

Senate Bill 497

Sponsored by Senator EDWARDS (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**.

Requires annexation of territory within urban growth boundary by city or, if within Metro, by city designated by Metro, upon receipt of petition proposing annexation that is submitted by all owners of land within territory to be annexed.

A BILL FOR AN ACT

1
2 Relating to annexation of territory within urban growth boundary by city; creating new provisions;
3 and amending ORS 199.490, 222.111 and 222.120.

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

5 **SECTION 1. Sections 2 and 3 of this 2015 Act are added to and made a part of ORS 222.111**
6 **to 222.180.**

7 **SECTION 2. (1) Notwithstanding a contrary provision of a city charter, upon receipt of**
8 **a petition proposing annexation of territory that is submitted by all owners of land in the**
9 **territory, the legislative body of a city or, if within Metro, the legislative body of a city des-**
10 **ignated by Metro, shall annex the territory if the territory is included within an urban**
11 **growth boundary adopted by the city or Metro and is subject to the acknowledged compre-**
12 **hensive plan of the city.**

13 **(2) The territory to be annexed under this section includes any additional territory de-**
14 **scribed in ORS 222.111 (1) that must be annexed in order to provide infrastructure and ser-**
15 **vices necessary for development of the territory described in subsection (1) of this section**
16 **at the density planned in the acknowledged comprehensive plan of the city.**

17 **(3) The legislative body of a city is not required to hold the public hearing otherwise re-**
18 **quired by ORS 222.120 for an annexation under this section. When the legislative body de-**
19 **termines that the criteria described in subsection (1) of this section apply to territory**
20 **proposed for annexation, the legislative body may declare that the territory described in**
21 **subsections (1) and (2) of this section is annexed to the city by an ordinance that contains**
22 **a description of the territory annexed.**

23 **SECTION 3. (1) As used in ORS 222.111 to 222.180:**

24 **(a) "Owner" or "landowner" means the legal owner of record or, when a recorded land**
25 **contract is in force, the purchaser under the land contract.**

26 **(b) "Lawfully established unit of land" has the meaning given that term in ORS 92.010.**

27 **(2) When there are multiple owners of a lawfully established unit of land, each consenting**
28 **owner must be counted as a fraction to the same extent as the interest of the owner in the**
29 **land bears in relation to the interest of the other owners and the same fraction must be**
30 **applied to the land's mass and assessed value for purposes of the consent petition.**

31 **(3) When a corporation owns land in territory proposed to be annexed, the corporation**

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 **shall be considered the one owner of the land.**

2 **SECTION 4.** ORS 222.111 is amended to read:

3 222.111. (1) When a proposal containing the terms of annexation is approved in the manner
4 provided by the charter of the annexing city or by ORS 222.111 to 222.180 or 222.840 to 222.915, the
5 boundaries of any city may be extended by the annexation of territory that is not within a city and
6 that is contiguous to the city or separated from it only by a public right of way or a stream, bay,
7 lake or other body of water. Such territory may lie either wholly or partially within or without the
8 same county in which the city lies.

9 (2) A proposal for annexation of territory to a city may be initiated by the legislative body of
10 the city, on its own motion, or by a petition to the legislative body of the city by owners of real
11 property in the territory to be annexed.

12 (3) The proposal for annexation may provide that, during each of not more than 10 full fiscal
13 years beginning with the first fiscal year after the annexation takes effect, the rate of taxation for
14 city purposes on property in the annexed territory shall be at a specified ratio of the highest rate
15 of taxation applicable that year for city purposes to other property in the city. The proposal may
16 provide for the ratio to increase from fiscal year to fiscal year according to a schedule of increase
17 specified in the proposal; but in no case shall the proposal provide for a rate of taxation for city
18 purposes in the annexed territory which will exceed the highest rate of taxation applicable that year
19 for city purposes to other property in the city. If the annexation takes place on the basis of a pro-
20 posal providing for taxation at a ratio, the city may not tax property in the annexed territory at a
21 rate other than the ratio which the proposal authorizes for that fiscal year.

22 (4) When the territory to be annexed includes a part less than the entire area of a district
23 named in ORS 222.510, the proposal for annexation may provide that if annexation of the territory
24 occurs the part of the district annexed into the city is withdrawn from the district as of the effective
25 date of the annexation. However, if the affected district is a district named in ORS 222.465, the ef-
26 fective date of the withdrawal of territory shall be determined as provided in ORS 222.465.

