bend Regional Planning Commission approved a new set of Subdivision Regulations which call for the extension of City utilities to platted areas within one-half mile of the corporate limits. The extension of utilities to areas of optimum service delivery and maximum suitabliity for development. Another factor which has been considered concerning the annexation of fringe areas is the Kansas Department of Health and Environment's regulation requiring fringe area developments to attempt to "regionalize" wastewater treatment. In other words, KDHE encourages the use of wastewater treatment plants when service is available. In the same light, the federal government has invested billions of dollars toward the construction of new municipal treatment plants and water projects in an effort to eliminate the possibility of pollution of potable and navigable water sources through inadequate treatment structures such as septic tanks and lagoons.

Reiterating a key element of annexation - planning for future growth does not involve what some would contend to be the indiscriminate or arbitrary taking of land, nor does it involve what some would term the need for a municipality to increase its tax base. The true key element to annexation lies with the orderly and planned growth of a City and its inherent increase in the quality of life brought about by improved wastewater collection methods, safer and better water systems, and a much improved delivery of emergency services. The City of Great Bend is committed to planning and see it as a very important part of our government. We should be able to make decisions which would provide for orderly growth.

Our role in economic development has changed over time. Cities must assume leadership in economic development which was unheard of ten years ago. We need your assistance to meet this challenge, therefore, we ask that you consider the needs of the vast majority of Kansans and not allow a few people to remove one of our important economic development tools.

I would like to quote a section from the Kansas Economic Development Study released this month.

While the challenge facing Kansas is not an insurmountable one, it will be difficult and it will require substantial investment. A strong commitment will be necessary in funding by the legislature, in planning by the executive branch, and in cooperation by Kansas organizations. Our survey of Kansas business, state and community leaders showed a strong majority (78 percent) favoring state and local governments "to take bold new actions to encourage economic development," as distinct from adapting a do-nothing (2 percent) or minor change (20 percent) approach.

This document will be discussed a great deal over the next months. It seems to be a direct conflict to pass legislation such as SB 427 when cities need the support of the State of Kansas.

The oil industry has been going through a down period very recently. Great Bend is dependent upon the oil industry. We are working very hard to diversify and have recently hired a new Economic Development Director. We are committed, but we need your assistance and understanding.

We do not feel SB 427 is needed, therefore, we urge you to oppose its passage.

Thank you for your time and understanding.

Jim Thurman

Mayor

Great Bend

TESTIMONY OF MAYOR JOHN E. REARDON

BEFORE THE SENATE COMMITTEE ON LOCAL GOVERNMENT

JANUARY 28, 1986

AS MAYOR OF A MAJOR CITY IN KANSAS FOR OVER TEN YEARS AND AS PAST-PRESIDENT OF THE LEAGUE OF KANSAS MUNICIPALITIES, I AM HERE TODAY TO EXPRESS MY GRAVE CONCERN ABOUT SENATE BILL 427 AND OTHER LEGISLATION WHICH I AND OTHER LOCAL ELECTED OFFICIALS FEAR WILL HARM CITIES, AND THUS PEOPLE, IN OUR STATE.

TODAY, ANNEXATION LAWS ARE GENERALLY WORKABLE. THEY ALLOW CITIES TO GROW AND TO EXTEND MUNICIPAL SERVICES INTO UNINCORPORATED AREAS WHICH ARE URBANIZED OR IN THE PROCESS OF BECOMING URBANIZED. CURRENT ANNEXATION LAWS REQUIRE PUBLICATION AND PUBLIC HEARINGS SO THAT THERE IS FULL PUBLIC DISCUSSION OF THE PROPOSED ANNEXATION BY A CITY. IN ADDITION, A STATEMENT SETTING FORTH THE PLANS OF A CITY FOR EXTENDING SERVICES TO THE AREA TO BE ANNEXED AND THE FINANCING OF THOSE SERVICES IS REQUIRED.

