

# **ANNEXATION IN KENTUCKY**

Growing cities are a growing concern for counties, and that's a problem for all Kentuckians.



# **OCCUPATIONAL LICENSE FEE**

- Current state law does not treat all counties equally
- Arbitrary threshold of 30,000 population
- Exceptions in place for nine counties



Does not levy tax, credit would apply
 Tax levied, credit required
 Tax levied, credit required (agreement in place prior to reaching 30K)

Tax levied, mixed crediting requirements
Tax levied, no credit required (enacted by referendum)
Tax levied, no credit required (enacted prior to July 15, 1986)
Tax levied, no credit required (enacted prior to reaching 30K)

# **COUNTY INEQUITIES**



counties have a population over **30,000** (excluding Fayette and Jefferson)



of those counties are **adversely affected by annexation** with regards to occupational license fee revenue

9

#### counties are **treated differently**:

Boone, Boyle, Campbell, Clark, Jessamine, Kenton, Marshall, Nelson and Scott

### **INTERLOCAL AGREEMENTS**



#### **SHELBY COUNTY - SHELBYVILLE**

entucky Association of Count



## THE SHAPE OF A CITY



# **ANNEXATION IN OTHER STATES**

- Five of Kentucky's neighboring states require a plan of services in certain cases prior to annexing property
- Indiana, Ohio, and Tennessee require a plan of services for all annexations



# **PLAN OF SERVICE**

A statement setting forth the plans of the city for extending to the area to be annexed each major city service owned by the city or subsidized through city tax revenues and performed within the city at the time of annexation. Such statement shall:

- (a) Provide for extending police and fire protection, garbage collection, and street maintenance services to the area to be annexed on the date of annexation, on substantially the same basis and in the same manner as such services are provided within the boundaries of the city prior to annexation;
- (b) Provide for extension, into the area to be annexed, of streets and of major trunk water mains, sewer outfall lines, and lines for such utility services as the city provides to existing city residents and legally may provide in the annexed area, so that when such streets and utility lines are constructed, property owners in the area to be annexed will be able to secure the services, according to the policies in effect in the city for extending the services to individual lots or subdivisions; and shall name the government proposed to be responsible under the plans for any streets or form a boundary of the area to be annexed;
- (c) Set forth a proposed timetable for the extension of, and if necessary, the construction for each major city service;
- (d) Set forth a projected estimation of tax rates pursuant to KRS 81A.070 to be levied by the city upon the area to be annexed and affected residents of that area for each year until such time that all major city services have been provided; and
- (e) Set forth the method under which the city plans to finance extension of services into the area to be annexed.

## **A PATH FORWARD**

- Level the playing field for counties
- Strengthen interlocal agreements
- Make annexation make sense