



MEASURE: HB 4090
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TO: House Committee on Agriculture and Natural Resources
FROM: Robin Freeman, League of Oregon Cities
SUBJECT: HB 4090, and the -5 Amendment

Introduction

The League of Oregon Cities strongly opposes HB 4090 and the -5 amendments.

The League of Oregon Cities represents all of Oregon's 242 cities. Cities in Oregon are responsible for maintaining communities where people live, work; enjoy recreational activities and access services. City government is the traditional agency for providing urban services – public safety, water and sewer service, recreation and cultural facilities, library services, and meeting local transportation needs for various modes. Successful urban development should recognize the authority of cities to locally determine livability policies relating to land use planning and zoning, while accommodating appropriate statewide and regional planning and coordination.

Discussion

HB 4090 and the -5 amendment would authorize an owner of property outside of the city limits but entirely within the urban growth boundary to force the provision of services to the owner's property. The bill as introduced provides for the chosen service provider to recover costs to connect the owner's property to the service facilities and to deliver services for delivery of sanitary sewer and water services. The bill also permits a city or district that provides services with the authority to require the owner to waive remonstrance or agree to annexation.

There are areas within HB 4090 that need technical clarification.

- The cost recovery language appears to be applicable only to facilities and services directly related to sanitary sewer and water services. However, as introduced, the bill allows the owner of a property to force services to be provided when the land is not within a service area identified in an applicable urban services agreement. The term "services" has not been applied to sanitary sewer and water services and appears to be applied to all urban services, which have been identified in the bill as sanitary sewers, water, fire protection, parks, open space, recreation or streets, roads and mass transit.

- The bill fails to recognize the financial implications attached to the use of System Development Charges (SDCs) by cities. SDCs are collected at the time a building permit is issued for new construction or when existing properties are connecting to the sanitary or storm systems. While cost recovery appears to be allowed for connection of facilities and delivery of sanitary sewer and water services, it fails to recognize that cities would not be allowed to collect and use SDCs for those properties located outside of the city limits but inside the urban growth boundary.
- While the bill allows a city or district to require an owner to waive remonstrance or agree to annexation, it does not address how this action should be attached to the property or ensure that future property owners will be informed that their right to vote on being brought into a city has been taken away.

As proposed the bill fails to recognize that approximately 40 Oregon cities have charters that require all annexation requests be approved by a vote of the citizens. The bill would substantially alter local government's ability to plan for the orderly, efficient and economical provision of urban services. It would require service providers, including cities, to serve some developments now and serve the rest later, regardless of their proximity to current city limits or services, undermining cities' abilities to efficiently and cost effectively provide urban services. This method of extending infrastructure services is expensive, inefficient and precludes any meaningful long-term capital asset planning.

Summary

HB 4090/4090-05 places a burden on cities that are committed to maintaining communities that provide affordable housing, comprehensive community development and well planned and coordinated land use practices. It undermines those citizens that have city charter provisions for voter-approved annexations and local determinations on meeting growth. It provides a framework for creating inequities in levels of service and does not address the loss of system development charges or the long term maintenance needed to address the infrastructure required in the bill.

The League of Oregon Cities strongly opposes this bill and asks the committee to join us in our opposition.