

# House Bill 2807

Sponsored by Representative WINGARD; Senator STARR (at the request of Special Districts Association of Oregon)  
(Presession filed.)

## SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Authorizes annexation of territory of dissolved district by district formed under same principal Act.

Allows for allocation of indebtedness between annexing district and territory annexed. Subjects territory annexed to permanent rate limit and local option taxes of annexing district.

Takes effect on 91st day following adjournment sine die.

## A BILL FOR AN ACT

1  
2 Relating to annexation of territory by districts; creating new provisions; amending ORS 198.860 and  
3 198.900; and prescribing an effective date.

4 **Be It Enacted by the People of the State of Oregon:**

5 **SECTION 1. Section 2 of this 2011 Act is added to and made a part of ORS chapter 198.**

6 **SECTION 2. Upon dissolution of a district pursuant to ORS 198.920, a district that was  
7 formed under the same principal Act as the district that was dissolved may annex, pursuant  
8 to ORS 198.850 to 198.867, all or any part of the territory of the dissolved district.**

9 **SECTION 3. ORS 198.860 is amended to read:**

10 198.860. (1) After the date of entry of an order by the county board annexing territory to a  
11 district, the territory annexed shall become subject to the outstanding indebtedness, bonded or oth-  
12 erwise, of the district in like manner as the territory within the district, **unless otherwise provided**  
13 **in a debt distribution plan established under ORS 198.900.**

14 **(2) On and after the effective date of the annexation of territory:**

15 **(a) The outstanding indebtedness, bonded or otherwise, of the annexing district and the**  
16 **territory annexed may be allocated pursuant to an approved debt distribution plan.**

17 **(b) The territory annexed is subject to the permanent rate limit established, and any lo-**  
18 **cal option taxes imposed, by the annexing district.**

19 **SECTION 4. ORS 198.900 is amended to read:**

20 198.900. (1) A petition for **annexation**, merger or consolidation may include a debt distribution  
21 plan to be voted upon as a part of the proposal. The plan may provide for any distribution of  
22 indebtedness and may require that **the annexing district and any territory annexed, or** merging  
23 or consolidating districts and any city to be joined to the surviving or successor district, remain  
24 solely liable for all or any portion of any indebtedness outstanding at the time of the **annexation,**  
25 merger or consolidation.

26 (2) If the merger or consolidation is approved, the district board of the successor or surviving  
27 district shall, in accordance with the plan, levy taxes and assessments for the liquidation of any  
28 prior existing indebtedness. Such a levy shall be subject to the principal Act of the consolidated or  
29 merged district.

**NOTE:** Matter in **boldfaced** type in an amended section is new; matter [*italic and bracketed*] is existing law to be omitted.  
New sections are in **boldfaced** type.

1        **SECTION 5.** This 2011 Act takes effect on the 91st day after the date on which the 2011  
2 session of the Seventy-sixth Legislative Assembly adjourns sine die.  
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