



Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

FISCAL NOTE

Drafting Number: LLS 20-0930
Prime Sponsors: Sen. Gardner

Date: February 6, 2020
Bill Status: Senate Local Government
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Bill Topic: COUNTY IMPACTS FROM MUNICIPAL ANNEXATION

- Summary of Fiscal Impact: State Revenue, State Expenditure, State Transfer, TABOR Refund, Local Government, Statutory Public Entity

The bill modifies the requirements for municipal annexation. The bill may change local government workload on an ongoing basis.

Appropriation Summary: No appropriation is required.

Fiscal Note Status: The fiscal note reflects the introduced bill.

Summary of Legislation

State law sets the conditions and requirements for the annexation of county land by a municipality. This bill makes several changes to those requirements. Notably, this bill:

- changes requirements for the contiguity of annexed land, including increasing the required amount of perimeter between unincorporated land and a municipality, and clarifying land features that are not included in determining contiguity;
prohibits a municipality from annexing an area of land unless the land is clearly depicted within an annexation plan adopted no less than two years prior to the proposed annexation;
modifies the way municipalities satisfy the community of interest requirement by changing the way agricultural land in a proposed annexation may be determined;
when annexation includes only a portion of county owned platted streets or alleys, requires that the annexation plan for the length and extent of the roadway to be annexed, and any monetary reimbursement for county owned land, be approved in an intergovernmental agreement (IGA) between the parties;
changes the timing between a resolution initiating an annexation and the related public hearings conducted by the annexing municipality;
modifies the requirements of preparing the Annexation Impact Report (AIR), including changing deadlines and requiring additional information;
allows a board of county commissioners to bring suit against a municipality that fails to enter into required IGAs or to compel enforcement of an agreement; and
sets the process and legal effects of disconnection when a county disconnects land owned by the county from within an incorporated municipality.

## **Local Government**

The bill increases the administrative municipal workload required to annex property, including oversight and legal review. The bill's requirements for a comprehensive municipal annexation plan, including requirements for IGAs between local governments, increases administrative workload and expenditures.

Counties must adopt resolutions concerning the comprehensive annexation plan, and confirming the contiguity of proposed land for annexation. Counties must also identify affected infrastructure in annexation proposals. These efforts increase county administrative workload for planning, public works, and legal departments to review, draft, and negotiate IGAs for consideration by the board of county commissioners.

## **Effective Date**

The bill takes effect August 5, 2020, if the General Assembly adjourns on May 6, 2020, as scheduled, and no referendum petition is filed, and applies to annexation petitions on or after that date.

## **State and Local Government Contacts**

Counties            Local Affairs            Municipalities