

House Bill 2008

Sponsored by Representative GORSEK (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 **as introduced**.

Creates urban flood safety and water quality district in portion of Multnomah County within urban growth boundary adopted by Metro, for purposes of managing and improving levee system, drainage and natural areas to provide for flood safety and contribute to water quality, habitat and landscape resiliency.

Provides for selection of board of directors. Sets forth powers and duties of district and district board.

Authorizes district board to impose charges, assessments and taxes and issue bonds.

Authorizes district board to dissolve certain drainage districts and water improvement corporations. Requires urban flood safety and water quality district to assume dissolved entity's duties, assets and liabilities.

Takes effect on 91st day following adjournment sine die.

A BILL FOR AN ACT

1
2 Relating to urban flood safety and water quality districts; creating new provisions; amending ORS
3 174.116, 198.010, 198.310 and 198.510; and prescribing an effective date.

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

PURPOSE AND CREATION OF URBAN FLOOD SAFETY AND WATER QUALITY DISTRICT

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9 **SECTION 1. Purpose.** The Legislative Assembly declares the lands protected by the
10 Columbia River levee system in northern Multnomah County to be of statewide and regional
11 significance because they contain significant industrial and economic lands, one of the state's
12 most important transportation hubs, the Portland International Airport, the second largest
13 source of drinking water in Oregon and a number of important natural assets. This area
14 also represents a significant cultural and community history of flooding, displacement and
15 loss, a history that should be remembered so that it is not repeated. The purpose of sections
16 1 to 26 of this 2019 Act is to create a new special district that has the legislative authority
17 and financial capability to carry out the purposes set forth in section 3 (1) of this 2019 Act.

18 **SECTION 2. Definitions.** As used in sections 1 to 26 of this 2019 Act, unless the context
19 requires otherwise:

20 (1) "District" means the urban flood safety and water quality district created under sec-
21 tion 3 of this 2019 Act.

22 (2) "District board" means the board of directors of the district.

23 (3) "Elector" means an individual qualified to vote under Article II, section 2, of the
24 Oregon Constitution, who resides in the district.

25 (4) "File for record" means to file a document for recording with the county clerk.

26 (5) "Land" or "tract of land" means real property, including improvements on the prop-

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.

erty.

(6) “Managed floodplain” means the portion of the historic Columbia River floodplain located in northern Multnomah County that requires or benefits from management to accomplish the purposes of the district, as determined by the district board.

(7) “Public body” has the meaning given that term in ORS 174.109.

(8) “Works” means dams, storage reservoirs, canals, ditches, dikes, levees, revetments and all other structures, facilities, improvements and property necessary or convenient for draining land, controlling flood or surface waters, providing for flood safety or environmental or water quality or supplying water for irrigation or any other purpose.

SECTION 3. Creation of urban flood safety and water quality district; purposes; limitation; filing boundary change with county assessor and Department of Revenue; protection of water rights. (1) An urban flood safety and water quality district is created for the purposes of acquiring, purchasing, constructing, improving, operating and maintaining works in order to reduce the risk of flooding, protect people and property, respond to flood emergencies, contribute to water quality, habitat and landscape resiliency and protect and provide the public with information regarding the cultural history of the territory in the managed floodplain.

(2)(a) The boundaries of the district are the boundaries of the portion of Multnomah County that lies within the urban growth boundary adopted by the metropolitan service district under ORS 268.390 as the urban growth boundary exists on the effective date of this 2019 Act, or as changed by the metropolitan service district under ORS 268.354 on or after the effective date of this 2019 Act. All cities and taxing districts within the boundaries of the district shall be included in the district.

(b) A change to the boundaries of the district made pursuant to this subsection must be filed in final approved form with the county assessor and the Department of Revenue as provided in ORS 308.225.

(3) Sections 1 to 26 of this 2019 Act may not be construed to affect, amend or repeal any other Oregon law or to affect or impair the vested rights of any person or public body to the use of water or vested rights in the use of water.

SECTION 4. Proceedings to test validity of order or act of district board. (1)(a) Any elector or owner of land within the district may bring any proceeding that the board of directors of the urban flood safety and water quality district is authorized to bring under ORS 33.710.

(b) The proceeding shall be governed by ORS 33.720, except as otherwise provided in this section.

(c) For purposes of this section, the district shall be considered a municipal corporation as defined in ORS 33.710.

(2) The proceeding shall be brought in Multnomah County Circuit Court. The district board shall be named as defendant in the proceeding.

(3) Service of summons shall be made on the members of the district board personally if within Multnomah County. For directors not within the county, service may be made by publication of notice for a like time, and in like manner, as provided by ORS 33.720. Jurisdiction shall be complete within 10 days after the date of completing publication of notice.

