

House Bill 3455

Sponsored by Representative TOMEI

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**.

Establishes process for electing or appointing board of directors for county service district.

A BILL FOR AN ACT

1
2 Relating to service district governance; creating new provisions; and amending ORS 451.410, 451.435
3 and 451.485.

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

5 **SECTION 1. Section 2 of this 2013 Act is added to and made a part of ORS 451.410 to**
6 **451.610.**

7 **SECTION 2. (1) An elected or appointed board of directors may serve as the governing**
8 **body of a county service district.**

9 **(2)(a) A proposal to establish an elected or appointed board of directors for a county**
10 **service district may be initiated:**

11 **(A) By a petition to form or change the organization of the county service district that**
12 **complies with ORS 198.750; or**

13 **(B) For an existing county service district, on the motion of the governing body of the**
14 **county service district.**

15 **(b) Notwithstanding ORS 198.755, a petition to change the organization of a county ser-**
16 **vice district described in paragraph (a)(A) of this subsection must be signed by not less than**
17 **five percent of the electors or 100 electors, whichever is greater, registered in the territory**
18 **subject to the petition.**

19 **(3) If a proposal to establish an elected or appointed board of directors is contained in a**
20 **petition seeking formation of a county service district:**

21 **(a) The governing body of the county:**

22 **(A) May not modify or reject the proposal.**

23 **(B) May modify or reject the petition on the basis of the criteria set forth in ORS 198.805,**
24 **as provided in ORS 198.810.**

25 **(b) The provisions of ORS 198.705 to 198.955 relating to the formation of a district that**
26 **do not conflict with the provisions of this section apply to the petition.**

27 **(4) If a proposal to establish an elected or appointed board of directors is contained in a**
28 **petition seeking a change of organization of a county service district, the governing body of**
29 **the county:**

30 **(a) May not modify or reject the proposal.**

31 **(b) May modify or reject the petition on the basis of the criteria set forth in ORS 198.705**
32 **to 198.955.**

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 (5) If the governing body of the county does not reject the petition under subsection (4)(b)
 2 of this section, the governing body shall:

3 (a) Approve the proposal and:

4 (A) Order an election of a board of directors for the county service district; or

5 (B) Appoint a board of directors for the county service district; or

6 (b) Submit the question of whether to establish an elected or appointed board of directors
 7 to the electors residing within the territory of the county service district for a vote.

8 (6) If the electors approve the establishment of an elected or appointed board of directors
 9 pursuant to subsection (5)(b) of this section, the governing body of the county shall, as ap-
 10 plicable:

11 (a) Order an election of a board of directors for the county service district; or

12 (b) Appoint a board of directors for the county service district.

13 (7) The board of directors of a county service district elected or appointed pursuant to
 14 this section must be composed of five or seven directors, as specified in the petition for
 15 formation or change of organization of the county service district or in the motion of the
 16 governing body of the county service district.

17 (8) A director elected or appointed pursuant to this section shall hold office from July 1
 18 next following election or appointment.

19 (9) The term of office of a director elected or appointed pursuant to this section is four
 20 years. However, a director shall hold office until the election and qualification or appoint-
 21 ment of a successor.

22 (10) The board of directors of a county service district shall fill a vacancy on the board
 23 as provided in ORS 198.320.

24 (11) An elector residing within the territory of the county service district is qualified to
 25 be a member of the board of directors of the county service district unless the elector is an
 26 employee of the county service district.

27 **SECTION 3.** ORS 451.435 is amended to read:

28 451.435. (1) **Except as otherwise provided in section 2 of this 2013 Act**, all district formation
 29 and change of organization proceedings shall be initiated, conducted and completed as provided by
 30 ORS 198.705 to 198.955. Except for an order allowing an existing district established to provide
 31 sewage works to also provide drainage works, no county or portion thereof shall be included within
 32 a district which is to provide services in more than one county without the consent of the governing
 33 body of the affected county.

34 (2) In the case of sewage works, upon certification to the county court by the Environmental
 35 Quality Commission or the county health officer that an emergency exists the county court shall
 36 initiate the formation of a district in the manner specified in ORS 198.835, or annexation to an ex-
 37 isting district in the manner specified in ORS 198.850 (3), whichever is most appropriate.

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

41 (4) A final order in a formation or change of organization proceeding of a district shall, in ad-
 42 dition to the requirements specified by ORS 198.705 to 198.955, state which of the service facilities
 43 specified by ORS 451.010 the district shall be authorized to construct, maintain and operate.

44 **SECTION 4.** ORS 451.485 is amended to read:

45 451.485. **Except as provided in section 2 of this 2013 Act**, the county court shall be the gov-

1 erning body of a county service district established under ORS 451.410 to 451.610. A district shall
 2 be known by the name or number specified in the order declaring its formation and by that name
 3 shall exercise and carry out the powers and duties conferred and declared in this chapter. Before
 4 proceeding to construct or provide any service facilities authorized by this chapter, the governing
 5 body of the district shall make an order:

6 (1) Determining the service facilities to be constructed, maintained and operated and the part
 7 of the work to be undertaken immediately.

8 (2) Determining the manner of financing the construction, maintenance and operation of the
 9 service facilities.

10 (3) Determining the method by which the district shall bear the share of the cost of construction
 11 of the service facilities that is to be apportioned to the district.

12 (4) Where it appears that any service facilities to be constructed will provide service to areas
 13 outside the district at some future date, determining the equitable and fair share of the cost of
 14 construction of such facilities that should be borne by such areas, which share shall be borne by the
 15 revolving fund established under ORS 451.540, by funds obtained by the county under ORS 280.055
 16 or by any other method of financing described by ORS 451.490 until such areas are served by the
 17 facilities.

18 (5) [Where] **If** the service facilities of the district are to be integrated into other service facilities
 19 constructed or being constructed by another district or by other public bodies as defined in ORS
 20 174.109, determining the fair and equitable amount the district should assume as its share of the
 21 construction of such other service facilities, which amount shall be paid to the other district or
 22 public body upon terms and conditions to which the governing body of the district has agreed.

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

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

29 **SECTION 5.** ORS 451.410 is amended to read:

30 451.410. As used in ORS 451.410 to 451.610, unless the context indicates otherwise:

31 (1) "Change of organization" [has] **means, in addition to** the meaning given that term in ORS
 32 198.705, **a change in the governance structure pursuant to section 2 of this 2013 Act.**

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

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

35 (4) "District" means a county service district established under ORS 451.410 to 451.610 to pro-
 36 vide service facilities in a county or counties.

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

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

40 (7) "Service facilities" means public service installations, works or services provided within a
 41 county or counties for any or all of the purposes specified in ORS 451.010.

42 **SECTION 6. Section 2 of this 2013 Act and the amendments to ORS 451.410, 451.435 and**
 43 **451.485 by sections 3 to 5 of this 2013 Act apply to a proposal to establish an elected or ap-**
 44 **pointed board of directors of a county service district contained in a petition filed under ORS**
 45 **198.800, or a motion of the governing body of a county made, on or after the effective date**

1 **of this 2013 Act.**

2
