

REVENUE: No revenue impact**FISCAL: No fiscal impact**

Action: Do Pass**Vote:** 5 - 0 - 0**Yeas:** Bonamici, Boquist, George, Monroe, Shields**Nays:** 0**Exc.:** 0**Prepared By:** Patrick Brennan, Administrator**Meeting Dates:** 4/27, 5/25

WHAT THE MEASURE DOES: Authorizes annexation of territory of a dissolved district by a district formed under the same principal Act. Allows for allocation of indebtedness between a district and territory annexed by the district. Subjects territory annexed to a permanent rate limit and local option taxes of the annexing district. Takes effect on 91st day following adjournment sine die.

ISSUES DISCUSSED:

- Annexation and consolidation processes

EFFECT OF COMMITTEE AMENDMENT: No amendment.

BACKGROUND: Current law allows special districts that merge or consolidate to approve a debt distribution plan to allow district indebtedness to remain a liability for which the merging or consolidating district is responsible. Statutes governing annexations, which are similar to mergers or consolidations, do not allow for debt distribution plans. House Bill 2807 allows debt distribution plans when special districts annex territory.