

## Department of Planning and Budget 2008 Fiscal Impact Statement

**1. Bill Number:** SB656

House of Origin      X   Introduced               Substitute               Engrossed  
Second House              In Committee           Substitute              Enrolled

**2. Patron:** Newman

**3. Committee:** Local Government

**4. Title:** Annexation.

**5. Summary:** Extends the current annexation moratorium to 2018.

**6. No Fiscal Impact.** See item 10, below.

**7. Budget Amendment Necessary:** No.

**8. Fiscal Implications:** Extending the moratorium on annexation would not have a state fiscal impact.

**9. Specific Agency or Political Subdivisions Affected:** Localities.

**10. Technical Amendment Necessary:** If the intent is to extend the annexation moratorium to 2018 irrespective of the amount of state funding provided to localities through the HB599 program, a technical amendment is necessary. Line 13, after “2000-2002,” strike “and”. Line 14, after “2002-2004” insert “2006-2008, and 2008-2010”. Line 33, after “2000-2002,” strike “and”. Line 34, after “2002-2004” insert “2006-2008, and 2008-2010”. If the intent is to extend the annexation moratorium to 2018 only if the HB599 program is fully funded, a technical amendment is not necessary.

**11. Other Comments:** SB29 reduced the funding for the HB599 program by five percent, as provided for in the Governor’s 2008 Budget Reduction Plan. SB30 caps the distribution to localities at the FY 2008 level. Unless the technical amendment is adopted or additional funding is provided for the HB599 program the moratorium on annexation will end prior to 2018, the date proposed in this bill.

HB509 eliminates the annexation moratorium and is currently in the House Committee on Counties, Cities and Towns. SB742 extends the annexation moratorium to 2014 and is currently in the Senate Committee on Local Government.

**Date:** 1/23/2008 dpbtmw

**Document:** G:\2008 Session\Fiscal Impact Statements\SB656.Doc

cc: Secretary of Public Safety