THE SITUATION BEFORE THE COMMITTEE TODAY IN THE FORM OF S.B. 427, IS A CLASSIC CONFRONTATION BETWEEN INDIVIDUAL RIGHTS AND THE GENERAL PUBLIC INTEREST. JUST AS IS THE CASE OF EMINENT DOMAIN ACTIONS, THE PRIVATE INTEREST OF INDIVIDUAL LANDOWNERS IS NOT ALWAYS COMPATIBLE WITH THE LONG-TERM PUBLIC INTEREST. AND THAT IS WHAT YOU AND I AS ELECTED OFFICIALS MUST DETERMINE --- WHAT IS IN THE LONG-TERM PUBLIC INTEREST?

AFFLUENT CITIZENS SEEK TO HIDE FROM HIGHER CITY TAXES OR OTHER CONDITIONS BY MOVING TO AREAS IMMEDIATELY OUTSIDE OF A CITY'S BOUNDARIES. THIS MOVEMENT LEAVES BEHIND PERSONS OF LESS INCOME AND A DECREASE IN THE CITY'S TAX BASE. FISCAL PROBLEMS FOR THE CITY THEN INCREASE AS THE FRINGE DWELLERS CONTINUE TO USE CITY SERVICES, BUT PAY NO CITY TAXES. THESE FRINGE DWELLERS REALIZE

(Attachment V) 5. 46

THE ADVANTAGES OF BEING WITHIN THE URBAN COMMUNITY, BUT OUTSIDE THE "LEGAL CITY".

IN MY COUNTY, THE PROBLEM OF TAX FAIRNESS IS AN ISSUE. WYANDOTTE COUNTY IS THE SMALLEST COUNTY IN AREA IN THE STATE. NINETY-TWO PERCENT OF THE ASSESSED VALUATION OF THE COUNTY IS INSIDE THE CITY LIMITS OF KANSAS CITY, KANSAS. YET THE CITIZENS OF MY CITY ARE BEING ASKED TO SUBSIDIZE PEOPLE IN THE UNINCORPORATED AREAS OF THE COUNTY, WHO DO NOT EVEN COME CLOSE TO PAYING FOR THE SERVICES THEY RECEIVE. WHAT IS EVEN MORE IRONIC IS THAT THE CITIZENS OF MY CITY ARE BEING ASKED TO SUBSIDIZE AN AREA WHERE THE MEDIAN HOUSEHOLD INCOME IS OVER \$11,000 MORE THAN IN MY CITY, AND WHERE THE MEDIAN HOME VALUE IS ABOUT \$40,000 GREATER PER HOME.

I ALSO UNDERSTAND AS A MAYOR THAT ANNEXATION IS NOT USUALLY A POLITICALLY POPULAR THING TO DO. THOSE PEOPLE THAT YOU ANNEX ARE NOT LIKELY TO BE FRIENDLY VOTERS. IN FACT, THE LAST TWO MAYORS OF MY CITY THAT ANNEXED TERRITORY WERE DEFEATED FOR REELECTION. I ARGUE THAT IT IS POLITICALLY RISKY TO ANNEX ANYWHERE IN THE STATE AND, THUS, THIS ACTS AS A CHECK TO UNREASONABLE ANNEXATIONS BY CITIES. YOU CAN BET IF A CITY IS UNDERTAKING LARGE SCALE ANNEXATION, THAT CITY'S ELECTED OFFICIALS HAVE DETERMINED THAT IT IS VITALLY IMPORTANT TO THAT CITY'S FUTURE.

IT IS IMPORTANT THAT THE LONG-TERM PUBLIC INTEREST OF THE ENTIRE COMMUNITY BE GIVEN PRIORITY IN THE QUESTION THE ANNEXATION AUTHORITY OF CITIES. AND THIS WILL COME AT THE EXPENSE OF SOME PRIVATE GOALS. THIS INSURES THE GREATEST BENEFIT TO THE MANY.

