

House Bill 3617

Sponsored by Representative HUNT (Pre-session filed.)

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 **as introduced**.

Allows existing special district or county service district to continue to provide services for newly incorporated city if petitioners propose and voters approve of continuance.

Declares emergency, effective on passage.

A BILL FOR AN ACT

1
2 Relating to local government provision of services; amending ORS 221.031, 222.510 and 451.585; and
3 declaring an emergency.

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

5 **SECTION 1.** ORS 222.510 is amended to read:

6 222.510. (1) Whenever the entire area of a rural fire protection district, a water district, in-
7 cluding a domestic water supply corporation, a park and recreation district, a highway lighting
8 district, a county service district, a special road district, a road assessment district or a sanitary
9 district or authority, lawfully organized and existing, becomes incorporated in or annexed to a city
10 in accordance with law, the district is extinguished and the city shall, upon the effective date of the
11 incorporation or annexation, succeed to all the assets and become charged with all the liabilities,
12 obligations and functions of the district. The district officers shall forthwith deliver to the city of-
13 ficers the district assets and records. Uncollected taxes theretofore levied by the district become the
14 property of the city and must be delivered to it by the county treasurer upon collection.

15 **(2) Notwithstanding subsection (1) of this section, a rural fire protection district, a water**
16 **district, including a domestic water supply corporation, a highway lighting district, a county**
17 **service district, a special road district, a road assessment district or a sanitary district or**
18 **authority, lawfully organized and existing, the entire area of which becomes incorporated in**
19 **a city, may continue to provide services if the continuation is proposed by petitioners in a**
20 **petition for incorporation that is subsequently approved by voters in an incorporation**
21 **election.**

22 **SECTION 2.** ORS 221.031 is amended to read:

23 221.031. (1) Before circulating a petition to incorporate unincorporated territory as a city, the
24 petitioners shall file a petition for incorporation in a form prescribed by rule of the Secretary of
25 State with:

26 (a) The county clerk of the county in which the proposed city lies; or

27 (b) If the proposed city lies in more than one county, the county clerk of the county in which
28 the largest part of its territory lies.

29 (2) The county clerk shall immediately date and time stamp the prospective petition and shall
30 authorize the circulation of the petition when the economic feasibility statement required by ORS
31 221.035 is filed with the county clerk. The county clerk shall retain the prospective petition and

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 economic feasibility statement and shall immediately send two copies of the prospective petition to
 2 the appropriate county court.

3 (3)(a) A petition for incorporation filed with the county clerk under subsection (1) of this section
 4 shall designate the name and residence address of not more than three persons as chief petitioners,
 5 who shall be electors registered within the boundaries of the proposed city.

6 (b) The petition shall contain the name of the proposed city.

7 (c) The petition shall *also* include a proposed permanent rate limit for operating taxes that
 8 would generate operating tax revenues sufficient to support an adequate level of municipal services.
 9 The tax rate limit shall be expressed in dollars per thousand dollars of assessed value. The tax rate
 10 limit shall be calculated for the latest tax year for which the assessed value of the proposed city is
 11 available.

12 (d) There shall be attached to the cover sheet of the petition a map indicating the exterior
 13 boundaries of the proposed city. The map shall not exceed 14 inches by 17 inches in size and shall
 14 be used in lieu of a metes and bounds or legal description of the proposed city.

15 (e) If the territory proposed to be incorporated is within the jurisdiction of a local government
 16 boundary commission, the petition shall be accompanied by the economic feasibility analysis re-
 17 quired under ORS 199.476 (1). Notwithstanding subsection (2) of this section, unless the economic
 18 feasibility analysis is approved by the local government boundary commission as provided in ORS
 19 199.522, the county clerk shall not authorize the circulation of the petition.

20 **(f) If the petitioners propose not to extinguish a special district pursuant to ORS 222.510**
 21 **(2) or a county service district pursuant to ORS 451.585 (1), the petition shall include a**
 22 **statement of this proposal.**

23 (4) Each sheet of signatures shall be attached to a full and correct copy of the petition for in-
 24 corporation. Not more than 20 signatures on each sheet of the petition for incorporation shall be
 25 counted. The circulator shall certify on each signature sheet that the circulator witnessed the
 26 signing of the signature sheet by each individual whose signature appears on the signature sheet
 27 and that the circulator believes each individual is an elector registered in the county. If the terri-
 28 tory proposed to be incorporated is within the jurisdiction of a local government boundary commis-
 29 sion, each signature sheet shall contain a statement that the economic feasibility analysis for the
 30 proposed city was approved by the boundary commission, that the analysis is available for inspection
 31 at the offices of the boundary commission and that subsequent to the gathering of the petitions the
 32 boundary commission must review and finally approve the proposal prior to submission at an
 33 election.

34 **SECTION 3.** ORS 451.585 is amended to read:

35 451.585. (1) Whenever the entire area of a district is incorporated in or annexed to a city in
 36 accordance with law, the district shall be extinguished and the city shall upon the effective date of
 37 such annexation succeed to all the assets and become charged with all the liabilities, obligations
 38 and functions of the district. The district officers shall forthwith deliver to the city officers the
 39 district assets and records. Uncollected taxes theretofore levied by such district shall become the
 40 property of the city and be delivered to it by the county treasurer upon collection.

41 **(2) Notwithstanding subsection (1) of this section, a district, the entire area of which**
 42 **becomes incorporated in a city, may continue to provide services if the continuation is pro-**
 43 **posed by petitioners in a petition for incorporation that is subsequently approved by voters**
 44 **in an incorporation election.**

45 [(2)] (3) Whenever a part less than the whole of a district becomes incorporated in or annexed

1 to a city in accordance with law, the city may at any time after such incorporation or annexation
2 cause that part to be withdrawn from such district in the manner set forth in ORS 222.524, and the
3 provisions of ORS 222.510 to 222.580 shall be applicable to such withdrawal except that in case the
4 district and the city cannot agree upon a division of assets or obligations and liabilities, then and
5 in such case, either the district or the city may petition the circuit court for the county in which
6 the city has its legal situs to determine such division.

7 **SECTION 4. This 2010 Act being necessary for the immediate preservation of the public**
8 **peace, health and safety, an emergency is declared to exist, and this 2010 Act takes effect**
9 **on its passage.**

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