

# Senate Bill 306

Printed pursuant to Senate Interim Rule 213.28 by order of the President of the Senate in conformance with pre-session filing rules, indicating neither advocacy nor opposition on the part of the President (at the request of Senate Interim Committee on Finance and Revenue)

## SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Allows metropolitan service district to establish service district with taxing powers to provide local services.

## A BILL FOR AN ACT

1  
2 Relating to service districts; creating new provisions; and amending ORS 174.116, 181.610, 195.060,  
3 198.180, 198.510, 198.705, 198.725, 198.730, 198.748, 198.765, 198.775, 198.780, 198.785, 198.795,  
4 198.800, 198.805, 198.810, 198.815, 198.820, 198.830, 198.840, 198.845, 198.850, 198.855, 198.857,  
5 198.860, 198.866, 198.867, 198.870, 198.875, 198.920, 198.925, 198.930, 198.935, 198.940, 198.945,  
6 198.955, 199.420, 199.457, 199.476, 199.480, 221.031, 222.850, 255.012, 271.715, 271.725, 271.735,  
7 271.775, 280.055, 285A.010, 285B.410, 357.465, 372.460, 372.480, 447.091, 450.675, 451.110, 451.120,  
8 451.130, 451.140, 451.410, 451.435, 451.440, 451.485, 451.520, 451.540, 451.542, 451.545, 451.550,  
9 451.555, 451.568, 451.580, 451.585, 451.590, 451.605, 451.620, 454.105, 454.205, 454.275, 454.430,  
10 454.805, 459.005, 468.423, 811.720 and 824.040.

11 **Be It Enacted by the People of the State of Oregon:**

12 **SECTION 1. Section 2 of this 2011 Act is added to and made a part of ORS 198.835 to**  
13 **198.845.**

14 **SECTION 2. (1) The governing body of a metropolitan service district may initiate the**  
15 **formation of a service district organized under ORS 451.410 to 451.610 to be located entirely**  
16 **within the boundaries of the metropolitan service district, by an order setting forth:**

17 (a) **The intention of the governing body of the metropolitan service district to initiate the**  
18 **formation of a service district and citing the principal Act.**

19 (b) **The name and boundaries of the proposed service district.**

20 (c) **The date, time and place of a public hearing on the proposed service district.**

21 (2) **An order initiating the formation of a service district may require dissolution of the**  
22 **service district, subject to a determination of public need for continued existence of the**  
23 **service district as provided in ORS 451.620. The governing body shall specify the fiscal year**  
24 **in which dissolution will occur, not later than the 10th fiscal year after the date of the order.**

25 **SECTION 3. Section 4 of this 2011 Act is added to and made a part of ORS 198.705 to**  
26 **198.955.**

27 **SECTION 4. For the purposes of ORS 198.705 to 198.955, the governing body of a metro-**  
28 **politan service district organized under ORS chapter 268 has the authority to act in matters**  
29 **regarding formation of service districts organized under ORS 451.410 to 451.610 or in matters**  
30 **regarding annexation, withdrawal, merging, consolidation or dissolution of service districts**

**NOTE:** Matter in **boldfaced** type in an amended section is new; matter *[italic and bracketed]* is existing law to be omitted. New sections are in **boldfaced** type.

1 organized under ORS 451.410 to 451.610 for which the governing body of the metropolitan  
2 service district is also the governing body of the service district.

3 **SECTION 5.** Section 6 of this 2011 Act is added to and made a part of ORS 451.410 to  
4 451.610.

5 **SECTION 6.** Notwithstanding ORS 198.720, a district established by a metropolitan service  
6 district may include territory included within a district established by a county that is au-  
7 thorized to perform and is performing the same or similar services.

8 **SECTION 7.** ORS 451.110 is amended to read:

9 451.110. As used in ORS 451.110 to 451.140, unless the context indicates otherwise:

10 (1) "County court" includes the board of county commissioners.

11 (2) "Service facilities" means public service installations, works or services provided within a  
12 county **or metropolitan service district** for any or all of the purposes specified in ORS 451.010.

13 **SECTION 8.** ORS 451.120 is amended to read:

14 451.120. (1) The county court of any county may, for the protection of the health, safety and  
15 general welfare, prepare and adopt coordinated master plans for the development of service faci-  
16 ties:

17 (a) To serve unincorporated areas in the county; and

18 (b) For a service district established under ORS 451.410 to [451.600] **451.610** and for which the  
19 county court serves as governing body, to serve all areas within or served by the district.

20 **(2) The governing body of a metropolitan service district organized under ORS chapter**  
21 **268 may, for the protection of the health, safety and general welfare, prepare and adopt co-**  
22 **ordinated master plans for the development of service facilities for a service district estab-**  
23 **lished under ORS 451.410 to 451.610 and for which the governing body of the metropolitan**  
24 **service district serves also as the governing body of the service district, to serve all areas**  
25 **within or served by the service district.**

26 **(3) A metropolitan service district may not establish a service district under ORS 431.705**  
27 **to 431.760.**

28 [(2)] (4) Master plans adopted under this section shall be coordinated with the comprehensive  
29 plans of the affected cities and counties.

30 **SECTION 9.** ORS 451.130 is amended to read:

31 451.130. After a coordinated master plan has been adopted under ORS 451.120[,]:

32 (1) The county court may enforce [such] **the** plan by requiring that plans for the installation  
33 or operation of service facilities in areas under county jurisdiction outside the boundaries of cities  
34 or in areas within or served by a service district be submitted to the county court for approval, and  
35 that such installation or operation [shall] **must** conform to the master plan.

36 **(2) The governing body of the metropolitan service district may enforce the plan by re-**  
37 **quiring that plans for the installation or operation of service facilities in areas within or**  
38 **served by a service district be submitted to the governing body for approval, and that such**  
39 **installation or operation must conform to the master plan.**

40 **SECTION 10.** ORS 451.140 is amended to read:

41 451.140. In carrying out the powers granted to the county court **or governing body of the**  
42 **metropolitan service district** under ORS 451.110 to 451.140, the county court **or governing body**  
43 **of the metropolitan service district** may:

44 (1) Conduct [such] surveys and investigations as may be necessary to develop coordinated master  
45 plans as provided in ORS 451.120.

1 (2) Provide for the administration and enforcement of [such] **the** master plans by engineering  
 2 analysis, inspection or other appropriate means.

3 (3) Enter into contracts or agreements with cities, [other] counties or county service districts  
 4 for public transportation, the federal government, state agencies, the special districts enumerated  
 5 in ORS 451.573 or any person or private corporation for a period not to exceed 30 years for the  
 6 cooperative financing of the preparation and enforcement of coordinated master plans as provided  
 7 in ORS 451.120 and 451.130.

8 (4) Levy and collect taxes for the purpose of providing funds to prepare and enforce coordinated  
 9 master plans as provided in ORS 451.120 and 451.130.

10 (5) Expend funds for [such] **the** surveys, investigations and studies as may be necessary for the  
 11 preparation and enforcement of [such] **the** master plans.

12 **SECTION 11.** ORS 451.410 is amended to read:

13 451.410. As used in ORS 451.410 to 451.610, unless the context indicates otherwise:

14 (1) "Change of organization" has the meaning given that term in ORS 198.705.

15 (2) "County" has the meaning given that term in ORS 198.705.

16 (3) "County court" includes the board of county commissioners.

17 (4) "District" means:

18 (a) A county service district established under ORS 451.410 to 451.610 to provide service facili-  
 19 ties in a county or counties[.]; **or**

20 (b) **A service district established under ORS 451.410 to 451.610 by a metropolitan service**  
 21 **district organized under ORS chapter 268 to provide service facilities within the boundaries**  
 22 **of the metropolitan service district.**

23 (5) "Formation" has the meaning given that term in ORS 198.705.

24 (6) "Owner" means the record owner of real property or the holder of a duly recorded contract  
 25 for purchase of real property within the district.

26 (7) "Service facilities" means public service installations, works or services provided within a  
 27 county or counties **or within a metropolitan service district** for any or all of the purposes speci-  
 28 fied in ORS 451.010.

29 **SECTION 12.** ORS 451.435 is amended to read:

30 451.435. (1) All district formation and change of organization proceedings shall be initiated,  
 31 conducted and completed as provided by ORS 198.705 to 198.955. Except for an order allowing an  
 32 existing district established to provide sewage works to also provide drainage works, **or a service**  
 33 **district formed by a metropolitan service district**, no county or portion thereof shall be included  
 34 within a district [which] **that** is to provide services in more than one county without the consent  
 35 of the governing body of the affected county.

36 (2) In the case of sewage works, upon certification to the county court **or governing body of**  
 37 **the metropolitan service district** by the Environmental Quality Commission or the county health  
 38 officer that an emergency exists, the county court **or governing body of the metropolitan service**  
 39 **district** shall initiate the formation of a district in the manner specified in ORS 198.835 **or section**  
 40 **2 of this 2011 Act**, or annexation to an existing district in the manner specified in ORS 198.850 (3),  
 41 whichever is most appropriate.

42 (3) A petition or order initiating the formation or change or organization of a district shall, in  
 43 addition to the requirement specified by ORS 198.705 to 198.955, state which of the service facilities  
 44 specified by ORS 451.010 the district shall be authorized to construct, maintain and operate.

45 (4) A final order in a formation or change of organization proceeding of a district shall, in ad-

1 dition to the requirements specified by ORS 198.705 to 198.955, state which of the service facilities  
2 specified by ORS 451.010 the district shall be authorized to construct, maintain and operate.

3 **SECTION 13.** ORS 451.440 is amended to read:

4 451.440. (1) Prior to initiation of the formation of a district, the county court **or governing body**  
5 **of the metropolitan service district** may cause engineering and program plans to be prepared. The  
6 plans may include:

7 (a) Preliminary plans for the service facilities to be constructed or provided.

8 (b) Estimated costs of construction, maintenance and operation.

9 (c) Recommendations as to boundaries of the district.

10 (d) Recommendations as to use of any portion of the proposed service facilities for areas in the  
11 county **or metropolitan service district** outside the **proposed service** district at some future date  
12 and the portion of the cost of such works [*which*] **that** should be borne by such areas when use is  
13 made of any portion of the facilities.

14 (e) Recommendations as to the extent to which the proposed service facilities may be integrated  
15 into other service facilities constructed or being constructed by other districts under ORS 451.410  
16 to 451.610 or by other public agencies and the fair and equitable amount of the cost of construction  
17 of [*such*] **the** other facilities the district should bear.

18 (2) If a district is formed or granted authority to provide additional types of service facilities,  
19 the county court **or governing body of the metropolitan service district** may require the district  
20 to reimburse the county **or metropolitan service district** for the cost of engineering and program  
21 plans prepared in accordance with this section.

22 **SECTION 14.** ORS 451.485 is amended to read:

23 451.485. (1) The county court shall be the governing body of a [*county*] service district estab-  
24 lished under ORS 451.410 to 451.610[.] **by a county.**

25 **(2) The governing body of a metropolitan service district shall be the governing body of**  
26 **a service district established under ORS 451.410 to 451.610 by the metropolitan service dis-**  
27 **trict.**

28 **(3)** A district shall be known by the name or number specified in the order declaring its for-  
29 mation and by that name shall exercise and carry out the powers and duties conferred and declared  
30 in this chapter.

31 **(4)** Before proceeding to construct or provide any service facilities authorized by this chapter,  
32 the governing body of the district shall make an order:

33 [(1)] **(a)** Determining the service facilities to be constructed, maintained and operated and the  
34 part of the work to be undertaken immediately.

35 [(2)] **(b)** Determining the manner of financing the construction, maintenance and operation of the  
36 service facilities.

37 [(3)] **(c)** Determining the method by which the district shall bear the share of the cost of con-  
38 struction of the service facilities that is to be apportioned to the district.

39 [(4)] **(d)** Where it appears that any service facilities to be constructed will provide service to  
40 areas outside the district at some future date, determining the equitable and fair share of the cost  
41 of construction of such facilities that should be borne by such areas, which share shall be borne by  
42 the revolving fund established under ORS 451.540, by funds obtained by the county under ORS  
43 280.055 **for a district established by a county** or by any other method of financing described by  
44 ORS 451.490 until such areas are served by the facilities.

45 [(5)] **(e)** Where the service facilities of the district are to be integrated into other service facil-

ities constructed or being constructed by another district or by other public bodies as defined in ORS 174.109, determining the fair and equitable amount the district should assume as its share of the construction of such other service facilities, which amount shall be paid to the other district or public body upon terms and conditions to which the governing body of the district has agreed.

[(6)] (f) In the case of sewage works, where trunk or interceptor sewers, treatment plants and similar facilities are to be charged to all property within the district while lateral sewers, street mains and similar facilities are to be charged only to property to be served immediately by the system, determining the fair and equitable share of the total cost to be charged to areas within the district.

[(7)] (g) If any of the cost of the work is to be assessed against benefited property, describing portions of the district, if any, within which service facilities will not be financed by assessment.

**SECTION 15.** ORS 451.520 is amended to read:

451.520. (1) When assessments are made under ORS 451.410 to 451.610 they shall be entered in a permanent lien docket which shall be kept in the office of the county clerk of the county **where the property is located**. The docket shall show the amount of each lien, property against which it has been assessed, the owner thereof and such additional information as is required to keep a permanent and complete record of the assessment and the payments thereon.

(2) If the owner of the property against which an assessment has been made fails to pay the assessment, or any portion thereof, or the interest thereon, when due, the district may proceed to foreclose the lien in any manner provided by law for the collection of liens by local governments as defined in ORS 174.116 or may provide by ordinance a general procedure for the collection of such liens in any manner not inconsistent with law.

(3) The provisions of ORS 223.405 to 223.485 relating to reassessment shall be available to the district, where applicable, in connection with assessments made under ORS 451.410 to 451.610.

(4) In addition to the procedure provided by subsections (1), (2) and (3) of this section, the provisions of ORS 372.170 and 372.180 shall be available to the district, where applicable, in connection with assessments made under ORS 451.410 to 451.610.

**SECTION 16.** ORS 451.540 is amended to read:

451.540. (1) The *[county court]* **governing body of the service district** may, for the purpose of establishing a revolving fund to provide money to finance the construction under ORS 451.410 to 451.585 of those service facilities in the county **or metropolitan service district** that may be necessary and in implementation of the master plans provided for in ORS 451.120, levy an ad valorem tax of not to exceed 50 cents per year, for a period not to exceed five years, for each \$1,000 of real market value of taxable property within all areas of the county **or metropolitan service district**, to be served by the facilities included in the master plan. The revenues derived from the taxes shall be deposited with the county treasurer **or person designated by the governing body of the metropolitan service district** and credited to the revolving fund. Moneys in the revolving fund shall be disbursed by the county treasurer **or person designated by the governing body of the metropolitan service district** on order of the county court **or governing body of the metropolitan service district** and used solely for the purposes authorized in ORS 451.410 to 451.610.

(2) The boundaries of the territory within which the tax authorized by subsection (1) of this section may be levied shall be determined by the county court **or governing body of the metropolitan service district** after a public hearing. The county court **or governing body of the metropolitan service district** shall direct the county clerk **or person designated by the governing body of the metropolitan service district** to publish notice of *[such]* **the** hearing once a week for

1 two successive weeks prior to the hearing in a newspaper of general circulation published within  
2 the proposed boundaries of the territory or, if there is no such newspaper, in a newspaper of general  
3 circulation in the county **or metropolitan service district**. Any elector or any owner of property  
4 within the territory may appear at the hearing to protest inclusion of the property of the voter  
5 within the territory, but the county court **or governing body of the metropolitan service district**  
6 shall not exclude land [*which*] **that**, in its judgment, will be served by the facilities included in the  
7 master plan.

8 **SECTION 17.** ORS 451.542 is amended to read:

9 451.542. For purposes of ad valorem taxation, a boundary change must be filed in final approved  
10 form with the county assessor **for any county affected by the boundary change** and the Depart-  
11 ment of Revenue as provided in ORS 308.225.

12 **SECTION 18.** ORS 451.545 is amended to read:

13 451.545. (1) The district may, when authorized by a majority of the votes cast at an election by  
14 electors of the district, issue general obligation bonds for the purpose of paying the cost of acqui-  
15 sition or construction of service facilities. Each issue of general obligation bonds shall be the gen-  
16 eral obligation of the district and the principal and interest on the bonds shall be paid by the  
17 district by assessments, charges, or ad valorem taxes imposed or levied within the district as may  
18 be determined by the governing body of the district under ORS 451.490. Bonds authorized by this  
19 section shall be issued in accordance with ORS chapter 287A, except as otherwise provided in this  
20 section.

21 (2) In addition to the authority to issue general obligation bonds, the district, when authorized  
22 at any properly called election, shall have the power to sell and dispose of revenue bonds, and to  
23 pledge as security for the bonds all or any part of the unobligated net revenue of the district to  
24 purchase, acquire, lay out, construct, reconstruct, extend, enlarge or improve service facilities. The  
25 revenue bonds shall be issued as prescribed in ORS chapter 287A, but they are payable, both as to  
26 principal and interest from revenues only, as specified by this section. The revenue bonds are not  
27 subject to the percentage limitation applicable to general obligation bonds and are not a lien upon  
28 any of the taxable property within the boundaries of such district, but are payable solely from such  
29 part of the revenues of the district as remain after payment of obligations having a priority and of  
30 all expenses of operation and maintenance of the district. All revenue bonds shall contain a clause  
31 reciting that both the principal and interest are payable solely from operating revenues of the dis-  
32 trict remaining after paying such obligations and expenses.

33 (3) **For a district established by a county**, the district's total outstanding general obligation  
34 bonds, including improvement bonds of the kind authorized by ORS 223.205 and 223.210 to 223.295,  
35 may not exceed in the aggregate 13 percent of the real market value of all property by law  
36 assessable for state and county purposes within the district as reflected in the last roll certified  
37 under ORS 311.105.

38 (4) **For a service district established by a metropolitan service district, the service**  
39 **district's total outstanding general obligation bonds, including improvement bonds of the**  
40 **kind authorized by ORS 223.205 and 223.210 to 223.295, may not exceed in the aggregate 13**  
41 **percent of the real market value of all property by law assessable for state and metropolitan**  
42 **service district purposes within the service district as reflected in the last roll certified un-**  
43 **der ORS 311.105.**

44 **SECTION 19.** ORS 451.550 is amended to read:

45 451.550. For the purpose of carrying out the powers granted to the district under other pro-

visions of ORS 451.410 to 451.610, the district may:

(1) Supervise, manage, control, operate and maintain service facilities.

