

SB 5334-S - DIGEST

(DIGEST OF PROPOSED 1ST SUBSTITUTE)

Finds that, in many of the most populous areas of the state, it is in the best interests of the residents to provide municipal services by encouraging annexation of those areas into existing adjacent cities. However, even where the residents desire to become annexed, cities are unable to undertake the proposed annexations because of the unfair tax burdens that would be placed on their existing residents to pay for services to the newly annexed areas.

Finds that a voter-approved temporary annexation surtax on utility services would provide the revenues needed to provide vital municipal services paid for by the residents of the annexation area. Because utility taxes are paid by property owners and renters alike, the legislature believes that a temporary surtax will spread the burden upon all residents in annexation areas.

Declares an intent that this act will provide an additional tool to enable cities to annex unincorporated areas that lie within designated urban growth areas when the residents of those annexation areas vote to approve the annexation.