

House Committee On Revenue

Fiscal: Fiscal impact issued

Revenue: No Revenue Impact

Action Date: 05/05/15

Action: Do Pass As Amended And Be Printed Engrossed.

Meeting Dates: 04/15, 05/05

Vote:

Yeas: 8 - Barnhart, Bentz, Davis, Lininger, Read, Smith Warner, Vega Pederson, Whitsett

Exc: 1 - Johnson

Prepared By: Christine Broniak, Economist

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:

- Liability for outstanding debt obligations
- Transfer of funds to county for various services

EFFECT OF COMMITTEE AMENDMENT:

Amendment replaces bill. Requires the City of Damascus to post notices in at least two public locations in the city and on the website that the city is required to satisfy all current and pending debts and obligations and that people who believe themselves to be creditors of the city should present claims to the city for payment. Directs Damascus to pay outstanding debts and obligations for city employee benefits. Requires funds from the city road fund to be transferred to Clackamas County for road maintenance within the former city boundaries. Requires an amount not to exceed \$3 million be transferred to Clackamas County to pay expenses related to the transfer of employees to the county, contracted law enforcement services, and other current service expenses in the budget of Damascus. Requires the money left over after meeting these obligations be transferred to taxpayers in proportion to the property tax they paid for tax years beginning July 1, 2014 and ending on June 30, 2017. Requires funds that would have been distributed to the City of Damascus for cigarette taxes, highway fund appropriations, emergency communications, and Oregon Liquor Control Commission Account to go to Clackamas County to defer costs related to the distribution of funds back to property taxpayers.

BACKGROUND:

HB 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.