

Enrolled
House Bill 3301

Sponsored by Representative FARR; Representatives ACKERMAN, BARNHART, BROWN, HANNA, ROBLAN, Senators MORRISETTE, VERGER, WALKER (at the request of Lane County)

CHAPTER

AN ACT

Relating to county service districts; amending ORS 198.835, 451.010, 451.472 and 451.575.

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

SECTION 1. ORS 451.010 is amended to read:

451.010. (1) Master plans and service districts may be established as provided by this chapter regarding:

- (a) Sewage works, including all facilities necessary for collecting, pumping, treating and disposing of sanitary or storm sewage.
- (b) Drainage works, including all facilities necessary for collecting, pumping and disposing of storm and surface water.
- (c) Street lighting works, including all facilities necessary for the lighting of streets and highways.
- (d) Public parks and recreation facilities, including land, structures, equipment, supplies[,] and personnel necessary to acquire, develop[,] and maintain such public park and recreation facilities and to administer a program of supervised recreation services.
- (e) Diking and flood control works, including all facilities necessary for diking and control of watercourses.
- (f) Water supply works and service, including all facilities necessary for tapping natural sources of domestic and industrial water, treating and protecting the quality of the water and transmitting it to the point of sale to any person, city, domestic water supply corporation or other public or private agency for domestic, municipal and industrial water supply service.
- (g) Solid waste disposal. This paragraph does not apply in Clackamas, Multnomah and Washington Counties.
- (h) Public transportation, including public depots, public parking and the motor vehicles and other equipment necessary for the transportation of persons together with their personal property.
- (i) Agricultural educational extension services.
- (j) Emergency medical services, including ambulance services.
- (k) Library services.
- (L) Roads.
- (m) Emergency communications services, including a 9-1-1 emergency reporting system established under ORS 401.720.
- (n) Law enforcement services.
- (o) Human services.
- (p) Cemetery maintenance.

(2) Within the geographical jurisdiction of any local government boundary commission established by or pursuant to ORS 199.410 to 199.519, **in addition to the purposes described in subsection (1) of this section**, master plans and service districts may be established as provided by this chapter regarding:

- (a) Fire prevention and protection.
- (b) Hospital and ambulance services.
- (c) Vector control.
- (d) Weather modification.

(3) Within the boundaries of any subdivision, service districts may be established as provided by this chapter regarding:

- (a) Fire prevention and protection.

(b) Security services provided by contract with an association of homeowners whose property is located entirely within the boundaries of the service district, which services may include the enforcement of the rules or regulations of the association dealing with public access to or the use of the property of the association, routine patrolling and inspection of private areas located within the jurisdiction of the association and matters of traffic and safety within such areas.

- (c) Law enforcement services.
- (d) Hospital and ambulance services.
- (e) Vector control.
- (f) Activities set forth in subsection (1)(a), (f), (g), (j) and (m) of this section.

(4) As used in subsection (3) of this section, “subdivision” means a subdivision as defined by ORS 92.010 or any contiguous group of such subdivisions that:

(a) Is a planned community within the meaning of ORS 94.550 without regard to whether such subdivision or group of subdivisions is subject to [*the Oregon Planned Community Act*] **ORS 94.550 to 94.783**;

(b) Is located entirely within an unincorporated area and is everywhere separated by a distance of five miles or more from an urban growth boundary described in an acknowledged comprehensive plan of a city or the urban growth boundary adopted by a metropolitan service district under ORS 268.390 (3); and

(c) Prior to the establishment of a service district under subsection (3) of this section, is designated a subdivision for purposes of this subsection by the governing body of the county in which the subdivision or group of subdivisions is located.

(5) Within the boundaries of Washington County, master plans and service districts may be established as provided by this chapter regarding water resource management services that affect the quality and quantity of water within a single watershed, basin or planning area. As used in this subsection, “water resource management services” means:

(a) Planning for and provision of two or more services or facilities such as sewage works, drainage works, surface water management, endangered species recovery management, water quality management, diking and flood control works, river flow management, water supply works, wastewater reuse and irrigation facilities.

