

House Bill 2800

Sponsored by Representative BARTON

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 city to assume duties and functions of county service district, directly or by transfer of duties and functions to successor entity, when majority of district residents are residents of city.

A BILL FOR AN ACT

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

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

5 **SECTION 1. Section 2 of this 2015 Act is added to and made a part of ORS 451.410 to**
6 **451.610.**

7 **SECTION 2. (1) When a majority of the individuals residing within the boundaries of a**
8 **district also:**

9 (a) **Reside within the boundaries of a city, the governing body of the city may assume the**
10 **duties and functions of the district by initiating a change of organization of the district as**
11 **provided in this section.**

12 (b) **Reside within the boundaries of two or more cities, the governing bodies of the cities**
13 **jointly may assume the duties and functions of the district by initiating a change of organ-**
14 **ization of the district as provided in this section.**

15 (2) **A city may cause the dissolution of a district described in subsection (1) of this sec-**
16 **tion and the transfer of the duties and functions to a successor entity by:**

17 (a) **Adopting a resolution that declares the district described in subsection (1) of this**
18 **section to be dissolved on a date certain that is at least _____ days after the resolution is**
19 **adopted and either:**

20 (A) **Declares the intention of the governing body of the city to assume the duties and**
21 **functions of the dissolving district directly;**

22 (B) **Transfers the duties and functions of the dissolving district to a successor district**
23 **organized under ORS 451.410 to 451.610, but with the governing body of the city, in lieu of the**
24 **governing body of a county, in the role of governing body of the successor district; or**

25 (C) **Transfers the duties and functions of the dissolving district to a successor district**
26 **established under a different principal Act that allows the successor district to perform the**
27 **duties and functions transferred; and**

28 (b) **Delivering copies of the resolution to the governing bodies of the dissolving district,**
29 **the principal county and any affected counties.**

30 (3) **On or before the effective date of the dissolution, the governing body of the dissolving**
31 **district shall turn over to the governing body of the city, or other successor entity, all funds,**

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 **property, contracts and records of the dissolving district. On the effective date of the dis-**
 2 **solution:**

3 **(a) The city or successor entity succeeds to the property, contracts, rights and respon-**
 4 **sibilities of the dissolving district, and, unless the city performs the duties and functions di-**
 5 **rectly, the successor entity constitutes a regularly organized district as if originally**
 6 **organized in the manner provided by the successor entity's principal Act;**

7 **(b) Uncollected taxes, assessments or charges levied by the dissolving district become the**
 8 **property of the successor entity and upon collection must be credited to the account of the**
 9 **successor entity; and**

10 **(c) Subject to a debt distribution plan, if any, adopted under subsection (6) of this section,**
 11 **the successor entity:**

12 **(A) Becomes liable for the obligations, legal or contractual, of the dissolving district.**

13 **(B) Shall levy taxes and assessments to liquidate outstanding indebtedness, subject to**
 14 **authority granted by the charter, principal Act or other instrument under which the suc-**
 15 **cessor entity is organized or created.**

16 **(4) Within _____ days after adoption of the resolution under subsection (2) of this sec-**
 17 **tion, the governing body of the city shall call a joint meeting of the governing bodies of the**
 18 **dissolving district, the city and the successor entity, if any. The meeting must be held at a**
 19 **time and place designated by the city. The city shall give notice of the time and place of the**
 20 **meeting to each member of the governing bodies of the dissolving district, the city and the**
 21 **successor entity, if any.**

22 **(5) At the joint meeting:**

23 **(a) A majority of the members of the governing body of each entity described in sub-**
 24 **section (4) of this section constitute a quorum for the transaction of business.**

25 **(b) If the successor entity is a district and the successor district has not yet been or-**
 26 **ganized, the members of the successor district shall elect from among its members a number**
 27 **of individuals consistent with the principal Act to serve as the governing body of the suc-**
 28 **cessor district. The governing body of the successor district shall immediately meet and or-**
 29 **ganize as provided by the principal Act; and**

30 **(c) All governing bodies described in subsection (4) of this section shall, at the meeting,**
 31 **review the property, contracts, rights and financial status of the dissolving district.**