ANOTHER POINT THAT IS TOO OFTEN IGNORED IN THE DEBATE SURROUNDING THE ANNEXATION POWERS OF CITIES IS THE ECONOMIC DEVELOPMENT IMPACT. ECONOMIC DEVELOPMENT CAN HARDLY BE PURSUED VIGOROUSLY UNDER REGRESSIVE ANNEXATION

LAWS. THE ROLES OF CITIES IN ECONOMIC DEVELOPMENT IS THE CREATION OF JOBS. CITIES ARE WHERE MOST JOBS ARE LOCATED. CITIES NEED TO BE IN A POSITION TO OFFER THE MUNICIPAL SERVICES REQUIRED BY BUSINESS AND INDUSTRY IF THEY CHOOSE TO LOCATE IN KANSAS. I THINK KANSAS SHOULD BE PERCEIVED BY VISITORS AND PROSPECTIVE BUSINESS CLIENTS AS A STATE OF VITAL, GROWING AND FLEXIBLE CITIES; NOT A STATE OF STAGNANT AND HAMSTRUNG MUNICIPALITIES.

I URGE YOU TO KILL SENATE BILL 427 AND REPORT IT UNFAVORABLY. THANK YOU.

THE CITY OF OTTAWA

CITY HALL (913) 242-2190

OTTAWA, KANSAS 66067

January 28, 1986

Senator Don Montgomery, Chairman Kansas Senate Committee on Local Government Topeka, Kansas

Re: Public Hearing; SB427 - Elimination of Unilateral Annexation Authority

Dear Mr. Chairman:

My name is George Marstall, Vice-President and Manager of Anchor Savings Association, Ottawa, Kansas, since August, 1963. Community involvements include: Mayor and City Commissioner from June 1978 to May, 1983, and 20 years on Ottawa's Industrial and Economic Development effort.

I strongly support the present law, K.S.A. 12-520, and feel it has been working effectively throughout most areas of Kansas. The following are a few comments on the present Law and its effective use in the City of Ottawa. Enclosed with my written testimony is a zoning map prepared by the City staff showing unilateral and bilateral annexations by Ottawa since 1975.

The attached map provides specific information on the City's unilateral and bilateral annexations totalling approximately 340 acres annexed since 1975, of which, 70% have been unilateral and the remaining 30% have been bilateral. Fifty-six percent (56%) of the total annexed acreage was for municipal or industrial purposes, including a private country club golf course. The remaining forty-four percent (44%) of the property includes residential and elderly housing projects. It is obvious that

(Attachment VI)

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aggressive annexation <u>has not</u> occurred in Ottawa but instead the City has annexed areas of imminent development and for economic and community development purposes.

The City of Ottawa has taken a conservative approach both unilateral and bilateral annexation using annexation provisions, the outcome of which has been successful. truthfully state that the City of Ottawa has never acted capriciously or unnecessarily when considering annexation actions. Because of the present unilateral provisions, the City has used its authority to conservatively and tactfully exercise unilateral provisions as urbanization begins to occur, thus completing the annexation and meeting service schedules in a reasonable time frame which is beneficial to both the property owners and the City and not after-the-fact when fewer opportunities exist for extensions of services.

In the City of Ottawa, the Planning Commission has developed Neighborhood Development Plans for certain growth areas of the City which are used as planning guidelines for present and future improvements and growth within these geographic areas. Two Neighborhood Development Plans are shown on the previously mentioned zoning map--the Southwest Neighborhood Plan and the North Ottawa Neighborhood Plan. Considerably less than one-half of the total study area of the two neighborhoods involves property The Neighborhood Plans are inside the city limits of Ottawa. extensions of the Comprehensive Plan in that they concentrate on specific development areas with plans for municipal services; land municipal and agricultural; as well as future territorial expansion. These are not plans for annexation but are has used present law to its advantage and at the same time in the best interest of the public.

The City of Ottawa boundaries are controlled by a flood plain; a major highway (I-35); and rock formations that limit utility improvements -- all of which determine the City's growth direction; however, with the present unilateral provisions, the City has used its authority to expand in these two general areas and not be adversely affected by these topographical limitations. only are the City's growth areas the boundaries of our neighborhood development plans, but also they are the locations of the City's industrial park; major highway service and general commercial areas now developing; and further, the only prime residential growth area. These same areas also represent the areas for all but three (3) of the City's annexations since 1975. By appropriately using our annexation authority, Ottawa expanded its industrial park and provided areas for housing and commercial development which demonstrates that it is absolutely necessary for our continued expansion of the industrial park and appropriate utility extensions for commercial development along I-35 and US-59 south as well as in the industrial area.

