

**B-Engrossed**  
**Senate Bill 123**

Ordered by the Senate May 17  
Including Senate Amendments dated April 5 and May 17

Sponsored by Senators RILEY, MANNING JR (Pre-session filed.)

**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.

Authorizes formation of children's special districts. Authorizes children's special districts to levy property taxes to fund programs that offer children's services. Defines "children's services" as services **that support children's total health and well-being** provided outside of school hours to *[children who are school-aged or younger, including, without limitation, services related to civics, culture, arts and music, physical recreation, health and well-being, technology and development of skills]* **individuals not more than 18 years old. Provides that children's special district shall discontinue project if court holds that revenue funding project is subject to compression under \$5 per \$1,000 of real market value cap for purposes of Ballot Measure 5 (1990) as revenue funding project constituting educational services and shall use revenue for project that does not constitute educational services.**

**A BILL FOR AN ACT**

Relating to children's special districts; creating new provisions; and amending ORS 198.010.

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

**SECTION 1.** 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.

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

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

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

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

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

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

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

8 (24) A 9-1-1 communications district organized under ORS 403.300 to 403.380.

9 (25) A heritage district organized under ORS 358.442 to 358.474.

10 (26) A radio and data district organized under ORS 403.500 to 403.542.

11 (27) A sand control district organized under ORS 555.500 to 555.535.

12 **(28) A children’s special district organized under sections 2 to 6 of this 2017 Act.**

13 **SECTION 2. (1) As used in sections 2 to 6 of this 2017 Act:**

14 **(a) “Children” means individuals who are not more than 18 years old.**

15 **(b) “Children’s services” means services that support children’s total health and well-**  
16 **being that are provided to children outside of school hours.**

17 **(2)(a) Children’s special districts may be formed to provide funding for programs that**  
18 **offer children’s services.**

19 **(b) If a court, in a final decision not subject to further appeal, holds that any revenue**  
20 **of a children’s special district is subject to the \$5 limitation per \$1,000 of real market value**  
21 **under Article XI, section 11b, of the Oregon Constitution, because the revenue funds a**  
22 **project constituting educational services, including support services, the children’s special**  
23 **district shall discontinue the project and shall instead use the revenue for a project that does**  
24 **not constitute educational services, including support services, within the meaning of Article**  
25 **XI, section 11b, of the Oregon Constitution.**

26 **(3)(a) ORS 198.705 to 198.955 apply to children’s special districts.**

27 **(b) Notwithstanding paragraph (a) of this subsection, the petition for formation of a**  
28 **children’s special district must be signed by not less than 15 percent of the electors or 100**  
29 **electors, whichever is greater, registered in the territory subject to the petition.**

30 **SECTION 3. (1)(a) The directors of a children’s special district shall be a district board**  
31 **of five members serving four-year terms.**

32 **(b) A district board member must be an elector residing within the children’s special**  
33 **district.**

34 **(c) The district board members shall be elected as provided in ORS 198.815 and this sec-**  
35 **tion.**

36 **(2) Five district board members shall be elected at the election for district formation and**  
37 **shall serve for the following terms:**

38 **(a) If the effective date of the formation of the district occurs in an odd-numbered year,**  
39 **two district board members shall be elected for four-year terms and the other three district**  
40 **board members shall be elected for two-year terms.**

41 **(b) If the effective date of the formation of the district occurs in an even-numbered year,**  
42 **two district board members shall be elected for three-year terms and the other three district**  
43 **board members shall be elected for one-year terms.**

44 **(3) Each district board member shall hold office until election and qualification of a suc-**  
45 **cessor.**

