

**HB 3099 A STAFF MEASURE SUMMARY**

**Senate Committee On Business and General Government**

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**Meeting Dates:** 5/14

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**WHAT THE MEASURE DOES:**

Authorizes city annexed into county service district to petition county board for withdrawal from district. Changes, for withdrawals not requiring an election, the requirement that a withdrawal petition must be approved or denied depending on the feasibility of providing district service to the territory, to an option for the county board to approve or deny a petition based on feasibility. Requires that the governing body of the city that proposes withdrawal call a city-only election on the question of the withdrawal, provided that the required number of election requests are filed and the city was annexed into the district upon a city-only election. Requires that the governing bodies of the city and county service district negotiate and finalize an agreement for the equitable division and disposal of the district assets within 90 days following the effective date of a withdrawal under this Act or upon election. Requires that the governing bodies consider the assessed value of all taxable property within the district, and all taxable property withdrawn from the district, as well as the types, location, and intended uses of the district's assets. Allows the governing body of the city or district to petition county circuit court to determine an equitable division and disposal of the district's assets if the governing bodies are unable to agree. Declares emergency, effective on passage.

**ISSUES DISCUSSED:**

**EFFECT OF AMENDMENT:**

No amendment.

**BACKGROUND:**

ORS 198.870 establishes processes for an individual who owns property within a territory annexed into a special district, or for electors of an area within a special district, to petition the county board for withdrawal of the property from the district. The law requires that the county board approve a petition if it has not been, is not, or would not be, feasible for the territory to receive service from the district. Similarly, the law requires that the county board deny a petition if it is, or would be, feasible for the territory to receive service from the district.

The North Clackamas Parks and Recreation District (NCPRD) is a taxpayer-funded special district that operates parks in unincorporated northern Clackamas County, Happy Valley, and Milwaukie. The City of Happy Valley was annexed into the district in 2006. In 2017, the City Council of Happy Valley voted to withdraw from the NCPRD, and applied to the Department of Revenue (DoR) to withdraw from the NCPRD. In 2018, Happy Valley voters approved a local option levy for parks and recreation services that would allow the City to operate the 78 acres of parks in Happy Valley once served by the NCPRD. DoR originally approved the City's application to withdraw from the NCPRD, but later reversed that decision, finding the City failed to follow applicable state law when it withdrew from the NCPRD.

House Bill 3099-A authorizes a city that annexed into a county service district to petition the county board for withdrawal from that district, and requires the city to call a city-only election on the question of the withdrawal, provided that the city was annexed into the district upon a city-only election. The measure requires the governing bodies of the city and county service district to negotiate and finalize an agreement for the equitable division and disposal of the district assets within 90 days following the effective date of a withdrawal. The measure clarifies the steps the City of Happy Valley must take to withdraw from the NCPRD.