1 **SECTION 5. Board of directors; selection of directors; terms.** (1) The initial board of di-
 2 rectors of the urban flood safety and water quality district shall consist of 14 directors ap-
 3 pointed by the Governor as follows:

4 (a) One director representing the City of Portland from among persons recommended by
 5 the Portland board of commissioners.

6 (b) One director representing the City of Gresham from among persons recommended
 7 by the Gresham city council.

8 (c) One director representing the City of Fairview from among persons recommended by
 9 the Fairview city council.

10 (d) One director representing the City of Troutdale from among persons recommended
 11 by the Troutdale city council.

12 (e) One director representing Metro from among persons recommended by the Metro
 13 Council.

14 (f) One director representing Multnomah County from among persons recommended by
 15 the Multnomah County board of county commissioners.

16 (g) One director representing the Port of Portland from among persons recommended
 17 by the board of commissioners of the Port of Portland.

18 (h) One director representing Multnomah County Drainage District No. 1 from among
 19 persons recommended by the district board of supervisors.

20 (i) One director representing Peninsula Drainage District No. 1 from among persons
 21 recommended by the district board of supervisors.

22 (j) One director representing Peninsula Drainage District No. 2 from among persons
 23 recommended by the district board of supervisors.

24 (k) One director representing Sandy Drainage Improvement Company from among per-
 25 sons recommended by the company board of directors.

26 (L) One director who resides in a neighborhood within the managed floodplain.

27 (m) One director who represents a private sector business located in the managed
 28 floodplain.

29 (n) One director who represents a public interest nonprofit corporation.

30 (2) The purpose of the initial district board is to organize the district and to develop, and
 31 approve or seek approval from the electors of, methods of funding the operations of the
 32 district.

33 (3) At the first meeting of the initial district board, the board shall elect a member to
 34 serve as chair. The chair shall preside over board meetings, appoint subcommittees subject
 35 to board approval and set the meeting agenda subject to revisions by the board. The chair
 36 may not vote on matters before the board unless necessary to break a tie.

37 (4) Any vacancy on the initial district board shall be filled by majority vote of the re-
 38 maining directors of the board.

39 (5) The directors of the initial district board shall serve until the initial district board
 40 adopts a resolution calling for the selection of the district board. The initial district board
 41 shall adopt the resolution no later than six months before the next regular district election
 42 that is held after the district first begins to collect revenues under one of the methods set
 43 forth in section 17 of this 2019 Act. The initial district board shall file a copy of the resolution
 44 with the county elections officer and the Governor.

45 (6) The district board shall consist of seven voting directors and one nonvoting director

1 selected as follows:

2 (a) One director shall be elected at large by the electors. A candidate for this position
3 must be an elector.

4 (b) Three directors shall be elected at large by the electors. A candidate for any of these
5 positions must be an elector who:

6 (A) Resides within the managed floodplain;

7 (B) Is an owner of real property located within the managed floodplain, regardless of
8 whether the elector resides within the managed floodplain; or

9 (C) Regardless of whether the elector resides within the managed floodplain, is the des-
10 ignated representative of an owner of real property located within the managed floodplain
11 authorized in writing by the owner to be a candidate at the time of filing the declaration of
12 candidacy.

13 (c)(A) The Governor shall appoint three directors as follows:

14 (i) One director with expertise in flood safety; and

15 (ii) Two directors with expertise or an interest in any of the purposes for which the dis-
16 trict was formed.

17 (B) Before making an appointment under this paragraph, the Governor shall provide the
18 district board and the stakeholder advisory committee appointed under section 8 of this 2019
19 Act with an opportunity to recommend individuals, who may have specific kinds of expertise
20 that the board or committee believes to be necessary or beneficial to the district.

21 (d) The board of commissioners of the Port of Portland shall appoint one nonvoting di-
22 rector.

23 (7) Each elected director of the district board shall be elected for a term of four years.
24 The first elected directors shall determine their terms by lot so that the terms of two di-
25 rectors expire on June 30 next following the first regular district election and the terms of
26 two directors expire on June 30 next following the second regular district election.

27 (8) Each director of the district board appointed by the Governor under subsection (6)(c)
28 of this section shall be appointed for a term of four years. The Governor shall appoint two
29 directors for a term expiring on June 30 next following the first regular district election and
30 one director for a term expiring on June 30 next following the second regular district
31 election.

32 (9) The nonvoting director appointed by the board of commissioners of the Port of
33 Portland shall serve at the pleasure of the board of commissioners.

34 (10)(a)(A) The district board shall fill any vacancy among the elected directors of the
35 district board as provided in ORS 198.320.

36 (B) The Governor shall fill any vacancy among the appointed directors of the district
37 board.

38 (b) A director appointed to the district board under paragraph (a) of this subsection shall
39 serve the remainder of the unexpired term of the director that the newly appointed director
40 replaces.

41 (c) The port board of commissioners shall fill any vacancy in the position of the nonvot-
42 ing director.

