

Enrolled
House Bill 3538

Sponsored by Representative ESQUIVEL; Representative BUCKLEY

CHAPTER

AN ACT

Relating to heritage districts; creating new provisions; and amending ORS 174.116, 198.010, 198.180, 198.510, 198.520, 198.705, 198.710, 199.420 and 255.012.

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

SECTION 1. As used in sections 1 to 17 of this 2007 Act, unless the context requires otherwise:

- (1) "County" means the county in which the administrative office of the district is located.
- (2) "County governing body" means the county court or board of county commissioners of the county.
- (3) "District" means a heritage district formed under ORS 198.705 to 198.955 and sections 1 to 17 of this 2007 Act.
- (4) "District board" or "board" means the governing body of a district.

SECTION 2. (1) A heritage district may be created as provided in ORS 198.705 to 198.955 and sections 1 to 17 of this 2007 Act.

(2) In addition to other required matters, a petition for formation of a district shall state the method of election of the board of the proposed district from among the methods described in section 8 of this 2007 Act.

SECTION 3. (1) In addition to other methods for formation of a heritage district authorized under ORS 198.705 to 198.955 and sections 1 to 17 of this 2007 Act, the governing body in each of two or more counties may initiate the formation of a multicounty district, to be located entirely within those counties, by an order setting forth:

- (a) The intention of the county governing body 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) The orders issued under subsection (1) of this section must be substantially similar, set forth the same name and boundaries for the proposed district and be issued within a 90-day period.
- (3) Each county governing body issuing an order under this section shall hold a public hearing on the proposal.
- (4) After the public hearings held by each county governing body, further hearings and the election on the proposal, and election of board members, shall be conducted as provided by ORS 198.800 to 198.825 except that:

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

(b) Notwithstanding ORS 198.810 (3), the governing body of the principal county shall provide by order for the holding of an election to submit to the electors registered within the proposed district the question of forming the district.

(5) As used in this section:

(a) "Principal Act" has the meaning given that term in ORS 198.705.

(b) "Principal county" has the meaning given that term in ORS 198.705.

SECTION 4. (1) The officers of a heritage district shall be a board of five members, to be elected by the electors of the district. The district board shall appoint a representative of the museums in the district to serve as secretary of the district.

(2) Any elector residing within the district shall be qualified to serve as a district board member.

SECTION 5. (1) Five district board members shall be elected at the election for heritage district formation. Nominating petitions or declarations of candidacy described in ORS 249.031 shall be filed with the county governing body. The fee for a declaration of candidacy shall be as prescribed in ORS 255.235.

(2) If the effective date of the formation of the district occurs in an odd-numbered year, two district board members shall be elected for four-year terms and the other three district board members shall be elected for two-year terms. If the effective date of the formation occurs in an even-numbered year, two district board members shall be elected for three-year terms and the other three district board members shall be elected for one-year terms.

(3) Each district board member shall hold office until election and qualification of a successor.

SECTION 6. (1) ORS chapter 255 governs the following:

(a) The nomination and election of heritage district board members.

(b) The conduct of district elections.

(2) The electors of a district may exercise the powers of the initiative and referendum regarding a district measure, in accordance with ORS 255.135 to 255.205.

SECTION 7. (1) If two or three board members of a heritage district are to be elected at a regular district election at large, the candidates receiving the highest number of votes shall be elected. If one or more board members are to be elected by zone, the candidate receiving the highest number of votes in each zone shall be elected.

(2) Each district board member elected shall take an oath of office and shall hold office from July 1, next following election.

(3) The district board shall fill any vacancy on the board as provided in ORS 198.320.

(4) The term of a district board member is four years.

SECTION 8. (1) Heritage district board members may be elected by one of the following methods or a combination thereof:

(a) By the electors of zones as nearly equal in population as possible according to the latest federal census.

(b) At large by position number by the electors of the district.

(2) Candidates for election from zones shall be nominated by electors of the zones.

SECTION 9. (1) A heritage district may not change the method for nominating and electing board members, unless the change is approved by the electors of the district in an election held prior to the change in method. The district board:

(a) May order the election on its own resolution; or

(b) Shall order the election when a petition is filed as provided in this section.

(2) Except as otherwise provided in this section, the requirements for preparing, circulating and filing a petition under this section shall be as provided for an initiative petition in ORS 255.135 to 255.205.

(3) If the question proposes creation of zones or a change in the number of existing zones, the following requirements apply:

(a) The petition shall contain a map indicating the proposed zone boundaries. The map shall be attached to the cover sheet of the petition and may not exceed 14 inches by 17 inches in size.

