

House Bill 2618

Sponsored by Representatives CLEM, GILLIAM (Presession 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 **as introduced**.

Allows city to withdraw part of district incorporated as or annexed to city from district only if city provides service formerly provided by district.

Takes effect on 91st day following adjournment sine die.

A BILL FOR AN ACT

1
2 Relating to withdrawal of part of a district; creating new provisions; amending ORS 222.520; and
3 prescribing an effective date.

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

5 **SECTION 1.** ORS 222.520 is amended to read:

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 Until [*so*] withdrawn, the part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

14 (2) The part [*thus*] withdrawn **pursuant to subsection (1) of this section** [*shall*] **is** not [*thereby*
15 *be*] relieved from liabilities and indebtedness previously contracted by the district. For the purposes
16 of paying [*such*] **the** liabilities and indebtedness of the district, property in the part withdrawn shall
17 continue to be subject to assessment and taxation uniformly with property in the area remaining in
18 the district. The city of which it became a part shall, however, assume such obligations if the obli-
19 gations assumed do not bring the total of the city's obligations above any applicable limitations
20 prescribed by statute. When the city assumes [*such*] **the** obligations it shall be liable to the district
21 for one of the following, at the option of the city:

22 (a) The amount of taxes [*which*] **that** otherwise would be extended each year [*therefor*] **for the**
23 **obligations** against the property in the part withdrawn; or

24 (b) Payment annually, as the bonds of the district that were outstanding on the effective date
25 of the withdrawal mature, of the same proportion of [*such*] **the** outstanding bonds, and the interest
26 [*thereon*] **on the bonds**, as the assessed valuation of the part withdrawn bears to the assessed val-
27 uation of the entire district on the effective date of the withdrawal. After the city agrees to make
28 [*such*] payments under this [*subsection*] **paragraph**, neither the city nor the part withdrawn shall be
29 charged by the district with any future liabilities, obligations or functions of the district.

30 **SECTION 2. The amendments to ORS 222.520 by section 1 of this 2013 Act apply to the**
31 **incorporation or annexation of part of a district occurring on or after the effective date of**

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 **this 2013 Act.**

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

4