(2) Compel all residents and property owners in a district to connect their property, houses and structures requiring sewage disposal or surface drainage with adjacent sewers or other sewage or drainage facilities in the district.

(3) Acquire by purchase, gift, devise, condemnation proceedings or by any other means, such real and personal property and rights of way, either within or without the [county] **district**, as in the judgment of the governing body of the district are necessary or proper in the exercise of the powers of the district, and to pay for and hold the same.

(4) Make and accept contracts, deeds, releases and documents which, in the judgment of the governing body of the district, are necessary or proper in the exercise of the powers of the district.

(5) Employ and pay necessary agents, employees and assistants.

(6) Construct service facilities in and on any public street, highway or road and for this purpose enter upon the street, highway or road, make all necessary and proper excavations, and thereafter restore the street, highway or road to its proper condition. However, the consent of the appropriate city, county or state authorities, as the case may be, shall first be obtained and the conditions of such consent complied with.

(7) **For districts established by counties**, exercise the authority vested in counties under ORS 549.710 to 549.990.

(8) Exercise the authority granted to domestic water supply districts under ORS 264.306 to 264.330.

(9) Adopt storm and surface water management plans, programs and regulations relating to the quality and quantity of such waters and conduct water quality studies.

(10) Do any act necessary or proper to the complete exercise and effect of any of its powers under ORS 451.410 to 451.610.

**SECTION 20.** ORS 451.555 is amended to read:

451.555. (1) [County] Service districts for the purpose of providing comprehensive planning for land use and public facilities for a district in [the] a county **or metropolitan service district** may be formed in the manner provided by ORS 451.410 to 451.610 for establishing [county] service districts for other purposes.

(2) A district formed to provide comprehensive planning may, in accordance with ORS chapter 215, adopt comprehensive plans for land use and public facilities within the district. The district shall be subject to ORS 451.120 to 451.140, 451.485 and 451.550 to 451.560. The activities of the district may be financed by any method authorized by ORS 451.490 and 451.520 to 451.547. Plans adopted by the district may be enforced as provided by ORS 451.130.

(3) The district governing body shall appoint an advisory committee of not less than 11 members who are electors resident in the district or owners of land in the district. The committee shall advise the governing body in carrying out the provisions of this section. It shall meet with the governing body at the times and places determined by the committee and governing body jointly.

**SECTION 21.** ORS 451.568 is amended to read:

451.568. Public transportation facilities and services provided by, or pursuant to a contract with, a [county] service district created **under ORS 451.410 to 451.610** for the purpose of public transportation are exempt from the provisions of ORS chapter 825.

**SECTION 22.** ORS 451.580 is amended to read:

451.580. (1) **For the purposes of this section, “metropolitan service district treasurer”**

1 **means the person designated by the governing body or charter of a metropolitan service**  
 2 **district to manage the metropolitan service district's financial administration.**

3 [(1)] (2) Except as otherwise provided in ORS 451.410 to 451.610, all moneys received by a dis-  
 4 trict shall be paid to the county **or metropolitan service district** treasurer and deposited by the  
 5 county **or metropolitan service district** treasurer in an appropriate district fund. The county **or**  
 6 **metropolitan service district** treasurer, when ordered by a district governing body, shall establish  
 7 separate accounts in the district fund or separate funds in the county **or metropolitan service**  
 8 **district** treasury for the segregation of sinking or reserve funds or accounts, of operating funds or  
 9 accounts or of any other funds or accounts found necessary or expedient by the district. However,  
 10 no moneys received by a district shall be used for any purpose other than for carrying out the  
 11 purposes of ORS 451.410 to 451.610 and all funds, facilities, personnel or supplies of the county **or**  
 12 **metropolitan service district** used for those purposes shall be charged to the appropriate district  
 13 fund or account.

14 [(2)] (3) Notwithstanding the requirement for a district to pay district moneys to the county **or**  
 15 **metropolitan service district** treasurer for deposit in an appropriate district fund in the county  
 16 **or metropolitan service district** treasury under subsection [(1)] (2) of this section, the governing  
 17 body of a county, with the consent of the county treasurer if the county treasurer is an elected  
 18 county officer, **or the metropolitan service district treasurer**, may order a service district es-  
 19 tablished under ORS 451.410 to 451.610 to hold and manage its own moneys in one or more district  
 20 funds or accounts deposited in a financial institution as defined in ORS 706.008. The order must  
 21 provide for transfer of any moneys of the district then held or later received by the county **or**  
 22 **metropolitan service district** treasurer for the district. Thereafter, the district shall be solely re-  
 23 sponsible for management of moneys of the district and shall designate a district officer or employee  
 24 to assume the duties and responsibilities otherwise imposed upon the county **or metropolitan ser-**  
 25 **vice district** treasurer.

26 [(3)] (4) Moneys deposited by the district in a district fund or account may be withdrawn or paid  
 27 out only upon a proper order and warrant or upon a check signed by the district officer or employee  
 28 designated to assume the duties and responsibilities otherwise imposed upon the county treasurer  
 29 **or the metropolitan service district treasurer**. The order must:

- 30 (a) Specify the name of the person to whom the moneys are to be paid;
- 31 (b) Specify the fund or account from which the moneys are to be paid;
- 32 (c) State generally the purpose for which the moneys are to be paid; and
- 33 (d) Be entered in the record of proceedings of the district.

34 **SECTION 23.** ORS 451.585, as amended by section 3, chapter 41, Oregon Laws 2010, is amended  
 35 to read:

36 **451.585. (1) For a district formed by a county:**

37 [(1)] (a) Whenever the entire area of a district is incorporated in or annexed to a city in ac-  
 38 cordance with law, the district shall be extinguished and the city shall upon the effective date of  
 39 such annexation succeed to all the assets and become charged with all the liabilities, obligations  
 40 and functions of the district. The district officers shall forthwith deliver to the city officers the  
 41 district assets and records. Uncollected taxes theretofore levied by such district shall become the  
 42 property of the city and be delivered to it by the county treasurer upon collection.

43 [(2)] (b) Notwithstanding **paragraph (a) of this** subsection [(1) of this section], a district, the  
 44 entire area of which becomes incorporated in a city, may continue to provide services if the con-  
 45 tinuation is proposed by petitioners in a petition for incorporation that is subsequently approved by



1 voters in an incorporation election. At any time after incorporation, a city may cause a district to  
 2 be extinguished and succeed to all the assets and become charged with all the liabilities, obligations  
 3 and functions of the district if:

4 [(a)] (A) The governing body of the city holds a public hearing on the question of the  
 5 extinguishment, hears objections to the extinguishment at the hearing, determines that the  
 6 extinguishment is in the best interest of the city and adopts an ordinance extinguishing the district;

7 [(b)] (B) After the hearing, the governing body of the city refers the ordinance extinguishing the  
 8 district to the electors of the city; and

9 [(c)] (C) The majority of all votes cast favors that the district be extinguished.

10 [(3)] (c) For the public hearing required in **paragraph (b)(A) of this** subsection [(2)(a) of this  
 11 section], the governing body shall fix a date, time and place for the hearing and cause notice of the  
 12 date, time, place and purpose of the hearing to be published once each week for two successive  
 13 weeks prior to the date of the hearing in a newspaper of general circulation in the city, and shall  
 14 cause notices of the hearing to be posted in four public places in the city for a like period.

15 [(4)] (d) Whenever a part less than the whole of a district becomes incorporated in or annexed  
 16 to a city in accordance with law, the city may at any time after such incorporation or annexation  
 17 cause that part to be withdrawn from such district in the manner set forth in ORS 222.524, and the  
 18 provisions of ORS 222.510 to 222.580 shall be applicable to such withdrawal except that in case the  
 19 district and the city cannot agree upon a division of assets or obligations and liabilities, then and  
 20 in such case, either the district or the city may petition the circuit court for the county in which  
 21 the city has its legal situs to determine such division.

22 (2) **A service district established by a metropolitan service district may not be extin-**  
 23 **guished or have territory withdrawn from it as a result of an area of the service district**  
 24 **being incorporated in or annexed to a city unless the governing body of the metropolitan**  
 25 **service district approves the extinguishment or withdrawal of territory.**

26 **SECTION 24.** ORS 451.590 is amended to read:

27 451.590. Officers and employees of a county, **a metropolitan service district** or [of] a district  
 28 may enter upon privately owned lands to survey or lay out service facilities by direction of the  
 29 county court, **governing body of the metropolitan service district** or governing body of the dis-  
 30 trict. However, the county court, **governing body of the metropolitan service district** or gov-  
 31 erning body of the district shall cause notification to be given to each occupant of the lands, either  
 32 by registered or certified mail or by other lawful means. This notice shall be given at least five days  
 33 before the county, **metropolitan service district** or district officers or employees enter upon the  
 34 lands. No officer or employee of a county, **metropolitan service district** or district entering pri-  
 35 vately owned lands pursuant to this section shall damage or destroy trees, shrubs, buildings or other  
 36 items of value on that land without first obtaining the consent of the owner.

37 **SECTION 25.** ORS 451.605 is amended to read:

38 451.605. (1) When a district is established for the purpose of providing a 9-1-1 emergency re-  
 39 porting system, the district shall consist of all the telephone exchange service areas located wholly  
 40 or partly within a designated 9-1-1 jurisdiction's service area that is served by a public safety an-  
 41 swering point. A district may include more than one city and county. As used in this subsection,  
 42 "9-1-1 jurisdiction" has the meaning given that term by ORS 403.105.

43 (2) Before a petition for formation of a district to provide a 9-1-1 emergency reporting system  
 44 is filed with the county board of the principal county under ORS 198.800, the petition shall be ap-  
 45 proved by indorsement thereon by two-thirds of the governing bodies of all public or private safety

1 agencies representing two-thirds of the population included within the proposed district.

2 (3) A county governing body shall not adopt an order under ORS 198.835 for formation of a  
3 district to provide a 9-1-1 emergency reporting system unless the governing body first obtains writ-  
4 ten approval for the formation of the district from two-thirds of the governing bodies of all public  
5 or private safety agencies representing two-thirds of the population included within the proposed  
6 district.

7 **(4) A metropolitan service district may not form a district under this section.**

8 [(4)] (5) As used in this section, “public or private safety agency” has the meaning given that  
9 term by ORS 403.105.

10 **SECTION 26.** ORS 451.620 is amended to read:

11 451.620. (1) If a [county] service district is formed **by a county or a metropolitan service**  
12 **district** subject to a provision specifying a fiscal year for dissolution of the district, the board of  
13 directors shall, no later than 45 days after the start of that fiscal year, make the findings required  
14 by ORS 198.925 and adopt a plan of liquidation and dissolution providing for payment of  
15 nonassenting creditors, unless the board adopts an order as specified in subsection (2) of this sec-  
16 tion. Dissolution shall be effective as of the end of the fiscal year. Dissolution shall be governed by  
17 ORS 198.945 to 198.955.

18 (2) The district board may order that the district continue only if, after a public hearing, it de-  
19 termines that there is a public need for continued existence of the district because:

20 (a) Liquidation and dissolution cannot be accomplished in a manner that would protect the  
21 rights of nonassenting creditors; or

22 (b) The services provided continue to be needed by the public, the district is providing the ser-  
23 vices in an efficient and effective manner and continuation will not significantly discourage future  
24 boundary change proposals.

25 (3) A public hearing on continuation shall be preceded by notice published at least 14 days be-  
26 fore the hearing in a newspaper of general circulation within the district. Notice of the hearing shall  
27 also be mailed to all incorporated cities within the district and to the boundary commission, if any.

28 (4) An order continuing the district shall specify a fiscal year, not later than the 10th fiscal year  
29 after the date of the order, in which the district shall dissolve unless another determination of public  
30 need for continued existence occurs.

31 (5) An order continuing the district shall be forwarded to the boundary commission, if any,  
32 within 10 days. If the district is not within the jurisdiction of a boundary commission the order may  
33 be contested as provided in ORS 198.785 (2).

34 **SECTION 27.** ORS 174.116 is amended to read:

35 174.116. (1)(a) Subject to ORS 174.108, as used in the statutes of this state “local government”  
36 means all cities, counties and local service districts located in this state, and all administrative  
37 subdivisions of those cities, counties and local service districts.

38 (b) Subject to ORS 174.108, as used in the statutes of this state “local government” includes:

39 (A) An entity created by statute, ordinance or resolution for the purpose of giving advice only  
40 to a local government;

41 (B) An entity created by local government for the purpose of giving advice to local government  
42 and that is not created by ordinance or resolution, if the document creating the entity indicates that  
43 the entity is a public body; and

44 (C) Any entity created by local government other than an entity described in subparagraph (B)  
45 of this paragraph, unless the ordinance, resolution or other document creating the entity indicates

1 that the entity is not a governmental entity or the entity is not subject to any substantial control  
2 by local government.

3 (2) Subject to ORS 174.108, as used in the statutes of this state “local service district” means:

4 (a) An economic improvement district created under ORS 223.112 to 223.132 or 223.141 to  
5 223.161.

6 (b) A people’s utility district organized under ORS chapter 261.

7 (c) A domestic water supply district organized under ORS chapter 264.

8 (d) A cemetery maintenance district organized under ORS chapter 265.

9 (e) A park and recreation district organized under ORS chapter 266.

10 (f) A mass transit district organized under ORS 267.010 to 267.390.

11 (g) A transportation district organized under ORS 267.510 to 267.650.

12 (h) A metropolitan service district organized under ORS chapter 268.

13 (i) A translator district organized under ORS 354.605 to 354.715.

14 (j) A library district organized under ORS 357.216 to 357.286.

15 (k) A county road district organized under ORS 371.055 to 371.110.

16 (L) A special road district organized under ORS 371.305 to 371.360.

17 (m) A road assessment district organized under ORS 371.405 to 371.535.

18 (n) A highway lighting district organized under ORS chapter 372.

19 (o) A 9-1-1 communications district organized under ORS 403.300 to 403.380.

20 (p) A health district organized under ORS 440.305 to 440.410.

21 (q) A sanitary district organized under ORS 450.005 to 450.245.

22 (r) A sanitary authority, water authority or joint water and sanitary authority organized under  
23 ORS 450.600 to 450.989.

24 (s) A [county] service district organized under ORS chapter 451.

25 (t) A vector control district organized under ORS 452.020 to 452.170.

26 (u) A rural fire protection district organized under ORS chapter 478.

27 (v) A geothermal heating district organized under ORS chapter 523.

28 (w) An irrigation district organized under ORS chapter 545.

29 (x) A drainage district organized under ORS chapter 547.

30 (y) A diking district organized under ORS chapter 551.

31 (z) A water improvement district organized under ORS chapter 552.

32 (aa) A water control district organized under ORS chapter 553.

33 (bb) A district improvement company or a district improvement corporation organized under  
34 ORS chapter 554.

35 (cc) A weather modification district organized under ORS 558.200 to 558.440.

36 (dd) A fair district formed under ORS chapter 565.

37 (ee) A soil and water conservation district organized under ORS 568.210 to 568.808 and 568.900  
38 to 568.933.

39 (ff) A weed control district organized under ORS 569.350 to 569.450.

40 (gg) A port organized under ORS 777.005 to 777.725 and 777.915 to 777.953.

41 (hh) The Port of Portland created under ORS 778.010.

42 (ii) An airport district established under ORS chapter 838.

43 (jj) A heritage district organized under ORS 358.442 to 358.474.

44 (kk) A radio and data district organized under ORS 403.500 to 403.542.

45 **SECTION 28.** ORS 181.610 is amended to read:

1 181.610. In ORS 181.610 to 181.712, unless the context requires otherwise:

2 (1) "Abuse" has the meaning given the term in ORS 107.705.

3 (2) "Board" means the Board on Public Safety Standards and Training appointed pursuant to  
4 ORS 181.620.

5 (3) "Certified reserve officer" means a reserve officer who has been designated by a local law  
6 enforcement unit, has received training necessary for certification and has met the minimum stan-  
7 dards and training requirements established under ORS 181.640.

8 (4) "Commissioned" means an authorization granting the power to perform various acts or duties  
9 of a police officer or certified reserve officer and acting under the supervision and responsibility of  
10 a county sheriff or as otherwise provided by law.

11 (5) "Corrections officer" means an officer or member of a law enforcement unit who is employed  
12 full-time thereby and is charged with and primarily performs the duty of custody, control or super-  
13 vision of individuals convicted of or arrested for a criminal offense and confined in a place of  
14 incarceration or detention other than a place used exclusively for incarceration or detention of ju-  
15 veniles.

16 (6) "Department" means the Department of Public Safety Standards and Training.

17 (7) "Director" means the Director of the Department of Public Safety Standards and Training.

18 (8) "Domestic violence" means abuse between family or household members.

19 (9) "Emergency medical dispatcher" means a person who has responsibility to process requests  
20 for medical assistance from the public or to dispatch medical care providers.

21 (10) "Family or household members" has the meaning given that term in ORS 107.705.

22 (11) "Fire service professional" means a paid or volunteer firefighter, an officer or a member  
23 of a public or private fire protection agency that is engaged primarily in fire investigation, fire  
24 prevention, fire safety, fire control or fire suppression or providing emergency medical services, light  
25 and heavy rescue services, search and rescue services or hazardous materials incident response.  
26 "Fire service professional" does not include forest fire protection agency personnel.

27 (12)(a) "Law enforcement unit" means a police force or organization of the state, a city, port,  
28 school district, mass transit district, county, [county] service district authorized to provide law  
29 enforcement services under ORS 451.010, Indian reservation, Criminal Justice Division of the De-  
30 partment of Justice, the Department of Corrections, the Oregon State Lottery Commission or com-  
31 mon carrier railroad whose primary duty, as prescribed by law, ordinance or directive, is any one  
32 or more of the following:

33 (A) Detecting crime and enforcing the criminal laws of this state or laws or ordinances relating  
34 to airport security;

35 (B) The custody, control or supervision of individuals convicted of or arrested for a criminal  
36 offense and confined to a place of incarceration or detention other than a place used exclusively for  
37 incarceration or detention of juveniles; or

38 (C) The control, supervision and reformation of adult offenders placed on parole or sentenced  
39 to probation and investigation of adult offenders on parole or probation or being considered for  
40 parole or probation.

41 (b) "Law enforcement unit" also means:

42 (A) A police force or organization of a private entity with a population of more than 1,000 res-  
43 idents in an unincorporated area whose employees are commissioned by a county sheriff;

44 (B) A district attorney's office; and

45 (C) A private, nonprofit animal care agency that has maintained an animal welfare investigation

1 department for at least five years and has had officers commissioned as special agents by the Gov-  
2 ernor.

