

SESSION OF 2013

SUPPLEMENTAL NOTE ON HOUSE BILL NO. 2249

As Amended by House Committee of the Whole

Brief*

HB 2249 would amend two aspects of existing law related to fire districts.

Refund of Property Tax

The bill would permit a landowner to receive a property tax refund for fire services for any year when the property was not detached from a fire district after the property had been annexed by a city.

The refund would be paid by either the city or the fire district, whichever entity levied tax for fire service but did not provide the service.

The bill would specify that property taxes paid for general obligation bonds issued by a fire district prior to annexation would not be eligible for refund.

Detachment from a Fire District

The bill also would create a process under which residents of a fire district that has territory in more than one county could detach from that fire district. Under this new process:

- A petition signed by not less than 51 percent of the electors of the geographic area desiring to be

*Supplemental notes are prepared by the Legislative Research Department and do not express legislative intent. The supplemental note and fiscal note for this bill may be accessed on the Internet at <http://www.kslegislature.org>

detached would be required to be submitted to the governing body of the fire district, along with written documentation that another fire district would accept the territory if detachment is granted.

- Within 30 days of receiving the petition and after determining the petition was sufficient, the fire district could order the territory to be detached, effective on the first January 1 that is six or more months after the date of the order.

However, if the fire district did not approve detachment within 30 days of receiving the petition and determining its sufficiency, the county commissioners in each county in which any of the territory desiring to be detached is located, would be required to submit the issue to a vote of the electors of that territory, as follows:

- The election must be held within 60 days, or within 90 days if a regular election is already scheduled;
- If a majority of electors of the territory desiring to be detached vote in favor, the county commissioners must order detachment of the territory within its county;
- The detached territory is liable for its share of all outstanding indebtedness of the fire district, including lease-purchase agreements, as of the date the resolution of detachment was passed; and
- The fire district must determine the outstanding indebtedness within 90 days of detachment, and subsequent budgets of the fire district will be required to separately itemize payments of the indebtedness, which must be separately levied between the detached territory and the territory remaining in the fire district according to their respective assessed valuations.

Background

A representative of Johnson County Fire District No. 2 testified in support of the bill in the House Committee on Local Government. He explained the bill would eliminate “double taxation” on property annexed by a city, while providing necessary assurance to bond holders that a fire district would be able to repay its bonds.

There was no neutral testimony or testimony in opposition to the bill.

The House Committee of the Whole amended the bill to insert the modified contents of 2013 HB 2062 which dealt with detachment procedures for fire districts with territory in more than one county. The modifications contained in the amendment included requiring the petition to be signed by at least 51 percent of electors and specifying that indebtedness included lease-purchase agreements.

The fiscal note submitted by the Division of the Budget for the introduced version of HB 2249 indicates the League of Kansas Municipalities believes the bill could increase costs for Kansas cities. However, because the League does not know how many annexations would or will be affected by the bill and how often annexed property does not get detached from a fire district, it is unable to estimate the costs associated with the bill.

According to the fiscal note for the introduced version of HB 2062, the Kansas Association of Counties states detachment would decrease tax revenue for the fire district affected, but there would be an overall decrease in service costs.