

REVENUE: No revenue impact

FISCAL: Minimal fiscal impact, no statement issued

Action:	Do Pass as Amended and Be Printed Engrossed
Vote:	8 - 0 - 0
Yeas:	Beyer, Gilliam, Krieger, Nolan, Roblan, VanOrman, Wingard, Clem
Nays:	0
Exc.:	0
Prepared By:	Beth Herzog, Administrator
Meeting Dates:	2/4, 2/9

WHAT THE MEASURE DOES: Authorizes that rural fire protection district, water district, including domestic water supply corporation, park and recreation district, highway lighting district, county service district, special road district, road assessment district or sanitary district or authority existing in entire area that becomes incorporated in city may continue to provide services if continuation is proposed in petition for incorporation that is approved by voters. Establishes that a city may cause a district to be extinguished after incorporation, after the city governing body holds a public hearing, adopts ordinance extinguishing district, refers it to voters, and majority of all votes cast are in favor of district being extinguished. Defines "rate-setting authority" as county service district that controls sewage works for county within metropolitan service district; has population of less than 600,000; and has majority of its territory located east of Willamette River. Establishes process for rate-setting notification, city response, and arbitration. Prohibits rate-setting authority from terminating sewer service prior to completion of arbitration if arbitration agreed to. Declares an emergency; effective upon passage.

ISSUES DISCUSSED:

- Act gives petitioners the option of not extinguishing special districts
- Explanation of current sewer rate setting process between City of Milwaukie and Clackamas County

EFFECT OF COMMITTEE AMENDMENT: Adds park and recreation district to list of districts that may continue to provide services. Establishes that, after incorporation, city may cause district to be extinguished after city governing body has held a public hearing, adopted ordinance extinguishing district, referred it to voters, and majority of all votes are cast in favor of district being extinguished. Defines "rate-setting authority" as county service district that controls sewage works for county that is within metropolitan service district; has population of less than 600,000; and has majority of its territory located east of Willamette River. Establishes process for rate-setting notification, city response, and arbitration. Provides that if arbitrator grants rate different from previous rate, arbitrators opinion and award must include reimbursement of one party to another depending on difference between amount of money collected during arbitration and arbitrators granted rate. Establishes that if rate-setting authority agrees to arbitration they are prohibited from terminating sewer service prior to completion of arbitration.

BACKGROUND: Current law stipulates that whenever the entire area of a rural fire protection district, a water district, including a domestic water supply corporation, a park and recreation district, a highway lighting district, a county service district, a special road district, road assessment district or a sanitary district or authority, becomes incorporated in or annexed to a city in accordance with law, the district is extinguished and the city is charged with all the liabilities, obligations and functions of the district.