

**FISCAL IMPACT OF PROPOSED LEGISLATION**

**Measure: SB 1573 - 7**

78th Oregon Legislative Assembly – 2016 Regular Session  
Legislative Fiscal Office

*Only Impacts on Original or Engrossed  
Versions are Considered Official*

Prepared by: Tim Walker  
Reviewed by: Matt Stayner  
Date: 02/23/2016

**Measure Description:**

Requires city to annex territory without vote upon receipt of petition for annexation submitted by all owners of land in territory provided territory is included within urban growth boundary of city or Metro and is, or will be, subject to acknowledged comprehensive plan of city.

**Government Unit(s) Affected:**

Cities, Counties, Department of Land Conservation and Development, Metro

**Summary of Expenditure Impact:**

See Analysis.

**Local Government Mandate:**

This bill does not affect local governments' service levels or shared revenues sufficient to trigger Section 15, Article XI of the Oregon Constitution.

**Analysis:** The bill requires city to annex territory without vote upon receipt of petition for annexation submitted by all owners of land in territory provided territory is included within urban growth boundary of city or Metro and is, or will be, subject to acknowledged comprehensive plan of city. Provides that territory to be annexed includes additional territory necessary to provide infrastructure and services for development of annexed territory at density planned in acknowledged comprehensive plan. Provides city is not required to hold public hearing and may declare territory annexed by ordinance containing description of territory.

The -7 amendment clarifies measure applies to a city whose laws require a petition proposing annexation of territory to be submitted to a vote of city electors. Requires additional criteria that at least one lot or parcel in territory is contiguous to city limits or is separated by only a public right of way or a body of water. Modifies language specifying that annexed territory includes additional territory to locate infrastructure and right of way access for services necessary to support a density equal to average residential density of annexing city.

The Department of Land Conservation and Development and Counties do not anticipate a fiscal impact due to the provisions of this bill. The League of Oregon Cities (LOC) anticipates that there may be a fiscal impact due to the provisions of this bill. If a city annexes territory without a vote, they may face litigation from citizens who were not allowed to vote when the city charter states that a vote must take place. The costs of such litigation, if the litigation came to pass, are unknown at this time.