

A-Engrossed
Senate Bill 660

Ordered by the Senate June 29
Including Senate Amendments dated June 29

Sponsored by COMMITTEE ON ENVIRONMENT AND LAND USE

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.

Requires county board or local boundary commission to approve, **modify or reject** petition for formation of special district *[if petition meets]* **using only** specified legal *[requirements]* **criteria**.
Applies to petitions filed with board on or after effective date of Act.

A BILL FOR AN ACT

1
2 Relating to requirements for formation of special district; creating new provisions; and amending
3 ORS 198.800, 198.805, 198.810, 198.813, 267.108 and 357.223.

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

5 **SECTION 1.** ORS 198.800 is amended to read:

6 198.800. (1) A petition for formation *[shall]* **must** be filed with the county board of the principal
7 county. Before the petition is filed, *[it shall]* **the petition must** be *[approved by indorsement*
8 *thereon]* **endorsed** by any agency required by the principal Act to *[indorse]* **endorse** or approve the
9 petition. If the petition satisfies the requirements of ORS **198.748**, 198.749 and 198.750 to 198.775 and
10 is otherwise sufficient under the principal Act, the county board shall:

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

13 (b) Set a date for a hearing on the petition. The hearing *[shall be held not]* **may not be held** less
14 than 30 days *[nor]* **or** more than 50 days after the date the petition is filed.

15 (2) The county board shall cause notice of the hearing to be posted in at least three public
16 places and published by two insertions in a newspaper. The notice shall state:

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

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

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

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

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

23 **SECTION 2.** ORS 198.805 is amended to read:

24 198.805. (1) At the time stated in the notice, the county board shall hear the petition and de-
25 termine, in accordance with the criteria prescribed by ORS 199.462, *[if]* **whether** the area could be
26 benefited by the formation of the district. *[It]* **The county board** may adjourn the hearing from time
27 to time, but not exceeding four weeks in all unless additional notice is given. The county board may
28 alter the boundaries set forth in the petition to either include or exclude territory. *[In determining*

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 *the boundaries of the proposed district, the board shall consider the benefit the proposed district will*
 2 *have within the territory in or out of the proposed district.]* The board *[shall]* **may** not modify the
 3 boundaries *[so as]* to:

4 **(a)** Exclude from the proposed district *[any land which]* **land that, in the judgment of the**
 5 **board,** could be benefited by *[its formation, nor shall there be included any land which will not, in*
 6 *the judgment of the board, be benefited.]* **inclusion in the proposed district; or**

7 **(b)** **Include in the proposed district land that, in the judgment of the board, could not be**
 8 **benefited by inclusion in the proposed district.**

9 (2) If the county board determines that any land has been improperly omitted from the proposed
 10 district and that the owner has not appeared at the hearing, the board shall continue the hearing
 11 and shall order notice given to the nonappearing owner requiring the owner to appear before it and
 12 show cause, if any, why the land of the owner should not be included in the proposed district. The
 13 notice shall be given either by posting and publication, in the same manner as notice of the original
 14 hearing and for the same period, or by personal service on each nonappearing owner. If notice is
 15 given by personal service, service shall be made at least 10 days prior to the date fixed for the
 16 further hearing.

17 (3) If the county board finds that a proposed county service district may not be needed in the
 18 future or that indefinite existence may significantly discourage future boundary changes, it may re-
 19 quire dissolution as provided in ORS 451.620. The order for such dissolution shall specify the fiscal
 20 year, not later than the 10th fiscal year after the date of the order, in which dissolution shall occur.

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

22 198.810. (1) **The county board shall approve, modify or reject a petition for formation using**
 23 **only the criteria set forth in ORS 198.805.**

24 (2) If the county board approves the petition for formation, as presented or as modified, or if the
 25 boundary commission *[does so]* **considers the petition for formation pursuant to ORS 198.800**
 26 **(1)(a), approves the petition, as presented or as modified,** and transmits its approval to the
 27 county board in accordance with ORS 199.480, the county board shall enter an order so declaring.
 28 The order shall set forth the name of the district and the boundaries as determined by the board
 29 or by the boundary commission. The order shall also fix a place, and a time not less than 20 nor
 30 more than 50 days after the date of the order, for a final hearing on the petition. The order shall
 31 declare that if written requests for an election are not filed as provided by subsection [(2)] **(3)** of this
 32 section, the board, at the time of the final hearing, will enter its order creating the district. The
 33 board shall cause notice of the hearing to be given by publication.

34 [(2)] **(3)** An election *[shall]* **may** not be held unless written requests for an election are filed at
 35 or before the hearing by not less than 15 percent of the electors or 100 electors, whichever is the
 36 lesser number, registered in the proposed district.

37 [(3)(a)] **(4)** Notwithstanding subsections [(1) and] (2) **and (3)** of this section, if the petition for
 38 formation includes:

39 **(a)** A permanent rate limit for operating taxes for the proposed district and the petition is ap-
 40 proved by the county board or boundary commission, **as presented or as modified, the county**
 41 **shall hold** an election on the question of forming the district *[shall be held]*.

