

D R A F T

SUMMARY

Amends law governing urban flood safety and water quality district.
Takes effect on 91st day following adjournment sine die.

A BILL FOR AN ACT

1
2 Relating to the urban flood safety and water quality district; creating new
3 provisions; amending ORS 550.160, 550.180, 550.190, 550.200, 550.210,
4 550.220, 550.230, 550.240, 550.260, 550.270, 550.300, 550.310, 550.330 and
5 550.360; and prescribing an effective date.

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

7 **SECTION 1.** ORS 550.160 is amended to read:

8 550.160. As used in ORS 550.150 to 550.400, unless the context requires
9 otherwise:

10 (1) **“Board of directors” means the nine-member board of directors**
11 **of the urban flood safety and water quality district selected under**
12 **section 5 of this 2022 Act.**

13 [(1)] (2) **“District” means the urban flood safety and water quality district**
14 **created under ORS 550.170.**

15 [(2)] *“District board” means the board of directors of the district.*

16 (3) **“Elector” means an individual qualified to vote under Article II, sec-**
17 **tion 2, of the Oregon Constitution, who resides in the district.**

18 (4) **“File for record” means to file a document for recording with the**
19 **county clerk.**

20 (5) **“Green infrastructure” means infrastructure adapted to wet weather**
21 **management that:**

1 (a) Infiltrates, evapotranspires, captures and reuses storm water to main-
2 tain or restore natural hydrology;

3 (b) Protects or restores natural landscapes;

4 (c) Uses rain gardens, porous pavements, green roofs, infiltration planters,
5 trees, tree boxes, bioswales or other green infrastructure strategies; or

6 (d) Harvests rain water from an artificial impervious surface for
7 nonpotable uses, including landscape irrigation and toilet flushing.

8 **(6) “Initial district board” means the 17-member appointed board**
9 **of directors under ORS 550.190 (1).**

10 [(6)] **(7)** “Land” or “tract of land” means real property, including im-
11 provements on the property.

12 [(7)] **(8)** “Landscape resilience” means the ability of a landscape to sustain
13 ecological functions, native biodiversity and critical landscape processes over
14 time, under changing conditions and despite multiple stressors and uncer-
15 tainties.

16 [(8)] **(9)** “Managed floodplain” means the portion of the historic Columbia
17 River floodplain located in northern Multnomah County that requires or
18 benefits from management to accomplish the purposes of the district, as de-
19 termined by the [*district*] board **of directors**.

20 [(9)] **(10)** “Public body” has the meaning given that term in ORS 174.109.

21 [(10)] **(11)** “Works” means dams and storage reservoirs for flood risk re-
22 duction, canals, ditches, dikes, levees, revetments, green infrastructure and
23 all other structures, facilities, improvements and property necessary or con-
24 venient for conveying and controlling water for the purpose of flood control,
25 environmental benefits or water quality.

26 **SECTION 2.** ORS 550.180 is amended to read:

27 550.180. (1)(a) Any elector or owner of land within the district may bring
28 any proceeding that the board of directors [*of the urban flood safety and*
29 *water quality district*] is authorized to bring under ORS 33.710.

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

1 (c) For purposes of this section, the district shall be considered a munic-
2 ipal corporation as defined in ORS 33.710.

3 (2) The proceeding shall be brought in Multnomah County Circuit Court.
4 The [*district*] board **of directors** shall be named as defendant in the pro-
5 ceeding.

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

11 **SECTION 3.** ORS 550.190 is amended to read:

12 550.190. (1) The initial **district** board [*of directors*] of the urban flood
13 safety and water quality district shall consist of 17 directors appointed as
14 follows:

15 (a) One director representing the City of Portland appointed by the
16 Portland city council.

17 (b) One director representing the City of Gresham appointed by the
18 Gresham city council.

19 (c) One director representing the City of Fairview appointed by the
20 Fairview city council.

21 (d) One director representing the City of Troutdale appointed by the
22 Troutdale city council.

23 (e) One director representing the City of Wood Village appointed by the
24 Wood Village city council.

25 (f) One director representing Metro appointed by the Metro Council.

26 (g) One director representing Multnomah County appointed by the
27 Multnomah County board of county commissioners.

28 (h) One director representing the Port of Portland appointed by the board
29 of commissioners of the Port of Portland.

