

HB 3099 A STAFF MEASURE SUMMARY
House Committee On Agriculture and Land Use

Carrier: Rep. Bynum

Action Date: 04/09/19
Action: Do pass with amendments. (Printed A-Eng.)
Vote: 5-1-1-0
Yeas: 5 - Clem, Helm, McLain, Post, Smith DB
Nays: 1 - Williams
Exc: 1 - Boshart Davis
Fiscal: Fiscal impact issued
Revenue: No revenue impact
Prepared By: Laura Kentnesse, LPRO Analyst
Meeting Dates: 3/28, 4/9

WHAT THE MEASURE DOES:

Authorizes a city that was annexed into a county service district to petition the county board for withdrawal from that 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the governing bodies consider the assessed value of all taxable property within the district, and all taxable property withdrawn from the district, as well as the types, location, and intended uses of the district's assets.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 the circuit court of the county in which the city has its legal situs and maintains its seat of city government, 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:

- Unclear statutory process for a city withdrawal from a special district
- History of the relationship between the City of Happy Valley and the North Clackamas Parks and Recreation District
- Impact of entries and exits on a special district
- Electoral requirements based on city size

EFFECT OF AMENDMENT:

Specifies that the district into which a city is annexed is a county service district established under ORS 451.410 to 451.610. 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 the circuit court of the county in which the city has its legal situs and maintains its seat of city government, to determine an equitable division and disposal of the district's assets if the governing bodies are unable to agree. 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

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the district upon a city-only election.

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.

House Bill 3099 A would authorize a city that was 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. House Bill 3099 A would also require 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.