43 **SECTION 6. Organizational meeting; oath; officers; meetings.** (1) As soon as practicable
44 after the election and appointment of the directors to the board of directors of the urban
45 flood safety and water quality district, the directors shall meet to qualify all individuals

1 elected or appointed as directors by administering an oath of office and to elect the officers
2 of the district board.

3 (2) The directors shall elect from their number a chair and vice chair. Such officers have
4 the authority and duties granted them by the district board.

5 (3) The district board shall meet at times and places that the district board considers
6 necessary or convenient.

7 **SECTION 7. Duties of district board.** The board of directors of the urban flood safety and
8 water quality district shall:

9 (1) Manage and conduct the affairs of the district.

10 (2) Employ and appoint agents and employees and prescribe the duties and fix the com-
11 pensation of the agents and employees.

12 (3) Establish reasonable bylaws and rules for the administration of the affairs of the
13 district.

14 (4) Adopt ordinances under ORS 198.510 to 198.600 that the directors consider necessary
15 or convenient for carrying out or enforcing the district's powers and duties under sections
16 1 to 26 of this 2019 Act.

17 (5) Establish and maintain funds and accounts for the moneys of the district.

18 (6) Obtain an annual audit of the books of the district.

19 (7) Fix the location of the principal office of the district at some convenient place within
20 the district.

21 (8) Keep a record of all proceedings of the district board.

22 (9) File for record all documents required by law to be recorded.

23 (10) Establish the boundaries of the managed floodplain. The district board may amend
24 the boundaries from time to time as the board deems necessary or prudent to address reg-
25 ulatory changes or other changes in circumstance that affect the need for district manage-
26 ment to accomplish the purposes for which the district was formed.

27 (11) Consider equity and inclusion in all aspects of administering the district.

28 **SECTION 8. Stakeholder advisory committee.** (1) The board of directors of the urban
29 flood safety and water quality district shall appoint a stakeholder advisory committee that
30 includes:

31 (a) A representative of:

32 (A) Each city within the boundaries of the district;

33 (B) Multnomah County;

34 (C) Metro;

35 (D) The Port of Portland;

36 (E) A drainage district organized under ORS chapter 547; and

37 (F) A corporation for drainage organized under ORS chapter 554; and

38 (b) Any other members the district board deems appropriate.

39 (2) The purpose of the stakeholder advisory committee is to advise the district board on
40 all aspects of the operation of the district and to assist the board with community outreach
41 and citizen participation.

42
43 **POWERS OF DISTRICT**

44
45 **SECTION 9. General powers of district.** To carry out the purposes for which it was cre-

1 ated, the urban flood safety and water quality district is a body corporate and has the power
 2 to, without limitation:

3 (1) Have and use a seal.

4 (2) Have perpetual succession.

5 (3) Sue and be sued in its own name.

6 (4) Acquire by condemnation, purchase, devise, gift or voluntary grant real and personal
 7 property, or any interest in such property, located inside or outside the boundaries of the
 8 district, and take, hold, possess and dispose of real and personal property purchased from
 9 or donated by the United States or any state, territory, public body or person.

10 (5) Enter into intergovernmental agreements under ORS chapter 190 for the con-
 11 struction, preservation, improvement, operation or maintenance of any works or other ser-
 12 vices.

13 (6) Enter into contracts with the federal government, including, without limitation, the
 14 United States Army Corps of Engineers and the Federal Emergency Management Agency.

15 (7) Build, construct, purchase, improve, operate and maintain, subject to all applicable
 16 provisions of law, all works that the district board considers necessary or desirable.

17 (8) Enter into contracts and employ agents, engineers and attorneys.

18 (9) Enter into contracts or grant agreements with nonprofit corporations or community
 19 groups.

20 (10) Appropriate and acquire water and water rights and sell, lease or deliver water for
 21 irrigation and other purposes both inside and outside the boundaries of the district.

22 (11) Dissolve any district or corporation described in section 24 of this 2019 Act that is
 23 located entirely within the boundaries of the district and assume the assets of the dissolved
 24 district or corporation, including all lands and personal property, obligations, debts and li-
 25 abilities.

26 (12) Do such other acts and things as may be necessary or proper for the exercise of the
 27 powers granted to the district, including, without limitation, the exercise of all the powers
 28 of a drainage district under ORS 547.063 to 547.083, 547.305, 547.310, 547.315, 547.320, 547.405,
 29 547.410, 547.415, 547.420, 547.425 and 547.430 and the board of directors of a corporation for
 30 drainage under ORS 554.110.

31 **SECTION 10. Eminent domain.** (1) Except as otherwise provided in this section, the ex-
 32 ercise of the power of eminent domain by the urban flood safety and water quality district
 33 pursuant to section 9 (4) of this 2019 Act shall be governed by ORS 35.015 to 35.530.