At the present time, our industrial area is nearly occupied to capacity. As Chairman of the Industrial Property Search Committee, I can say that we are actively searching and considering several potential new industrial sites which are not within the corporate limits of Ottawa, but in order to attract prospective business and industry, the utility extensions must be

made. Utility extensions will not occur without the property being annexed into the City as per City policy on utility extensions.

Similarly, the South Ottawa, I-35 area, is continuing to detailed planning for major develop, thus requiring of improvements which will require annexation Annexation of these areas is also vital to ensure enforcement zoning and subdivision regulations, as well as building codes which are not enforced by the county, while protecting the vital commercial areas located adjacent to the I-35 intersection from hodge-podge development. Both the City and our county are realizing major financial dividends from local sales tax being generated by business activity in this southern area from fuel purchasers, shoppers, and restaurant patrons from highway traffic, the rural community and the surrounding counties.

At the January 22, 1986 meeting of the Ottawa City Commission, the City Commission adopted Resolution 413-86 reaffirming the City's support for the present annexation law and the position taken by all Kansas cities as outlined in the 1985-86 League of Kansas Municipalities Policy Statement on Annexation. A copy of the resolution is attached for your information.

In closing, the City of Ottawa has experienced controlled growth via the authority of the present annexation law and urge that SB427 be killed. The following is a summary of my previous remarks:

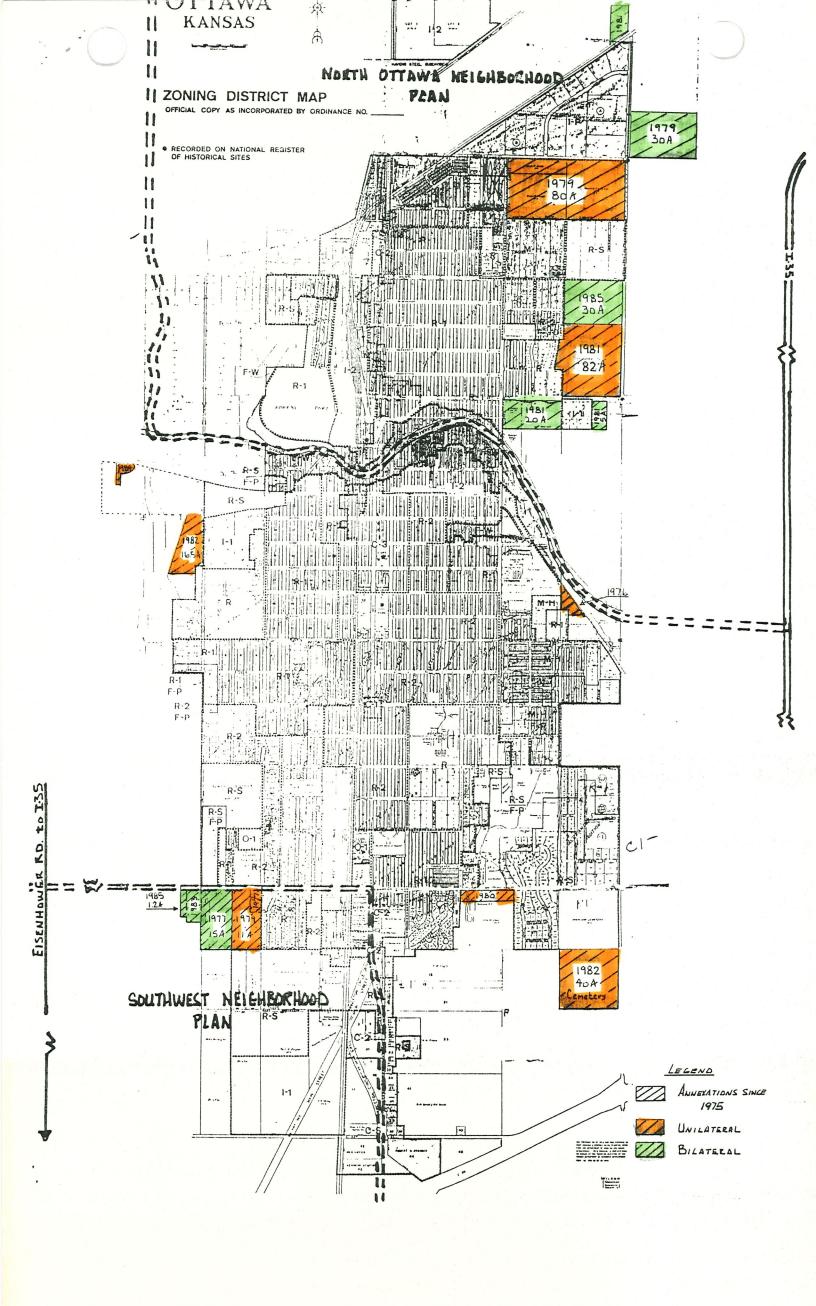
1. The present annexation law works. I do not feel that most cities are aggressively annexing property for the single purpose of expanding boundaries and the tax base.

