

**A-Engrossed**  
**House Bill 2028**

Ordered by the House April 24  
Including House Amendments dated April 24

Sponsored by Representative CLEM (Pre-session filed.)

**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.

*[Prohibits city or district from requiring consent by landowner to eventual annexation in exchange for providing extraterritorial service when city or district is providing service on behalf of another local government pursuant to intergovernmental agreement.]*

*[Declares consent by landowner to annexation obtained by city or district prior to effective date of Act void if consent was demanded for service provided outside boundaries of city or district on behalf of another local government pursuant to intergovernmental agreement.]*

*[Clarifies language authorizing city or district to require consent to eventual annexation in exchange for providing extraterritorial service to landowner.]*

**Authorizes district or city to require consent to eventual annexation of property before providing extraterritorial service to property. Creates exception if extraterritorial service is provided pursuant to certain intergovernmental agreements, if consent is not requirement of intergovernmental agreement or of comprehensive plan adopted for area in which property is situated and if extraterritorial service is service other than water service, sewer service, storm water service, constructing first paved access to property or service provided by municipal electric utility.**

Takes effect on 91st day following adjournment sine die.

**A BILL FOR AN ACT**

1  
2 Relating to consent to annexation for extraterritorial service; amending ORS 198.869 and 222.115;  
3 and prescribing an effective date.

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

5 **SECTION 1.** ORS 198.869 is amended to read:

6 198.869. (1) **As used in this section, "extraterritorial service" means a service provided**  
7 **by:**

8 (a) **A district in an area outside the district's boundaries; or**

9 (b) **A municipal electric utility as defined in ORS 757.600 outside the incorporated**  
10 **boundaries of the city that owns and operates the utility or on whose behalf the utility is**  
11 **owned and operated.**

12 (2) **Except as provided in subsection (3) of this section, a district may require a land-**  
13 **owner to consent to eventual annexation of property before providing an extraterritorial**  
14 **service to the property.**

15 (3) **A district may not require a landowner to consent to eventual annexation before**  
16 **providing an extraterritorial service if:**

17 (a) **The extraterritorial service is provided to the landowner's property pursuant to an**  
18 **intergovernmental agreement described in ORS 190.010 with a county;**

19 (b) **The contract containing the landowner's consent to eventual annexation is not a re-**  
20 **quirement of the intergovernmental agreement with the county or the comprehensive plan**

**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 adopted for the area in which the property is situated; and

2 (c) The extraterritorial service is a service other than water service, sewer service,  
3 storm water service, constructing a road or street to provide the first paved access to a  
4 landowner's property or service provided by a municipal electric utility.

5 (4) A contract between a district and a landowner [*relating to extraterritorial provision of service*  
6 *and consent to eventual annexation of property of the landowner shall*] **containing a landowner's**  
7 **consent to eventual annexation in return for extraterritorial service:**

8 (a) **Must** be recorded; and[,]

9 (b) When recorded, [*shall be binding on all successors with an*] **is binding on successors in**  
10 **interest in [*that*] the property.**

11 **SECTION 2.** ORS 222.115, as amended by sections 1 and 2, chapter 46, Oregon Laws 2012, is  
12 amended to read:

13 222.115. (1) **As used in this section, "extraterritorial service" means a service provided**  
14 **by:**

15 (a) **A city in an area outside the city's incorporated boundaries; or**

16 (b) **A municipal electric utility as defined in ORS 757.600 outside the incorporated**  
17 **boundaries of the city that owns and operates the utility or on whose behalf the utility is**  
18 **owned and operated.**

19 (2) **Except as provided in subsection (3) of this section, a city may require a landowner**  
20 **to consent to eventual annexation of property before providing an extraterritorial service to**  
21 **the property.**

22 (3) **A city may not require a landowner to consent to eventual annexation before provid-**  
23 **ing an extraterritorial service if:**

24 (a) **The extraterritorial service is provided to the landowner's property pursuant to an**  
25 **intergovernmental agreement described in ORS 190.010 with another local government as**  
26 **defined in ORS 174.116;**

27 (b) **The contract containing the landowner's consent to eventual annexation is not a re-**  
28 **quirement of the intergovernmental agreement with the other local government or the**  
29 **comprehensive plan adopted for the area in which the property is situated; and**

30 (c) **The extraterritorial service is a service other than water service, sewer service,**  
31 **storm water service, constructing a road or street to provide the first paved access to a**  
32 **landowner's property or service provided by a municipal electric utility.**

33 (4) A contract between a city and a landowner containing the landowner's consent to eventual  
34 annexation of the landowner's property in return for extraterritorial [*services*] **service:**

35 [(1)] (a) **Must** be recorded; and

36 [(2)] (b) When recorded, is binding on successors in interest in [*that*] **the** property.

37 **SECTION 3.** This 2013 Act takes effect on the 91st day after the date on which the 2013  
38 regular session of the Seventy-seventh Legislative Assembly adjourns sine die.

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