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## POSSIBLE DAMASCUS DISINCORPORATION: EFFECT on DAMASCUS CITIZENS and CLACKAMAS COUNTY

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August 2013

*This November citizens in the City of Damascus will vote on whether the City should disincorporate. Since Damascus is within Clackamas County, people have questions about how disincorporation might affect the County's relationship with Damascus residents and property owners.*

**Q: How many people have to vote in order for disincorporation to be approved?**

**Answer:** According to the Secretary of State, disincorporation will require "yes" votes by a majority of all electors (citizens who are both eligible and registered to vote), not just a majority of those who do vote in the November election. As of July 20, 2012, Damascus had 6,864 registered voters.

**Q: If Damascus disincorporates, what happens to property taxes?**

**Answer:** 1) The City would no longer levy property tax. The City's 2013-14 tax rate is \$3.10 per thousand dollars of assessed value. 2) The County property tax rate on land in the current Damascus city limits would increase from \$2.40 per thousand dollars of assessed value to \$2.98 per thousand dollars of assessed value because the County has a higher base tax rate in unincorporated areas.

**Q: If Damascus disincorporates, what happens to the Comprehensive Plan and Zoning regulations?**

**Answer:** State law provides that the County apply the comprehensive plan and zoning regulations in effect at the time the City disincorporates (ORS 215.130(3)). The County currently provides land use permitting services for the City, based on the 2005 Comprehensive Plan and Zoning Ordinance. No matter how property is zoned, future urban development depends on the availability of water, sewer and adequate transportation capacity. Upon disincorporation, the County will begin to charge Transportation System Development Charges (TSDCs) on some new development.

**Q: If Damascus disincorporates, would the County have the same level of funding that the City has now to provide services within current City limits?**

**Answer:** Damascus, like all Oregon cities, has sources of funding that aren't available to counties, including city property taxes, franchise fees, and state-shared revenues such as the portion of state gas tax dedicated to cities. Though the amount varies from year to year, the City's proposed 2013-14 budget shows more than \$3.4 million of revenue from those sources. If the City disincorporates, some of this revenue would no longer be collected (city property taxes and franchise fees) and funds from other sources would be distributed to other Oregon cities. The estimated \$560,000 in additional revenue to the County from the increased property tax rate would be allocated as part of the countywide budget process.

**Q: If Damascus disincorporates, how would law enforcement be affected?**

**Answer:** The County now receives just over \$1 million from Damascus for law enforcement services. With disincorporation, the County would lose that source of funding for law enforcement in Damascus.

**Q: If Damascus disincorporates, what happens to the City's remaining property and funds?**

**Answer:** State law provides that the city's unexpended funds and property would be turned over to the County at the time of disincorporation.