27 *[(5) The legislative body of the city shall submit, except when not required under ORS 222.120,
28 222.170 and 222.840 to 222.915 to do so, the proposal for annexation to the electors of the territory
29 proposed for annexation and, except when permitted under ORS 222.120 or 222.840 to 222.915 to dis-
30 pense with submitting the proposal for annexation to the electors of the city, the legislative body of the
31 city shall submit such proposal to the electors of the city. The proposal for annexation may be voted
32 upon at a general election or at a special election to be held for that purpose.]*

33 **(5) The proposal for annexation may be voted upon at a general election or at a special
34 election to be held for the purpose. The legislative body of the city shall:**

35 **(a) Submit the proposal for annexation to the electors of the territory proposed for
36 annexation unless the legislative body is not required to submit the proposal to electors of
37 the territory under ORS 222.120, 222.170 or 222.840 to 222.915.**

38 **(b) Submit the proposal for annexation to the electors of the city, unless ORS 222.120 or
39 222.840 to 222.915 or section 2 of this 2015 Act allow the legislative body to dispense with
40 submitting the proposal for annexation to the electors of the city.**

41 (6) The proposal for annexation may be voted upon by the electors of the city and of the terri-
42 tory simultaneously or at different times not more than 12 months apart.

43 (7) Two or more proposals for annexation of territory may be voted upon simultaneously; how-
44 ever, in the city each proposal shall be stated separately on the ballot and voted on separately, and
45 in the territory proposed for annexation no proposal for annexing other territory shall appear on the

1 ballot.

2 **SECTION 5.** ORS 222.120 is amended to read:

3 222.120. (1) Except when expressly required to do so by the city charter, the legislative body
4 of a city is not required to submit a proposal for annexation of territory to the electors of the city
5 for their approval or rejection.

6 (2) When the legislative body of the city elects to dispense with submitting the question of the
7 proposed annexation to the electors of the city, the legislative body of the city shall fix a day for
8 a public hearing before the legislative body at which time the electors of the city may appear and
9 be heard on the question of annexation.

10 (3) The city legislative body shall cause notice of the hearing to be published once each week
11 for two successive weeks prior to the day of hearing, in a newspaper of general circulation in the
12 city, and shall cause notices of the hearing to be posted in four public places in the city for a like
13 period.

14 (4) After the hearing, the city legislative body may, by an ordinance containing a legal de-
15 scription of the territory in question:

16 (a) Declare that the territory is annexed to the city upon the condition that the majority of the
17 votes cast in the territory is in favor of annexation;

18 (b) Declare that the territory is annexed to the city where electors or landowners in the con-
19 tiguous territory consented in writing to such annexation, as provided in ORS 222.125 or 222.170,
20 prior to the public hearing held under subsection (2) of this section; or

21 (c) Declare that the territory is annexed to the city where the Oregon Health Authority, prior
22 to the public hearing held under subsection (1) of this section, has issued a finding that a danger
23 to public health exists because of conditions within the territory as provided by ORS 222.840 to
24 222.915.

25 (5) If the territory described in the ordinance issued under subsection (4) of this section is a part
26 less than the entire area of a district named in ORS 222.510, the ordinance may also declare that
27 the territory is withdrawn from the district on the effective date of the annexation or on any sub-
28 sequent date specified in the ordinance. However, if the affected district is a district named in ORS
29 222.465, the effective date of the withdrawal of territory shall be determined as provided in ORS
30 222.465.

31 (6) The ordinance referred to in subsection (4) of this section is subject to referendum.

32 *[(7) For the purpose of this section, ORS 222.125 and 222.170, "owner" or "landowner" means the*
33 *legal owner of record or, where there is a recorded land contract which is in force, the purchaser*
34 *thereunder. If there is a multiple ownership in a parcel of land each consenting owner shall be counted*
35 *as a fraction to the same extent as the interest of the owner in the land bears in relation to the interest*
36 *of the other owners and the same fraction shall be applied to the parcel's land mass and assessed value*
37 *for purposes of the consent petition. If a corporation owns land in territory proposed to be annexed, the*
38 *corporation shall be considered the individual owner of that land.]*

39 **SECTION 6.** ORS 199.490 is amended to read:

40 199.490. (1) A proceeding for a minor boundary change other than a transfer of territory may
41 be initiated:

42 (a) By resolution of the governing body of the affected city or district;

43 (b) By petition signed by 10 percent of the electors registered in the affected territory;

44 (c) By petition signed by the owners of at least one-half the land area in the affected territory;

45 (d) By resolution of a boundary commission having jurisdiction of the affected territory; or

1 (e) When the minor boundary change is a withdrawal of a city from a district, by resolution of
2 the governing body of the city, which shall be an affected city for the purposes of ORS 199.410 to
3 199.534.

