

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

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**FISCAL IMPACT STATEMENT**

**LS 6753**

**BILL NUMBER: SB 284**

**NOTE PREPARED:** Feb 11, 2013

**BILL AMENDED:**

**SUBJECT:** Annexation by Town Outside City Boundaries.

**FIRST AUTHOR:** Sen. Buck

**FIRST SPONSOR:**

**BILL STATUS:** 2<sup>nd</sup> Reading - 1<sup>st</sup> House

**FUNDS AFFECTED:**     **GENERAL**  
                              **DEDICATED**  
                              **FEDERAL**

**IMPACT:** Local

**Summary of Legislation:** The bill removes a requirement that a town obtain the consent of a second or third class city before annexing within three miles of the city.

It prohibits a town from annexing within one mile of the corporate boundaries of a second or third class city unless: (1) the town is located in a different county than the city; or (2) the annexation is obtained by consent of the landowners.

It allows a town to annex within an area that extends: (1) more than one mile outside the boundaries of a second or third class city; and (2) less than three miles; if any annexation by the town does not extend more than one mile outside the corporate boundaries of the town.

**Effective Date:** July 1, 2013.

**Explanation of State Expenditures:**

**Explanation of State Revenues:**

**Explanation of Local Expenditures:** By removing the requirement that a town obtain the consent of a Second or Third Class city before annexing within three miles of the city, the time requirements and legal costs of annexation could be reduced. Additionally, the bill could reduce annexation costs in certain circumstance that a town is annexing areas near the boundaries of a Second or Third Class city by specifying the circumstances in which the annexation may occur.

**Explanation of Local Revenues:**

**State Agencies Affected:**

**Local Agencies Affected:** Towns annexing near Second and Third Class cities.

**Information Sources:**

**Fiscal Analyst:** Karen Firestone, 317-234-2106.