

FISCAL IMPACT OF PROPOSED LEGISLATION

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

Measure: SB 605 - A <CORRECTED>

*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:

<CORRECTED FISCAL IMPACT STATEMENT>

Senate Bill 605, A-engrossed, 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.

Counties

The measure would have an indeterminate fiscal impact on counties. The measure directs the county boards of counties, upon request by a rural fire protection district, to annex lands to a rural fire protection district if the lands are within seven road miles of a fire station in the district and are not subject to tax assessment by the district or are 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 standard annexation process outlined in ORS Chapter 198 is a petition-driven process in which counties annex lands to special districts. It requires county boards to issue three published notices in a newspaper, hold two public hearings, and conduct an election. The measure, however, directs counties to establish and implement a new request-driven annexation process, so that when a rural fire protection district requests an annexation, the county shall annex the subject lands to the district. Counties would need to establish and implement this new request-driven process, which could conceivably vary from county to county. Once implemented, counties would need to develop a process to determine whether subject lands are within or brought within seven miles of a fire station in the district and whether the subject lands are subject to tax

assessment. Counties would then need to follow this request-driven annexation process for all lands for which a rural fire protection district requests annexation. The fiscal impact to counties would thus depend on how annexations a rural fire protection district requests, which is unknown at this time.

Special Districts

The measure would have a minimal fiscal impact on special districts, specifically rural fire protection 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 might have 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. However, 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.