(b) Notwithstanding ORS 250.035, the statement summarizing the measure and its major effect in the ballot title may not exceed 150 words. The statement:

(A) Shall specify the method of election of board members from among the methods described in section 8 of this 2007 Act. The statement also shall specify whether, in filling each position on the board, an elector of the district may sign a petition of nomination or vote for a candidate from any zone or only for a candidate from the zone in which the elector resides.

(B) Shall include a general description of the proposed boundaries of the zones, using streets and other generally recognized features.

(c) The order calling the election shall contain a map of the proposed zone boundaries and a metes and bounds or legal description of the proposed zone boundaries. The map and description shall be prepared by the county surveyor or county assessor and shall reflect any adjustment made in the boundaries under subsection (6) of this section.

(4) The map to be contained in the petition under subsection (3) of this section shall be prepared by the county surveyor or county assessor. The chief petitioners shall pay the county for the cost of preparing the map, as determined by the county surveyor or county assessor. The county clerk may not accept the prospective petition for filing until the chief petitioners have paid the amount due.

(5) Subsection (3) of this section does not apply if the question proposes abolition of all zones.

(6) Before submitting to election a question to which subsection (3) of this section applies, the district board shall adjust the proposed boundaries of the zones to make them as nearly equal in population as feasible according to the latest federal census. The district board shall amend the ballot title as necessary to reflect its adjustment of the boundaries.

(7) If the electors of the district approve the establishment of zones or a change in the number of existing zones, board members shall continue to serve until their terms of office expire. As vacancies occur, positions to be filled by nomination or election by zone shall be filled by electors who reside within zones that are not represented on the board. If more than one zone is not represented on the board when a vacancy occurs, the zone entitled to elect a board member shall be decided by lot.

SECTION 10. The board of a heritage district shall adjust the boundaries of zones established within a district as necessary to make them as nearly equal in population as is feasible according to the latest federal census. The district board also shall adjust boundaries of zones as necessary to reflect boundary changes of the district.

SECTION 11. For purposes of ad valorem taxation, a boundary change of a zone established within a heritage district must be filed in final approved form with the county assessor and the Department of Revenue as provided in ORS 308.225.

SECTION 12. (1) The board of a heritage district shall be the governing body of the district and shall exercise all powers thereof.

(2) At its first meeting or as soon thereafter as may be practicable, the board shall choose one of its members as president.

SECTION 13. The board of a heritage district has the power:

(1) To have and use a common seal.

(2) To sue and be sued in its name.

(3) To make and accept any and all contracts, deeds, leases, releases and documents of any kind that, in the judgment of the board, are necessary or proper to the exercise of any power of the district, and to direct the payment of all lawful claims or demands.

(4) To assess, levy and collect taxes to pay the costs of:

(a) Acquiring, constructing, reconstructing, altering, operating and maintaining heritage sites and structures;

(b) Acquiring by gift, purchase or other means, and preserving, historical objects, real and personal property of historical interest and records, artifacts, photographs, documents, material and data of historical importance;

(c) Establishing and maintaining programs for heritage societies within the district;

(d) Handling any lawful claims against the district; and

(e) Funding the operating expenses of the district.

(5) To employ all necessary agents and assistants.

(6) To call elections after the formation of the district.

(7) To enlarge the boundaries of the district as provided by ORS 198.705 to 198.955.

(8) Generally to do and perform any and all acts necessary and proper to the complete exercise and effect of any of the board's powers or the purposes for which the district was formed.

(9) Whenever authorized by the electors, to issue general obligation bonds of the district. However, the aggregate amount of general obligation bonds issued and outstanding at any one time may not exceed two and one-half percent of the real market value of all taxable property of the district, computed in accordance with ORS 308.207.

SECTION 14. Each year, the board of a heritage district shall determine and fix the amount of money to be levied and raised by taxation, for the purposes of the district. The total amount in dollars and cents may not exceed one-fourth of one percent (0.0025) of the real market value of all taxable property within the district computed in accordance with ORS 308.207.

SECTION 15. The board of a heritage district, by resolution duly adopted, may establish sinking funds for the purpose of defraying the costs of acquiring historic real property and for restoration of historic buildings or facilities. A sinking fund may be created through the inclusion annually within the tax budget of the district of items representing the yearly installments to be credited to the fund. The amount of these items shall be collected and credited to the proper fund in the same manner in which taxes levied or revenues derived for other purposes for the district are collected and credited. None of the moneys in sinking funds shall be diverted or transferred to other funds, but if unexpended balances remain after disbursement of the funds for the purpose for which they were created, such balances, upon approval by resolution of the board, shall be transferred to the operation and maintenance fund of the district.

SECTION 16. The board of a heritage district may call upon the attorney for the heritage district for advice as to any district business. The attorney for the heritage district shall give advice when called on for advice by the board. The board may at any time employ special counsel for any purpose.