34 (2) The district's authority to condemn property is limited to property located:

35 (a) Within the managed floodplain; or

36 (b) Outside the managed floodplain if the district board deems such property to be nec-
 37 essary or beneficial to flood and surface water control within the managed floodplain.

38 (3) The district's authority to condemn property includes property already devoted to a
 39 public use, if the district board determines that the current use of the property is less nec-
 40 essary than the use for which the property is required by the district.

41 (4) If the district seeks to acquire by eminent domain all or a portion of property dedi-
 42 cated to open space under the land use regulations of a city or county, just compensation
 43 shall be determined based on the zoning designation applicable to the property immediately
 44 prior to the open space dedication.

45 **SECTION 11. District activities as urban services.** Activities of the urban flood safety and

1 water quality district are deemed to be urban services, as defined in ORS 195.065, if the dis-
 2 trict engages in the activities to manage flood control and safety, water quality or surface
 3 water.

4 **SECTION 12. Cooperation with the United States; water quality supervision.** (1) The ur-
 5 ban flood safety and water quality district may cooperate with the United States, in the
 6 manner provided by Congress, for flood control, reclamation, conservation and allied pur-
 7 poses, including recreation and protection of the inhabitants, land and other property within
 8 the district from the effects of a surplus or deficiency of water, if the district board deter-
 9 mines that such cooperation is beneficial to the public health, safety and welfare.

10 (2)(a) The district has general control and supervision over bodies of water that are
 11 owned or maintained, or have been improved, by the district, insofar as the quality of water
 12 may affect the public health, welfare and safety and the utility of the bodies of water.

13 (b) In exercising the power granted under paragraph (a) of this subsection, the district
 14 may prevent any person, including any officer, employee or person acting on behalf of a city,
 15 county or taxing district, from depositing directly or indirectly in any bodies of water de-
 16 scribed in paragraph (a) of this subsection, any rubbish, filth or poisonous or deleterious
 17 substances liable to affect the health of persons, fish and wildlife.

18 **SECTION 13. Watershed improvement.** (1) The urban flood safety and water quality dis-
 19 trict may prepare broad, general plans of watershed improvement and habitat and landscape
 20 resiliency.

21 (2)(a) A watershed improvement plan prepared pursuant to this section must:

22 (A) Include existing and proposed works of the district and of other public and private
 23 agencies relating to water use and control; and

24 (B) Demonstrate a basis for the coordination and planning of future works of the district,
 25 governmental agencies and private interests to ensure the maximum beneficial use and
 26 conservation of the water resources of the district.

27 (b) Watershed improvement plans and works included in the plans must be based on the
 28 inventory of water, the needs of the district related to natural resources and any plans or
 29 programs developed by the Water Resources Commission.

30 (3) The district board shall make revisions the district board considers necessary or
 31 proper for the control, utilization, conservation, development or improvement of the water
 32 resources of the district or for the protection and enhancement of the quality of the water
 33 resources.

34 **SECTION 14. District works; engineering plans.** (1) The urban flood safety and water
 35 quality district may undertake construction of works upon approval of the proposed works
 36 by the district board.

37 (2)(a) The district board shall obtain engineering plans for any works that require engi-
 38 neering.

39 (b) In lieu of obtaining engineering plans pursuant to paragraph (a) of this subsection,
 40 the district board may adopt, as an engineering plan, any plans prepared by an agency of the
 41 state or federal government or a local government having territory within the boundaries
 42 of the district that are applicable to the proposed works.

43 **SECTION 15. District contracts subject to Public Contracting Code.** The urban flood
 44 safety and water quality district is a contracting agency as defined in ORS 279A.010 for all
 45 applicable requirements of the Public Contracting Code.

1 **SECTION 16. Construction on public land or right of way or along watercourse.** (1) The
 2 urban flood safety and water quality district may construct works:

3 (a) Across or along any street or public highway, or over any lands, that are the property
 4 of the state or of any political subdivision of the state.

5 (b) Across or along any stream of water or watercourse.

6 (2) When constructing works under this section, the district shall comply with any per-
 7 mitting requirements imposed by the public body that owns or has jurisdiction over a street,
 8 right of way or lands.

9 **SECTION 17. Financing construction, operation or maintenance of district works.** The
 10 board of directors of the urban flood safety and water quality district may finance the con-
 11 struction, operation or maintenance of district works by the following means:

12 (1) Assessments made under section 18 of this 2019 Act against the benefited lands in the
 13 district, with or without the issuance of works bonds.

14 (2) Service and user charges imposed under section 21 of this 2019 Act, with or without
 15 the issuance of revenue bonds.

16 (3) Issuance of general obligation bonds under section 22 of this 2019 Act.

17 (4) Any combination of the means described in this section.

18 **SECTION 18. Assessment of cost of works against benefited lands; hearing on proposed**
 19 **assessment; works bonds.** (1) All or part of the cost of building, constructing, purchasing,
 20 operating, maintaining or improving works of the urban flood safety and water quality dis-
 21 trict may be assessed against the lands to be benefited by the works. The district board shall
 22 determine the portion of the cost, if any, that is to be paid from the general fund of the
 23 district and the portion that is to be paid by assessments against the lands benefited.

