

Department of Planning and Budget 2008 Fiscal Impact Statement

1. Bill Number: HB509

House of Origin Introduced ___ Substitute ___ Engrossed

Second House ___ In Committee ___ Substitute ___ Enrolled

2. Patron: Hamilton

3. Committee: Counties, Cities and Towns

4. Title: **Annexation, granting of city charters, and county immunity.**

5. Summary: Repeals the temporary restrictions on city annexation of counties, the creation of new cities, and the granting of county immunity from annexation.

6. Fiscal Impact Estimates: Indeterminate. See item 8, below.

7. Budget Amendment Necessary: No.

8. Fiscal Implications: Under the current Code section, the annexation moratorium expires July 1, 2010. Elimination of the annexation immunity provision could stimulate an increase in activity for the Commission on Local Government. In addition to requiring additional staff time, annexation actions would result in an increase in the amount of funding needed for the five Commission on Local Government member's per diems and travel expenses. The Commission is required to hold public hearings on these matters in the affected localities. Such actions would also require that special meetings of the Commission take place in addition to their regular meetings, which affect costs. Also, the Commission usually hires the court reporter used to create the record for these meetings.

It is not possible to estimate the magnitude of the possible increase.

The last traditional annexations took place in 1989. Based on the files of the Commission from the era when at least some annexations were regularly being process, the following chart breaks down the number of actions that came to the Commission on Local Government for review.

Year	Annexation Cases
1989	2
1988	1
1987	1
1986	0
1985	0
1984	2
1983	1
1982	1
1981	1
1980	2

9. Specific Agency or Political Subdivisions Affected: Commission on Local Government, Department of Housing and Community Development.

10. Technical Amendment Necessary: No.

11. Other Comments: HB 892 extends from 2010 to 2020 the temporary restriction on city annexation authority, the granting of city charters, and county immunity proceedings. This bill is also in the House Committee on Counties, Cities and Towns.

Date: 1/18/2008 dpbtmw

Document: G:\2008 Session\Fiscal Impact Statements\HB509.Doc

cc: Secretary of Commerce and Trade