3 (13) "Parole and probation officer" means:

4 (a) Any officer who is employed full-time by the Department of Corrections, a county or a court  
5 and who is charged with and performs the duty of:

6 (A) Community protection by controlling, investigating, supervising and providing or making  
7 referrals to reformatory services for adult parolees or probationers or offenders on post-prison  
8 supervision; or

9 (B) Investigating adult offenders on parole or probation or being considered for parole or pro-  
10 bation; or

11 (b) Any officer who:

12 (A) Is certified and has been employed as a full-time parole and probation officer for more than  
13 one year;

14 (B) Is employed part-time by the Department of Corrections, a county or a court; and

15 (C) Is charged with and performs the duty of:

16 (i) Community protection by controlling, investigating, supervising and providing or making re-  
17 ferrals to reformatory services for adult parolees or probationers or offenders on post-prison super-  
18 vision; or

19 (ii) Investigating adult offenders on parole or probation or being considered for parole or pro-  
20 bation.

21 (14) "Police officer" means an officer, member or employee of a law enforcement unit who is  
22 employed full-time as a peace officer commissioned by a city, port, school district, mass transit dis-  
23 trict, county, [county] service district authorized to provide law enforcement services under ORS  
24 451.010, Indian reservation, the Criminal Justice Division of the Department of Justice, the Oregon  
25 State Lottery Commission or the Governor or who is a member of the Department of State Police  
26 and who is responsible for enforcing the criminal laws of this state or laws or ordinances relating  
27 to airport security or is an investigator of a district attorney's office if the investigator is or has  
28 been certified as a peace officer in this or any other state.

29 (15) "Public or private safety agency" means any unit of state or local government, a special  
30 purpose district or a private firm which provides, or has authority to provide, fire fighting, police,  
31 ambulance or emergency medical services.

32 (16) "Public safety personnel" and "public safety officer" include corrections officers, youth  
33 correction officers, emergency medical dispatchers, parole and probation officers, police officers,  
34 certified reserve officers, telecommunicators and fire service professionals.

35 (17) "Reserve officer" means an officer or member of a law enforcement unit:

36 (a) Who is a volunteer or who is employed less than full-time as a peace officer commissioned  
37 by a city, port, school district, mass transit district, county, [county] service district authorized to  
38 provide law enforcement services under ORS 451.010, Indian reservation, the Criminal Justice Divi-  
39 sion of the Department of Justice, the Oregon State Lottery Commission or the Governor or who is  
40 a member of the Department of State Police;

41 (b) Who is armed with a firearm; and

42 (c) Who is responsible for enforcing the criminal laws and traffic laws of this state or laws or  
43 ordinances relating to airport security.

44 (18) "Telecommunicator" means any person employed as an emergency telephone worker as de-  
45 fined in ORS 243.736 or a public safety dispatcher whose primary duties are receiving, processing

1 and transmitting public safety information received through a 9-1-1 emergency reporting system as  
2 defined in ORS 403.105.

3 (19) “Youth correction officer” means an employee of the Oregon Youth Authority who is  
4 charged with and primarily performs the duty of custody, control or supervision of youth offenders  
5 confined in a youth correction facility.

6 **SECTION 29.** ORS 195.060 is amended to read:

7 195.060. As used in ORS 195.020, 195.065 to 195.085 and 197.005, unless the context requires  
8 otherwise:

9 (1) “District” has the meaning given that term in ORS 198.010. In addition, the term includes a  
10 [county] service district organized under ORS chapter 451.

11 (2) “Urban growth boundary” means an acknowledged urban growth boundary contained in a  
12 city or county comprehensive plan or an acknowledged urban growth boundary that has been  
13 adopted by a metropolitan service district council under ORS 268.390 (3).

14 (3) “Urban service” has the meaning given that term in ORS 195.065.

15 **SECTION 30.** ORS 198.180 is amended to read:

16 198.180. As used in ORS 198.190, [unless the context requires otherwise,] “district” has the  
17 meaning given that term by ORS 198.010 (2) to (5), (7) to (23) and (25). In addition, “district” means  
18 any one of the following:

19 (1) A [county] service district organized under ORS chapter 451.

20 (2) A diking district organized under ORS chapter 551.

21 (3) A corporation for irrigation, drainage, water supply or flood control organized under ORS  
22 chapter 554.

23 (4) A soil and water conservation district organized under ORS 568.210 to 568.808 and 568.900  
24 to 568.933.

25 (5) The Port of Portland created by ORS 778.010.

26 **SECTION 31.** ORS 198.510 is amended to read:

27 198.510. As used in ORS 198.510 to 198.600, unless the context requires otherwise:

28 (1) “County” means the county in which the district, or the greater portion of the assessed value  
29 of the district, is located.

30 (2) “County board” means the board of county commissioners or the county court of the county.

31 (3) “County clerk” means the county clerk of the county.

32 (4) “District” has the meaning given that term in ORS 198.010 (2), (4), (5), (11), (12), (14), (17),  
33 (19), (20) to (23), (25) and (26). In addition, “district” means any one of the following:

34 (a) A [county] service district organized under ORS chapter 451.

35 (b) The Port of Portland established by ORS 778.010.

36 (5) “District board” means the governing body of a district and the term includes a county board  
37 that is in the governing body of a district.

38 (6) “Presiding officer” means the chairperson, president or other person performing the office  
39 of presiding officer of the district board.

40 (7) “Principal Act” means the law, other than ORS 198.510 to 198.600, applicable to a district.

41 **SECTION 32.** ORS 198.705 is amended to read:

42 198.705. As used in ORS 198.705 to 198.955, unless the context requires otherwise:

43 (1) “Affected county” means each county [which] **that** contains or would contain any territory  
44 for which a formation or a change of organization is proposed or ordered or [which] **that** contains  
45 all or any part of a district for which a change of organization is proposed or ordered.

1 (2) "Affected district" means each district *[which]* **that** contains or would contain territory for  
2 which a formation or a change of organization is proposed or ordered.

3 (3) "Annexation" includes the attachment or addition of territory to, or inclusion of territory in,  
4 an existing district.

5 (4) "Change of organization" means the annexation or withdrawal of territory to or from a dis-  
6 trict, the merger or consolidation of districts or the dissolution of a district.

7 (5) "Consolidation" means the uniting or joining of two or more districts into a single new suc-  
8 cessor district.

9 (6) "County board" means the county court or board of county commissioners of the principal  
10 county.

11 (7) "Dissolution" includes disincorporation, extinguishment or termination of the existence of a  
12 district and the cessation of all its corporate powers, except for the purpose of winding up the af-  
13 fairs of the district.

14 (8) "District" has the meaning given that term in ORS 198.010 (2) to (4), (6) to (14), (17) to (23)  
15 and (25). In addition, "district" means any one of the following:

16 (a) A county road district organized under ORS 371.055 to 371.110.

17 (b) A *[county]* service district organized under ORS chapter 451.

18 (c) The Port of Portland created by ORS 778.010.

19 (d) A translator district organized under ORS 354.605 to 354.715.

20 (9) "District board" means the governing board of a district.

21 (10) "Formation" includes incorporation, organization or creation of a district.

22 (11) "Inhabited territory" means territory within which there reside 12 or more persons who  
23 have been registered to vote within the territory for at least 30 days prior to the date a proceeding  
24 is commenced under ORS 198.705 to 198.955.

25 (12) "Landowner" or "owner of land" means any person shown as the owner of land on the last  
26 assessment roll. However, if the person no longer holds the title to the property, then the terms  
27 mean any person entitled to be shown as owner of land on the next assessment roll, or, when land  
28 is subject to a written agreement of sale, the terms mean any person shown in the agreement as  
29 purchaser to the exclusion of the seller. "Landowner" or "owner of land" includes any public  
30 agency owning land.

31 (13) "Legal representative" means:

32 (a) An officer of a corporation duly authorized, by the bylaws or a resolution of the board of  
33 directors of the corporation, to sign for and on behalf of the corporation; and

34 (b) A guardian, executor, administrator or other person holding property in a trust capacity  
35 under appointment of court, when authorized by an order of court, which order may be made without  
36 notice.

37 (14) "Merger" means the extinguishment, termination and cessation of the existence of one or  
38 more districts by uniting with and being absorbed into another district.

39 (15) "Notice" includes an ordinance, resolution, order or other similar matter providing notice  
40 which ORS 198.705 to 198.955 authorize or require to be published, posted or mailed.

41 (16) "Principal Act" means the statutes which describe the powers of a district, including the  
42 statutes under which a district is proposed or is operating.

43 (17) "Principal county" or "county" means the county in which the district, or the greater por-  
44 tion of the assessed value of all taxable property in the district, as shown by the most recent as-  
45 sessment roll of the counties, is located at the time proceedings are initiated to form a district, but

1 for any district formed prior to and existing on September 9, 1971, “principal county” or “county”  
 2 means the county in which the district, or the greater portion of the value of all taxable property  
 3 in the district, as shown by the most recent assessment roll of the counties, was located on Sep-  
 4 tember 9, 1971.

5 (18) “Proceeding” means a proceeding for formation or for change of organization conducted  
 6 pursuant to ORS 198.705 to 198.955.

7 (19) “Uninhabited territory” means territory within which there reside less than 12 electors who  
 8 were residents within the territory 30 days prior to the date a proceeding is commenced under ORS  
 9 198.705 to 198.955.

10 (20) “Withdrawal” includes the detachment, disconnection or exclusion of territory from an ex-  
 11 isting district.

12 **SECTION 33.** ORS 198.725 is amended to read:

13 198.725. (1) If there are two or more affected counties in a proceeding under ORS 198.705 to  
 14 198.955, any notices, proceedings, orders or any other act authorized or required to be given, taken  
 15 or made by the county board, the county clerk or any other officer of a county, shall be given, taken  
 16 or made by the persons holding such offices in the principal county. Officers of an affected county  
 17 other than the principal county shall cooperate with the officers of the principal county and shall  
 18 furnish the officers of the principal county with such certificates, records or certified copies of re-  
 19 cords as may be necessary to enable the officers of the principal county to comply with ORS 198.705  
 20 to 198.955.

21 **(2) If a proceeding under ORS 198.705 to 198.955 is initiated by or to a metropolitan ser-**  
 22 **vice district organized under ORS chapter 268 for a service district organized under ORS**  
 23 **chapter 451, any notices, proceedings, orders or any other act authorized or required to be**  
 24 **given, taken or made shall be given, taken or made by the governing body or officers of the**  
 25 **metropolitan service district.**

26 **SECTION 34.** ORS 198.730 is amended to read:

27 198.730. (1) Except as otherwise provided by ORS 198.705 to 198.955, when notice is required or  
 28 authorized to be published, posted or mailed, it shall be published, posted or mailed as provided by  
 29 this section. When notice is required to be given and the duty of giving the notice is not specifically  
 30 enjoined upon some officer, agency or person, the county clerk, **person authorized by the gov-**  
 31 **erning body of the metropolitan service district** or the secretary of the district board, as the case  
 32 may be, shall give notice or cause it to be given.

33 (2) Notice required to be published shall be published in one or more newspapers of general  
 34 circulation within the affected district. If any newspaper is of general circulation in two or more  
 35 affected districts, publication in one such newspaper is sufficient publication for all such affected  
 36 districts. If no newspaper is of general circulation within the affected district, the publication shall  
 37 be made in a newspaper of general circulation within the principal county **or, for an action initi-**  
 38 **ated by a metropolitan service district, within the boundaries of the metropolitan service**  
 39 **district.** Published notice of a hearing shall be commenced at least 15 days prior to the date speci-  
 40 fied in the notice for the hearing, and the last publication shall be made at least five days prior to  
 41 the hearing.

42 (3) Notice required to be posted shall be posted on or near the doors of the meeting room of the  
 43 district board, **the governing body of the metropolitan service district** or of the county board,  
 44 or upon any official public bulletin board customarily used for the purpose of posting public notices  
 45 by or pertaining to the district, **metropolitan service district** or county. Posted notice shall be



1 posted not less than five successive days. If posted notice is notice of a hearing, posting shall be  
2 commenced not less than 15 days prior to the date specified in the notice for the hearing.

3 (4) Mailed notice shall be sent first class and deposited, postage prepaid, in the United States  
4 mails and shall be considered to have been given when so deposited. If mailed notice is a notice of  
5 a hearing, mailing shall be made not more than 15 days nor less than five days prior to the date  
6 specified in the notice for the hearing.

7 (5) Notice authorized or required to be given by publication, posting or mailing shall contain  
8 all matters required by ORS 198.705 to 198.955. If a petition, ordinance, resolution or order of a  
9 district board giving notice contains all matters required to be contained in the notice, the county  
10 clerk, **person authorized by the governing body of the metropolitan service district** or district  
11 secretary may, and shall if required, cause a copy of such petition, ordinance, resolution or order  
12 to be published, posted or mailed, in which case no other notice need be given by the clerk or sec-  
13 retary.

14 **SECTION 35.** ORS 198.748 is amended to read:

15 198.748. (1) Before circulating a petition for formation of a district, the petitioner shall file with  
16 the county clerk of the principal county a prospective petition. The petitioner shall include with the  
17 prospective petition a description of the boundaries of the territory proposed to be included in the  
18 district.

19 **(2) If the district to be formed is a service district organized under ORS 451.410 to 451.610**  
20 **with the metropolitan service district as the governing body, the petitioner shall file a pro-**  
21 **spective petition, including a description of the boundaries of the territory proposed to be**  
22 **included in the district, with the person designated by the governing body of the metropolitan**  
23 **service district to receive the filing.**

24 **SECTION 36.** ORS 198.765 is amended to read:

25 198.765. (1) A petition shall not be accepted for filing unless the signatures thereon have been  
26 secured within six months of the date on which the first signature on the petition was affixed. A  
27 petition for formation of a district shall not be accepted for filing if it is not accompanied by the  
28 economic feasibility statement required under ORS 198.749. When a petition for formation of a dis-  
29 trict includes a proposed permanent rate limit for operating taxes, the petition shall be filed not  
30 later than 180 days before the date of the next primary election or general election at which the  
31 petition for formation will be voted upon. Petitions required to be filed with the county board shall  
32 be filed with the county clerk of the principal county. Petitions required to be filed with the district  
33 board shall be filed with the secretary of the district board. **Petitions required to be filed with**  
34 **the metropolitan service district governing body shall be filed with the person designated by**  
35 **the metropolitan service district governing body to receive petitions.** It is not necessary to  
36 offer all counterparts of a petition for filing at the same time, but all counterparts when certified  
37 as provided by subsection (3) of this section shall be filed at the same time.

38 (2) Within 10 days after the date a petition is offered for filing, the county clerk, **person des-**  
39 **ignated by the governing body of the metropolitan service district to receive petitions** or  
40 district secretary, as the case may be, shall examine the petition and determine whether it is signed  
41 by the requisite number of qualified signers. In the case of a petition required or permitted to be  
42 signed by landowners, within 10 days after the date a petition is offered for filing, the county  
43 assessor shall examine the petition and determine whether it is signed by the requisite number of  
44 qualified landowners. **For a petition filed with the governing body of a metropolitan service**  
45 **district that is required or permitted to be signed by landowners, the governing body shall**

1 **forward the petition to the county assessors of the counties affected by the petition for ex-**  
 2 **amination and determination as to whether it is signed by the requisite number of qualified**  
 3 **landowners.** If the requisite number of qualified signers have signed the petition, the county  
 4 clerk, **person designated to receive petitions by the governing body of the metropolitan ser-**  
 5 **vice district** or district secretary shall file the petition. If the requisite number have not signed, the  
 6 county clerk, **person designated to receive petitions by the governing body of the metropolitan**  
 7 **service district** or district secretary shall so notify the chief petitioners and may return the petition  
 8 to the petitioners.

9 (3) A petition shall not be filed unless the certificate of the county clerk, **the person desig-**  
 10 **ned to receive petitions by the governing body of the metropolitan service district** or the  
 11 district secretary is attached thereto certifying that the county clerk, **person designated to receive**  
 12 **petitions by the governing body of the metropolitan service district** or district secretary has  
 13 compared the signatures of the signers with the appropriate records, that the county clerk, **person**  
 14 **designated to receive petitions by the governing body of the metropolitan service district** or  
 15 district secretary has ascertained therefrom the number of qualified signers appearing on the peti-  
 16 tion, and that the petition is signed by the requisite number of qualified signers. In the case of a  
 17 petition required or permitted to be signed by landowners, a petition shall not be filed unless the  
 18 certificate of the county assessor **or county assessors** is attached thereto certifying that the  
 19 county assessor [*has*] **or assessors have** compared the signatures of the signers with the appropri-  
 20 ate records and that the petition is signed by the requisite number of qualified landowners.

21 (4) No petition for dissolution shall be accepted for filing within one year after an election held  
 22 on the question of dissolution of a district.

23 **SECTION 37.** ORS 198.775 is amended to read:

24 198.775. (1) A petition for formation, annexation, withdrawal or dissolution shall not be accepted  
 25 for filing unless the petition is accompanied by a bond, a cash deposit or other security deposit as  
 26 follows:

27 (a) The bond shall be in a form and in an amount approved by the county board, not to exceed  
 28 \$100 for each precinct in the affected district and any territory to be included in the district, up to  
 29 a maximum of \$10,000. The bond shall be conditioned that, if the attempted formation, annexation,  
 30 withdrawal or dissolution is not effected, the chief petitioners will pay the costs thereof, excluding  
 31 any costs incurred by a local government boundary commission under ORS 199.410 to 199.519.

32 (b) The cash deposit shall be in an amount approved by the county board, not to exceed \$100  
 33 for each precinct in the affected district and any territory to be included in the district, up to a  
 34 maximum of \$10,000. The cash deposit shall be accompanied by a form prescribed by the Secretary  
 35 of State. The form shall include the names and addresses of all persons and organizations providing  
 36 any part of the cash deposit and the amount provided by each, and a statement signed by the chief  
 37 petitioners that if the costs of the attempted formation, annexation, withdrawal or dissolution exceed  
 38 the deposit, the chief petitioners shall pay to the county treasurer the amount of the excess costs.

