

# House Bill 3076

Sponsored by Representative HUNT

## 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**.

Allows petitioners seeking annexation of entire territory of specified special district into jurisdiction of city to specify whether district is extinguished or authorized to continue to operate.

## A BILL FOR AN ACT

1  
2 Relating to operation of special districts within cities; amending ORS 222.510 and 451.585.

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

4 **SECTION 1.** ORS 222.510, as amended by section 1, chapter 41, Oregon Laws 2010, is amended  
5 to read:

6 222.510. (1) Whenever the entire area of a rural fire protection district, a water district, in-  
7 cluding a domestic water supply corporation, a park and recreation district, a highway lighting  
8 district, a [*county*] service district, a special road district, a road assessment district or a sanitary  
9 district or authority, lawfully organized and existing, becomes incorporated in or annexed to a city  
10 in accordance with law, the district is extinguished and the city shall, upon the effective date of the  
11 incorporation or annexation, succeed to all the assets and become charged with all the liabilities,  
12 obligations and functions of the district. The district officers shall forthwith deliver to the city of-  
13 ficers the district assets and records. Uncollected taxes theretofore levied by the district become the  
14 property of the city and must be delivered to it by the county treasurer upon collection.

15 (2) Notwithstanding subsection (1) of this section, a rural fire protection district, a water dis-  
16 trict, including a domestic water supply corporation, a park and recreation district, a highway  
17 lighting district, a [*county*] service district, a special road district, a road assessment district or a  
18 sanitary district or authority, lawfully organized and existing, the entire area of which becomes in-  
19 corporated in a city, may continue to provide services if the continuation is proposed by petitioners  
20 in a petition for incorporation **or annexation** that is subsequently approved by voters in an [*incor-*  
21 *poration*] election **on the question of incorporation or annexation**. At any time after incorpo-  
22 ration **or annexation**, a city may cause a district to be extinguished and succeed to all the assets  
23 and become charged with all the liabilities, obligations and functions of the district if:

24 (a) The governing body of the city holds a public hearing on the question of the extinguishment,  
25 hears objections to the extinguishment at the hearing, determines that the extinguishment is in the  
26 best interest of the city and adopts an ordinance extinguishing the district;

27 (b) After the hearing, the governing body of the city refers the ordinance extinguishing the  
28 district to the electors of the city; and

29 (c) The majority of all votes cast favors that the district be extinguished.

30 (3) For the public hearing required in subsection (2)(a) of this section, the governing body shall  
31 fix a date, time and place for the hearing and cause notice of the date, time, place and purpose of

**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 the hearing to be published once each week for two successive weeks prior to the date of the  
 2 hearing in a newspaper of general circulation in the city, and shall cause notices of the hearing to  
 3 be posted in four public places in the city for a like period.

4 **SECTION 2.** ORS 451.585, as amended by section 3, chapter 41, Oregon Laws 2010, is amended  
 5 to read:

6 451.585. (1) Whenever the entire area of a district is incorporated in or annexed to a city in  
 7 accordance with law, the district shall be extinguished and the city shall upon the effective date of  
 8 such annexation succeed to all the assets and become charged with all the liabilities, obligations  
 9 and functions of the district. The district officers shall forthwith deliver to the city officers the  
 10 district assets and records. Uncollected taxes theretofore levied by such district shall become the  
 11 property of the city and be delivered to it by the county treasurer upon collection.

12 (2) Notwithstanding subsection (1) of this section, a district, the entire area of which becomes  
 13 incorporated in **or annexed to** a city, may continue to provide services if the continuation is pro-  
 14 posed by petitioners in a petition for incorporation **or annexation** that is subsequently approved  
 15 by voters in an [*incorporation*] election **on the question of incorporation or annexation**. At any  
 16 time after incorporation **or annexation**, a city may cause a district to be extinguished and succeed  
 17 to all the assets and become charged with all the liabilities, obligations and functions of the district  
 18 if:

19 (a) The governing body of the city holds a public hearing on the question of the extinguishment,  
 20 hears objections to the extinguishment at the hearing, determines that the extinguishment is in the  
 21 best interest of the city and adopts an ordinance extinguishing the district;

22 (b) After the hearing, the governing body of the city refers the ordinance extinguishing the  
 23 district to the electors of the city; and

24 (c) The majority of all votes cast favors that the district be extinguished.

25 (3) For the public hearing required in subsection (2)(a) of this section, the governing body shall  
 26 fix a date, time and place for the hearing and cause notice of the date, time, place and purpose of  
 27 the hearing to be published once each week for two successive weeks prior to the date of the  
 28 hearing in a newspaper of general circulation in the city, and shall cause notices of the hearing to  
 29 be posted in four public places in the city for a like period.

30 (4) Whenever a part less than the whole of a district becomes incorporated in or annexed to a  
 31 city in accordance with law, the city may at any time after such incorporation or annexation cause  
 32 that part to be withdrawn from such district in the manner set forth in ORS 222.524, and the pro-  
 33 visions of ORS 222.510 to 222.580 shall be applicable to such withdrawal except that in case the  
 34 district and the city cannot agree upon a division of assets or obligations and liabilities, then and  
 35 in such case, either the district or the city may petition the circuit court for the county in which  
 36 the city has its legal situs to determine such division.

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