

SB 92 STAFF MEASURE SUMMARY
House Committee On Agriculture and Land Use

Carrier: Rep. McLain

Action Date: 05/23/19
Action: Do Pass.
Vote: 7-0-0-0
Yeas: 7 - Boshart Davis, Clem, Helm, McLain, Post, Smith DB, Williams
Fiscal: Has minimal fiscal impact
Revenue: No revenue impact
Prepared By: Laura Kentnesse, LPRO Analyst
Meeting Dates: 4/25, 5/23

WHAT THE MEASURE DOES:

Authorizes a city to provide for as much as a 20-year ramp-up to full taxation rate for property in an annexed territory. Allows, for purposes of "island annexation," the corporate boundaries of another city to constitute part of the boundary of the territory to be annexed.

ISSUES DISCUSSED:

- Current ramp-up to full taxation rate is 10 years maximum
- Potential effects of discretionary ramp-up tool on property owners in annexed territories
- Property sales would terminate the ramp-up period and require that new owners pay the city tax rate
- Boundaries of annexed territories when cities abut or grow into one another

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

Annexation is the process of incorporating a piece of property into the boundaries of a city, making the property and those who live there eligible for services provided by the city. This action can be initiated by the city or by the property owner. Annexation is a locally driven process with guiding state statutes.

ORS 222.750, known as the "island annexation statute," allows a city to annex a territory that is surrounded by the corporate boundaries of the city, or by the corporate boundaries of the city and the ocean shore, a river, creek, bay, lake, or Interstate Highway 5 following a properly noticed public hearing.

Senate Bill 92 would authorize a city to provide for as much as a 20-year ramp-up to full taxation rate for property in an annexed territory and, for purposes of "island annexation," would allow the corporate boundaries of another city to constitute part of the boundary of the territory to be annexed.