39 (c) The security deposit other than a bond or cash deposit shall be of a kind and in an amount  
 40 approved by the county board, not to exceed \$100 for each precinct in the affected district and any  
 41 territory to be included in the district, up to a maximum of \$10,000. The security deposit shall be  
 42 accompanied by a form prescribed by the Secretary of State. The form shall include the names and  
 43 addresses of all persons and organizations providing any part of the security deposit and the amount  
 44 and kind provided by each, and a statement signed by the chief petitioners that if the costs of the  
 45 attempted formation, annexation, withdrawal or dissolution exceed the security deposited, the chief

1 petitioners shall pay to the county treasurer the amount of the excess costs.

2 (2) If the proposed formation, annexation, withdrawal or dissolution is effected, the district shall  
 3 be liable for the costs. Not later than the 30th day after the election, if a cash deposit or security  
 4 deposit other than a bond was made under subsection (1) of this section, the county clerk shall re-  
 5 fund the deposit to the persons who made the deposit.

6 (3) If the proposed formation, annexation, withdrawal or dissolution is not effected, the county  
 7 shall collect the costs of the attempted formation, annexation, withdrawal or dissolution as follows:

8 (a) If the chief petitioners posted a bond, the county shall collect on the bond.

9 (b) If the chief petitioners made a cash deposit, not later than the 30th day after the election,  
 10 the county clerk shall pay into the general fund of the county that portion of the deposit needed to  
 11 reimburse the county for the costs. If any portion of the deposit remains after the costs have been  
 12 paid, the county clerk shall refund the portion to the persons shown on the form filed under sub-  
 13 section (1) of this section as having made the deposit. If the costs exceed the amount of the deposit,  
 14 the chief petitioners shall pay to the county treasurer the amount of the excess costs.

15 (c) If the chief petitioners made a security deposit other than a bond or cash deposit, not later  
 16 than the 30th day after the election, the county clerk shall negotiate or otherwise collect on as  
 17 much of the security deposit as necessary to reimburse the county for the costs and shall pay the  
 18 proceeds into the general fund of the county. If any portion of the security deposit or any proceeds  
 19 of the security deposit remain after the costs have been paid, the county clerk shall return the  
 20 portion or the remaining proceeds to the persons shown on the form filed under subsection (1) of this  
 21 section as having made the deposit. If the costs exceed the amount of the proceeds, the chief  
 22 petitioners shall pay to the county treasurer the amount of the excess costs.

23 (4) Notwithstanding subsection (1) of this section, the costs of proceedings initiated by a county  
 24 or district board, excluding costs incurred by a local government boundary commission under ORS  
 25 199.410 to 199.519, shall be paid by the initiating board out of county or district funds.

26 **(5) If the petition is for formation, annexation, withdrawal or dissolution of a service**  
 27 **district organized under ORS 451.410 to 451.610 by a metropolitan service district, the**  
 28 **petitioners must satisfy the requirements set forth in subsections (1) to (3) of this section**  
 29 **for each county in which the district is located.**

30 **SECTION 38.** ORS 198.780 is amended to read:

31 198.780. (1) Within 10 days after a document referred to by subsection (2) of this section is en-  
 32 tered, adopted or executed, the board that entered, adopted or executed the document shall file du-  
 33 plicate copies of the document with the Department of Revenue, the Secretary of State and with the  
 34 county clerk and the county assessor of each county in which any district affected by the document  
 35 is located.

36 (2) This section applies to:

37 (a) An order of formation entered by the county board **or governing body of the metropolitan**  
 38 **service district** under ORS 198.810 to 198.840.

39 (b) An order of annexation entered by the county board **or governing body of the metropol-**  
 40 **itan service district** under ORS 198.850 to 198.867.

41 (c) An order of withdrawal entered by the county board **or governing body of the metropol-**  
 42 **itan service district** under ORS 198.875.

43 (d) A resolution of merger adopted by the district board under ORS 198.910.

44 (e) A resolution of consolidation adopted by the district board under ORS 198.910.

45 (f) The statement executed by the board of trustees of a dissolving district under ORS 198.945.

1        **SECTION 39.** ORS 198.785 is amended to read:

2        198.785. (1)(a) If the county clerk refuses to accept and file a petition for formation or for  
3 change of organization, or if the county board refuses to call a special election as provided by ORS  
4 198.705 to 198.955, any [citizen] **resident** of the affected district or territory may apply within 10  
5 days after such refusal to the circuit court of the principal county for a writ of mandamus to compel  
6 the county board or county clerk to do so. If it is decided by the circuit court that the petition for  
7 formation or change of organization is legally sufficient and the requisite number of signatures is  
8 attached, the circuit court shall direct the county board to call the election. The suit shall be ad-  
9 vanced on the docket and decided by the circuit court as quickly as possible. Either party may ap-  
10 peal as provided for appeals in other proceedings.

11        **(b) If the person designated to receive petitions by the governing body of the metropol-**  
12 **itan service district refuses to accept and file a petition for formation or for change of or-**  
13 **ganization, or if the governing body of the metropolitan service district refuses to call a**  
14 **special election as provided by ORS 198.705 to 198.955, any resident of the affected district**  
15 **or territory may apply within 10 days after such refusal to the circuit court of any county**  
16 **that includes all or part of the affected district or territory for a writ of mandamus to**  
17 **compel the governing body or the person designated to receive petitions by the governing**  
18 **body to do so. If it is decided by the circuit court that the petition for formation or change**  
19 **of organization is legally sufficient and the requisite number of signatures is attached, the**  
20 **circuit court shall direct the governing body to call the election. The suit shall be advanced**  
21 **on the docket and decided by the circuit court as quickly as possible. Either party may appeal**  
22 **as provided for appeals in other proceedings.**

23        (2) An action to determine the validity of a formation or change of organization proceeding may  
24 also be brought pursuant to ORS 33.710 and 33.720 or 34.010 to 34.100.

25        (3) For the purpose of an action to determine or contest the validity of a formation or change  
26 of organization, the formation or change shall be considered complete and final upon the date the  
27 order of formation or the order, resolution or statement announcing a change of organization is filed  
28 with the county clerk **or the person designated to receive petitions by the governing body of**  
29 **the metropolitan service district** as provided by ORS 198.780.

30        **SECTION 40.** ORS 198.795 is amended to read:

31        198.795. (1) For purposes of a formation proceeding, the county board where the petition is filed  
32 shall have original and, except as provided by ORS 199.410 to 199.519, exclusive jurisdiction,  
33 coextensive with the boundaries of the proposed district, without regard to county lines. For all  
34 purposes under ORS 198.705 to 198.955, the jurisdiction of the county board of the principal county  
35 shall continue from the time a district is formed until the district is dissolved.

36        **(2) Notwithstanding subsection (1) of this section, for the purposes of a formation pro-**  
37 **ceeding under ORS 451.410 to 451.610 for a service district within a metropolitan service dis-**  
38 **trict, the governing body of the metropolitan service district shall have original and exclusive**  
39 **jurisdiction. For all purposes under ORS 198.705 to ORS 198.955, the jurisdiction of the gov-**  
40 **erning body of the metropolitan service district shall continue from the time a district is**  
41 **formed until the district is dissolved.**

42        **SECTION 41.** ORS 198.800 is amended to read:

43        198.800. (1) A petition for formation must be filed with the county board of the principal county.  
44 Before the petition is filed, the petition must be endorsed by any agency required by the principal  
45 Act to endorse or approve the petition. If the petition satisfies the requirements of ORS 198.748,

1 198.749 and 198.750 to 198.775 and is otherwise sufficient under the principal Act, the county board  
 2 shall:

3 (a) If the county is within the jurisdiction of a local government boundary commission, file the  
 4 petition with the boundary commission within 10 days after the petition is filed with the board; or

5 (b) Set a date for a hearing on the petition. The hearing may not be held less than 30 days or  
 6 more than 50 days after the date the petition is filed.

7 **(2) Notwithstanding subsection (1) of this section, a petition for formation of a service**  
 8 **district within a metropolitan service district under ORS 451.410 to 451.610 must be filed with**  
 9 **the governing body of the metropolitan service district. If the petition satisfies the require-**  
 10 **ments of ORS 198.748, 198.749 and 198.750 to 198.775 the governing body of the metropolitan**  
 11 **service district shall set a date for a hearing on the petition. The hearing may not be held**  
 12 **less than 30 days or more than 50 days after the date the petition is filed.**

13 [(2)] (3) The county board **or governing body of the metropolitan service district** shall cause  
 14 notice of the hearing to be posted in at least three public places and published by two insertions in  
 15 a newspaper. The notice shall state:

16 (a) The purpose for which the district is to be formed.

17 (b) The name and boundaries of the proposed district.

18 (c) The time and place of the hearing on the petition.

19 (d) That all interested persons may appear and be heard.

20 [(3)] (4) Except as provided in subsection (1)(a) of this section, this section and ORS 198.805 do  
 21 not apply in areas subject to the jurisdiction of a local government boundary commission.

22 **SECTION 42.** ORS 198.805 is amended to read:

23 198.805. (1) At the time stated in the notice, the county board **or governing body of the met-**  
 24 **ropolitan service district** shall hear the petition and determine, in accordance with the criteria  
 25 prescribed by ORS 199.462, whether the area could be benefited by the formation of the district. The  
 26 county board **or governing body of the metropolitan service district** may adjourn the hearing  
 27 from time to time, but not exceeding four weeks in all unless additional notice is given. The county  
 28 board **or governing body of the metropolitan service district** may alter the boundaries set forth  
 29 in the petition to either include or exclude territory. The board **or governing body** may not modify  
 30 the boundaries to:

31 (a) Exclude from the proposed district land that, in the judgment of the board **or governing**  
 32 **body**, could be benefited by inclusion in the proposed district; or

33 (b) Include in the proposed district land that, in the judgment of the board **or governing body**,  
 34 could not be benefited by inclusion in the proposed district.

35 (2) If the county board **or governing body of the metropolitan service district** determines  
 36 that any land has been improperly omitted from the proposed district and that the owner has not  
 37 appeared at the hearing, the board **or governing body** shall continue the hearing and shall order  
 38 notice given to the nonappearing owner requiring the owner to appear before it and show cause, if  
 39 any, why the land of the owner should not be included in the proposed district. The notice shall be  
 40 given either by posting and publication, in the same manner as notice of the original hearing and  
 41 for the same period, or by personal service on each nonappearing owner. If notice is given by per-  
 42 sonal service, service shall be made at least 10 days prior to the date fixed for the further hearing.

43 (3) If the county board **or governing body of the metropolitan service district** finds that a  
 44 proposed [county] service district **operated under ORS chapter 451** may not be needed in the future  
 45 or that indefinite existence may significantly discourage future boundary changes, it may require

1 dissolution as provided in ORS 451.620. The order for such dissolution shall specify the fiscal year,  
2 not later than the 10th fiscal year after the date of the order, in which dissolution shall occur.

3 **SECTION 43.** ORS 198.810 is amended to read:

4 198.810. (1) The county board **or governing body of the metropolitan service district** shall  
5 approve, modify or reject a petition for formation using only the criteria set forth in ORS 198.805.

6 (2) If the county board **or governing body of the metropolitan service district** approves the  
7 petition for formation, as presented or as modified, or if the boundary commission considers the pe-  
8 tition for formation pursuant to ORS 198.800 (1)(a), approves the petition, as presented or as modi-  
9 fied, and transmits its approval to the county board in accordance with ORS 199.480, the county  
10 board **or governing body of the metropolitan service district** shall enter an order so declaring.  
11 The order [*shall*] **must** set forth the name of the district and the boundaries as determined by the  
12 board, **the governing body** or by the boundary commission. The order [*shall*] **must** also fix a place,  
13 and a time not less than 20 nor more than 50 days after the date of the order, for a final hearing  
14 on the petition. The order [*shall*] **must** declare that if written requests for an election are not filed  
15 as provided by subsection (3) of this section, the board **or the governing body**, at the time of the  
16 final hearing, will enter its order creating the district. The board **or governing body** shall cause  
17 notice of the hearing to be given by publication.

18 (3) An election may not be held unless written requests for an election are filed at or before the  
19 hearing by not less than 15 percent of the electors or 100 electors, whichever is the lesser number,  
20 registered in the proposed district.

21 (4) Notwithstanding subsections (2) and (3) of this section, if the petition for formation includes:

22 (a) A permanent rate limit for operating taxes for the proposed district and the petition [*is*] ap-  
23 proved by the county board, **governing body of the metropolitan service district** or boundary  
24 commission, as presented or as modified, the county **or metropolitan service district** shall hold  
25 an election on the question of forming the district.

26 (b) In addition to the permanent rate limit for operating taxes, a separate ad valorem tax for  
27 bonded indebtedness for capital construction within the proposed district and the petition [*is*] ap-  
28 proved by the county board **or the governing body of the metropolitan service district**, as pre-  
29 sented or as modified, the county **or metropolitan service district** shall hold an election on the  
30 question of incurring the bonded indebtedness when the election on the question of formation of the  
31 district is held. The question on incurring bonded indebtedness may be approved only if electors  
32 approve formation of the district, and the ballot measure must clearly state that the bonded  
33 indebtedness may be approved only if electors approve formation of the district.

34 (5) Notwithstanding subsection (3) of this section and ORS 198.815, an order of a boundary  
35 commission authorizing a county service district established to provide sewage works to also pro-  
36 vide drainage works shall be effective upon the filing of the order with the county board. The order  
37 of the boundary commission is subject to referendum by the electors of the county service district  
38 in the manner provided for district measures under ORS 255.135 to 255.205. If the order of a  
39 boundary commission is referred to the electors, the order does not take effect until the order is  
40 approved by a majority of the votes cast on the question and the results of the election are certified.  
41 The question in the ballot title for a measure referred under this subsection shall be worded so that  
42 an affirmative response to the question corresponds to a vote in favor of authorizing the county  
43 service district to provide drainage works.

44 **SECTION 44.** ORS 198.815, as amended by section 11, chapter 29, Oregon Laws 2010, is  
45 amended to read:

1 198.815. (1) If the required number of written requests for an election are filed with the county  
 2 board **or governing body of the metropolitan service district** on or before the date of the final  
 3 hearing or if the petition for formation includes a permanent rate limit for operating taxes for the  
 4 proposed district, the board **or governing body** shall provide by order for the holding of an election  
 5 to submit to the electors the question of forming the district. The board **or governing body** shall  
 6 cause notice of the election to be published by two insertions. If requests for an election are filed  
 7 by less than the required number of persons and no permanent rate limit for operating taxes is in-  
 8 cluded in the petition, the [county] board **or governing body** shall dismiss the requests and enter  
 9 an order creating the district.

10 (2) The order calling an election shall fix the date of the election on the next available election  
 11 date in ORS 255.345 for which the filing deadline can be met. However, when the proposal for for-  
 12 mation includes a permanent rate limit for operating taxes for the proposed district, the election  
 13 shall be held on the date of the next primary election or general election for which the filing  
 14 deadline can be met. **If the district has an elective board**, the order [shall] **must** also state that  
 15 at such election members of the district board will be voted for. Candidates to be voted for as  
 16 members of the first board of a district shall be nominated as provided by ORS chapter 255 and the  
 17 principal Act of a district.

18 (3) The order calling the election [shall] **must** require the county official in charge of elections  
 19 to include with the ballot for the election a map or other description of the boundaries of the pro-  
 20 posed district using streets and other generally recognized features and a statement of the perma-  
 21 nent rate, if any, proposed for the district in the petition for formation under ORS 198.750 (1)(g).  
 22 Such statement [shall] **must** comply with the requirements of ORS 250.035. The map or other de-  
 23 scription and statement required by this subsection shall be supplied by the county board **or the**  
 24 **governing body of the metropolitan service district**.

25 (4)(a) When the proposal for formation includes a permanent rate limit for operating taxes for  
 26 the proposed district, the ballot title [shall] **must** clearly indicate that a single question is being  
 27 proposed which is:

28 (A) Whether the proposed district shall be formed; and

29 (B) Whether the permanent rate limit specified in the ballot title shall be adopted as the maxi-  
 30 mum rate of operating taxes for that district.

31 (b) The ballot title for the election shall be in compliance with ORS 250.036.

32 (5) When the proposal for formation includes a permanent rate limit for the proposed district,  
 33 the district shall be authorized to impose operating taxes not in excess of the permanent rate limit  
 34 if the proposal is approved by a majority of the votes cast and:

35 (a) At least 50 percent of registered electors eligible to vote in the election cast a ballot; or

36 (b) The election is held in May or November of any year.

37 (6) If a proposed [county] service district is subject to dissolution unless a determination of  
 38 public need for continued existence is made, the ballot title shall include the fiscal year in which  
 39 dissolution will occur and statement that the district will dissolve unless the board of directors de-  
 40 termines that there is a public need for continued existence.

41 **SECTION 45.** ORS 198.820 is amended to read:

42 198.820. (1) After the election if any is held, if it is determined by the county board **or the**  
 43 **governing body of the metropolitan service district** that the majority of the votes cast were in  
 44 favor of formation of the district, the board **or governing body** shall enter an order establishing  
 45 and forming the district. If a majority of the votes cast oppose the formation of the district, the

1 board **or governing body** shall enter an order dismissing the petition. The order shall be entered  
 2 within 30 days after the date of the election. The county board shall [*also*] canvass the votes for  
 3 members of the district board and, if formation of the district is approved, cause the county clerk  
 4 to issue certificates of election to the number of persons, equal to the number of board members  
 5 named in the petition for formation, receiving the highest number of votes.

6 (2) After the date of the formation order, the inhabitants of the territory within the district shall  
 7 be a municipal corporation to be known by the name specified in the order, and as such shall have  
 8 perpetual succession, and by such name shall exercise and carry out the corporate powers and ob-  
 9 jects conferred by the principal Act of the district.

10 (3) An order creating a district, whether the district is formed with or without an election,  
 11 [*shall*] **must** state the name and purpose of the district, describe its boundaries[,] and declare the  
 12 district formed. From the date of the formation order the district shall be considered established.

13 **SECTION 46.** ORS 198.830 is amended to read:

14 198.830. (1) If the owners of all real property within an area desire to form a district, they may  
 15 sign and present a petition to the county board **or governing body of the metropolitan service**  
 16 **district**. The petition [*shall*] **must** contain the information required by ORS 198.750 to 198.775 and  
 17 [*shall*] be verified by the affidavit of one of the petitioners that the petitioner believes that the  
 18 signers of the petition comprise all the owners, at the time of the verification, of all the land in-  
 19 cluded within the proposed district. If members of the district board are generally elected to office,  
 20 the petition [*shall*] **must** also state the names of persons desired as the members of the first board  
 21 and an acceptance in writing by each agreeing to serve as a member of the board.

