

SESSION OF 2010

**SUPPLEMENTAL NOTE ON  
HOUSE SUBSTITUTE FOR SENATE BILL NO. 561**

As Amended by House Committee on  
Local Government

**Brief\***

House Sub. for SB 561 contains new laws dealing with annexation.

The first section of the bill addresses a situation where land located within a fire district is annexed by a city and the land remains part of the fire district beyond the tax year in which the land is annexed. In this situation, the bill would deem the landowner entitled to a refund of all property taxes paid for fire service, including a tax levy for bond and interest payments, from whichever entity levies taxes for fire service but does not provide the service. The bill further would require cities and fire districts to establish procedures for landowners to obtain refunds under the circumstances described in the bill.

The second section of the bill would affect the statute dealing with unilateral annexation. It would prohibit a city from annexing land pursuant to certain circumstances listed in KSA 12-520 (see below for the specific circumstances) if the board of county commissioners adopts a resolution stating the proposed annexation would have an adverse effect on the county. The resolution would have to be adopted within 30 days following the conclusion of the hearing on the proposed annexation; otherwise, the annexation would be deemed to have been approved by the board of county commissioners. The circumstances for which the resolution would be required by the bill are as follows:

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\*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>

- The land to be annexed is platted, and some part of the land adjoins the city;
- The land lies within or mainly within the city and has a common perimeter with the city boundary line of more than 50 percent;
- The land is 21 acres or less and, if annexed, would make the city boundary line straight or harmonious and some part thereof adjoins the city; and
- The tract is 21 acres or less and is so situated that two-thirds of any boundary line adjoins the city.

### **Background**

As advanced by the Senate, SB 561 dealt with rehabilitation of abandoned houses and county land banks. Those provisions were amended into HB 2472 during Conference Committee, and that bill was approved by the Governor on April 15, 2010.

The House Committee on Local Government deleted the contents of SB 561 as advanced by the Senate and replaced them with the contents of HB 2675 with a technical amendment, relating to double taxation of fire district land which is annexed by a city, thereby creating a House Substitute bill. The House Committee amended the substitute bill by adding the contents of House Substitute for SB 118, dealing with a board of county commissioners' determination concerning adverse effect related to a unilateral annexation.

Regarding HB 2675 – Representative Lance Kinzer and a private citizen provided testimony in support of the bill, stating the bill's core issue was one of fairness regarding taxation twice for one service. The League of Kansas Municipalities testified in opposition, stating the bill would be problematic to administer and that options exist for dealing with the issue.

According to the fiscal note for HB 2675, according to the League of Kansas Municipalities passage of the bill would have no fiscal effect.

Regarding House Sub. for SB 118 – As advanced by the Senate, SB 118 dealt with the electronic filing of campaign finance reports for statewide candidates. The House Committee on Local Government deleted the contents of the bill and substituted the contents of HB 2478, with changes. The changes were clarifying in nature.

Representative Ann Mah, the bill's author, testified in favor of HB 2478. Senator Anthony Hensley, Representative Mike Burgess, several private citizens, and a representative of the Kansas Farm Bureau also provided supporting testimony. Opponents included representatives of the League of Kansas Municipalities; the cities of Topeka, Overland Park, Wichita, and Mulvane; and Sedgwick County.

Information from the fiscal note for the original bill is as follows: According to the League of Kansas Municipalities, the bill's passage would have a fiscal effect on cities, due to the expenses involved for staff time to prepare for and appear at board of county commissioner hearings. To the extent the hearings and resultant county commissioner resolutions would result in the lack of cities' growth, there would be a resultant effect on cities' ability to accommodate economic development and growth of their tax base, the League indicated. The Kansas Association of Counties reported there would be no direct fiscal effect; however, the long-range effect involving the burden placed on rural water districts, which, in turn, would affect counties, is difficult to predict.