

STAFF MEASURE SUMMARY

Senate Committee On Rules

Fiscal: Fiscal impact issued

Revenue: No Revenue Impact

Action Date: 06/09/15

Action: Do Pass With Amendments To The A-Eng Bill. (Printed B-Eng.)

Meeting Dates: 06/09

Vote:

Yeas: 4 - Beyer, Boquist, Burdick, Rosenbaum

Nays: 1 - Ferrioli

Prepared By: Erin Seiler, Committee Administrator

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 primary election held throughout this state. Declares emergency, effective on passage.

ISSUES DISCUSSED:

- Implementation contingent on passage of HB 3085
- Transfer of funds to county for various services
- Return of taxpayer money

EFFECT OF COMMITTEE AMENDMENT:

Requires City of Damascus satisfy all debts, obligations, liabilities, expenses, transfer real property, tangible and intangible personal property and moneys to Clackamas County, no sooner than 30th day after election. 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 city funds.

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 question of disincorporation to voters in City of Damascus, at next primary election.

If HB 3085 passes and voters decide to disincorporate Damascus, House Bill 3086-B specifies process for City of Damascus to distribute all excess moneys to each city taxpayer, after all outstanding legal debts and obligations are satisfied. The measure 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; and that city transfer \$3 million to Clackamas County for employment-related and other current service expenses in budget of city on date of disincorporation.