22 (2) The county board **or governing body of the metropolitan service district** shall approve  
 23 the petition for formation of the district if it finds:

24 (a) That the owners of all the land within the proposed district have joined in the petition; and

25 (b) That, in accordance with the criteria prescribed by ORS 199.462, the area could be benefited  
 26 by formation of the district.

27 (3) If formation is approved, any election required by ORS 198.810 to 198.825 shall be dispensed  
 28 with. After the hearing on the petition, if the county board **or governing body of the metropolitan**  
 29 **service district** approves the petition, [*it*] **the county board or governing body** shall enter an  
 30 order creating the district. If the district board members generally are elected, the persons nomi-  
 31 nated by the petition and accepting nomination as members of the board shall constitute the first  
 32 board of the district.

33 **SECTION 47.** ORS 198.840 is amended to read:

34 198.840. Notice of the hearing set by the order **of the county adopted under ORS 198.835 or**  
 35 **the metropolitan service district adopted under section 2 of this 2011 Act** shall be given in the  
 36 manner provided by ORS 198.800 except that the notice shall state that the county board **or the**  
 37 **governing body of the metropolitan service district** has entered an order declaring its intention  
 38 to initiate formation. The hearing and election on the proposal, and election of board members, shall  
 39 be conducted as provided by ORS 198.800 to 198.825.

40 **SECTION 48.** ORS 198.845 is amended to read:

41 198.845. The county **or metropolitan service district** shall bear the cost of formation or at-  
 42 tempted formation of a district under ORS 198.835 to 198.845. However, if a district is formed, the  
 43 district shall reimburse the county **or metropolitan service district** for any expenses incurred by  
 44 the county **or metropolitan service district** in making necessary preliminary engineering studies  
 45 and surveys in connection with the formation of the district.



1        **SECTION 49.** ORS 198.850 is amended to read:

2        198.850. (1) When the electors of an area wish to annex to a district, they may file an annexation  
3 petition with the county board **or governing body of the metropolitan service district**. Before  
4 the petition is filed with the [county] board **or governing body**, it shall be approved by indorsement  
5 thereon by the board of the affected district and by any other agency also required by the principal  
6 Act to indorse or approve the petition.

7        (2) ORS 198.800 to 198.820 apply to the proceeding conducted by the county board **or the gov-**  
8 **erning body of the metropolitan service district** and the rights, powers and duties of petitioners  
9 and other persons having an interest in the proceedings. However, when determining whether to  
10 approve an annexation petition filed under this section, the [county] board **or governing body**, in  
11 lieu of the criteria prescribed by ORS 198.805 (1) and 199.462, shall consider the local comprehensive  
12 plan for the area and any service agreement executed between a local government and the affected  
13 district.

14        (3) In lieu of a petition, annexation may be initiated by resolution of the district board or of the  
15 county board **or governing body of the metropolitan service district**. Proceedings may also be  
16 initiated by any other public agency if authorized by the principal Act. If proceedings are initiated  
17 by the district board or another public agency, a resolution setting forth the matters described by  
18 ORS 198.835 shall be filed with the [county] board **or governing body**. The proceeding thereafter  
19 shall be conducted as provided by ORS 198.835 to 198.845. However, when determining whether to  
20 approve the resolution, the [county] board **or governing body**, in lieu of the criteria prescribed by  
21 ORS 198.805 (1) and 199.462, shall consider the local comprehensive plan for the area and any ser-  
22 vice agreement executed between a local government and the affected district. An annexation initi-  
23 ated by the district board may include an effective date that is not later than 10 years after the date  
24 of the order declaring the annexation.

25        **SECTION 50.** ORS 198.855 is amended to read:

26        198.855. (1) If the annexation petition is not signed by all the owners of all the lands in the  
27 territory proposed to be annexed or is not signed by a majority of the electors registered in the  
28 territory proposed to be annexed and by the owners of more than half of the land in the territory  
29 and an election is ordered on the proposed annexation as provided by ORS 198.815, the county board  
30 **or governing body of the metropolitan service district** shall order an election to be held in the  
31 territory and the county board **or governing body of the metropolitan service district** also shall  
32 order the board of the affected district to hold an election on the same day, both elections to be held  
33 for the purpose of submitting the proposed annexation to the electors. The district board shall cer-  
34 tify the results of the election to the county board **or governing body of the metropolitan service**  
35 **district**. The order of annexation shall not be entered by the county board **or governing body of**  
36 **the metropolitan service district** unless a majority of the votes in the territory and a majority  
37 of the votes in the district are in favor of the annexation. If a majority of the votes cast in both  
38 elections do not favor annexation, the county board **or governing body of the metropolitan ser-**  
39 **vice district** by order shall so declare.

40        (2) Two or more proposals for annexation of territory may be voted upon at the same time.  
41 However, within the district each proposal [shall] **must** be stated separately on the ballot and voted  
42 on separately and, in the territory proposed to be annexed, no proposal for annexing other territory  
43 shall appear on the ballot.

44        (3) If the annexation petition is signed by all of the owners of all land in the territory proposed  
45 to be annexed or is signed by a majority of the electors registered in the territory proposed to be

1 annexed and by the owners of more than half of the land in the territory, an election in the territory  
 2 and district shall be dispensed with. After the hearing on the petition, if the county board **or gov-**  
 3 **erning body of the metropolitan service district** approves the petition as presented or as modified  
 4 or, if an election is held, if the electors approve the annexation, the county board **or governing**  
 5 **body of the metropolitan service district** shall enter an order describing the boundaries of the  
 6 territory annexed and declaring it annexed to the district.

7 **SECTION 51.** ORS 198.857 is amended to read:

8 198.857. (1) Notwithstanding ORS 198.750, 198.755, 198.760, 198.765, 198.775, 198.850 and 198.855,  
 9 a parcel of land may be annexed to a district as provided in this section.

10 (2) When the owner of a parcel of land wants to annex that land to a district, the owner may  
 11 file an annexation petition with the county board **or governing body of the metropolitan service**  
 12 **district**. The petition shall declare that the petition is filed pursuant to this section, state the name  
 13 of the affected district and all affected counties, indicate the principal Act of the affected district  
 14 and be signed by the owner of the parcel of land. Before the petition is filed with the county board  
 15 **or governing body of the metropolitan service district**, the petition must be approved by in-  
 16 dorsement thereon by the board of the affected district and by any other agency also required by  
 17 the principal Act to indorse or approve the petition.

18 (3) If a petition filed under this section meets the requirements of this section and is otherwise  
 19 sufficient under the principal Act, the county board **or governing body of the metropolitan ser-**  
 20 **vice district** shall set a date for a public hearing on the petition. The hearing [*shall*] **must** be held  
 21 not sooner than 20 days nor later than 50 days after the date on which the petition is filed. Written  
 22 notice of the hearing shall be mailed to the petitioner and to the board of the affected district.

23 (4) At the time stated in the notice described in subsection (3) of this section, the county board  
 24 **or governing body of the metropolitan service district** shall hold a public hearing to consider  
 25 the petition. When determining whether to approve the petition, the [*county*] board **or governing**  
 26 **body** shall consider the local comprehensive plan for the area and any service agreement executed  
 27 between a local government and the affected district. If the petition is approved, the [*county*] board  
 28 **or governing body** shall enter an order describing the boundaries of the land and declaring the land  
 29 annexed to the district.

30 **SECTION 52.** ORS 198.860 is amended to read:

31 198.860. After the date of entry of an order by the county board **or governing body of the**  
 32 **metropolitan service district** annexing territory to a district, the territory annexed shall become  
 33 subject to the outstanding indebtedness, bonded or otherwise, of the district in like manner as the  
 34 territory within the district.

35 **SECTION 53.** ORS 198.866 is amended to read:

36 198.866. (1) The governing body of a city may adopt a resolution or motion to propose  
 37 annexation to a district for the purpose of receiving service from the district. Upon adoption of an  
 38 annexation proposal, the governing body of the city shall certify to the district board a copy of the  
 39 proposal.

40 (2) The district board shall approve or disapprove the city's annexation proposal. If the district  
 41 board approves the proposal, the district board shall adopt an order or resolution to call an election  
 42 in the district unless otherwise provided in subsection (3) of this section.

43 (3) The district board is not required to call an election if:

- 44 (a) The population of the city is less than 20 percent of the population of the district; or
- 45 (b) The entire boundary of the city is encompassed within the boundary of the district.

1 (4) Notwithstanding subsection (3) of this section, if 10 percent of the electors or 100 electors  
 2 of the district, whichever is less, sign and present to the county board **or governing body of the**  
 3 **metropolitan service district** a petition requesting an election, the board **or governing body** shall  
 4 call an election in the district. The petition shall be in conformity, to the greatest extent practica-  
 5 ble, with ORS 198.750, 198.760, 198.765 and 198.770.

6 (5) The order or resolution of the district board shall include the applicable matters specified  
 7 in ORS 198.745. In addition the order or resolution may contain a plan for zoning or subdistricting  
 8 the district as enlarged by the annexation if the principal Act for the district provides for election  
 9 or representation by zone or subdistrict.

10 (6) The district board shall certify a copy of the resolution or order to the governing body of  
 11 the city.

12 (7) Upon receipt of the resolution or order of the district board, the governing body of the city  
 13 shall call an election in the city on the date specified in the order or resolution of the district board.

14 (8) An election under this section shall be held on a date specified in ORS 255.345 that is not  
 15 sooner than the 90th day after the date of the district order or resolution calling the election.

16 **SECTION 54.** ORS 198.867 is amended to read:

17 198.867. (1) If the electors of the city approve the annexation, the city governing body shall:

18 (a) Certify to the county board of the principal county for the district **or the governing body**  
 19 **of the metropolitan service district** the fact of the approval by the city electors of the proposal;  
 20 and

21 (b) Present the certificate to the district board.

22 (2) If the electors of the district approve the annexation, the district board shall:

23 (a) Certify the results of the election; and

24 (b) Attach the certificate to the certificate of the city and present both certificates to the county  
 25 board **or governing body of the metropolitan service district**.

26 (3) Upon receipt of the certificate of the city governing body and the district board, the county  
 27 board **or the governing body of the metropolitan service district** shall enter an order annexing  
 28 the territory included in the city to the district. When the county board **or governing body of the**  
 29 **metropolitan service district** enters the order, the city territory, together with any territory  
 30 thereafter annexed to the city:

31 (a) Shall be included in the boundaries of the district; and

32 (b) Shall be subject to all liabilities of the district in the same manner and to the same extent  
 33 as other territory included in the district.

34 **SECTION 55.** ORS 198.870 is amended to read:

35 198.870. (1)(a) When a plan for district improvements is adopted, or any time more than two  
 36 years after the date of formation of a district or after the date of annexation of territory to a district  
 37 if petitioner's property is located within the territory annexed, an owner of land included in a dis-  
 38 trict may petition the county board **or governing body of the metropolitan service district** for  
 39 withdrawal of the property of the owner from the district.

40 (b) If the electors of an area within a district wish to withdraw from the district, they may file  
 41 a petition with the county board **or governing body of the metropolitan service district**.

42 (2) Petitioners shall cause notice of the petition filing to be given in writing to the district  
 43 secretary. Within five days after the petition is filed, petitioners shall furnish the secretary with a  
 44 copy of the petition as filed.

45 (3) Except as provided by ORS 198.875, ORS 198.800 to 198.820 apply to proceedings for with-

1 drawal and to the rights, powers and duties of the petitioners and other persons having an interest  
2 in the proceeding.

3 (4) The county board **or governing body of the metropolitan service district** may approve the  
4 petition as presented or it may adjust the boundaries and approve the petition. The petition shall  
5 be approved if it has not been, or is not or would not be, feasible for the territory described in the  
6 petition to receive service from the district. The petition shall be denied if it appears that it is, or  
7 would be, feasible for the territory described in the petition to receive service from the district.

8 **SECTION 56.** ORS 198.875 is amended to read:

9 198.875. (1) At the time and place set for the final hearing upon the withdrawal petition if the  
10 required number of written requests for an election on the proposed withdrawal have not been filed,  
11 the county board **or governing body of the metropolitan service district** shall enter an order  
12 withdrawing the described area from the district.

13 (2) If the required number of requests for an election are filed on or before the final hearing,  
14 the county board **or governing body of the metropolitan service district** shall call an election  
15 in the district upon the question of the withdrawal of the area.

16 (3) If an election is called and a majority of the votes cast at the election is in favor of the  
17 withdrawal of the designated area from the district, the county board **or governing body of the**  
18 **metropolitan service district** shall enter an order withdrawing the area from the district. If the  
19 majority of the votes cast is against withdrawal, the county board **or governing body of the met-**  
20 **ropolitan service district** shall enter an order declaring the results of the election. In either case,  
21 the county board **or governing body of the metropolitan service district** shall cause a copy of  
22 the order to be filed with the secretary of the district.

23 **SECTION 57.** ORS 221.031, as amended by section 2, chapter 41, Oregon Laws 2010, is amended  
24 to read:

25 221.031. (1) Before circulating a petition to incorporate unincorporated territory as a city, the  
26 petitioners shall file a petition for incorporation in a form prescribed by rule of the Secretary of  
27 State with:

28 (a) The county clerk of the county in which the proposed city lies; or

29 (b) If the proposed city lies in more than one county, the county clerk of the county in which  
30 the largest part of its territory lies.

31 (2) The county clerk shall immediately date and time stamp the prospective petition and shall  
32 authorize the circulation of the petition when the economic feasibility statement required by ORS  
33 221.035 is filed with the county clerk. The county clerk shall retain the prospective petition and  
34 economic feasibility statement and shall immediately send two copies of the prospective petition to  
35 the appropriate county court.

36 (3)(a) A petition for incorporation filed with the county clerk under subsection (1) of this section  
37 shall designate the name and residence address of not more than three persons as chief petitioners,  
38 who shall be electors registered within the boundaries of the proposed city.

39 (b) The petition shall contain the name of the proposed city.

40 (c) The petition shall include a proposed permanent rate limit for operating taxes that would  
41 generate operating tax revenues sufficient to support an adequate level of municipal services. The  
42 tax rate limit shall be expressed in dollars per thousand dollars of assessed value. The tax rate limit  
43 shall be calculated for the latest tax year for which the assessed value of the proposed city is  
44 available.

45 (d) There shall be attached to the cover sheet of the petition a map indicating the exterior

1 boundaries of the proposed city. The map shall not exceed 14 inches by 17 inches in size and shall  
2 be used in lieu of a metes and bounds or legal description of the proposed city.

3 (e) If the territory proposed to be incorporated is within the jurisdiction of a local government  
4 boundary commission, the petition shall be accompanied by the economic feasibility analysis re-  
5 quired under ORS 199.476 (1). Notwithstanding subsection (2) of this section, unless the economic  
6 feasibility analysis is approved by the local government boundary commission as provided in ORS  
7 199.522, the county clerk shall not authorize the circulation of the petition.

8 (f) If the petitioners propose not to extinguish a special district pursuant to ORS 222.510 (2) or  
9 a [county] service district pursuant to ORS 451.585 (1)(a), the petition shall include a statement of  
10 this proposal.

11 (4) Each sheet of signatures shall be attached to a full and correct copy of the petition for in-  
12 corporation. Not more than 20 signatures on each sheet of the petition for incorporation shall be  
13 counted. The circulator shall certify on each signature sheet that the circulator witnessed the  
14 signing of the signature sheet by each individual whose signature appears on the signature sheet  
15 and that the circulator believes each individual is an elector registered in the county. If the terri-  
16 tory proposed to be incorporated is within the jurisdiction of a local government boundary commis-  
17 sion, each signature sheet shall contain a statement that the economic feasibility analysis for the  
18 proposed city was approved by the boundary commission, that the analysis is available for inspection  
19 at the offices of the boundary commission and that subsequent to the gathering of the petitions the  
20 boundary commission must review and finally approve the proposal prior to submission at an  
21 election.

22 **SECTION 58.** ORS 198.920 is amended to read:

23 198.920. Dissolution of a district may be initiated:

24 (1) By a petition of the electors requesting dissolution of the district, filed with the county board  
25 **or governing body of the metropolitan service district.**

26 (2) By resolution of the district board filed with the county board **or governing body of the**  
27 **metropolitan service district** when the district board determines that it is in the best interest of  
28 the inhabitants of the district that the district be dissolved and liquidated.

29 (3) By resolution of the county board **or governing body of the metropolitan service**  
30 **district:**

31 (a) If the district at the time of the regular district election has not elected district board  
32 members, as required by the principal Act, to fill vacancies on the district board; or

33 (b) If the territory within the district is uninhabited; and

34 (c) If in either case the county board **or governing body of the metropolitan service district**  
35 determines that it is in the best interest of the people of the county **or metropolitan service dis-**  
36 **trict** that the district be dissolved and liquidated.

37 (4) Within five days after a petition is filed or a resolution of a county board **or governing body**  
38 **of the metropolitan service district** is adopted under this section, a copy shall be filed with the  
39 [district] secretary **of the district proposed for dissolution**, if any, or with any other district offi-  
40 cer who can with reasonable diligence be located.

41 (5) If there are no qualified district board members, the county board **or governing body of the**  
42 **metropolitan service district** shall act as or appoint a board of trustees to act in behalf of the  
43 district.

44 **SECTION 59.** ORS 198.925 is amended to read:

45 198.925. (1) When dissolution proceedings have been initiated, the district board shall make

1 findings of fact which shall include:

2 (a) The amount of each outstanding bond, coupon and other indebtedness, with a general de-  
3 scription of the indebtedness and the name of the holder and owner of each, if known.

4 (b) A description of each parcel of real property and interest in real property and, if the prop-  
5 erty was acquired for delinquent taxes or assessments, the amount of such taxes and assessments  
6 on each parcel of property.

7 (c) Uncollected taxes, assessments and charges levied by the district and the amount upon each  
8 lot or tract of land.

9 (d) A description of the personal property and of all other assets of the district.

10 (e) The estimated cost of dissolution.

11 (2) The district board shall propose a plan of dissolution and liquidation.

12 (3) Within 30 days after initiation of the dissolution proceeding, the findings of fact and the  
13 proposed plan of dissolution and liquidation shall be filed in the office of the county clerk **for each**  
14 **county in which the district has territory** and shall be available for inspection by any interested  
15 person.

16 **SECTION 60.** ORS 198.930 is amended to read:

17 198.930. (1) The plan of dissolution and liquidation may include provision for transfer and  
18 conveyance of all assets of the district to any other district [*or, in the case of a county service dis-*  
19 *trict, to the county in which the district is located, which*] **that** has the authority to and agrees to  
20 assume the outstanding indebtedness of the dissolving district, if any, and to continue to furnish  
21 similar services to the inhabitants of the district.

