

**FISCAL IMPACT OF PROPOSED LEGISLATION**

81st Oregon Legislative Assembly – 2021 Regular Session  
Legislative Fiscal Office

**Measure: SB 605 - 7**

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

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**Measure Description:**

Provides that, if rural fire protection district contains improved lands, or new improvements, that are within seven miles of fire station within district and are not subject to assessments for fire protection by district, county board must initiate by resolution annexation of territory containing lands.

**Government Unit(s) Affected:**

Special Districts, Counties

**Summary of Fiscal Impact:**

Costs related to the measure are indeterminate at this time - See explanatory analysis.

**Analysis:**

Senate Bill 605, as amended by the -7 amendments, replaces the introduced version. The measure directs the county boards of counties, upon request by a rural fire protection district, to annex lands to the rural fire protection district, provided that the lands are within seven miles of a fire station in the district and are not subject to tax assessment by the district or brought within seven miles of a fire station in the district by a new road and are not subject to tax assessment by the district. The annexation process outlined in ORS Chapter 198 would not apply to annexations of lands under this measure. The measure requires county boards to establish and implement a new process for annexations of lands to the rural fire protection district. Once lands have been annexed, the annexed lands shall become subject to outstanding indebtedness, bonded or otherwise, in the same manner as other lands within the rural fire protection district. Annexed lands that are improved may be subject to tax assessment and a service fee by the rural fire protection district; annexed lands that are unimproved may not be subject to tax assessment and a service fee by the district. However, annexed lands that are unimproved at annexation, but which are improved after annexation, may be subject to tax assessment and a service fee beginning July 1 following the calendar year in which the lands are improved. The measure takes effect on passage.

**Special Districts**

County boards would be required to annex lands to a rural fire protection district if the district requests the annexation. Assuming these lands are improved at or after the time of annexation, rural fire protection districts would be able to collect additional revenue from tax assessments and service fees.

Rural fire protection districts also may experience increased expenditures from having to determine whether an improved structure is currently within seven miles of a fire station in the district or brought within seven miles of a fire station in the district by a new road. These costs are anticipated to be minimal and would ultimately be recouped once an improved property is annexed to the district and subject to tax assessment and service fees.

**Counties**

The measure directs the county boards of counties, upon request by a rural fire protection district, to annex lands to the rural fire protection district. The standard annexation process outlined in ORS Chapter 198, in which counties annex lands to special districts, requires county boards to issue three published notices in a newspaper, hold two public hearings, and hold an election. Since the measure directs counties to establish a new process for

annexation of lands to rural fire protection districts, counties would need to establish such a process. It is unclear, though, what this process would entail. Unlike the standard annexation process, which is petition-driven, the annexation process in the measure is request-driven. It is unclear if a request would be considered tantamount to a petition. The measure also does not withstand ORS 198.855, which outlines the process for an annexation election and annexation without an election when a petition is circulated. It is unclear if counties would indeed hold annexation elections under the measure. Above all, the fiscal impact to counties would depend on how many properties are subject to annexation. For the reasons stated, the fiscal impact to counties is indeterminate.