



Support HB 3099

House Bill 3099 creates a path for a city that has joined a special district to petition to withdraw from the district using the same process the city used to join. It establishes an equitable process so that the same voters who approved the decision for a city to join a special district are the same voters who make the decision whether to withdraw from the district.

Background

- **Currently, ORS 198.866 provides a statutory pathway for a city to *join* a service district.**
 - That process requires a City Council resolution, which is then sent to the County Board of Commissioners for approval or denial and, if approved, is sent to voters for their consideration.
- **There is, however, no authority for a City to initiate a process to *withdraw* from a district.**
- **HB 3099 provides a process by which a City may file a withdrawal petition with the County and then, if approved, would require approval by the same voters who approved a City joining a district.**

Solution

House Bill 3099 creates a path for a city that has joined a district to petition to withdraw from the district. It creates parity of public process by amending ORS 198.870 to allow for a city to withdraw from a special district in the exact same manner in which it entered into the district. House Bill 3099 creates common sense fairness of process and alignment of decision makers in deciding to join and withdraw from a district. House Bill 3099 allows the decision to be made by the voters who will be most affected.

Process to <i>join</i> a district (ORS 198.866)	Process to <i>withdraw</i> from a district (with House Bill 3099)	Process to <i>withdraw</i> from a district (without HB 3099)
City Council approves a resolution to join	City council approves a resolution to withdraw	City cannot file a petition to withdraw
Resolution sent to County for approval (or disapproval)	Resolution sent to County for approval (or disapproval)	<i>Because City cannot file petition, nothing for County to approve</i>
If approved, City calls an election for vote of city residents. (If city is less than 20% of district, only city residents vote)	If approved, City calls an election for vote of city residents. (If city is less than 20% of district, only city residents vote)	<i>Voters denied opportunity to choose</i>

Financial Impact of Withdrawal on a District

When a city withdraws from a district under Chapter 198, it remains liable for its share of district debt, which would remain unchanged under HB 3099. Further, upon withdrawal, the district is no longer obligated to provide services and facilities within the city; so, while a district would no longer collect taxes or SDCs for this purpose, it would also no longer be responsible for the cost.

For More Information please contact:

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