32 **(6) After the joint meeting described in subsections (4) and (5) of this section, the gov-**
 33 **erning bodies of the dissolving district and either the city or the successor district may adopt**
 34 **a debt distribution plan by duplicate resolutions adopted within _____ days of each other.**
 35 **The plan may provide for any distribution of indebtedness of the dissolving district and may**
 36 **require that the city or successor district become liable for all or a portion of the indebt-**
 37 **edness outstanding on the effective date of the dissolution or may require that the taxpayers**
 38 **within the territory of dissolving district remain solely liable for all or a portion of the**
 39 **indebtedness.**

40 **(7)(a) When a majority of the individuals residing within the boundaries of a district also**
 41 **reside within the boundaries of two or more cities, the governing bodies of the cities jointly**
 42 **may assume the duties and functions of the district by adopting duplicate resolutions within**
 43 **_____ days of each other and proceeding under this section.**

44 **(b) In addition to and not in lieu of the options under subsection (2)(a) of this section,**
 45 **two or more cities may transfer the duties and functions of the district to an intergovern-**

1 **mental entity created by the cities under ORS 190.003 to 190.130 to serve as the successor**
 2 **entity.**

3 **(c) Notwithstanding subsection (3)(a) of this section, an intergovernmental entity estab-**
 4 **lished under ORS 190.003 to 190.130 is not a district established under ORS 451.410 to 451.610.**

5 **SECTION 3.** ORS 451.485 is amended to read:

6 451.485. (1) **Except as provided in section 2 of this 2015 Act,** the county court shall be the
 7 governing body of a county service district established under ORS 451.410 to 451.610.

8 (2) A district shall be known by the name or number specified in the order declaring its for-
 9 mation and by that name shall exercise and carry out the powers and duties conferred and declared
 10 in this chapter.

11 (3) Before proceeding to construct or provide any service facilities authorized by this chapter,
 12 the governing body of the district shall make an order:

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

15 [(2)] (b) Determining the manner of financing the construction, maintenance and operation of the
 16 service facilities.

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

19 [(4)] (d) Where it appears that any service facilities to be constructed will provide service to
 20 areas outside the district at some future date, determining the equitable and fair share of the cost
 21 of construction of such facilities that should be borne by such areas, which share shall be borne by
 22 the revolving fund established under ORS 451.540, by funds obtained by the county under ORS
 23 280.055 or by any other method of financing described by ORS 451.490 until such areas are served
 24 by the facilities.

25 [(5)] (e) Where the service facilities of the district are to be integrated into other service facil-
 26 ities constructed or being constructed by another district or by other public bodies as defined in
 27 ORS 174.109, determining the fair and equitable amount the district should assume as its share of
 28 the construction of such other service facilities, which amount shall be paid to the other district or
 29 public body upon terms and conditions to which the governing body of the district has agreed.

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

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

37 **SECTION 4.** ORS 451.435 is amended to read:

38 451.435. (1) **Except as provided in this section or section 2 of this 2015 Act,** all district for-
 39 mation and change of organization proceedings shall be initiated, conducted and completed as pro-
 40 vided by ORS 198.705 to 198.955.

41 (2) Except for an order allowing an existing district established to provide sewage works to also
 42 provide drainage works, no county or portion thereof shall be included within a district which is to
 43 provide services in more than one county without the consent of the governing body of the affected
 44 county.

45 [(2)] (3) In the case of sewage works, upon certification to the county court by the Environ-

1 mental Quality Commission or the county health officer that an emergency exists the county court
2 shall initiate the formation of a district in the manner specified in ORS 198.835, or annexation to
3 an existing district in the manner specified in ORS 198.850 (3), whichever is most appropriate.

4 [(3)] (4) A petition or order initiating the formation or change or organization of a district shall,
5 in addition to the requirement specified by ORS 198.705 to 198.955, state which of the service facil-
6 ities specified by ORS 451.010 the district shall be authorized to construct, maintain and operate.

7 [(4)] (5) A final order in a formation or change of organization proceeding of a district shall, in
8 addition to the requirements specified by ORS 198.705 to 198.955, state which of the service facilities
9 specified by ORS 451.010 the district shall be authorized to construct, maintain and operate.

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