

REVENUE: No revenue impact  
FISCAL: Fiscal statement issued

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Action:

Vote:

Yeas:

Nays:

Exc.:

Prepared By: Erin Seiler, Administrator

Meeting Dates: 6/9

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**WHAT THE MEASURE DOES:** Requires City of Damascus to distribute to ad valorem property taxpayers all excess moneys remaining in city funds after satisfying all outstanding legal debts and obligations of city. Takes effect only if House Bill 3085 (2015) disincorporating City of Damascus is approved by majority of people of city voting in next regular general election held throughout this state. Declares emergency, effective on passage.

**ISSUES DISCUSSED:**

**EFFECT OF COMMITTEE AMENDMENT:**

-A3 amendment: No sooner than the 30<sup>th</sup> day after election, city must satisfy all debts, obligations, liabilities, expenses, transfer real property, tangible and intangible personal property and moneys to Clackamas County. Changes timeline for distribution and property tax years used to calculate, amount of money to be distributed to ad valorem property taxpayers of excess moneys remaining in cityfunds.

**BACKGROUND:** House Bill 3085 requires that the City of Damascus surrender its charter, disincorporate, and cease to exist. It requires the city to expend city funds to satisfy all outstanding legal debts and obligations and to return excess moneys to the property taxpayers of city. It requires the city to convey all real and personal property to Clackamas County. The measure refers the act to the people of the City of Damascus for their approval or rejection at the next regular general election.

If HB 3085 passes and voters decided to disincorporate Damascus, House Bill 3086-A specifies process for City of Damascus to distribute all excess moneys to each city taxpayer, after all outstanding legal debts and obligations are satisfied. HB 3086-A specifies public notification requirements of city's obligation to satisfy debts and obligations and to encourage creditors to present claims to city to ensure timely payment. The measure requires that money in city road fund and state shared funds be transferred to Clackamas County for purpose of maintaining roads and other purposes within boundaries of former city; that city transfer \$3 million to Clackamas County for employment-related and other current service expenses in budget of city on date of disincorporation.