24 (2) Assessments shall be apportioned by the district board among benefited lands in ac-
 25 cordance with the special and peculiar benefit to be received from the district works by each
 26 lot or parcel of land. For parcels of land, or any portion of the parcels, in the district that
 27 are undeveloped, the district board may, in its discretion, defer assessing or imposing all or
 28 any portion of the assessments on such parcels until the parcels are connected with, or re-
 29 ceiving services from, the district works.

30 (3) The district board shall afford an opportunity for hearing any objections or
 31 remonstrances to assessments under this section. If the district board receives objections
 32 or remonstrances that are signed by more than 50 percent of the landowners representing
 33 more than 50 percent of the territory within the proposed assessment district, the proposed
 34 assessment may not be imposed.

35 (4) If any portion of the cost of district works is assessed against benefited lands under
 36 this section, the district board may issue works bonds in the total amount of the valid ap-
 37 plications the district board has received to pay assessments in installments as provided by
 38 ORS 223.205 and 223.210 to 223.295.

39 **SECTION 19. Irrigation agreements required for assessments for irrigation works.** (1)
 40 For purposes of sections 18 and 23 of this 2019 Act, a tract of land may not be considered
 41 benefited by the construction, operation, maintenance or improvement of irrigation works
 42 unless the owner of the land enters into an irrigation agreement with the urban flood safety
 43 and water quality district imposing the assessment.

44 (2) An irrigation agreement must be in the form prescribed by the district board.

45 (3) Upon execution, the irrigation agreement may be filed for record and the recording

1 of the agreement constitutes notice that such lands are subject to assessments levied in
 2 accordance with the agreement.

3 **SECTION 20. Ad valorem property taxes; collection; enforcement.** (1)(a) The urban flood
 4 safety and water quality district may annually impose, assess and collect a tax on all taxable
 5 property located in the district in an amount sufficient to pay the yearly interest on out-
 6 standing bonds issued by the district together with any portion of the principal of the bonds
 7 maturing within the year.

8 (b) The tax imposed pursuant to this subsection shall be applied only in payment of the
 9 principal and interest due on bonds issued by the district. In addition, the district may apply
 10 any otherwise unobligated district funds toward payment of the principal and interest due
 11 on the bonds.

12 (2) The district is a municipal corporation for purposes of ORS 294.305 to 294.565 and shall
 13 file a written notice with the county assessor as required under ORS 310.060.

14 **SECTION 21. Service and user charges; process for issuing revenue bonds.** (1) To pay the
 15 costs of constructing, operating and maintaining district works, the board of directors of the
 16 urban flood safety and water quality district may adopt an ordinance to:

17 (a) Impose and collect service charges, fees or rates on the owners or occupants of
 18 property served by the works of the district.

19 (b) Impose and collect user charges, fees and tolls for connection to or use of works,
 20 facilities and services of the district.

21 (2) Charges, fees, rates and tolls described in subsection (1) of this section shall be based
 22 on the costs of operating and maintaining the works, facilities or services and of adminis-
 23 tering the charges.

24 (3) The district board may adopt differential charges or rates applicable to unique,
 25 qualitatively different areas within the district when the district board deems such differen-
 26 tial charges or rates necessary, beneficial or equitable.

27 (4) Service charges, fees and rates imposed on the owners or occupants of property lo-
 28 cated outside the managed floodplain shall be commensurate with:

29 (a) The benefits received by such properties from the works; or

30 (b) The costs actually incurred by the district related to such properties, including, but
 31 not limited to, pumping of storm water runoff.

32 (5) The district may enter into intergovernmental agreements under ORS chapter 190
 33 with cities located in whole or in part within the district boundaries to collect service
 34 charges, fees and rates on behalf of the district.

35 (6) The district board may issue revenue bonds by pledging all or part of any charge, fee,
 36 rate or toll adopted pursuant to this section. All revenue bonds issued under this section
 37 shall be issued as prescribed in ORS chapter 287A.

38 **SECTION 22. General obligation bonds; refunding bonds; procedures.** (1) If authorized by
 39 a majority of the electors voting on the question at an election held for the purpose, the
 40 urban flood safety and water quality district may borrow money and issue, sell and dispose
 41 of general obligation bonds.

42 (2)(a) The bonds shall be issued from time to time by the district board on behalf of the
 43 district as authorized by the electors. The bonds shall mature serially within no more than
 44 50 years from the issue date.

45 (b) Notwithstanding paragraph (a) of this subsection, for an indebtedness to the federal

1 government or the State of Oregon, the district may issue one or more bonds of the de-
 2 nominations agreed upon.

