

# Senate Bill 617

Sponsored by Senator JOHNSON (at the request of City of St. Helens City Administrator Chad Olsen)

## 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 city with municipally owned and operated water utility to remove territory annexed to city from people's utility district providing domestic water service.

## A BILL FOR AN ACT

1  
2 Relating to people's utility districts providing domestic water service; creating new provisions; and  
3 amending ORS 222.510.

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 261.**

6 **SECTION 2. A people's utility district that supplies water for domestic or municipal**  
7 **purposes or distributes, disposes of or sells water for domestic purposes may be extinguished**  
8 **under ORS 222.510 or have territory withdrawn under ORS 222.520 by an annexing city that**  
9 **owns and operates a municipal water utility.**

10 **SECTION 3. ORS 222.510, as amended by section 1, chapter 41, Oregon Laws 2010, is amended**  
11 **to read:**

12 222.510. (1) Whenever the entire area of a rural fire protection district, a water district, in-  
13 cluding a domestic water supply corporation **and a people's utility district organized under ORS**  
14 **chapter 261 to provide domestic water service**, a park and recreation district, a highway lighting  
15 district, a county service district, a special road district, a road assessment district or a sanitary  
16 district or authority, lawfully organized and existing, becomes incorporated in or annexed to a city  
17 in accordance with law, the district is extinguished and the city shall, upon the effective date of the  
18 incorporation or annexation, succeed to all the assets and become charged with all the liabilities,  
19 obligations and functions of the district. The district officers shall forthwith deliver to the city of-  
20 ficers the district assets and records. Uncollected taxes theretofore levied by the district become the  
21 property of the city and must be delivered to it by the county treasurer upon collection.

22 (2) Notwithstanding subsection (1) of this section, a rural fire protection district, a water dis-  
23 trict, including a domestic water supply corporation **and a people's utility district organized un-**  
24 **der ORS chapter 261 to provide domestic water service**, a park and recreation district, a  
25 highway lighting district, a county service district, a special road district, a road assessment district  
26 or a sanitary district or authority, lawfully organized and existing, the entire area of which becomes  
27 incorporated in a city, may continue to provide services if the continuation is proposed by  
28 petitioners in a petition for incorporation that is subsequently approved by voters in an incorpo-  
29 ration election. At any time after incorporation, a city may cause a district to be extinguished and  
30 succeed to all the assets and become charged with all the liabilities, obligations and functions of the  
31 district if:

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

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

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

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

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