22 **(2) For a service district organized under ORS 451.410 to 451.610, the plan for dissolution**  
23 **and liquidation may include provision for transfer and conveyance of all assets of the district**  
24 **to the county or metropolitan service district in which the district is located.**

25 **SECTION 61.** ORS 198.935 is amended to read:

26 198.935. (1) When the district to be dissolved is within the jurisdiction of a local government  
27 boundary commission, within 10 days after the district board files the plan of dissolution and liqui-  
28 dation required by ORS 198.925, the district board shall file the documents initiating dissolution with  
29 the boundary commission in accordance with ORS 199.476.

30 (2) Within 10 days after the district board files the plan of dissolution and liquidation required  
31 by ORS 198.925, and following boundary commission approval if necessary, the district board shall  
32 call an election for the purpose of submitting to the electors of the district the question of whether  
33 the district shall be dissolved, its indebtedness liquidated and its assets disposed of in accordance  
34 with the plan proposed. The election shall be held on the next available election date in ORS 255.345  
35 for which the filing deadline can be met. No election shall be called until the assent of all known  
36 holders of valid indebtedness against the district is obtained or provision is made in the plan for  
37 payment of the nonassenting holders. The notice of the election shall contain a brief summary of the  
38 plan of dissolution and liquidation and state that the plan of dissolution is available for examination  
39 at the office of the county clerk **or governing body of the metropolitan service district.**

40 **SECTION 62.** ORS 198.940 is amended to read:

41 198.940. The election required by ORS 198.935 shall be dispensed with and the county board **or**  
42 **governing body of the metropolitan service district** shall declare the district dissolved and pro-  
43 ceed in accordance with ORS 198.945, if the county board **or governing body of the metropolitan**  
44 **service district** finds that dissolution is in the interest of the people of the county **or metropolitan**  
45 **service district** and:

1 (1) The territory within the affected district is uninhabited;

2 (2) The district has failed regularly to elect district board members in accordance with the  
3 principal Act of the district;

4 (3) For a [county] service district **organized under ORS 451.410 to 451.610**, dissolution is re-  
5 quired due to an absence of public need for continuation of the district, as provided in ORS 451.620;  
6 or

7 (4) For a [county] service district **organized under ORS 451.410 to 451.610**, the district is no  
8 longer necessary for the purpose for which it was formed.

9 **SECTION 63.** ORS 198.945 is amended to read:

10 198.945. (1) Upon canvassing the vote after the election, if it appears that a majority or more  
11 of the votes cast approve dissolution, the district board shall declare the district dissolved. The  
12 board shall thereupon constitute a board of trustees who shall pay the debts or procure releases  
13 thereof and dispose of the property of the district. If the dissolved district was located wholly within  
14 the limits of one county, the board of the dissolving district may designate the county board as the  
15 board of trustees for the purpose of winding up the affairs of the district. If a majority of the votes  
16 cast at the election is against dissolution, the district board shall declare the proposal lost and  
17 cause the result of the vote to be made a part of the records of the district. In either case, the re-  
18 sults of the election shall be certified to the county board **or governing body of the metropolitan**  
19 **service district** immediately after the canvass of the vote.

20 (2) If dissolution is approved, after the affairs of the district have been fully settled, all books  
21 and records of the district shall be deposited by the board of trustees in the office of the county  
22 clerk of the county. **If the district's territory is in more than one county, the books and re-**  
23 **records of the district shall be deposited by the board of trustees in the office of the county**  
24 **clerk of the county that held the most territory of any county within the boundaries of the**  
25 **district.** At the same time, the board of trustees shall execute under oath, and file with the county  
26 board **of the county in which the records of the district are deposited**, a statement that the  
27 district has been dissolved and its affairs liquidated. From the date of the statement, the corporate  
28 existence of the district is terminated for all purposes.

29 (3) If a majority of the votes cast are against dissolution, no further election for dissolution shall  
30 be called by the board, upon petition or upon a resolution of the board, prior to the expiration of  
31 one year from the date of the election on dissolution.

32 **SECTION 64.** ORS 198.955 is amended to read:

33 198.955. (1) Except as provided by ORS 198.950, any surplus funds remaining to the credit of the  
34 district, after payment of the indebtedness of the district, shall be turned over to the county treas-  
35 urer **or the governing body of the metropolitan service district.** If the assets of the district are  
36 insufficient to pay the indebtedness, the board of trustees shall levy taxes, within the limits of the  
37 authority of the district, for the liquidation of such indebtedness.

38 (2) Notwithstanding subsection (1) of this section, if the property of a district is located within  
39 the corporate limits of a city, such property shall, upon dissolution of the district, vest in the city  
40 in which located and the property of the district lying outside the corporate limits of any city shall  
41 vest in the county until the formation of a city embracing such territory, at which time it shall vest  
42 in the city.

43 (3) In each year that the county **or governing body of the metropolitan service district** re-  
44 ceives surplus funds to the credit of the district under subsection (1) of this section, any funds in  
45 the account of the district on June 30, in excess of \$6,000 retained by the county **or metropolitan**

1 **service district** for administration, shall be certified to the county assessor **of the county from**  
 2 **which the surplus funds were derived** and shall be disposed of as provided under one of the fol-  
 3 lowing paragraphs, as selected by the county assessor:

4 (a) Notwithstanding ORS 310.105, the funds may be offset against that portion of the levies of  
 5 taxing units levied against the property values of property within the dissolved district. The method  
 6 of offset shall be further defined by rule of the Department of Revenue. If the funds are offset as  
 7 provided under this paragraph, the funds shall be distributed to each taxing unit in the amount of  
 8 that taxing unit's offset.

9 (b) The amount may be credited to each property appearing on the tax roll for the year for  
 10 which the credit applies within the dissolved district on the basis of current assessed value. If the  
 11 surplus funds are distributed under this paragraph, the surplus funds shall be deposited in the un-  
 12 segregated tax collections account established under ORS 311.385 and distributed in the same man-  
 13 ner as other funds in that account. The method to be used to credit the amount of the surplus shall  
 14 be further defined by rule of the Department of Revenue.

15 **SECTION 65.** ORS 199.420 is amended to read:

16 199.420. As used in ORS 199.410 to 199.534, unless the context requires otherwise, "district"  
 17 means one of the following:

18 (1) Domestic water supply district organized under ORS chapter 264.

19 (2) Park and recreation district organized under ORS chapter 266.

20 (3) Metropolitan service district organized under ORS chapter 268.

21 (4) Highway lighting district organized under ORS chapter 372.

22 (5) Sanitary district organized under ORS 450.005 to 450.245.

23 (6) Sanitary authority, water authority or joint water and sanitary authority organized under  
 24 ORS 450.600 to 450.989.

25 (7) [County] Service district organized under ORS chapter 451.

26 (8) Vector control district organized under ORS 452.020 to 452.170.

27 (9) Rural fire protection district organized under ORS chapter 478.

28 (10) Geothermal heating district organized under ORS chapter 523.

29 (11) Corporations organized under ORS chapter 554 for the purpose of supplying water for do-  
 30 mestic use or any other district supplying or seeking to supply domestic water.

31 (12) Library district organized under ORS 357.216 to 357.286.

32 (13) Special road district organized under ORS 371.305 to 371.360.

33 (14) Heritage district organized under ORS 358.442 to 358.474.

34 **SECTION 66.** ORS 199.457 is amended to read:

35 199.457. (1) Any county located within the jurisdiction of a boundary commission may levy taxes  
 36 and expend funds for the purposes of ORS 199.410 to 199.534.

37 (2) A boundary commission may accept any funds, property or services, or the use of any prop-  
 38 erty donated by any person, district, city or county in carrying out the purposes of ORS 199.410 to  
 39 199.534.

40 (3) A boundary commission, with the approval of the advisory committee appointed under ORS  
 41 199.450, may establish and collect reasonable service charges from persons, cities, the county or  
 42 counties and special districts within its jurisdiction to defray the costs of operating the commission  
 43 and carrying out the purposes of ORS 199.410 to 199.534. Such charges shall include, but not be  
 44 limited to, fees for filing a petition or resolution for a boundary change with the commission.

45 (4) In addition to any service charges established under subsection (3) of this section, a bound-



1 ary commission may determine it is necessary to charge cities and counties within its jurisdiction  
2 for services and activities carried out under ORS 199.410 to 199.534. If the commission determines  
3 that it is necessary to charge cities and counties within its jurisdiction for any fiscal year, the  
4 commission shall determine, with the approval of the advisory committee appointed under ORS  
5 199.450, the total amount to be charged and shall assess each city and county with the portion of  
6 the total amount as the population of the portion of the city or county within the jurisdiction of the  
7 commission bears to the total population of the area within the jurisdiction of the commission. For  
8 the purposes of this subsection, the population of a county does not include the population of any  
9 city situated within the boundaries of that county.

10 (5) In addition to any service charges, established under subsection (3) of this section, a bound-  
11 ary commission may determine it is necessary to charge districts within its jurisdiction for services  
12 and activities carried out under ORS 199.410 to 199.534. If the commission determines that it is  
13 necessary to charge districts within its jurisdiction for any fiscal year, the commission shall deter-  
14 mine, with the approval of the advisory committee appointed under ORS 199.450, the total amount  
15 to be charged and shall assess each district with the portion of the total amount as the assessed  
16 valuation of the district within the jurisdiction of the commission bears to the total assessed valu-  
17 ation of all districts within the jurisdiction of the commission. However, assessments shall not be  
18 made by a boundary commission under this subsection against a highway lighting district organized  
19 under ORS chapter 372, a vector control district organized under ORS chapter 452 or a [county]  
20 service district organized under ORS chapter 451 for the purpose of providing street lighting works  
21 or vector control.

22 (6) For each fiscal year beginning on or after July 1, 1982, the commission shall notify each city,  
23 county or district governing body of its intent to levy an assessment under this section and the  
24 amount of the assessment for each city, county and district at least 120 days before the beginning  
25 of the fiscal year for which the assessment will be made.

26 (7) The decision of the commission to assess the cities, counties and districts within its juris-  
27 diction, and the amount of the assessment upon each, shall be binding upon those governmental  
28 bodies. Cities, counties and districts shall pay their assessment in equal quarterly payments as the  
29 commission may require except that any city or district with a total annual assessment of less than  
30 \$100 shall pay the total assessment in one installment at the time specified for the second quarterly  
31 payment.

32 (8) When a city or district located in a county outside the jurisdiction of a boundary commission  
33 annexes or otherwise incorporates territory located within the jurisdiction of a boundary commis-  
34 sion, the boundary commission shall assess the city or district with the portion of the total amount  
35 determined under subsection (4) or (5) of this section as the assessed valuation of the territory of  
36 the city or district within the jurisdiction of the boundary commission bears to the total assessed  
37 valuation of the entire city or district.

38 **SECTION 67.** ORS 199.476 is amended to read:

39 199.476. (1) When a major boundary change is initiated by a legally sufficient petition as pro-  
40 vided by the principal Act, if the territory subject to the petition is within the jurisdiction of a  
41 boundary commission, the filing agency notwithstanding the principal Act, shall file, within 10 days  
42 after the petition is filed, a certified copy of the petition with the boundary commission having ju-  
43 risdiction of the change. If the petition proposes formation, consolidation or merger of a city or  
44 district it shall be accompanied by the economic feasibility analysis and an estimate of the tax rate  
45 derived from the feasibility analysis that will be required to provide the services or functions of the

1 proposed city or district. The analysis and estimate of the tax rate shall be prepared in cooperation  
2 with the county assessor and the Department of Revenue. The analysis shall include among other  
3 items a description of the services or functions to be performed or provided by the new unit and an  
4 analysis of their relationship to other existing or needed government services. The analysis shall  
5 also include a first year line item operating budget and a projected third year line item operating  
6 budget.

7 (2) The proceeding under the principal Act shall be suspended from the date the petition is filed  
8 with the filing agency until the date the commission files a certified copy of its final order with the  
9 filing agency. Suspension of the proceeding under this section shall not continue for more than 120  
10 days after the date the commission receives the petition.

11 (3) If a final order is not adopted within the 120 days, the petition shall be considered approved  
12 by the commission.

13 (4) Notwithstanding subsection (3) of this section, if a final order of a commission is appealed  
14 for review by the Court of Appeals and a copy of the petition for judicial review is filed with the  
15 filing agency within 60 days after the date on which the final order is issued, the suspension period  
16 shall be extended and continue until the petition for judicial review is determined and the results  
17 thereof certified to the filing agency.

18 (5) A determination by the board of directors of a [county] service district **organized under**  
19 **ORS 451.410 to 451.610** that there is a public need for the continued existence of the district shall  
20 be reviewed as provided in this section.

21 **SECTION 68.** ORS 199.480 is amended to read:

22 199.480. In a proceeding for a major boundary change, a certified copy of the final order of the  
23 boundary commission shall be filed with the filing agency from which the commission received the  
24 petition. If the copy is so filed and:

25 (1) If the commission approved the petition as presented or as modified, the proceeding shall  
26 continue as provided by the principal Act; except that when a commission considers and enters a  
27 final order on a petition:

28 (a) The city council or county or district board need not call or hold a hearing on the petition  
29 and shall not change boundaries as described by the final order of the commission.

30 (b) An election on the proposed change, if required under the principal Act, shall be held on the  
31 next appropriate election date authorized under the principal Act or under ORS 203.085, 221.230 or  
32 255.345.

33 (c) The final order, in a proceeding to merge or to consolidate districts or to dissolve a district  
34 and transfer its functions, assets and liabilities to a [county] service district **organized under ORS**  
35 **451.410 to 451.610**, shall conclude the proceeding for all purposes; and the merger, consolidation or  
36 dissolution and transfer shall take effect on the date the order is adopted or at whatever date the  
37 commission specifies in its order which shall not be more than one year after the date the final or-  
38 der is adopted. A merger or consolidation to which this paragraph applies includes but is not limited  
39 to a merger or consolidation under ORS 198.705 to 198.955 that provides for joining a city to the  
40 surviving or successor district.

41 (2) If the commission disapproved the petition, the proceeding shall terminate.

42 (3) If the commission determines that a [county] service district **organized under ORS 451.410**  
43 **to 451.610** subject to a determination of public need for continued existence shall be dissolved, it  
44 shall enter an order so providing and dissolution shall take effect at the end of the fiscal year in  
45 which the order of the commission is entered.

**SECTION 69.** ORS 222.850 is amended to read:

222.850. As used in ORS 222.840 to 222.915, unless the context requires otherwise:

(1) “Affected territory” means an area within the urban growth boundary of a city, [*and which is otherwise*] eligible for annexation to that city and in which there exists an actual or alleged danger to public health.

(2) “Authority” means the Oregon Health Authority.

(3) “City council” means the legislative body of a city.

(4) “Commission” means the Environmental Quality Commission.

(5) “Danger to public health” means a condition which is conducive to the propagation of communicable or contagious disease-producing organisms and which presents a reasonably clear possibility that the public generally is being exposed to disease-caused physical suffering or illness, including a condition such as:

(a) Impure or inadequate domestic water.

(b) Inadequate installations for the disposal or treatment of sewage, garbage or other contaminated or putrefying waste.

(c) Inadequate improvements for drainage of surface water and other fluid substances.

(6) “Director” means the Director of the Oregon Health Authority.

(7) “District” means any one of the following:

(a) A metropolitan service district formed under ORS chapter 268.

(b) A [*county*] service district formed under ORS chapter 451.

(c) A sanitary district formed under ORS 450.005 to 450.245.

(d) A sanitary authority, water authority or joint water and sanitary authority formed under ORS 450.600 to 450.989.

(e) A domestic water supply district formed under ORS chapter 264.

**SECTION 70.** ORS 255.012 is amended to read:

255.012. As used in this chapter, “district” means:

(1) A domestic water supply district organized under ORS chapter 264.

(2) A cemetery maintenance district organized under ORS chapter 265.

(3) A park and recreation district organized under ORS chapter 266.

(4) A mass transit district organized under ORS 267.010 to 267.390.

(5) A transportation district organized under ORS 267.510 to 267.650.

(6) A metropolitan service district organized under ORS chapter 268.

(7) A translator district organized under ORS 354.605 to 354.715.

(8) A library district organized under ORS 357.216 to 357.286.

(9) A county road district organized under ORS 371.055 to 371.110.

(10) A special road district organized under ORS 371.305 to 371.360.

(11) A road assessment district organized under ORS 371.405 to 371.535.

(12) A highway lighting district organized under ORS chapter 372.

(13) A health district organized under ORS 440.305 to 440.410.

(14) A sanitary district organized under ORS 450.005 to 450.245.

(15) A sanitary authority, water authority or joint water and sanitary authority organized under ORS 450.600 to 450.989.

(16) A [*county*] service district organized under ORS chapter 451.

(17) A vector control district organized under ORS 452.020 to 452.170.

(18) A rural fire protection district organized under ORS chapter 478.