SECTION 17. A heritage district may establish an employees' retirement system as provided for rural fire protection districts under ORS 478.355 to 478.370.

SECTION 18. ORS 174.116 is amended to read:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(o) A 9-1-1 communications district organized under ORS 401.818 to 401.857.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(ff) A weed control district organized under ORS 570.505 to 570.575.

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

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

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

(jj) A heritage district organized under sections 1 to 17 of this 2007 Act.

SECTION 19. ORS 198.010 is amended to read:

198.010. As used in this chapter, except as otherwise specifically provided, “district” means any one of the following:

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

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

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

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

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

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

- (7) A special road district organized under ORS 371.305 to 371.360.
- (8) A road assessment district organized under ORS 371.405 to 371.535.
- (9) A highway lighting district organized under ORS chapter 372.
- (10) A health district organized under ORS 440.305 to 440.410.
- (11) A sanitary district organized under ORS 450.005 to 450.245.
- (12) A sanitary authority, water authority or joint water and sanitary authority organized under ORS 450.600 to 450.989.
- (13) A vector control district organized under ORS 452.020 to 452.170.
- (14) A rural fire protection district organized under ORS chapter 478.
- (15) An irrigation district organized under ORS chapter 545.
- (16) A drainage district organized under ORS chapter 547.
- (17) A water improvement district organized under ORS chapter 552.
- (18) A water control district organized under ORS chapter 553.
- (19) A weather modification district organized under ORS 558.200 to 558.440.
- (20) A port organized under ORS 777.005 to 777.725 and 777.915 to 777.953.
- (21) A geothermal heating district organized under ORS chapter 523.
- (22) A transportation district organized under ORS 267.510 to 267.650.
- (23) A library district organized under ORS 357.216 to 357.286.
- (24) A 9-1-1 communications district organized under ORS 401.818 to 401.857.
- (25) A heritage district organized under sections 1 to 17 of this 2007 Act.**

SECTION 20. ORS 198.180 is amended to read:

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

- (1) A county service district organized under ORS chapter 451.
- (2) A diking district organized under ORS chapter 551.
- (3) A corporation for irrigation, drainage, water supply or flood control organized under ORS chapter 554.
- (4) A soil and water conservation district organized under ORS 568.210 to 568.808 and 568.900 to 568.933.
- (5) The Port of Portland created by ORS 778.010.

SECTION 21. ORS 198.520 is amended to read:

198.520. As used in ORS 198.510 to 198.600, unless the context requires otherwise, district has the meaning given that term by ORS 198.010 (2), (4), (5), (6), (11), (12), (14), (17), (19), [and] (20) to (23) **and (25)**. In addition, “district” means any one of the following:

- (1) A county service district organized under ORS chapter 451.
- (2) The Port of Portland established by ORS 778.010.

SECTION 22. ORS 198.710 is amended to read:

198.710. As used in ORS 198.705 to 198.955, unless the context requires otherwise, “district” has the meaning given that term by ORS 198.010 (2) to (4), (6) to (14), [and] (17) to (23) **and (25)**. In addition, the term also means any one of the following:

- (1) A county road district organized under ORS 371.055 to 371.110.
- (2) A county service district organized under ORS chapter 451.
- (3) The Port of Portland created by ORS 778.010.
- (4) A translator district organized under ORS 354.605 to 354.715.

SECTION 22a. If Senate Bill 773 becomes law, sections 21 and 22 of this 2007 Act (amending ORS 198.520 and 198.710) are repealed.

SECTION 22b. If Senate Bill 773 becomes law, ORS 198.510, as amended by section 5, chapter 179, Oregon Laws 2007 (Enrolled Senate Bill 773), is amended to read:

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

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

- (2) "County board" means the board of county commissioners or the county court of the county.
- (3) "County clerk" means the county clerk of the county.
- (4) "District" has the meaning given that term in ORS 198.010 (2), (4), (5), (11), (12), (14), (17), (19), [and] (20) to (23) **and (25)**. In addition, "district" means any one of the following:
 - (a) A county service district organized under ORS chapter 451.
 - (b) The Port of Portland established by ORS 778.010.
 - (5) "District board" means the governing body of a district and the term includes a county board that is in the governing body of a district.
 - (6) "Presiding officer" means the chairperson, president or other person performing the office of presiding officer of the district board.