- 2. Most cities are taking a comprehensive planning approach to annexation. Again, this can be observed through to city of Ottawa's approach where the City actually spends City funds to plan for areas that are now predominently in the county without annexation as the motive.
- 3. I concur that annexations should not occur without intent to extend municipal services as well as following through with that intent.
- 4. It should be recognized that certain city boundary restrictions make it necessary for those cities to have unilateral annexation authority in order to grow. This authority must remain with the City.
- 5. Ottawa's economic growth has been directly related to its ability to annex, both unilaterally and bilaterally, which must continue in order to attract new industry and commercial business to our community.

Thank you for allowing me to present my views and I am willing to answer any questions that you might have.

George Marstall Past City Commissioner and Businessman City of Ottawa, Kansas

Attachments



RESOLUTION NO. 413-86

A RESOLUTION REAFFIRMING THE CITY OF OTTAWA, KANSAS' SUPPORT FOR LEAGUE OF KANSAS MUNICIPALITIES' 1986-86 POLICY STATEMENT ON ANNEXATION.

WHEREAS, the Kansas Legislature is conducting Legislative hearings on a variety of proposed changes to the existing Kansas Statute governing annexation that are contrary to existing State Law and to League policy; and

WHEREAS, the Governing Body of the City of Ottawa, Kansas, has effectively used and benefited by the annexation laws of the State of Kansas; and

WHEREAS, the current law has been used by the Governing Bodies of the City of Ottawa in the long-term public interest of the Community keeping future growth and community viability in mind; and

WHEREAS, the City recognizes the importance of a workable annexation authority that allows for proper community planning, public notification to those affected by proposed annexation, and public hearings concerning annexation plans as required by present State Statute.

NOW, THEREFORE, BE IT RESOLVED, that the City of Ottawa affirms its support, not only for the past actions of our Kansas Legislature who were responsible for our present annexation authority, but also the current policy statement by the League of Kansas Municipalities which affirms the general workability and support for present law.

ADOPTED this 22nd day of January 1986, by the Governing Body of the City of Ottawa, Kansas.

W. D. Bemmels, Mayor

ATTEST:

Orlin W. Smith, City Clerk



City of Laurence KANSAS

BUFORD M. WATSON, JR., CITY MANAGER

66044

CITY OFFICES BOX 708 6 EAST 6th 913-841-7722

CITY COMMISSION

MAYOR

MIKE AMYX

COMMISSIONERS

ERNEST E. ANGINO

HOWARD HILL

DAVID P.J. LONGHURST

SANDRA K. PRAEGER

Statement by Howard Hill City Commissioner Lawrence, Kansas

Presented to Senate Committee on Local Government January 28, 1986 In Opposition to Senate Bill 427

Mr. Chairman, Members of the Committee, I am Howard Hill, City Commissioner from Lawrence, Kansas, representing the Lawrence City Commission in our opposition to SB427.

We believe that state laws should favor the annexation of land into existing, functioning cities as the preferred avenue for providing municipal services to unincorporated areas now urbanized or which are becoming urbanized. Further, we believe it imperative that the legislature continue to provide cities with adequate and workable annexation authority, which will secure the long-term public interest and total community needs. SB427 goes against both of these basic principles.

