

HB 4090-6
(LC 13)
2/8/12 (BHC/ps)

**PROPOSED AMENDMENTS TO
HOUSE BILL 4090**

1 On page 1 of the printed bill, line 2, delete “and 221.034” and insert “,
2 198.866, 221.034, 222.520, 264.540, 264.550 and 523.670”.

3 On page 4, after line 36, insert:

4 **“SECTION 6.** ORS 222.520 is amended to read:

5 “222.520. (1) Whenever a part less than the entire area of a district named
6 in ORS 222.510 becomes incorporated as or annexed to a city in accordance
7 with law **and the city will provide the service to that part after incor-**
8 **poration or annexation that the district provided to the part before**
9 **incorporation or annexation**, the city may cause [*that*] **the** part to be
10 withdrawn from the district in the manner set forth in ORS 222.120 or at any
11 time after [*such*] **the** incorporation or annexation in the manner set forth in
12 ORS 222.524. Until so withdrawn, the part of [*such a*] **the** district incorpo-
13 rated or annexed into a city shall continue to be a part of the district.

14 “(2) The part thus withdrawn shall not thereby be relieved from liabilities
15 and indebtedness previously contracted by the district. For the purposes of
16 paying [*such*] **the** liabilities and indebtedness of the district, property in the
17 part withdrawn shall continue to be subject to assessment and taxation
18 uniformly with property in the area remaining in the district. The city of
19 which it became a part shall, however, assume [*such*] **the** obligations if the
20 obligations assumed do not bring the total of the city’s obligations above any
21 applicable limitations prescribed by statute. When the city assumes [*such*]
22 **the** obligations it shall be liable to the district for one of the following, at

1 the option of the city:

2 “(a) The amount of taxes which otherwise would be extended each year
3 therefor against the property in the part withdrawn; or

4 “(b) Payment annually, as the bonds of the district that were outstanding
5 on the effective date of the withdrawal mature, of the same proportion of
6 [such] the outstanding bonds, and the interest thereon, as the assessed val-
7 uation of the part withdrawn bears to the assessed valuation of the entire
8 district on the effective date of the withdrawal. After the city agrees to make
9 [such] payments under this subsection, neither the city nor the part with-
10 drawn shall be charged by the district with any future liabilities, obligations
11 or functions of the district.

12 **“SECTION 7. ORS 198.866 is amended to read:**

13 “198.866. (1) The governing body of a city may adopt a resolution or mo-
14 tion to propose annexation **of all or part of the city** to a district for the
15 purpose of receiving service from the district. Upon adoption of an
16 annexation proposal, the governing body of the city shall certify to the dis-
17 trict board a copy of the proposal.

18 “(2) The district board shall approve or disapprove the city’s annexation
19 proposal. If the district board approves the proposal, the district board shall
20 adopt an order or resolution to call an election in the district unless other-
21 wise provided in subsection (3) of this section.

22 “(3) The district board is not required to call an election if:

23 “(a) The population of the city is less than 20 percent of the population
24 of the district; or

25 “(b) The entire boundary of the city is encompassed within the boundary
26 of the district.

27 “(4) Notwithstanding subsection (3) of this section, if 10 percent of the
28 electors or 100 electors of the district, whichever is less, sign and present to
29 the county board a petition requesting an election, the board shall call an
30 election in the district. The petition shall be in conformity, to the greatest

1 extent practicable, with ORS 198.750, 198.760, 198.765 and 198.770.

2 “(5) The order or resolution of the district board shall include the appli-
3 cable matters specified in ORS 198.745. In addition the order or resolution
4 may contain a plan for zoning or subdistricting the district as enlarged by
5 the annexation if the principal Act for the district provides for election or
6 representation by zone or subdistrict.

7 “(6) The district board shall certify a copy of the resolution or order to
8 the governing body of the city.

9 “(7) Upon receipt of the resolution or order of the district board, the
10 governing body of the city shall call an election in **the part of** the city
11 **proposed for annexation** on the date specified in the order or resolution
12 of the district board.

13 “(8) An election under this section shall be held on a date specified in
14 ORS 255.345 that is not sooner than the 90th day after the date of the district
15 order or resolution calling the election.

16 “**SECTION 8.** ORS 264.540 is amended to read:

17 “264.540. (1) If **all of** a city has been annexed to a district under ORS
18 198.866 and 198.867 or has been joined to a district under ORS 198.910, the
19 city may designate the location and type of fire hydrants to be installed
20 within the territory of the city. The board of commissioners shall establish
21 the rates for the use of water therefrom as provided in ORS 264.330. The city
22 and the district may by contract determine the entire matter of installation
23 of hydrants and use of water therefrom and payment therefor.

24 “(2) The ownership of the water supply system within the city boundaries
25 shall revert to and be vested in the district.

26 “**SECTION 9.** ORS 264.550 is amended to read:

27 “264.550. If **all or part of** a city has been annexed to a district under ORS
28 198.866 and 198.867 or has been joined to a district under ORS 198.910, the
29 city and the district may:

30 “(1) Enter into contracts and agreements to do any act or thing which

1 either could have done if the annexation **or joining** had not occurred.

2 “(2) Contract and agree for the collection by the district of any water user
3 tax or charge imposed by the city upon water users within the territory of
4 the city, and the district thereupon may provide for [*such*] collection ac-
5 cording to its rules [*and regulations*] for the collection of amounts due the
6 district by water users, including but not limited to shutting off the water
7 supply for nonpayment.

8 **“SECTION 10.** ORS 523.670 is amended to read:

9 “523.670. If **all or part of** a city has been annexed to a district under ORS
10 198.866 and 198.867 or joined to a district under ORS 198.910, the city and
11 the district may:

12 “(1) Enter into contracts and agreements to do any act or thing which
13 either could have done if the annexation **or joining** had not occurred.

14 “(2) Contract and agree for the collection by the district of any
15 geothermal heat tax or charge imposed by the city upon geothermal heat
16 users within the territory of the city, and the district thereupon may provide
17 for [*such*] collection according to its rules [*and regulations*] for the collection
18 of amounts due the district by geothermal heat users, including but not
19 limited to shutting off the geothermal heat supply for nonpayment.”.

20 In line 37, delete “6” and insert “11”.

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