

**HB 2040 STAFF MEASURE SUMMARY**

**House Committee On Agriculture and Natural Resources**

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**Prepared By:** Misty Freeman, LPRO Analyst

**Meeting Dates:** 3/2

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**WHAT THE MEASURE DOES:**

Defines extraterritorial service as service provided by a district outside district boundaries or by municipal electric utility outside incorporated boundaries of city. Allows district or city to require consent to eventual annexation of property before providing extraterritorial services to property. Creates exception if extraterritorial service is provided pursuant to intergovernmental agreement with county, if consent is not requirement of agreement or of comprehensive plan adopted for area in which property is situated, and if extraterritorial service is service other than water service, sewer service, storm water service, constructing first paved access to property, or service provided by municipal electric utility. Declares emergency, effective on passage.

**ISSUES DISCUSSED:**

**EFFECT OF AMENDMENT:**

**BACKGROUND:**

Under current law cities are permitted to require consent to eventual annexation of a landowner's property in exchange for extraterritorial services. Additionally, a district and a landowner may enter into a binding contract relating to extraterritorial provision of service and consent to eventual annexation of property.

House Bill 2040 would allow districts or cities to require consent to eventual annexation of property before providing extraterritorial service. The measure would create an exception if the extraterritorial service provided is pursuant to intergovernmental agreement with the county; if consent is not a requirement of the intergovernmental agreement or a comprehensive plan; and if the extraterritorial service is a service other than water service, sewer service, storm water service, construction of first paved access to the property, or service provided by a municipal electric utility.