Local Government Mandate Statement Kentucky Legislative Research Commission 2021 Regular Session

Part I: Measure Information

Bill Request #: 1669
Bill #: SB 145
Document ID #: 3557
Bill Subject/Title: AN ACT relating to annexation.
Sponsor: Senator Michael J. Nemes
Unit of Government: X City X County X Urban-County Unified Local
X Charter County X Consolidated Local X Government
Office(s) Impacted: Home Rule Cities, Counties
Requirement: X Mandatory Optional
Effect on Powers & Duties: X Modifies Existing Adds New Eliminates Existing

Part II: Bill Provisions and the Estimated Fiscal Impact Relating to Local Government

Section 1 amends KRS 81A.420 to reduce the necessary percentage of voters opposing annexation from 55 percent to 50 percent to void the annexation.

Section 2 amends KRS 81A.425 requiring that notice of the proposed annexation of unincorporated territory to the county judge/executive and the secretary of the Transportation Cabinet in the event that any of the property to be annexed is a statemaintained road or highway. It also allows affected property owners that were not subject to the annexation ordinance, but who are adjacent to the territory being annexed, to bring action in Circuit Court.

Section 3 amends KRS 81A.427 to add "public roads" to the definition of utility infrastructure used in this legislation and requires that notice be sent to the county judge/executive of the territory to be annexed that owns any utility infrastructure within the area to be annexed.

Section 4 amends 81A.510 to conform.

The overall fiscal impact of this legislation is expected to be minimal and mostly administrative in nature (i.e. staffing, printing and certified postage costs).

The Kentucky League of Cities (KLC) states that since 2010, cities average 130 annexations a year.

This legislation also adds that "adjacent" property owners could have judicial standing to challenge the annexation, thereby increasing the likelihood of cities defending court cases. In defending a court case, cities attorneys are likely to spend many hours researching and defending these cases and legal costs would be quite costly to local governments. According to KLC, most cities, especially the smaller ones, retain their city attorney on contract and pay on an hourly basis. In FY 2020, the average hourly rate was \$107.

Part III: Differences to Local Government Mandate Statement from Prior Versions

Part II, above, pertains to the bill as drafted.

Data Source(s):Kentucky League of Cities, Kentucky Association of Counties, LRC StaffPreparer:Mark OffermanReviewer:KHCDate:2/4/21