30 (i) One director representing Multnomah County Drainage District No. 1
31 appointed by the district board of supervisors.

1 (j) One director representing Peninsula Drainage District No. 1 appointed
2 by the district board of supervisors.

3 (k) One director representing Peninsula Drainage District No. 2 ap-
4 pointed by the district board of supervisors.

5 (L) One director representing Sandy Drainage Improvement Company ap-
6 pointed by the company board of directors.

7 (m) One director who resides in a neighborhood within the boundaries of
8 Multnomah County Drainage District No. 1, Peninsula Drainage District No.
9 1, Peninsula Drainage District No. 2 or Sandy Drainage Improvement Com-
10 pany appointed by the Governor.

11 (n) One director who represents a private sector business located within
12 the boundaries of Multnomah County Drainage District No. 1, Peninsula
13 Drainage District No. 1, Peninsula Drainage District No. 2 or Sandy Drain-
14 age Improvement Company appointed by the Governor.

15 (o) Three directors who represent public interest nonprofit corporations
16 with expertise or interest related to the territory within the boundaries of
17 Multnomah County Drainage District No. 1, Peninsula Drainage District No.
18 1, Peninsula Drainage District No. 2 or Sandy Drainage Improvement Com-
19 pany appointed by the Governor, of which:

20 (A) One director must represent an environmental conservation organ-
21 ization; and

22 (B) One director must represent an environmental justice organization.

23 (2) The purpose of the initial district board is to organize the district and
24 to develop, and approve or seek approval from the electors of, methods of
25 funding the operations of the district. To accomplish this purpose, **in addi-**
26 **tion to the duties and powers conferred on the initial district board**
27 **under ORS 550.150 to 550.400**, the initial district board may exercise all the
28 duties and powers [*set forth in ORS 550.210*] **conferred on the board of**
29 **directors under ORS 550.150 to 550.400, other than the power to dissolve**
30 **a drainage district or corporation under ORS 550.230 (12).**

31 (3)(a) At the first meeting of the initial district board, the board shall

1 elect a member to serve as chair. The chair shall preside over board
2 meetings, appoint subcommittees subject to board approval and set the
3 meeting agenda subject to revisions by the board.

4 **(b) A majority of the directors of the initial district board shall**
5 **constitute a quorum for the transaction of business.**

6 (4) Any vacancy on the initial district board shall be filled by majority
7 vote of the remaining directors of the board. The replacement director must
8 qualify for the vacant position as provided in subsection (1) of this section.

9 (5)(a) The directors of the initial district board shall serve **in place of**
10 **the board of directors** until the initial district board adopts a resolution
11 calling for the [*selection of the district board*] **appointment and election**
12 **of the board of directors and a quorum of the directors of the board**
13 **of directors, as determined under ORS 550.200 (4), takes office.**

14 (b) The **resolution of the** initial district board shall [*adopt the resolution*
15 *no later*] **call for the appointment and election of the board of directors**
16 **to take place not less** than six months [*before the next regular district*
17 *election that is held*] after the **date on which the** district first begins to
18 collect revenues under one of the methods set forth in ORS 550.300.

19 (c) The initial district board shall file a copy of the resolution with the
20 county elections officer and the Governor.

21 **(6) Notwithstanding ORS 255.325 and 255.335, the first elected direc-**
22 **tors of the board of directors may be elected at a special election held**
23 **in accordance with ORS 255.345.**

24 [(6) *The district board shall consist of nine voting directors selected as*
25 *follows:*]

26 [(a) *One director shall be elected at large by the electors. A candidate for*
27 *this position must be an elector.*]

28 [(b) *Four directors shall be elected at large by the electors. A candidate for*
29 *any of these positions must be an elector who:*]

30 [(A) *Resides within the managed floodplain;*]

31 [(B) *Regardless of whether the elector resides within the managed*

1 *floodplain, owns real property located within the managed floodplain; or]*
2 *[(C) Regardless of whether the elector resides within the managed*
3 *floodplain, is the designated representative of a business or other for profit or*
4 *nonprofit corporation that owns real property located within the managed*
5 *floodplain and is authorized in writing by the owner to be a candidate at the*
6 *time of filing the declaration of candidacy.]*

