

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS
FISCAL IMPACT STATEMENT**

LS 7080
BILL NUMBER: HB 1327

NOTE PREPARED: Jan 5, 2026
BILL AMENDED:

SUBJECT: Annexation.

FIRST AUTHOR: Rep. Abbott
FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: Local

Summary of Legislation: This bill allows a town to annex: (1) a noncontiguous residential development; and (2) the right-of-way of a public highway connecting the development to the city. It provides that annexation is initiated by: (1) the filing of a petition requesting annexation by the owner of the residential development; and (2) the town legislative body adopting a resolution approving initiation of the annexation process. The bill also requires the town to satisfy statutory requirements for annexation, including adopting a written fiscal plan and annexation ordinance.

Effective Date: July 1, 2026.

Explanation of State Expenditures:

Explanation of State Revenues:

Explanation of Local Expenditures: This bill's provisions may result in an increase in the administrative workload for a town's legislative body to the extent that the owner of the residential development petitions for annexation by the applicable town legislative body. Actual impact would vary from jurisdiction and would be contingent on the level of residential subdivision development activity in unincorporated areas adjacent to individual towns which meet the criteria of the bill.

Explanation of Local Revenues:

State Agencies Affected:

Local Agencies Affected: Town legislative bodies.

Information Sources:

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