SB427 removes a city's ability to annex any amount of agricultural land in excess of 20 acres without the consent of the landowner unless surrounded 100% by the city. Additionally, the bill effectively destroys all unilaterally annexations by (1) making all such annexations subject to landowners protests, and (2) requiring the boundary commission to review some 16 factors in determining annexation issues; factors that are vague, not specific, speculative and will result in decisions which could be interpreted as being arbitrary.

(Attachment VII) // 28/86 5.46

We assume that such radical changes in current law stem from the premise that such laws have been abused. We believe this view is unfounded. Over the last ten years, Lawrence has increased its size by 18.3% or a total of 2,153.86 acres. Only 119.7 acres of platted land (5.5%) of this total has been annexed over landowner objections, located in the Western Hills area. This points to the reasonable use of annexation laws by Lawrence officials. We feel the vast majority of annexations in Kansas are done in a similar reasonable fashion, and therefore, see no reason to change existing laws governing such actions.

We have heard that some dissatisfaction regarding the annexation of Western Hills was relayed to this committee. Time does not permit me to go into all the details of this needed annexation, however, a "thumb nail" description is warranted. Attached is a copy of the Western Hills area in relation to the rest of the city. Fully 80% of this <u>platted</u> land was surrounded by the city prior to annexation. It contains 2" and 3" water lines, asphalt mat streets without curbs and gutters and septic tanks. Directly adjacent to the platted area is a new park and a newly constructed four lane boulevard. Residents in Western Hills are equidistant with adjacent residents from the public library, swimming pool, and area parks. These amenities, along with the use of City streets to and from employment, are all services for which these residents did not pay until annexation. The most important aspect of this platted land is that it is directly in the primary growth area of the community, just a short distance from the new university corporate research park. Annexation of this area was needed to insure orderly development in a high growth area and maintain community fairness.

By far the biggest objection to annexation by Western Hills property owners is that special assessments will place a devastating financial burden upon them and that the situation "might be manipulated to cause us to pay for sewers we don't use, water systems we don't need, and road improvements that are necessary only to a neighboring developer's plans."

The City steadfastly maintains that these improvements will <u>not</u> occur <u>unless requested</u> by the property owners or required by the Kansas Department of Health and Environment. This position is

substantiated by the fact that several previously annexed areas in the city currently have septic tanks and substandard streets and water lines. The City has <u>not</u> created special benefit districts for these areas and does not intend to do so in the future unless requested or required. We feel the concerns of Western Hills residents regarding future special assessments are exaggerated and without foundation.

We feel SB427 will enable owners or residents of land considered for annexation, to obstruct the planning, plan implementation and economic development processes of cities. Such resistance creates unincorporated islands of urbanized land, which will take advantage of many services of the host city at the expense of the city taxpayer.

These islands become obstacles to the efficient provision of municipal services, and therefore, increase the costs of local government. Similar provisions in other areas have contributed to leapfrog development practices and urban sprawl. We need only to look at St. Louis and the effects restrictive annexation imposes. Around the turn of the century, St. Louis was prevented from developing beyond the existing established boundaries. Today, St. Louis County has <u>96</u> separate cities within the metropolitan area.

During a time when economic development is one of the single most important issues in Kansas, the legislature should be taking measures to reinforce and foster communication and cooperation between units of local government. This bill is the antithesis of this objective. It will create additional adverse relationships between counties, townships and cities. This relationship will project an image of conflict and provincialism in local government that will discourage economic development efforts.

A major factor in economic growth is the efficient provision of urban utilities and services. Leapfrog development and poorly serviced unincorporated islands impair this efficiency and drive up the costs of industrial and residential expansion.

Kansas should be looking forward to sound planned economic growth. SB427 allows for random unstructured development, furthermore, existing law can be used to solve contemporary concerns. It is imperative that annexation decisions be based upon the long term public interests of the whole of the community, and that these decisions not be held hostage by the residents of a small area.

We strongly urge you to reject SB427.

