



# Oregon Communities For A Voice In Annexations

Promoting & Protecting Citizen Involvement in Land Use Issues

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May 11, 2015

To: The Honorable Lee Beyer, Chairman & Members  
Senate Committee on Business & Transportation

**RE: HB 2938: Testimony of OCVA for May 13, 2015**

Dear Chairman Beyer & Committee Members:

**OCVA strongly supports HB 2938 and asks that you join your House colleagues in doing the same.** The unanimous committee endorsement and 59:1 floor vote in the House speak to its merits.

We submitted the language for HB 2938 for two main reasons. First is the matter of fairness. Please put yourselves in the position of an unincorporated UGB homeowner who wants, e.g., to upgrade his/her bathroom. You need a permit. The county has delegated to its cities under an IGA or some other proxy agreement the task of issuing county building permits.

You go to city planning to get your permit and are told that you have to sign a **consent to annex agreement**. You must agree to a major increase in property tax and potentially tens of thousands of dollars in assessments – merely for the privilege of obtaining a permit for your project.

How would you feel? Eugene and some other cities have been doing this for years. **We have never seen or heard a legitimate argument for such demands.**

The second reason is that Legislative Counsel has already weighed in on the matter. LC's January 9, 2006 opinion states, **"A city may require consent to annexation only for delivering its own services, not for acting as an agent of the appropriate service provider."** HB 2938 would simply codify this into law.

HB 2938 would not prohibit a city from requiring annexation under ORS 222.115 for providing its own service, e.g., sewer, extraterritorially. What it would do is end a practice that we feel is both unfair and unjustified.

Cities will point out that HB 2938 could preempt IGA or other local proxy agreement provisions that allow the practice. **That is likely true. But if cities are given a way around the prohibition, the bill becomes meaningless.** Your House colleagues recognized this which is why they passed HB 2938 without amendments.

Cities will also argue that they need to continue this practice because unincorporated residents are being subsidized by city taxpayers. We have heard this claim repeatedly for two decades but have never seen any facts and data to substantiate it. What relevant data we have seen are contained in the report of the 2007 **"Service Incidence Study"** conducted in

Washington County. It found no evidence to support that argument – and in fact concluded something much different. We can provide a copy of the Executive Summary to the committee staff.

**In conclusion, we are asking you to send HB 2938 to the Senate floor, unamended, with a strong “do pass” endorsement for its fairness and for the legal grounds on which it stands.**

Sincerely & Respectfully,

*Jerry Ritter*

Jerry J. Ritter  
Secretary & Legislative Affairs Representative  
OCVA