3 (3) Bonds issued pursuant to this section shall bear interest at a rate determined by the
 4 district board, payable semiannually.

5 (4) The bonds shall be so conditioned that the district promises and agrees to pay to the
 6 bearer at a place named in the bonds, the principal sum with interest at the rate named in
 7 the bonds, payable semiannually, in accordance with the tenor and terms of the interest
 8 coupons attached.

9 (5) To provide additional security for the payment of the principal and interest on the
 10 bonds, the district board may adopt a resolution pledging all or any part of the net revenue
 11 of the district to that purpose. The resolution shall constitute part of the contract with the
 12 holders of the bonds. The district board may adopt a resolution pursuant to this subsection
 13 without submitting the question of the pledge to the electors.

14 (6) Refunding bonds of the same character and tenor as those replaced by the refunding
 15 bonds may be issued pursuant to a resolution adopted by the district board without submit-
 16 ting to the electors the question of authorizing the issuance of the refunding bonds.

17 (7) All general obligation bonds, including refunding bonds, issued under this section shall
 18 be issued as prescribed in ORS chapter 287A.

19 **SECTION 23. Loan agreements with state and federal agencies.** (1) The urban flood
 20 safety and water quality district may enter into a loan agreement with a state or federal
 21 agency. The loan agreement shall be in such form and contain such terms as the district and
 22 the agency may agree to.

23 (2) The district may agree to impose and collect assessments against each tract of land
 24 benefited by the works or services financed by the loan agreement, to take all actions nec-
 25 essary to impose and collect the assessments, to assign to the lending agency the assess-
 26 ments as security for the loan and to take all actions within the period of time agreed to by
 27 the district and lending agency.

28 (3) If the lending agency pays over money to the district pursuant to the terms of a loan
 29 agreement entered into under this section and the district fails, refuses or neglects to im-
 30 pose or collect the assessments, to obtain or prepare a roll of benefited tracts of land, to
 31 assign the assessments or in any other manner to perform as agreed under the loan agree-
 32 ment, the lending agency has the right, at the agency's election, to apply to Multnomah
 33 County Circuit Court for a writ of mandamus, or any other order or writ, to require the
 34 district or the directors, employees and agents of the district to perform as agreed to under
 35 the terms of the loan agreement. In addition to the assessments imposed under the loan
 36 agreement, all costs, charges and expenses pertaining to the issuance and execution of a writ
 37 or order under this subsection shall be charged to and collected from the lands subject to
 38 the assessments.

39 (4) Upon the execution of a loan agreement under this section, the district shall file for
 40 record a certificate that states the date of the loan agreement, the maximum amount, term
 41 and rate of the loan and the recording data pertaining to the recorded order creating the
 42 district. The certificate must give notice that all lands within the district determined to be
 43 benefited by the construction of the works specified in the loan agreement are subject to the
 44 assessments imposed under this section.

45 **SECTION 24. Dissolution of drainage or water control district or corporation; transfer**

1 of assets and liabilities to urban flood safety and water quality district. (1)(a)
2 Notwithstanding any other provision of law, the urban flood safety and water quality district
3 may, by resolution of the district board, dissolve any drainage district formed and operating
4 under ORS chapter 547, any drainage district organized and operating under ORS 548.005 to
5 548.120 or any corporation incorporated for any of the purposes listed in ORS 554.020, that
6 is operating entirely within the boundaries of the urban flood safety and water quality dis-
7 trict.

8 (b) Upon the dissolution, the dissolved district or corporation shall transfer, and the ur-
9 ban flood safety and water quality district shall assume, the duties, assets and liabilities of
10 the dissolved district or corporation and continue to furnish the services formerly provided
11 by the district or corporation to the residents of, and owners of property in, the dissolved
12 district or corporation. Such assets include, without limitation, all interests in real property
13 and tangible and intangible personal property, including uncollected taxes, assessments or
14 other charges levied by the dissolved district or corporation.

15 (c) The dissolved district or corporation shall be considered annexed by and merged into
16 the urban flood safety and water quality district.

17 (2) A dissolution under this section may be initiated only by resolution of the district
18 board. The district board may not consider a dissolution resolution unless and until the ur-
19 ban flood safety and water quality district has operating and capital funding sufficient to
20 enable the urban flood safety and water quality district to assume and manage the duties,
21 assets and liabilities of the dissolved district or corporation.

22 (3) A dissolution under this section becomes effective no later than one year after the
23 date on which the district board adopts the dissolution resolution, unless the district or
24 corporation to be dissolved agrees to an earlier dissolution date.

25 (4)(a) As soon as practicable after the date on which the district board adopts a dissol-
26 ution resolution under this section, the district board and the governing bodies of the dis-
27 tricts or corporations to be dissolved, or the designated representatives of the governing
28 bodies, shall meet to negotiate a debt distribution plan. A debt distribution plan may provide
29 for any distribution of indebtedness between the urban flood safety and water quality district
30 and the district or corporation to be dissolved.

