

# Department of Finance and Administration

## Legislative Impact Statement

**Bill: SB1018**

**Bill Subtitle: TO AMEND THE PROCEDURES FOR ANNEXATION.**

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### **Basic Change :**

Senator Irvin

The bill provides new procedures for the annexation of land by a municipality. Owners of all the real property located within an area may petition the a municipality for annexation. To determine whether the percentage of households in the area petitioning for annexation meets the required poverty thresholds, the petitioners may select to submit their name, address, and social security number to the city clerk, who shall in turn submit the information to the Department of Finance and Administration. The department shall provide the municipality with a report of income for households in the petitioning area. Information for the report shall be gathered from income tax returns, but the report submitted to the municipality shall not identify individuals or households.

### **Revenue Impact :**

None

### **Taxpayer Impact :**

Taxpayers petitioning to be annexed into a municipality may provide information, including their SSN, to DFA for a statistical report to be furnished to the municipality.

### **Resources Required :**

Computer system must be updated to provided required information for the report.

### **Time Required :**

Adequate time is provided.

### **Procedural Changes :**

Computer system must be updated to provided required information for the report.

### **Legal Analysis :**

SB1018 repeals current Arkansas laws concerning annexation of property by municipalities, establishing new procedures for annexation, including provisions concerning informational hearings, petitions for annexation, the providing of municipal services, and judicial review.

The part of this bill that is relevant to DFA is a new section related to annexation by petition. For purposes of determining whether the percentage of households in the area petitioning for annexation meets poverty thresholds, the petitioners are required to submit to the governing body of the municipality any reasonable evidence that demonstrates that the area in fact meets the income requirements. Petitioners may select to submit names, addresses, and social security numbers to the city clerk, who in turn is required to submit the information to DFA. DFA is then required to provide the municipality with a summary report of income for households in the petitioning area. The information for the report is to be gathered from income tax returns, but the report submitted to the municipality cannot identify individuals or households. This information is considered confidential under the law and is specifically deemed not to be a public record for purposes of the Arkansas Freedom of Information Act.