4 (2)(a)(A) An annexation proceeding may also be initiated by a resolution adopted by the gov-
5 erning body of the affected city or district upon receiving consent to annex their land in writing
6 from more than half of the owners of land in the territory proposed to be annexed, who also own
7 more than half of the land in the territory proposed to be annexed and of real property therein
8 representing more than half of the assessed value of all real property in the territory proposed to
9 be annexed.

10 (B) A resolution adopted by the governing body of the affected city or district upon receiving
11 written consent to annexation from a majority of the electors registered in the territory proposed
12 to be annexed and written consent to the annexation of their land from the owners of more than
13 half the land in the territory proposed to be annexed.

14 (b) However, before soliciting statements of consent for the purpose of authorizing an
15 annexation under a proceeding initiated as provided by this subsection, the governing body of the
16 affected city or district shall file a notice of intent to annex with the boundary commission having
17 jurisdiction of the affected territory. The notice of intent to annex shall name the affected city or
18 district and generally describe the boundaries of the territory sought to be annexed, which territory
19 must be contiguous to the city or district or separated from it only by a public right of way or a
20 stream, bay, lake or other body of water. The notice of intent to annex shall have attached to it a
21 county assessor's cadastral map showing the location of the affected territory that the city or dis-
22 trict proposes to annex.

23 (c) For the purpose of this subsection, consent need not be obtained for any land in a public
24 way included within or contiguous to the territory proposed to be annexed. However, land in such
25 a public way shall, as determined by the commission, be considered annexed to the affected city or
26 district if the minor boundary change is approved, regardless of the land's ownership, size or as-
27 sessed valuation.

28 (d) For the purpose of this subsection, consent need not be obtained for any real property that
29 is publicly owned, is the right of way for a public utility, telecommunications utility or railroad or
30 is exempt from ad valorem taxation unless the owner of such property files a statement consenting
31 to or opposing annexation with the legislative body of the annexing city or district on or before the
32 date the city or district adopts the resolution required by paragraph (a) of this subsection.

33 (e) As used in this subsection, "owner" has the additional meaning given that term in [ORS
34 222.120 (7)] **section 3 of this 2015 Act.**

35 (3) A transfer of territory proceeding may be initiated:

36 (a) By joint resolution of the governing bodies of the affected districts or cities;

37 (b) By petition signed by 10 percent of the electors registered in the affected territory;

38 (c) By petition signed by the owners of at least one-half the land area in the affected territory;

39 or

40 (d) By resolution of a boundary commission having jurisdiction of the affected territory.

41 (4) The petition or resolution shall:

42 (a) Name the affected city or district and state whether it is proposed to annex, withdraw or
43 transfer territory;

44 (b) Describe the boundaries of the affected territory;

45 (c) If the proposal concerns a district, designate the applicable principal Act;

1 (d) Have attached a county assessor's cadastral map showing the location of the affected terri-
2 tory; and

3 (e) Be filed with the boundary commission having jurisdiction of the affected territory.

4 (5) When a city annexation is initiated:

5 (a) As provided by ORS 222.750 the petition proposing the annexation shall be filed with the
6 boundary commission having jurisdiction of the annexation.

7 (b) As provided by ORS 222.840 to 222.915, the findings adopted by the Director of the Oregon
8 Health Authority under ORS 222.880 shall be considered the initiatory action and a certified copy
9 of the findings shall be filed with the boundary commission having jurisdiction of the annexation,
10 at the same time a copy of the finding is filed with the affected city.

11 (6) Except when a boundary change is initiated by an affected city or district under subsection
12 (1), (2), (3) or (5) of this section or by the director as provided by subsection (5)(b) of this section,
13 the boundary commission shall notify the affected city or district that a petition has been filed or
14 that the commission has adopted a resolution. If the petition complies with the requirements of the
15 applicable statutes, the commission shall proceed as provided by ORS 199.460 to 199.463 and 199.490
16 to 199.519.

17 (7) Unless the parties appearing at a hearing for a minor boundary change or application under
18 ORS 199.464 agree to a postponement of the adoption of a final order, a final order approving or
19 disapproving a minor boundary change must be adopted within 90 days after the date the petition,
20 resolution or application is filed with the commission. If a final order approving or disapproving a
21 minor boundary change is not adopted within 90 days after the petition, resolution or application is
22 filed or within the period of postponement, the petition, resolution or application shall be considered
23 approved by the commission. A postponement shall not be for a period exceeding one year from the
24 date the petition, resolution or application initiating the proposal is filed with the commission.

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