- 1 (19) An airport district organized under ORS chapter 838.
- 2 (20) A geothermal heating district organized under ORS chapter 523.
- 3 (21) A water improvement district organized under ORS chapter 552.
- 4 (22) A water control district organized under ORS chapter 553.
- 5 (23) A weather modification district organized under ORS 558.200 to 558.440.
- 6 (24) A livestock district organized under ORS 607.005 to 607.051.
- 7 (25) A port organized under ORS 777.005 to 777.725 and 777.915 to 777.953.
- 8 (26) The Port of Portland established by ORS 778.010.
- 9 (27) A school district.
- 10 (28) Territory, other than territory within a city, proposed to be created, formed or incorporated  
11 into a district or to be annexed or otherwise added to a district.
- 12 (29) A soil and water conservation district organized under ORS 568.210 to 568.810 and 568.900  
13 to 568.933.
- 14 (30) A heritage district organized under ORS 358.442 to 358.474.
- 15 (31) A radio and data district organized under ORS 403.500 to 403.542.
- 16 **SECTION 71.** ORS 271.715 is amended to read:
- 17 271.715. As used in ORS 271.715 to 271.795, unless the context otherwise requires:
- 18 (1) “Conservation easement” means a nonpossessory interest of a holder in real property im-  
19 posing limitations or affirmative obligations the purposes of which include retaining or protecting  
20 natural, scenic, or open space values of real property, ensuring its availability for agricultural, for-  
21 est, recreational, or open space use, protecting natural resources, maintaining or enhancing air or  
22 water quality, or preserving the historical, architectural, archaeological, or cultural aspects of real  
23 property.
- 24 (2) “Highway scenic preservation easement” means a nonpossessory interest of a holder in real  
25 property imposing limitations or affirmative obligations the purposes of which include retaining or  
26 protecting natural, scenic or open space values of property.
- 27 (3) “Holder” means:
- 28 (a) The state, any county, metropolitan service district, soil and water conservation district, city  
29 or park and recreation district or a [county] service district established under ORS 451.410 to  
30 451.610 to construct, maintain and operate service facilities in Washington or Clackamas Counties  
31 for the purposes specified in ORS 451.010 (1)(a) and (b) [and] **or** in Washington County for the pur-  
32 pose specified in ORS 451.010 (5) acting alone or in cooperation with any federal or state agency,  
33 public corporation or political subdivision;
- 34 (b) A charitable corporation, charitable association, charitable trust, the purposes or powers of  
35 which include retaining or protecting the natural, scenic, or open space values of real property,  
36 assuring the availability of real property for agricultural, forest, recreational, or open space use,  
37 protecting natural resources, maintaining or enhancing air or water quality, or preserving the his-  
38 torical, architectural, archaeological, or cultural aspects of real property; or
- 39 (c) An Indian tribe as defined in ORS 97.740.
- 40 (4) “Third-party right of enforcement” means a right provided in a conservation easement or  
41 highway scenic preservation easement to enforce any of its terms granted to a governmental body,  
42 charitable corporation, charitable association or charitable trust, which, although eligible to be a  
43 holder, is not a holder.
- 44 **SECTION 72.** ORS 271.725 is amended to read:
- 45 271.725. (1) The state, any county, metropolitan service district, soil and water conservation

1 district, city or park and recreation district or a [county] service district established under ORS  
 2 451.410 to 451.610 to construct, maintain and operate service facilities in Washington or Clackamas  
 3 Counties for the purposes specified in ORS 451.010 (1)(a) and (b) [and] **or** in Washington County for  
 4 the purpose specified in ORS 451.010 (5) may acquire by purchase, agreement or donation, but not  
 5 by exercise of the power of eminent domain, unless specifically authorized by law, conservation  
 6 easements in any area within their respective jurisdictions wherever and to the extent that a state  
 7 agency or the governing body of the county, metropolitan service district, soil and water conserva-  
 8 tion district, city, park and recreation district or [county] service district established under ORS  
 9 451.410 to 451.610 to construct, maintain and operate service facilities in Washington or Clackamas  
 10 Counties for the purposes specified in ORS 451.010 (1)(a) and (b) [and] **or** in Washington County for  
 11 the purpose specified in ORS 451.010 (5) determines that the acquisition will be in the public inter-  
 12 est.

13 (2) Except as otherwise provided in ORS 271.715 to 271.795, a conservation easement or highway  
 14 scenic preservation easement may be created, conveyed, recorded, assigned, released, modified, ter-  
 15 minated, or otherwise altered or affected in the same manner as other easements.

16 (3) The state, any county, metropolitan service district, soil and water conservation district, city  
 17 or park and recreation district or a [county] service district established under ORS 451.410 to  
 18 451.610 to construct, maintain and operate service facilities in Washington or Clackamas Counties  
 19 for the purposes specified in ORS 451.010 (1)(a) and (b) [and] **or** in Washington County for the pur-  
 20 pose specified in ORS 451.010 (5) may acquire by purchase, agreement or donation, but not by ex-  
 21 ercise of the power of eminent domain unless specifically authorized by law, highway scenic  
 22 preservation easements in land within 100 yards of state, county or city highway rights of way.  
 23 These easements may be acquired only in lands that possess significant scenic value in themselves  
 24 and contribute to the overall scenic beauty of the highway.

25 (4) No right or duty in favor of or against a holder and no right in favor of a person having a  
 26 third-party right of enforcement arises under a conservation easement or highway scenic preserva-  
 27 tion easement before its acceptance by the holder and recordation of the acceptance.

28 (5) Except as provided in ORS 271.755 (2) a conservation easement or highway scenic preserva-  
 29 tion easement is unlimited in duration unless the instrument creating it otherwise provides.

30 (6) An interest in real property in existence at the time a conservation easement or highway  
 31 scenic preservation easement is created is not impaired by it unless the owner of the interest is a  
 32 party to or consents to the conservation easement or highway scenic preservation easement.

33 **SECTION 73.** ORS 271.735 is amended to read:

34 271.735. (1) Before the acquisition of a conservation easement or highway scenic preservation  
 35 easement, the state agency, county, metropolitan service district, soil and water conservation dis-  
 36 trict, city, park and recreation district or [county] service district established under ORS 451.410 to  
 37 451.610 to construct, maintain and operate service facilities in Washington or Clackamas Counties  
 38 for the purposes specified in ORS 451.010 (1)(a) and (b) [and] **or** in Washington County for the pur-  
 39 pose specified in ORS 451.010 (5) considering acquisition of such an easement shall hold one or more  
 40 public hearings on the proposal and the reasons therefor. The hearings shall be held in the com-  
 41 munity where the easement would be located and all interested persons, including representatives  
 42 of other governmental agencies, shall have the right to appear and a reasonable opportunity to be  
 43 heard.

44 (2) Notice of the hearing shall be published at least twice, once not less than 12 days and once  
 45 not less than five days, prior to the hearing in a newspaper of general circulation in the community.

1 The notice may also be published by broadcasting or telecasting generally in the community.

2 (3) At least 30 days prior to the hearing, the state agency shall mail notice of the hearing to the  
3 governing body of each county, city and other governmental agency having jurisdiction in the area  
4 of the proposed easements.

5 (4) This section does not apply to conservation easements or highway scenic preservation ease-  
6 ments acquired pursuant to ORS 390.121, 390.310 to 390.338 and 390.805 to 390.925 or acquired pur-  
7 suant to a metropolitan service district bond measure authorizing the acquisition of open spaces  
8 within specific areas.

9 **SECTION 74.** ORS 271.775 is amended to read:

10 271.775. The board or officer administering a state agency or the governing body of any county,  
11 metropolitan service district, soil and water conservation district, city or park and recreation dis-  
12 trict or of a [county] service district established under ORS 451.410 to 451.610 to construct, maintain  
13 and operate service facilities in Washington or Clackamas Counties for the purposes specified in  
14 ORS 451.010 (1)(a) and (b) [and] **or** in Washington County for the purpose specified in ORS 451.010  
15 (5) may make and enforce reasonable rules, regulations, orders or ordinances governing the care,  
16 use and management of its conservation easements and highway scenic preservation easements.

17 **SECTION 75.** ORS 280.055 is amended to read:

18 280.055. Funds may be obtained by a county **or metropolitan service district** as prescribed by  
19 ORS 280.040 to 280.145 for the purpose of advancing funds to a district established under ORS  
20 451.410 to 451.610 to finance the cost of any service facility [which] **that** the district is authorized  
21 to construct, maintain and operate.

22 **SECTION 76.** ORS 285A.010 is amended to read:

23 285A.010. As used in ORS 284.101 to 284.146 and ORS chapters 285A, 285B and 285C, unless the  
24 context requires otherwise:

25 (1) "Administrator" means the administrator of the Oregon Infrastructure Finance Authority.

26 (2) "Association" means a nonprofit, private, incorporated or unincorporated institution, foun-  
27 dation, organization, entity or group, whether local, state, regional or national, that is operating or  
28 doing business in Oregon.

29 (3) "Authority" means the Oregon Infrastructure Finance Authority.

30 (4) "Board" means the Oregon Infrastructure Finance Authority Board.

31 (5) "Commission" means the Oregon Business Development Commission.

32 (6) "Community" means an area or locality in which the body of inhabitants has common eco-  
33 nomic or employment interests. The term is not limited to a city, county or other political subdivi-  
34 sion and need not, but may be, limited by political boundaries.

35 (7) "Department" means the Oregon Business Development Department.

36 (8) "Director" means the Director of the Oregon Business Development Department.

37 (9) "Distressed area" means a county, city, community or other geographic area that is desig-  
38 nated as a distressed area by the department, based on indicators of economic distress or dislo-  
39 cation, including but not limited to unemployment, poverty and job loss.

40 (10) "International trade" means the export and import of products and services and the move-  
41 ment of capital for the purpose of investment.

42 (11) "Local government" has the meaning given that term in ORS 174.116.

43 (12) "Municipality" means an Oregon city or county, the Port of Portland created by ORS  
44 778.010, a [county] service district organized under ORS chapter 451, a district as defined in ORS  
45 198.010, a tribal council of a federally recognized Indian tribe in this state or an airport district

1 organized under ORS chapter 838.

2 (13) "Public body" has the meaning given that term in ORS 174.109.

3 (14) "Rural area" means an area located entirely outside of the acknowledged Portland Metro-  
4 politan Area Regional Urban Growth Boundary and the acknowledged urban growth boundaries of  
5 cities with populations of 30,000 or more.

6 (15) "Small business" means a business having 100 or fewer employees.

7 (16) "State agency" includes state officers, departments, boards and commissions.

8 (17) "Traded sector" means industries in which member firms sell their goods or services into  
9 markets for which national or international competition exists.

10 **SECTION 77.** ORS 285B.410 is amended to read:

11 285B.410. As used in ORS 285B.410 to 285B.482, unless the context requires otherwise:

12 (1) "Airport" means:

13 (a) A runway, taxiway, aircraft parking apron, ramp, auto parking area, access road, safety area  
14 or runway protection zone;

15 (b) An airport-related facility, including a hangar, terminal, air traffic control tower or other  
16 building;

17 (c) A signal, navigational aid or traffic control system; or

18 (d) A fuel tank or other physical airport improvement.

19 (2)(a) "Community development project" means a project that involves strategic planning,  
20 training or other technical assistance as defined by the Oregon Business Development Department  
21 by rule, and that is aimed at strengthening the economic development, community development or  
22 infrastructure priority setting of a municipality or region.

23 (b) "Community development project" includes the following activities:

24 (A) Developing and managing short-term and long-term projects;

25 (B) Developing priorities for infrastructure projects;

26 (C) Strategic planning related to furthering economic or community development; or

27 (D) Training related to economic or community development, including training to improve  
28 leadership skills, technical skills or analytical skills, particularly in rural and distressed areas.

29 (c) "Community development project" includes projects that may encompass a municipality or  
30 any part of a municipality and may be undertaken in cooperation with another municipality.

31 (3) "Development project" means a project for the acquisition, improvement, construction, dem-  
32 olition, or redevelopment of municipally owned utilities, buildings, land, transportation facilities or  
33 other facilities that assist the economic and community development of the municipality, including  
34 planning project activities that are necessary or useful as determined by the Oregon Infrastructure  
35 Finance Authority.

36 (4) "Direct project management costs" means expenses directly related to a project that are in-  
37 curred by a municipality solely to support or manage a project eligible for assistance under ORS  
38 285B.410 to 285B.482. "Direct project management costs" does not include routine or ongoing ex-  
39 penses of the municipality.

40 (5) "Emergency project" means a development project resulting from an emergency as defined  
41 in ORS 401.025, to which federal disaster relief has been committed.

42 (6) "Energy system" means a facility necessary for the distribution, transmission or generation  
43 of energy, including but not limited to facilities powered by wind, solar energy or biofuel and facil-  
44 ities for the collection, storage, transmission or distribution of a fuel, including natural gas, methane  
45 or hydrogen.

1 (7) "Marine facility" means:

2 (a) A wharf, dock, freight handling or passenger facility;

3 (b) A navigation channel or structure, including a project funded under ORS 777.267; or

4 (c) Any other physical marine facility improvement.

5 (8) "Municipality" means an Oregon city or county, the Port of Portland created by ORS 778.010,  
6 a [county] service district organized under ORS chapter 451, a district as defined in ORS 198.010, a  
7 tribal council of a federally recognized Indian tribe in this state or an airport district organized  
8 under ORS chapter 838.

9 (9) "Planning project" means:

10 (a) A project related to a potential development project for preliminary, final or construction  
11 engineering;

12 (b) A survey, site investigation or environmental action;

13 (c) A financial, technical or other feasibility report, study or plan; or

14 (d) An activity that the authority determines to be necessary or useful in planning for a poten-  
15 tial development project.

16 (10) "Project" means a development, community development, planning or emergency project.

17 (11) "Railroad" means:

18 (a) A main line, siding, yard, connecting or auxiliary track, right of way or easement;

19 (b) An industrial spur or related facility, including a depot, shop, maintenance building or other  
20 building;

21 (c) A signal or traffic control system;

22 (d) A bridge or tunnel;

23 (e) A dock, pit, conveyor, bin, crane, piping system, tank or pavement for unloading, loading or  
24 transfer of freight, trailers or containers; or

25 (f) Any other physical railroad improvement.

26 (12) "Road" means a street, highway or thruway or a road-related structure that provides for  
27 continuity of a right of way, including a bridge, tunnel, culvert or similar structure or other physical  
28 road-related improvement.

29 (13) "Rural area" has the meaning given that term in ORS 285A.010.

30 (14) "Solid waste disposal site" has the meaning given the term "disposal site" in ORS 459.005.

31 (15) "Telecommunications system" means equipment or a facility for the electronic transmission  
32 of voice, data, text, image or video.

33 (16) "Transportation" means a system for movement of freight or passengers.

34 (17) "Utilities" means a solid waste disposal site or a water, sewage, storm water drainage, en-  
35 ergy or telecommunications system.

36 **SECTION 78.** ORS 357.465 is amended to read:

37 357.465. (1) Each public library established under ORS 357.417 shall be governed by a library  
38 board unless some other method is specified in the charter, ordinance or resolution establishing the  
39 library.

40 (2) Upon resolution, ordinance or election pursuant to ORS 357.417, the governing body may  
41 appoint a library board. The library board of a city, county or [county] service district **established**  
42 **under ORS 451.410 to 451.610**, as determined by the governing body, shall consist of not less than  
43 five members nor more than 15 members. In the case of a school district or community college dis-  
44 trict, such board shall consist of five, seven or more members at the discretion of the governing  
45 body.



1 (3) If the board will consist of five members, one member shall initially hold office for one year,  
 2 one for two years, one for three years and two for four years, from July 1 in the year of their ap-  
 3 pointment. If the board will consist of seven members, one member shall initially hold office for one  
 4 year, two for two years, two for three years, and two for four years, from July 1 in the year of their  
 5 appointment. If the board will consist of six members or more than seven members, the members first  
 6 appointed shall hold office for such terms as will achieve the staggered term base established for  
 7 smaller boards by this section. Succeeding appointees shall hold office for a term of four years from  
 8 July 1 in the year of their appointment. At the expiration of the term of any member of such board,  
 9 the governing body shall appoint a new member or may reappoint a member for a term of four years.  
 10 If a vacancy occurs, the governing body shall appoint a new member for the unexpired term. No  
 11 person shall hold appointment as a member for more than two full consecutive terms, but any person  
 12 may be appointed again to the board after an interval of one year.

13 **SECTION 79.** ORS 372.460 is amended to read:

14 372.460. (1) When the dissolution of a district is proposed, the board shall make findings of fact  
 15 which shall include:

16 (a) The amount of each outstanding indebtedness, together with a general description thereof  
 17 and the holders thereof, so far as known.

18 (b) The estimated cost of dissolution.

19 (c) The assets of the district.

20 (d) A detailed statement of all lands acquired by the district for delinquent taxes or delinquent  
 21 assessments and the amount of the taxes and assessments on each parcel of land sold.

22 (e) All taxes or assessments unpaid and the amount upon each lot or tract of land and all other  
 23 assets of the district.

24 (2) The board shall propose a plan of dissolution and liquidation which may include provision  
 25 for transfer and conveyance of all assets of the district to any [county] service district organized  
 26 under ORS chapter 451 which will assume all its outstanding indebtedness and undertake to con-  
 27 tinue to furnish service to the inhabitants of the district.

28 (3) The findings of fact and proposed plan of dissolution and liquidation shall be filed in the of-  
 29 fice of the county clerk of the county.

30 **SECTION 80.** ORS 372.480 is amended to read:

31 372.480. (1) After the hearing, if the county board determines it is in the best interest of the  
 32 district to dissolve, it shall grant the petition and enter an order dissolving the district or the  
 33 county board may deny the petition. If an order is entered dissolving the district, the district board  
 34 shall thereupon constitute a board of trustees to dispose of the property of the district and pay its  
 35 debts and obligations or procure releases thereof.

36 (2) If a [county] service district **organized under ORS 451.410 to 451.610** assumes all indebt-  
 37 edness of the highway lighting district and undertakes to continue to furnish service to the inhab-  
 38 itants pursuant to the plan of dissolution and liquidation, and if the consent of all the known holders  
 39 of valid indebtedness against the district has been obtained or provision has been made in the plan  
 40 for payment of the nonassenting holders, the board of trustees may convey to the [county] service  
 41 district **organized under ORS 451.410 to 451.610** all assets of the highway lighting district as de-  
 42 scribed by the district board under ORS 372.460 after paying and discharging the debts to, or pro-  
 43 curing releases from, the nonassenting holders.

44 (3) Except as provided by subsection (2) of this section, any surplus funds remaining to the  
 45 credit of the district, after payment of the indebtedness of the district, shall be turned over to the

1 county treasurer to become a part of the general fund of the county. If the assets of the district are  
 2 insufficient to pay the indebtedness, the board of trustees shall levy taxes, within the limits of the  
 3 authority of the district, for the liquidation of such indebtedness.

4 (4) Upon completing liquidation of the highway lighting district, the board of trustees shall ex-  
 5 ecute, under oath, a signed statement that the district has been dissolved and its affairs liquidated,  
 6 which statement shall be filed in the office of the county clerk of the county.

7 **SECTION 81.** ORS 447.091 is amended to read:

8 447.091. The Department of Consumer and Business Services or local government administering  
 9 the plumbing specialty code adopted under ORS 447.020 (2) may, upon request of any sanitary dis-  
 10 trict formed pursuant to ORS 450.005 to 450.245, sanitary authority established under ORS 450.600  
 11 to 450.989, or [county] service district established under ORS 451.410 to 451.610, contract for the  
 12 inspection of building sewers constructed to connect a district sewage system if inspectors employed  
 13 by such district are certified for sewer inspections under ORS 455.715 to 455.740.

14 **SECTION 82.** ORS 450.675 is amended to read:

15 450.675. Any portion of one or more counties, including both incorporated and unincorporated  
 16 areas as well as areas within domestic water supply districts, [county] service districts **established**  
 17 **under ORS 451.410 to 451.610** for water supply works and other districts may be formed into a  
 18 water authority under ORS 450.600 to 450.989. Such areas need not be contiguous.