42 (b) *[Notwithstanding subsections (1) and (2) of this section, if the petition for formation includes,]*
 43 In addition to the permanent rate limit for operating taxes, a separate ad valorem tax for bonded
 44 indebtedness for capital construction within the proposed district and the petition is approved by
 45 the county board, **as presented or as modified, the county shall hold** an election on the question

1 of incurring the bonded indebtedness [*shall be held at the same time as*] **when** the election on the
 2 question of formation of the district **is held**. The question on incurring bonded indebtedness may be
 3 approved only if electors approve formation of the district, and the ballot measure must clearly state
 4 that the bonded indebtedness may be approved only if electors approve formation of the district.

5 [(4)] (5) Notwithstanding subsection [(2)] (3) of this section and ORS 198.815, an order of a
 6 boundary commission authorizing a county service district established to provide sewage works to
 7 also provide drainage works shall be effective upon the filing of the order with the county board.
 8 The order of the boundary commission is subject to referendum by the electors of the county service
 9 district in the manner provided for district measures under ORS 255.135 to 255.205. If [*such an*] **the**
 10 order of a boundary commission is referred to the electors, the order [*shall*] **does** not take effect
 11 until the order is approved by a majority of the votes cast on the question and the results of the
 12 election are certified. The question in the ballot title for a measure referred under this subsection
 13 shall be worded so that an affirmative response to the question corresponds to a vote in favor of
 14 authorizing the county service district to provide drainage works.

15 **SECTION 4.** ORS 198.813 is amended to read:

16 198.813. (1) Notwithstanding ORS 198.810 [(2)] (3), an order of the county board that approves
 17 a petition for formation of a county service district within Washington County to provide water re-
 18 source management services or ancillary activities may be referred to the electors in the proposed
 19 district. An election on the question of forming the district shall be held as provided in ORS 198.815.
 20 If an election is called, the order shall not become effective until the order is approved by a majority
 21 of the votes cast on the question and the results of the election are certified. The question in the
 22 ballot title for a measure referred under this subsection shall be worded so that an affirmative re-
 23 sponse to the question corresponds to a vote in favor of authorizing the formation of a county ser-
 24 vice district to provide water resource management services and ancillary activities.

25 (2) Notwithstanding ORS 198.705 to 198.955 or 451.620, an order of the county board that ap-
 26 proves a petition for formation of a county service district within Washington County to provide
 27 water resource management services may also provide for the dissolution of any existing county
 28 service district that is situated within the newly established district and that provides any water
 29 resource management service that will be provided by the newly established district. Upon the ef-
 30 fective date of the order, the existing county service district shall be dissolved and the newly es-
 31 tablished district shall succeed to all the assets and become charged with all the liabilities,
 32 obligations and functions of the former district.

33 **SECTION 5.** ORS 267.108 is amended to read:

34 267.108. (1) Notwithstanding the provisions of ORS 198.810 [(2)] (3), the county governing body
 35 shall order an election within the proposed district for approval or disapproval by the electors vot-
 36 ing on the question of formation of a district under ORS 267.107 and for election of seven district
 37 directors.

38 (2) In addition to the requirements of ORS 198.815 (2), the order calling an election for creation
 39 of a district initiated under ORS 267.107 shall describe the boundaries of the seven subdistricts of
 40 the proposed district from each of which a director is to be elected. The subdistricts shall be as
 41 nearly equal in population as possible based on the latest federal decennial census, shall, where
 42 practicable, follow election precinct boundaries and shall together encompass the entire area of the
 43 proposed district.

44 **SECTION 6.** ORS 357.223 is amended to read:

45 357.223. (1) In addition to other methods for formation of a district authorized under ORS

1 chapter 198 and ORS 357.216 to 357.286, the governing body in each of two or more counties may
2 initiate the formation of a multicounty district, to be located entirely within those counties, by an
3 order setting forth:

4 (a) The intention of the county governing body to initiate the formation of a district and citing
5 the principal Act.

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

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

8 (2) The orders issued under subsection (1) of this section must be substantially similar, set forth
9 the same name and boundaries for the proposed district and be issued within a 90-day period.

10 (3) Each county governing body issuing an order under this section shall hold a public hearing
11 on the proposal.

12 (4) After the public hearings held by each county governing body, further hearings and the
13 election on the proposal, and election of board members, shall be conducted as provided by ORS
14 198.800 to 198.825 except that:

15 (a) Hearings shall be conducted by the governing body of the principal county involved in the
16 proposed formation; and

17 (b) Notwithstanding ORS 198.810 [(2)] (3), the governing body of the principal county shall pro-
18 vide by order for the holding of an election to submit to the electors registered within the proposed
19 district the question of forming the district.

20 (5) As used in this section, "principal county" has the meaning given that term in ORS 198.705.

21 **SECTION 7. The amendments to ORS 198.800, 198.805, 198.810, 198.813, 267.108 and 357.223**
22 **by sections 1 to 6 of this 2005 Act apply to a petition for formation of a special district filed**
23 **with a county board pursuant to ORS 198.800 on or after the effective date of this 2005 Act.**
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