



Support HB 3099A

House Bill 3099A creates a path for a city that has joined a county service district to petition to withdraw from the district using the same process the city used to join. It establishes an equitable, transparent and public process and allows the decision of whether to withdraw from the district to be made by the voters who will be most affected.

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 3099A provides a process by which a City may file a withdrawal petition with the County and if the petition is presented to the voters, it would require approval by the same voters who approved the City joining a district.**

WHY IS HB 3099A NECESSARY?

- Once a city joins a county service district, it has no way to petition to withdraw from the district. The city is effectively trapped in the district.
- **HB 3099A narrowly applies only to county service districts, in which the county board of commissioners is also the governing body of the district, which creates an inherent conflict of interest.** The county board of commissioners is always wearing two hats—one of the county board and the district board and thus does not have flexibility to exercise judgement independent of the district.
- Under current law, even if a county board wanted to allow a city to withdraw from a district, it cannot if it is merely feasible for the district to provide services. The board has no discretion to make this decision.

SAFEGUARDS

- It should be more difficult for a city to withdraw from a district than it is to join a district and with HB 3099A, it is.
- **HB 3099A requires** that upon the withdrawal of a city from a county service district, the city and the district have 90 days to negotiate an **equitable division and disposal of assets** of the district. If no agreement can be made, either party may petition a court to make the final decision.
- If a city withdraws from a district, it will remain liable for its share of district debt.
- Upon a city's 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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