(b) Activities ancillary to the services and facilities listed in paragraph (a) of this subsection, including facilities for the production, sale or purchase of energy when such facilities are integrated in a master plan adopted under ORS 451.120.

SECTION 2. ORS 451.472 is amended to read:

451.472. (1) A district may construct, maintain and operate only those service facilities specified by ORS 451.010 [*which*] **that** were authorized upon formation **of the district**. However, additional authority regarding service facilities may be given to a district by a proceeding initiated, conducted and completed in the same manner as is provided for in the original formation of a district or as otherwise provided by law.

(2) A district may be formed, as provided in ORS 451.410 to 451.610, that contains territory that is also included in another district formed under ORS 451.410 to 451.610 if the dis-

trict is formed to construct, maintain and operate service facilities that the existing district is not authorized to construct, maintain and operate.

(3) The consent of not less than 70 percent of the cities located within the boundaries of the district [*shall be*] is required to authorize a district established to provide sewage works to also provide drainage works.

SECTION 3. ORS 451.575 is amended to read:

451.575. If a district is authorized to construct, maintain and operate service facilities to provide services that are provided by a special district:

(1) The area within a special district described by ORS 451.573 (2)(a) shall not be included in or annexed to a district if prior to or at the hearing on the formation of or annexation to such district the governing body of the special district files with the governing body of the district a resolution withdrawing the area within the special district.

(2) When the formation of or annexation to a district is initiated, and the area to be incorporated or annexed includes the entire area within a special district, the governing board of the special district and the governing body of the district shall meet with each other to agree on a debt distribution plan to be a part of the proposed incorporation or annexation. The debt distribution plan may require that the property within the special district remain solely liable for all bonded indebtedness outstanding at the time of incorporation or annexation or it may provide for any other distribution of indebtedness between the district and the special district. If the governing boards do not agree on a debt distribution plan or if the area within the special district remains liable under the plan for any portion of the indebtedness outstanding at the time of the incorporation or annexation, and dissolution and transfer, the governing body of the district shall be the ex officio board of the dissolved special district for the purpose of levying taxes in such area until the bonded and other indebtedness of the dissolved special district is paid.

(3) The consent of all the known holders of valid indebtedness against the special district shall be obtained or provision made in the debt distribution plan for the payment of the nonassenting holders. The area within the boundaries of the special district shall not by reason of the incorporation or annexation and dissolution and transfer be relieved from liabilities and indebtedness previously contracted by the dissolving special district.

(4) The district officers of the special district, upon the effective date of the incorporation or annexation, shall forthwith deliver to the governing body of the district, the assets and records of the special district. Uncollected taxes, assessments or charges thereof levied by the special district shall become the property of the district and upon collection shall be credited to the account of such district.

SECTION 4. ORS 198.835 is amended to read:

198.835. (1) The county board may initiate the formation of a district, to be located entirely within the county, by an order setting forth:

(a) The intention of the county board to initiate the formation of a district and citing the principal Act.

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

(c) The date, time and place of a public hearing on the proposal.

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

(3) **Except as otherwise provided by the principal Act**, if any part of the territory subject to formation of a district under this section is within a city, the order shall be accompanied by a certified copy of a resolution of the governing body of the city approving the order.

(4) A county board that also serves as the governing body of a county service district established to provide sewage works may initiate a proceeding to authorize that county service district to also provide drainage works by adopting an order setting forth the information specified in subsection (1) of this section. The order must be accompanied by resolutions consenting to the addi-

tional function that are adopted by the governing bodies of not less than 70 percent of the cities located within the boundaries of the county service district.

Passed by House May 18, 2005

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Chief Clerk of House

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Speaker of House

Passed by Senate June 27, 2005

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President of Senate

Received by Governor:

.....M,....., 2005

Approved:

.....M,....., 2005

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Governor

Filed in Office of Secretary of State:

.....M,....., 2005

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Secretary of State