



Elizabeth K. Mase

Bill Analysis
Legislative Service Commission

H.B. 449

123rd General Assembly
(As Introduced)

Reps. Young, Callender, Taylor, Williams, Van Vyven

BILL SUMMARY

- Allows a board of county commissioners to hold a hearing on the annexation of municipally owned territory to determine whether any property in the territory to be annexed was purchased by the municipal corporation for less than 60% of its fair market value and with plans to transfer it back to a recent owner within three years after its annexation, or was donated to the municipal corporation in anticipation of financial profit from its annexation.
- Permits a board of county commissioners to deny the annexation petition if it makes either of those determinations or otherwise determines, in its discretion, after a hearing that the municipal corporation purchased property in the territory to be annexed only to transfer it back "within a short period of time" after its annexation to its prior owner.

CONTENT AND OPERATION

Under current law, special procedures are provided for annexing *government-owned* lands. If the territory to be annexed is contiguous territory owned by the municipal corporation filing the annexation petition and if it is located entirely within the same county as the municipal corporation, the board of county commissioners must, upon receiving the petition, pass a resolution approving the annexation and making appropriate fiscal adjustments. (Sec. 709.16(B).)

The bill changes this "quick" procedure for annexation of municipally owned territory by permitting the board to hold a *hearing* to determine whether any property within the territory to be annexed was purchased by the municipal corporation only to be transferred back to the owner from whom the municipal corporation purchased the property within a "short period of time." The bill does not provide any particular procedures for determining if or when such a hearing

would take place or governing the conduct of such a hearing--these appear to be at the board's discretion. (Sec. 709.16(B).)

Under the bill, the board must use its discretion to determine, after the hearing, whether a retransfer of property *is anticipated* by the municipal corporation. If it so finds, the annexation petition *may be denied*. (Sec. 709.16(B).)

The bill provides some specific circumstances under which the board (1) *is directed to find* that a retransfer of property is anticipated by the municipal corporation and that the annexation is "improper" and (2) then may deny the petition. Those circumstances are as follows (sec. 709.16(B)(1) and (2)):

(1) The municipal corporation *paid less than 60% of the fair market value* of the property, and evidence presented at the hearing convinces the board that the owner (a) who sold the property to the municipal corporation or (b) who, after a series of short-term ownerships, owned the property within three years prior to the municipal corporation's purchase of the property, plans to have the land transferred back to that owner within three years after the completion of the annexation; or

(2) The property was a gift to the municipal corporation but was given with the *expectation of some financial profit* from its annexation.

HISTORY

ACTION	DATE	JOURNAL ENTRY
Introduced	09-21-99	p. 1222

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