

ANNEXATION OF PUBLIC SERVICE DISTRICTS

222.510 Annexation of entire district; transfer of liabilities and functions to city.

Whenever the entire area of a rural fire protection district, a water district, including a domestic water supply corporation, a park and recreation district, a highway lighting district, a county service district, a special road district, road assessment district or a sanitary district or authority, lawfully organized and existing, becomes incorporated in or annexed to a city in accordance with law, the district is extinguished and the city shall, upon the effective date of the incorporation or annexation, succeed to all the assets and become charged with all the liabilities, obligations and functions of the district. The district officers shall forthwith deliver to the city officers the district assets and records. Uncollected taxes theretofore levied by the district become the property of the city and must be delivered to it by the county treasurer upon collection. [Amended by 1955 c.471 §1; 1963 c.347 §1; 1965 c.509 §1; 1967 c.365 §1; 1967 c.624 §16; 1969 c.78 §1; 1971 c.13 §5; 2007 c.420 §1]

222.520 Annexation of less than entire district; assumption of liabilities by city optional.

(1) Whenever a part less than the entire area of a district named in ORS 222.510 becomes incorporated as or annexed to a city in accordance with law, the city may cause that part to be withdrawn from the district in the manner set forth in ORS 222.120 or at any time after such incorporation or annexation in the manner set forth in ORS 222.524. Until so withdrawn, the part of such a district incorporated or annexed into a city shall continue to be a part of the district.

(2) The part thus withdrawn shall not thereby be relieved from liabilities and indebtedness previously contracted by the district. For the purposes of paying such liabilities and indebtedness of the district, property in the part withdrawn shall continue to be subject to assessment and taxation uniformly with property in the area remaining in the district. The city of which it became a part shall, however, assume such obligations if the obligations assumed do not bring the total of the city's obligations above any applicable limitations prescribed by statute. When the city assumes such obligations it shall be liable to the district for one of the following, at the option of the city:

(a) The amount of taxes which otherwise would be extended each year therefor against the property in the part withdrawn; or

(b) Payment annually, as the bonds of the district that were outstanding on the effective date of the withdrawal mature, of the same proportion of such outstanding bonds, and the interest thereon, as the assessed valuation of the part withdrawn bears to the assessed valuation of the entire district on the effective date of the withdrawal. After the city agrees to make such payments under this subsection, neither the city nor the part withdrawn shall be charged by the district with any future liabilities, obligations or functions of the district. [Amended by 1955 c.471 §2; 1957 c.401 §1; 1963 c.347 §2; 1965 c.509 §2; 1967 c.624 §17; 1985 c.702 §13]