

A-Engrossed
House Bill 3099

Ordered by the House April 16
Including House Amendments dated April 16

Sponsored by Representatives BYNUM, DRAZAN; Representative MCLAIN, Senators OLSEN, THOMSEN

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.

Authorizes city that was annexed into [*special*] **county service** district to petition county board for withdrawal from district. [*Provides that if city that was annexed into special district upon election called only in such city wishes to withdraw from district, election called to withdraw city from district shall also be held only in city.*] Changes requirement that withdrawal petition must be approved or denied depending on feasibility of providing district service to territory described in petition to option for county board to approve or deny petition based on feasibility. **Provides that if city is withdrawn from county service district, city and district must negotiate and finalize agreement for equitable division and disposal of district assets. Authorizes resolution by circuit court if city and district are unable to agree on division and disposal of district assets.**

Provides that if city was annexed into county service district upon election held only in city, and petition proposes withdrawal of city from district, election called to withdraw city from district must also be held in city.

Declares emergency, effective on passage.

A BILL FOR AN ACT

1
2 Relating to the withdrawal of the territory of a city from a special district; amending ORS 198.870
3 and 198.875; and declaring an emergency.

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

5 **SECTION 1.** ORS 198.870 is amended to read:

6 198.870. (1)(a) [*When*] **Whenever** a plan for district improvements is adopted, or **at** any time
7 more than two years after the date of formation of a district or, **if petitioner's property is located**
8 **within territory annexed into a district**, after the date of annexation of **the** territory to [*a*] **the**
9 district [*if petitioner's property is located within the territory annexed*], an owner of land included in
10 a district may petition the county board for withdrawal of the property of the owner from the dis-
11 trict.

12 (b) If the electors of an area within a district wish to withdraw from the district, they may file
13 a petition with the county board.

14 (c) **If the governing body of a city that was annexed, under ORS 198.866, into a county**
15 **service district established under ORS 451.410 to 451.610 wishes to withdraw the city from the**
16 **district, the governing body of the city may petition the county board to withdraw the city**
17 **from the district.**

18 (2) Petitioners shall cause notice of the petition filing to be given in writing to the district
19 secretary. Within five days after the petition is filed, petitioners shall furnish the secretary with a
20 copy of the petition as filed.

21 (3) Except as provided by ORS 198.875, ORS 198.800 to 198.820 apply to proceedings for with-
22 drawal and to the rights, powers and duties of the petitioners and other persons having an interest

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 in the proceeding.

2 (4) **Unless an election is required under ORS 198.875**, the county board may approve the pe-
3 tition as presented or it may adjust the boundaries and approve the petition. The petition [*shall*]
4 **may** be approved if it has not been, [*or*] is not or would not be[,] feasible for the territory described
5 in the petition to receive service from the district. The petition [*shall*] **may** be denied if it appears
6 that it is[,] or would be[,] feasible for the territory described in the petition to receive service from
7 the district.

8 (5)(a) **If a city is withdrawn from a county service district under this section or upon an**
9 **election called under ORS 198.875, within 90 days following the effective date of the with-**
10 **drawal the governing bodies of the city and the district shall negotiate and finalize an**
11 **agreement for the equitable division and disposal of the assets of the district. The governing**
12 **bodies shall consider the assessed value of all taxable property within the district and of the**
13 **taxable property withdrawn from the district and the types, location and intended uses of the**
14 **district's assets.**

15 (b) **If the governing bodies of the city and the district are unable to agree on an equitable**
16 **division and disposal of the district's assets, the governing body of the city or district may**
17 **petition the circuit court of the county in which the city has its legal situs and maintains its**
18 **seat of city government to determine an equitable division and disposal of the district's as-**
19 **sets.**

20 **SECTION 2.** ORS 198.875 is amended to read:

21 198.875. (1) At the time and place set for the final hearing upon [*the*] a withdrawal petition, if
22 the required number of written requests for an election on the proposed withdrawal have not been
23 filed, the county board shall enter an order withdrawing the described area from the district.

24 [*(2) If the required number of requests for an election are filed on or before the final hearing, the*
25 *county board shall call an election in the district upon the question of the withdrawal of the area.*]

26 (2) **If the required number of requests for an election are filed on or before the final**
27 **hearing:**

28 (a) **The county board shall call an election in the district upon the question of the with-**
29 **drawal of the area; or**

30 (b) **If the withdrawal petition proposes the withdrawal from a county service district of**
31 **a city that was annexed into the district upon an election held only in the city under ORS**
32 **198.866 (3) and (7), the governing body of the city shall call an election in the city on the**
33 **question of the withdrawal.**

34 (3) If an election is called and a majority of the votes cast at the election is in favor of the
35 withdrawal of the designated area from the district, the county board shall enter an order with-
36 drawing the area from the district. If the majority of the votes cast is against withdrawal, the
37 county board shall enter an order declaring the results of the election. In either case, the county
38 board shall cause a copy of the order to be filed with the secretary of the district.

39 **SECTION 3. This 2019 Act being necessary for the immediate preservation of the public**
40 **peace, health and safety, an emergency is declared to exist, and this 2019 Act takes effect**
41 **on its passage.**