31 (b) If the district board and the governing bodies do not agree on a debt distribution plan,
32 or if the territory of the district or corporation to be dissolved remains liable under the plan
33 for any portion of the indebtedness outstanding at the time of the dissolution and transfer,
34 the district board shall serve as the ex officio board of the dissolved district or corporation
35 for the purpose of imposing and collecting charges or taxes in the territory until all indebt-
36 edness of the dissolved district or corporation, including interest, is paid in full.

37 (c) Before a debt distribution plan may be agreed to under this section, the urban flood
38 safety and water quality district shall obtain consent from all known holders of valid
39 indebtedness owed by the district or corporation to be dissolved or releases based on pro-
40 vision in the debt distribution plan for the payment of nonconsenting holders. The territory
41 within the boundaries of the district or corporation to be dissolved may not by reason of the
42 dissolution and transfer be relieved of outstanding liabilities and indebtedness for which the
43 district or corporation to be dissolved has previously entered into an agreement.

44 (5) After paying and discharging all debts and obligations or obtaining consent from
45 holders of valid indebtedness or releases from nonconsenting holders, in accordance with the

1 **debt distribution plan, the governing body of the district or corporation to be dissolved shall**
 2 **transfer to the urban flood safety and water quality district all assets of the district or cor-**
 3 **poration to be dissolved.**

4 **(6) If requested by the district or corporation to be dissolved, or at the discretion of the**
 5 **district board, the district board may create a zone committee with members appointed by**
 6 **the chair of the district or corporation to be dissolved to provide for oversight, continuity**
 7 **and recommendations with respect to fees, rates and charges, and levels of support and op-**
 8 **eration, within the territory of the dissolved district or corporation.**

9 **SECTION 25. Notice requirements. (1) Except as provided in subsection (2) of this sec-**
 10 **tion, when notice is required to be given by publication under sections 1 to 26 of this 2019**
 11 **Act, the notice must be published in a newspaper of general circulation within the boundaries**
 12 **of the urban flood safety and water quality district, or if there is no such newspaper, in a**
 13 **newspaper of general circulation in Multnomah County.**

14 **(2) This section does not apply to provision of notice for an election.**

15 **SECTION 26. Election laws applicable. (1) ORS chapter 255 governs the nomination and**
 16 **election of the board of directors of the urban flood safety and water quality district and the**
 17 **conduct of all district elections.**

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

20
 21 **CONFORMING AMENDMENTS**
 22

23 **SECTION 27. ORS 174.116 is amended to read:**

24 **174.116. (1)(a) Subject to ORS 174.108, as used in the statutes of this state “local government”**
 25 **means all cities, counties and local service districts located in this state, and all administrative**
 26 **subdivisions of those cities, counties and local service districts.**

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

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

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

33 **(C) Any entity created by local government other than an entity described in subparagraph (B)**
 34 **of this paragraph, unless the ordinance, resolution or other document creating the entity indicates**
 35 **that the entity is not a governmental entity or the entity is not subject to any substantial control**
 36 **by local government.**

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

38 **(a) An economic improvement district created under ORS 223.112 to 223.132 or 223.141 to**
 39 **223.161.**

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

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

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

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

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

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

- 1 (h) A metropolitan service district organized under ORS chapter 268.
- 2 (i) A translator district organized under ORS 354.605 to 354.715.
- 3 (j) A library district organized under ORS 357.216 to 357.286.
- 4 (k) A county road district organized under ORS 371.055 to 371.110.
- 5 (L) A special road district organized under ORS 371.305 to 371.360.
- 6 (m) A road assessment district organized under ORS 371.405 to 371.535.
- 7 (n) A highway lighting district organized under ORS chapter 372.
- 8 (o) A 9-1-1 communications district organized under ORS 403.300 to 403.380.
- 9 (p) A health district organized under ORS 440.305 to 440.410.
- 10 (q) A sanitary district organized under ORS 450.005 to 450.245.
- 11 (r) A sanitary authority, water authority or joint water and sanitary authority organized under
- 12 ORS 450.600 to 450.989.
- 13 (s) A county service district organized under ORS chapter 451.
- 14 (t) A vector control district organized under ORS 452.020 to 452.170.
- 15 (u) A rural fire protection district organized under ORS chapter 478.
- 16 (v) A geothermal heating district organized under ORS chapter 523.
- 17 (w) An irrigation district organized under ORS chapter 545.
- 18 (x) A drainage district organized under ORS chapter 547.
- 19 (y) A diking district organized under ORS chapter 551.
- 20 (z) A water improvement district organized under ORS chapter 552.
- 21 (aa) A water control district organized under ORS chapter 553.
- 22 (bb) A district improvement company or a district improvement corporation organized under
- 23 ORS chapter 554.
- 24 (cc) A weather modification district organized under ORS 558.200 to 558.440.
- 25 (dd) A fair district formed under ORS chapter 565.
- 26 (ee) A soil and water conservation district organized under ORS 568.210 to 568.808 and 568.900
- 27 to 568.933.
- 28 (ff) A weed control district organized under ORS 569.350 to 569.445.
- 29 (gg) A port organized under ORS 777.005 to 777.725 and 777.915 to 777.953.
- 30 (hh) The Port of Portland created under ORS 778.010.
- 31 (ii) An airport district established under ORS chapter 838.
- 32 (jj) A heritage district organized under ORS 358.442 to 358.474.
- 33 (kk) A radio and data district organized under ORS 403.500 to 403.542.
- 34 (LL) A sand control district organized under ORS 555.500 to 555.535.