(7) "Principal Act" means the law, other than ORS 198.510 to 198.600, applicable to a district.
SECTION 22c. If Senate Bill 773 becomes law, ORS 198.705, as amended by section 6, chapter 179, Oregon Laws 2007 (Enrolled Senate Bill 773), is amended to read:

- 198.705. As used in ORS 198.705 to 198.955, unless the context requires otherwise:
- (1) "Affected county" means each county which contains or would contain any territory for which a formation or a change of organization is proposed or ordered or which contains all or any part of a district for which a change of organization is proposed or ordered.
 - (2) "Affected district" means each district which contains or would contain territory for which a formation or a change of organization is proposed or ordered.
 - (3) "Annexation" includes the attachment or addition of territory to, or inclusion of territory in, an existing district.
 - (4) "Change of organization" means the annexation or withdrawal of territory to or from a district, the merger or consolidation of districts or the dissolution of a district.
 - (5) "Consolidation" means the uniting or joining of two or more districts into a single new successor district.
 - (6) "County board" means the county court or board of county commissioners of the principal county.
 - (7) "Dissolution" includes disincorporation, extinguishment or termination of the existence of a district and the cessation of all its corporate powers, except for the purpose of winding up the affairs of the district.
 - (8) "District" has the meaning given that term in ORS 198.010 (2) to (4), (6) to (14), [and] (17) to (23) **and (25)**. In addition, "district" means any one of the following:
 - (a) A county road district organized under ORS 371.055 to 371.110.
 - (b) A county service district organized under ORS chapter 451.
 - (c) The Port of Portland created by ORS 778.010.
 - (d) A translator district organized under ORS 354.605 to 354.715.
 - (9) "District board" means the governing board of a district.
 - (10) "Formation" includes incorporation, organization or creation of a district.
 - (11) "Inhabited territory" means territory within which there reside 12 or more persons who have been registered to vote within the territory for at least 30 days prior to the date a proceeding is commenced under ORS 198.705 to 198.955.

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

- (13) "Legal representative" means:
 - (a) An officer of a corporation duly authorized, by the bylaws or a resolution of the board of directors of the corporation, to sign for and on behalf of the corporation; and

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

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

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

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

(17) "Principal county" or "county" means the county in which the district, or the greater portion of the assessed value of all taxable property in the district, as shown by the most recent assessment roll of the counties, is located at the time proceedings are initiated to form a district, but for any district formed prior to and existing on September 9, 1971, "principal county" or "county" means the county in which the district, or the greater portion of the value of all taxable property in the district, as shown by the most recent assessment roll of the counties, was located on September 9, 1971.

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

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

(20) "Withdrawal" includes the detachment, disconnection or exclusion of territory from an existing district.

SECTION 23. ORS 199.420 is amended to read:

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

- (1) Domestic water supply district organized under ORS chapter 264.
- (2) Park and recreation district organized under ORS chapter 266.
- (3) Metropolitan service district organized under ORS chapter 268.
- (4) Highway lighting district organized under ORS chapter 372.
- (5) Sanitary district organized under ORS 450.005 to 450.245.
- (6) Sanitary authority, water authority or joint water and sanitary authority organized under ORS 450.600 to 450.989.
- (7) County service district organized under ORS chapter 451.
- (8) Vector control district organized under ORS 452.020 to 452.170.
- (9) Rural fire protection district organized under ORS chapter 478.
- (10) Geothermal heating district organized under ORS chapter 523.
- (11) Corporations organized under ORS chapter 554 for the purpose of supplying water for domestic use or any other district supplying or seeking to supply domestic water.
- (12) Library district organized under ORS 357.216 to 357.286.
- (13) Special road district organized under ORS 371.305 to 371.360.
- (14) Heritage district organized under sections 1 to 17 of this 2007 Act.**

SECTION 24. 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.
 - (19) An airport district organized under ORS chapter 838.
 - (20) A geothermal heating district organized under ORS chapter 523.
 - (21) A water improvement district organized under ORS chapter 552.
 - (22) A water control district organized under ORS chapter 553.
 - (23) A weather modification district organized under ORS 558.200 to 558.440.
 - (24) A livestock district organized under ORS 607.005 to 607.051.
 - (25) A port organized under ORS 777.005 to 777.725 and 777.915 to 777.953.
 - (26) The Port of Portland established by ORS 778.010.
 - (27) A school district.
 - (28) Territory, other than territory within a city, proposed to be created, formed or incorporated into a district or to be annexed or otherwise added to a district.
 - (29) A soil and water conservation district organized under ORS 568.210 to 568.810 and 568.900 to 568.933.
 - (30) A heritage district organized under sections 1 to 17 of this 2007 Act.**
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Passed by House May 3, 2007

Repassed by House June 5, 2007

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Chief Clerk of House

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Speaker of House

Passed by Senate June 1, 2007

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President of Senate

Received by Governor:

.....M,....., 2007

Approved:

.....M,....., 2007

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Governor

Filed in Office of Secretary of State:

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Secretary of State