19 **SECTION 83.** ORS 454.105 is amended to read:

20 454.105. As used in ORS 454.105 to 454.175, unless the context requires otherwise:

21 (1) "Disposal system" means that term as defined in ORS 468B.005.

22 (2) "Municipality" means a city, county, [county] service district **established under ORS**  
 23 **451.410 to 451.610**, sanitary authority or sanitary district.

24 **SECTION 84.** ORS 454.205 is amended to read:

25 454.205. As used in ORS 454.205 to 454.255, "municipality" includes an incorporated city, a  
 26 metropolitan service district, a sanitary district, a sanitary authority, a [county] service district **es-**  
 27 **tablihed under ORS 451.410 to 451.610**[,] or any other special district authorized to treat and  
 28 dispose of sewage.

29 **SECTION 85.** ORS 454.275 is amended to read:

30 454.275. As used in ORS 454.275 to 454.380:

31 (1) "Affected area" means an area subject to an order of the commission issued under ORS  
 32 454.305.

33 (2) "Commission" means the Environmental Quality Commission.

34 (3) "Governing body" means a board of commissioners, county court or other managing board  
 35 of a municipality.

36 (4) "Municipality" means a city, county, [county] service district **established under ORS**  
 37 **451.410 to 451.610**, sanitary district, metropolitan service district or other special district authorized  
 38 to treat or dispose of sewage in any county with a population exceeding 400,000 according to the  
 39 latest federal decennial census.

40 (5) "Subsurface sewage disposal system" has the meaning given that term in ORS 454.605.

41 (6) "Threat to drinking water" means the existence in any area of any three of the following  
 42 conditions:

43 (a) More than 50 percent of the affected area consists of rapidly draining soils;

44 (b) The ground water underlying the affected area is used or can be used for drinking water;

45 (c) More than 50 percent of the sewage in the affected area is discharged into cesspools, septic

1 tanks or seepage pits and the sewage contains biological, chemical, physical or radiological agents  
2 that can make water unfit for human consumption; or

3 (d) Analysis of samples of ground water from wells producing water that may be used for human  
4 consumption in the affected area contains levels of one or more biological, chemical, physical or  
5 radiological contaminants which, if allowed to increase at historical rates, would produce a risk to  
6 human health as determined by the local health officer. Such contaminant levels must be in excess  
7 of 50 percent of the maximum allowable limits set in accordance with the Federal Safe Drinking  
8 Water Act.

9 (7) "Treatment works" has the meaning given that term in ORS 454.010.

10 **SECTION 86.** ORS 454.430 is amended to read:

11 454.430. As used in ORS 454.430 to 454.445:

12 (1) "Assessment" includes all costs, fees or other charges for the construction of or connection  
13 to sewage treatment works that are eligible for installment payments under ORS 223.205 to 223.775.

14 (2) "Commission" means the Environmental Quality Commission.

15 (3) "Department" means the Department of Environmental Quality.

16 (4) "Extreme financial hardship" has the meaning given within the assessment deferral programs  
17 adopted by public agencies and approved by the Department of Environmental Quality.

18 (5) "Public agency" means any state agency, incorporated city, county, sanitary authority,  
19 [county] service district **established under ORS 451.410 to 451.610**, sanitary district, metropolitan  
20 service district or other special district authorized to construct water pollution control facilities.

21 (6) "Treatment works" means a sewage collection system.

22 **SECTION 87.** ORS 454.805 is amended to read:

23 454.805. (1) When a municipality requires property owners to connect their homes and multi-  
24 family dwellings to the sewer system of the municipality, the municipality may assess the installa-  
25 tion costs for which the municipality provides financing against the affected properties in the same  
26 manner that costs of local improvements are assessed against benefited properties. Such assessments  
27 shall have the same lien status and be foreclosable in the same manner as other assessments levied  
28 under ORS 223.005 to 223.105 and 223.205 to 223.930 or the charter of the municipality. If installa-  
29 tion costs are so assessed:

30 (a) The municipality shall make financing for the installation costs available to affected property  
31 owners;

32 (b) Affected property owners may apply to pay the assessments in installments as provided in  
33 ORS 223.205 to 223.314, but the municipality may impose a reasonable penalty for prepayment of  
34 assessment installments;

35 (c) The municipality may issue special assessment bonds to finance the installation costs pur-  
36 suant to ORS 223.235, but may sell such bonds at public or private sale in the same manner as port  
37 district revenue bonds may be sold pursuant to ORS 777.575 (4); and

38 (d) The municipality may issue Bancroft bonds pursuant to ORS 223.205 to 223.314, but only for  
39 installation costs for property within an area affected by an order of the Environmental Quality  
40 Commission or any court.

41 (2) As used in this section:

42 (a) "Installation costs" means the costs of placing, installing and connecting sewer lines and  
43 mains between a home or multifamily dwelling and the adjacent street sewer lines, drains or other  
44 storm or sanitary sewer facilities of the municipality, and costs of providing financing for such  
45 placement, installation and connection.

1 (b) "Municipality" means a city, county, [county] service district **established under ORS**  
 2 **451.410 to 451.610**, sanitary authority or sanitary district.

3 **SECTION 88.** ORS 459.005 is amended to read:

4 459.005. As used in ORS 459.005 to 459.437, 459.705 to 459.790 and 459A.005 to 459A.665:

5 (1) "Affected person" means a person or entity involved in the solid waste collection service  
 6 process including but not limited to a recycling collection service, disposal site permittee or owner,  
 7 city, county and metropolitan service district.

8 (2) "Board of county commissioners" or "board" includes a county court.

9 (3) "Collection service" means a service that provides for collection of solid waste or recyclable  
 10 material or both but does not include that part of a business operated under a certificate issued  
 11 under ORS 822.110.

12 (4) "Commercial" means stores, offices including manufacturing and industry offices, restaurants,  
 13 warehouses, schools, colleges, universities, hospitals and other nonmanufacturing entities, but does  
 14 not include other manufacturing activities or business, manufacturing or processing activities in  
 15 residential dwellings.

16 (5) "Commission" means the Environmental Quality Commission.

17 (6) "Compost" means the controlled biological decomposition of organic material or the product  
 18 resulting from such a process.

19 (7) "Department" means the Department of Environmental Quality.

20 (8)(a) "Disposal site" means land and facilities used for the disposal, handling or transfer of, or  
 21 energy recovery, material recovery and recycling from solid wastes, including but not limited to  
 22 dumps, landfills, sludge lagoons, sludge treatment facilities, disposal sites for septic tank pumping  
 23 or cesspool cleaning service, transfer stations, energy recovery facilities, incinerators for solid waste  
 24 delivered by the public or by a collection service, composting plants and land and facilities previ-  
 25 ously used for solid waste disposal at a land disposal site.

26 (b) "Disposal site" does not include:

27 (A) A facility authorized by a permit issued under ORS 466.005 to 466.385 to store, treat or  
 28 dispose of both hazardous waste and solid waste;

29 (B) A facility subject to the permit requirements of ORS 468B.050 or 468B.053;

30 (C) A site used by the owner or person in control of the premises to dispose of soil, rock, con-  
 31 crete or other similar nondecomposable material, unless the site is used by the public either directly  
 32 or through a collection service; or

33 (D) A site operated by a dismantler issued a certificate under ORS 822.110.

34 (9) "Energy recovery" means recovery in which all or a part of the solid waste materials are  
 35 processed to use the heat content, or other forms of energy, of or from the material.

36 (10) "Franchise" includes a franchise, certificate, contract or license issued by a local govern-  
 37 ment unit authorizing a person to provide solid waste management services.

38 (11) "Hazardous waste" has the meaning given that term in ORS 466.005.

39 (12) "Household hazardous waste" means any discarded, useless or unwanted chemical, material,  
 40 substance or product that is or may be hazardous or toxic to the public or the environment and is  
 41 commonly used in or around households and is generated by the household. "Household hazardous  
 42 waste" may include but is not limited to some cleaners, solvents, pesticides and automotive and  
 43 paint products.

44 (13) "Land disposal site" means a disposal site in which the method of disposing of solid waste  
 45 is by landfill, dump, pit, pond or lagoon.

1 (14) "Landfill" means a facility for the disposal of solid waste involving the placement of solid  
2 waste on or beneath the land surface.

3 (15) "Local government unit" means a city, county, metropolitan service district formed under  
4 ORS chapter 268, sanitary district or sanitary authority formed under ORS chapter 450, [county]  
5 service district formed under ORS chapter 451, regional air quality control authority formed under  
6 ORS 468A.100 to 468A.130 and 468A.140 to 468A.175 or any other local government unit responsible  
7 for solid waste management.

8 (16) "Material recovery" means any process of obtaining from solid waste, by presegregation or  
9 otherwise, materials that still have useful physical or chemical properties and can be reused or re-  
10 cycled for some purpose.

11 (17) "Metropolitan service district" means a district organized under ORS chapter 268 and ex-  
12 exercising solid waste authority granted to such district under this chapter and ORS chapters 268 and  
13 459A.

14 (18) "Person" means the United States, the state or a public or private corporation, local gov-  
15 ernment unit, public agency, individual, partnership, association, firm, trust, estate or any other le-  
16 gal entity.

17 (19) "Recyclable material" means any material or group of materials that can be collected and  
18 sold for recycling at a net cost equal to or less than the cost of collection and disposal of the same  
19 material.

20 (20) "Recycling" means any process by which solid waste materials are transformed into new  
21 products in a manner that the original products may lose their identity.

22 (21) "Region" means the states of Idaho, Oregon and Washington and those counties in  
23 California and Nevada that share a common border with Oregon.

24 (22) "Regional disposal site" means a disposal site that receives, or a proposed disposal site that  
25 is designed to receive more than 75,000 tons of solid waste a year from outside the immediate ser-  
26 vice area in which the disposal site is located. As used in this subsection, "immediate service  
27 area" means the county boundary of all counties except a county that is within the boundary of the  
28 metropolitan service district. For a county within the metropolitan service district, "immediate ser-  
29 vice area" means the metropolitan service district boundary.

30 (23) "Reuse" means the return of a commodity into the economic stream for use in the same kind  
31 of application as before without change in its identity.

32 (24) "Solid waste" means all useless or discarded putrescible and nonputrescible materials, in-  
33 cluding but not limited to garbage, rubbish, refuse, ashes, paper and cardboard, sewage sludge, sep-  
34 tic tank and cesspool pumpings or other sludge, useless or discarded commercial, industrial,  
35 demolition and construction materials, discarded or abandoned vehicles or parts thereof, discarded  
36 home and industrial appliances, manure, vegetable or animal solid and semisolid materials, dead  
37 animals and infectious waste as defined in ORS 459.386. "Solid waste" does not include:

38 (a) Hazardous waste as defined in ORS 466.005.

39 (b) Materials used for fertilizer or for other productive purposes or which are salvageable as  
40 such materials are used on land in agricultural operations and the growing or harvesting of crops  
41 and the raising of animals.

42 (25) "Solid waste management" means prevention or reduction of solid waste, management of the  
43 storage, collection, transportation, treatment, utilization, processing and final disposal of solid  
44 waste, recycling, reuse and material or energy recovery from solid waste and facilities necessary  
45 or convenient to such activities.

1 (26) "Source separate" means that the person who last uses recyclable material separates the  
2 recyclable material from solid waste.

3 (27) "Transfer station" means a fixed or mobile facility other than a collection vehicle where  
4 solid waste is deposited temporarily after being removed from the site of generation but before being  
5 transported to a final disposal location.

6 (28) "Waste prevention" means to reduce the amount of solid waste generated or resources used,  
7 without increasing toxicity, in the design, manufacture, purchase or use of products or packaging.  
8 "Waste prevention" does not include reuse, recycling or composting.

9 (29) "Wasteshed" means an area of the state having a common solid waste disposal system or  
10 designated by the commission as an appropriate area of the state within which to develop a common  
11 recycling program.

12 (30) "Yard debris" includes grass clippings, leaves, hedge trimmings and similar vegetative waste  
13 generated from residential property or landscaping activities, but does not include stumps or similar  
14 bulky wood materials.

15 **SECTION 89.** ORS 468.423, as amended by section 5, chapter 21, Oregon Laws 2010, is amended  
16 to read:

17 468.423. As used in ORS 468.423 to 468.440:

18 (1) "Fund" means the Water Pollution Control Revolving Fund established under ORS 468.427.

19 (2) "Public agency" means:

20 (a) A state agency, incorporated city, county, sanitary authority, federally recognized Indian  
21 tribal government, school district, [county] service district **established under ORS 451.410 to**  
22 **451.610**, sanitary district, metropolitan service district or other special district authorized or re-  
23 quired to construct water pollution control facilities; or

24 (b) An intergovernmental entity created by units of local government under ORS 190.003 to  
25 190.130.

26 (3) "Treatment works" means:

27 (a) The devices and systems used in the storage, treatment, recycling and reclamation of mu-  
28 nicipal sewage or industrial wastes of a liquid nature, necessary to recycle or reuse water at the  
29 most economical cost over the estimated life of the works. "Treatment works" includes:

30 (A) Intercepting sewers, outfall sewers, sewage collection systems, pumping power and other  
31 equipment, and any appurtenance, extension, improvement, remodeling, addition or alteration to the  
32 equipment;

33 (B) Elements essential to provide a reliable recycled water supply including standby treatment  
34 units and clear well facilities; and

35 (C) Any other acquisitions that will be an integral part of the treatment process or used for  
36 ultimate disposal of residues resulting from such treatment, including but not limited to land used  
37 to store treated waste water in land treatment systems prior to land application.

38 (b) Any other method or system for preventing, abating, reducing, storing, treating, separating  
39 or disposing of municipal waste, storm water runoff, industrial waste or waste in combined storm  
40 water and sanitary sewer systems.

41 (c) Any other facility that the Environmental Quality Commission determines a public agency  
42 must construct or replace in order to abate or prevent surface or ground water pollution.

43 **SECTION 90.** ORS 811.720 is amended to read:

44 811.720. (1) Except as provided in subsection (4) of this section, any accident occurring on a  
45 highway or upon premises open to the public resulting in injury or death to any person is subject

1 to the reporting requirements under the following sections:

2 (a) The reporting requirements for drivers under ORS 811.725.

3 (b) The reporting requirements for occupants of vehicles in accidents under ORS 811.735.

4 (c) The reporting requirements for owners of vehicles under ORS 811.730.

5 (2) Except as provided in subsection (4) of this section, an accident occurring on a highway or  
6 upon premises open to the public resulting in damage to the property of any person in excess of  
7 \$1,500 is subject to the following reporting requirements:

8 (a) The driver of a vehicle that has more than \$1,500 damage must report the accident in the  
9 manner specified under ORS 811.725.

10 (b) The owner of a vehicle that has more than \$1,500 damage must report the accident in the  
11 manner specified in ORS 811.730 and under the circumstances specified in ORS 811.730.

12 (c) If the property damage is to property other than a vehicle involved in the accident, each  
13 driver involved in the accident must report the accident in the manner specified under ORS 811.725  
14 and each owner of a vehicle involved in the accident must report the accident in the manner spec-  
15 ified in ORS 811.730 and under the circumstances specified in ORS 811.730.

16 (d) If a vehicle involved in the accident is damaged to the extent that the vehicle must be towed  
17 from the scene of the accident, each driver involved in the accident must report the accident in the  
18 manner specified under ORS 811.725 and each owner of a vehicle involved in the accident must re-  
19 port the accident in the manner specified in ORS 811.730 and under the circumstances specified in  
20 ORS 811.730.

21 (3) The dollar amount specified in subsection (2) of this section may be increased every five  
22 years by the Department of Transportation based upon any increase in the Portland-Salem Consumer  
23 Price Index for All Urban Consumers for All Items as prepared by the Bureau of Labor Statistics  
24 of the United States Department of Labor or its successor during the preceding 12-month period.  
25 The amount determined under this subsection shall be rounded to the nearest \$100.

26 (4) The following are exempt from the reporting requirements of this section:

27 (a) Operators of snowmobiles, Class I all-terrain vehicles or Class III all-terrain vehicles.

28 (b) A law enforcement official acting in the course of official duty if the accident involved a law  
29 enforcement official performing a lawful intervention technique or a law enforcement official and a  
30 person acting during the commission of a criminal offense. As used in this paragraph:

31 (A) "Law enforcement official" means a person who is responsible for enforcing the criminal  
32 laws of this state or a political subdivision of this state and who is employed or volunteers:

33 (i) As a peace officer commissioned by a city, port, school district, mass transit district, county  
34 or [county] service district authorized to provide law enforcement services under ORS 451.010;

35 (ii) With the Department of State Police or the Criminal Justice Division of the Department of  
36 Justice; or

37 (iii) As an investigator of a district attorney's office, if the investigator is certified as a peace  
38 officer in this state.

39 (B) "Lawful intervention technique" means a method by which one motor vehicle causes, or at-  
40 tempts to cause, another motor vehicle to stop.

41 **SECTION 91.** ORS 824.040 is amended to read:

42 824.040. (1) The State of Oregon, a city, county, [county] service district **established under ORS**  
43 **451.410 to 451.610**, mass transit district organized under ORS 267.010 to 267.390, a transportation  
44 district organized under ORS 267.510 to 267.650 or a port may acquire, own, reconstruct, rehabili-  
45 tate, operate or maintain a railroad line for the benefit and use of its inhabitants and for profit.

1           (2) In the exercise of the power granted under subsection (1) of this section, this state, a city,  
2 county, [county] service district **established under ORS 451.410 to 451.610**, mass transit district,  
3 transportation district or port may:

4           (a) Acquire, by purchase or otherwise, own, reconstruct, rehabilitate or operate a railroad as  
5 described in subsection (1) of this section within and outside its boundaries and the boundaries of  
6 this state and running from the city, county, district or port to other points within and outside its  
7 boundaries and the boundaries of this state.

8           (b) Acquire rights of way, easements or real property within and outside its boundaries and the  
9 boundaries of this state when necessary or convenient for the acquisition and operation of the rail-  
10 road line.

11           (c) Enter into contracts with any person for the reconstruction, rehabilitation, operation or  
12 maintenance of the railroad line by such person for the city, county, district or port.

13           (3) Nothing in this section shall be construed as expanding or diminishing the power of eminent  
14 domain conferred upon public bodies, designated in subsection (1) of this section, by ORS 368.116  
15 or any other provision of law.

16

---