35 **(mm) The urban flood safety and water quality district created under sections 1 to 26 of**
36 **this 2019 Act.**

37 **SECTION 28.** ORS 198.010 is amended to read:

38 198.010. As used in this chapter, except as otherwise specifically provided, “district” means any
39 one of the following:

- 40 (1) A people’s utility district organized under ORS chapter 261.
- 41 (2) A domestic water supply district organized under ORS chapter 264.
- 42 (3) A cemetery maintenance district organized under ORS chapter 265.
- 43 (4) A park and recreation district organized under ORS chapter 266.
- 44 (5) A mass transit district organized under ORS 267.010 to 267.390.
- 45 (6) A metropolitan service district organized under ORS chapter 268.

- 1 (7) A special road district organized under ORS 371.305 to 371.360.
- 2 (8) A road assessment district organized under ORS 371.405 to 371.535.
- 3 (9) A highway lighting district organized under ORS chapter 372.
- 4 (10) A health district organized under ORS 440.305 to 440.410.
- 5 (11) A sanitary district organized under ORS 450.005 to 450.245.
- 6 (12) A sanitary authority, water authority or joint water and sanitary authority organized under
- 7 ORS 450.600 to 450.989.
- 8 (13) A vector control district organized under ORS 452.020 to 452.170.
- 9 (14) A rural fire protection district organized under ORS chapter 478.
- 10 (15) An irrigation district organized under ORS chapter 545.
- 11 (16) A drainage district organized under ORS chapter 547.
- 12 (17) A water improvement district organized under ORS chapter 552.
- 13 (18) A water control district organized under ORS chapter 553.
- 14 (19) A weather modification district organized under ORS 558.200 to 558.440.
- 15 (20) A port organized under ORS 777.005 to 777.725 and 777.915 to 777.953.
- 16 (21) A geothermal heating district organized under ORS chapter 523.
- 17 (22) A transportation district organized under ORS 267.510 to 267.650.
- 18 (23) A library district organized under ORS 357.216 to 357.286.
- 19 (24) A 9-1-1 communications district organized under ORS 403.300 to 403.380.
- 20 (25) A heritage district organized under ORS 358.442 to 358.474.
- 21 (26) A radio and data district organized under ORS 403.500 to 403.542.
- 22 (27) A sand control district organized under ORS 555.500 to 555.535.

23 **(28) The urban flood safety and water quality district created under sections 1 to 26 of**
24 **this 2019 Act.**

25 **SECTION 29.** ORS 198.310 is amended to read:

26 198.310. As used in ORS 198.320, in addition to the meaning given the term by ORS 198.010 (1)
27 to (5), (7) to (24)[, (26) and (27)] **and (26) to (28)**, “district” means a soil and water conservation
28 district organized under ORS 568.210 to 568.808 and 568.900 to 568.933.

29 **SECTION 30.** ORS 198.510 is amended to read:

30 198.510. As used in ORS 198.510 to 198.600, unless the context requires otherwise:

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

33 (2) “County board” means the board of county commissioners or the county court of the county.

34 (3) “County clerk” means the county clerk of the county.

35 (4) “District” has the meaning given that term in ORS 198.010 (2), (4), (5), (11), (12), (14), (16),
36 (17), (19), (20) to (23)[, (25), (26) and (27)] **and (25) to (28)**. In addition, “district” means any one of
37 the following:

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

39 (b) The Port of Portland established by ORS 778.010.

40 (5) “District board” means the governing body of a district and the term includes a county board
41 that is in the governing body of a district.

42 (6) “Presiding officer” means the chairperson, president or other person performing the office
43 of presiding officer of the district board.

44 (7) “Principal Act” means the law, other than ORS 198.510 to 198.600, applicable to a district.

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UNIT AND SECTION CAPTIONS

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SECTION 31. The unit and section captions used in this 2019 Act are provided only for the convenience of the reader and do not become part of the statutory law of this state or express any legislative intent in the enactment of this 2019 Act.

EFFECTIVE DATE

SECTION 32. This 2019 Act takes effect on the 91st day after the date on which the 2019 regular session of the Eightieth Legislative Assembly adjourns sine die.
