

REVENUE: No revenue impact

FISCAL: Fiscal statement issued

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Action: Do Pass as Amended and Be Printed Engrossed

Vote: 5 - 2 - 0

Yeas: Cameron, Davis, Frederick, Unger, Clem

Nays: Holvey, Thatcher

Exc.: 0

Prepared By: Lynn Beaton, Administrator

Meeting Dates: 2/19, 3/28, 4/11

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**WHAT THE MEASURE DOES:** Allows city to withdraw portion of district that has been annexed or incorporated into city, if city will provide for services previously provided by district. Affects incorporation or annexation of part of district occurring on or after effective date of Act. Takes effect on 91<sup>st</sup> day following adjournment sine die.

**ISSUES DISCUSSED:**

- Differences among cities in ability to provide services
- Determining boundaries of special districts

**EFFECT OF COMMITTEE AMENDMENT:** Clarifies that city “will provide for” service to part of district that city will withdraw from district.

**BACKGROUND:** Annexation is the process of incorporating a piece of property into the boundaries of a city, making the property and those who live there eligible for services provided by the city. This action can be initiated by the city or by the property owner. Annexation is a locally driven process with guiding state statutes, including ORS Chapters 195 and 222. Current law allows a city to withdraw a portion of a district from the district upon annexation or incorporation, or any time after annexation or incorporation, pursuant to ORS 222.520.

House Bill 2618 A would stipulate that a city may only withdraw an area from a district if the city will then provide for services to the area, once the area is no longer part of the district.