

REVENUE: No revenue impact

FISCAL: No fiscal impact

Action:	Do Pass
Vote:	8 - 0 - 0
Yeas:	Cameron, Clem, Conger, Matthews, Sheehan, Smith J., Holvey, Whisnant
Nays:	0
Exc.:	0
Prepared By:	Jan Nordlund, Administrator
Meeting Dates:	2/15

WHAT THE MEASURE DOES: Allows outstanding indebtedness of an annexing special district and outstanding indebtedness of the territory being annexed by the district to be allocated according to an approved debt distribution plan. Subjects the territory being annexed to the permanent rate limit and local option taxes of the annexing district.

ISSUES DISCUSSED:

- Rural fire districts
- Approval process for annexations of special districts

EFFECT OF COMMITTEE AMENDMENT: No amendment.

BACKGROUND: Current statute allows special districts that merge or consolidate to approve a debt distribution plan to allow district indebtedness to remain a liability that the merging or consolidating district is responsible for. Statutes governing annexations, which are similar to mergers or consolidations, do not allow for debt distribution plans. House Bill 2807 would allow debt distribution plans when special districts annex.