7 *[(c)(A) The Governor shall appoint four directors as follows:]*

8 *[(i) One director with expertise or an interest in flood safety;]*

9 *[(ii) One director with expertise or an interest in environmental conserva-*
10 *tion;]*

11 *[(iii) One director with expertise or an interest in environmental justice;*
12 *and]*

13 *[(iv) One director representing the Port of Portland from among persons*
14 *recommended by the board of commissioners of the Port of Portland.]*

15 *[(B) Before making an appointment under subparagraph (A)(i) to (iii) of*
16 *this paragraph, the Governor shall provide the district board with an oppor-*
17 *tunity to recommend individuals who may have specific kinds of expertise that*
18 *the board believes to be necessary or beneficial to the district.]*

19 *[(7) Each elected director of the district board shall be elected for a term*
20 *of four years. The first elected directors shall determine their terms by lot so*
21 *that the terms of two directors expire on June 30 next following the first reg-*
22 *ular district election and the terms of three directors expire on June 30 next*
23 *following the second regular district election.]*

24 *[(8) Each director of the district board appointed by the Governor under*
25 *subsection (6)(c) of this section shall be appointed for a term of four years. The*
26 *Governor shall appoint two directors for a term expiring on June 30 next fol-*
27 *lowing the first regular district election and two directors for a term expiring*
28 *on June 30 next following the second regular district election.]*

29 *[(9)(a)(A) The district board shall fill any vacancy among the elected di-*
30 *rectors of the district board as provided in ORS 198.320.]*

31 *[(B) The Governor shall fill any vacancy among the appointed directors of*

1 *the district board.]*

2 *[(b) A director appointed to the district board under paragraph (a) of this*
3 *subsection shall serve the remainder of the unexpired term of the director that*
4 *the newly appointed director replaces.]*

5 **SECTION 4. Sections 5 and 5a of this 2022 Act are added to and**
6 **made a part of ORS 550.150 to 550.400.**

7 **SECTION 5. (1) The board of directors shall consist of nine voting**
8 **directors selected as follows:**

9 **(a) One director shall be elected at large by the electors. A candi-**
10 **date for this position must be an elector.**

11 **(b) Four directors shall be elected at large by the electors. A can-**
12 **didate for any of these positions must be an elector who:**

13 **(A) Resides within the managed floodplain;**

14 **(B) Regardless of whether the elector resides within the managed**
15 **floodplain, owns real property located within the managed floodplain;**
16 **or**

17 **(C) Regardless of whether the elector resides within the managed**
18 **floodplain, is the designated representative of a business or other for**
19 **profit or nonprofit corporation that owns real property located within**
20 **the managed floodplain and is authorized in writing by the owner to**
21 **be a candidate at the time of filing the declaration of candidacy.**

22 **(c)(A) The Governor shall appoint four directors as follows:**

23 **(i) One director with expertise or an interest in flood safety;**

24 **(ii) One director with expertise or an interest in environmental**
25 **conservation;**

26 **(iii) One director with expertise or an interest in environmental**
27 **justice; and**

28 **(iv) One director representing the Port of Portland from among**
29 **persons recommended by the board of commissioners of the Port of**
30 **Portland.**

31 **(B) Before making an appointment under subparagraph (A)(i) to**

1 (iii) of this paragraph, the Governor shall provide the board of direc-
2 tors with an opportunity to recommend individuals who may have
3 specific kinds of expertise that the board believes to be necessary or
4 beneficial to the district.

5 (2) Each elected director of the board of directors shall be elected
6 at a regular district election for a term of four years as provided in
7 ORS 255.335.

8 (3) Each director of the board of directors appointed by the Gover-
9 nor under subsection (1)(c) of this section shall be appointed for a term
10 of four years beginning July 1 and ending June 30.

11 (4)(a)(A) The board of directors shall fill any vacancy among the
12 elected directors of the board of directors as provided in ORS 198.320.

13 (B) The Governor shall fill any vacancy among the appointed di-
14 rectors of the board of directors.

15 (b) A director appointed to the board of directors under paragraph
16 (a) of this subsection shall serve the remainder of the unexpired term
17 of the director that the newly appointed director replaces.

18 SECTION 5a. (1)(a) Notwithstanding section 5 (2) of this 2022 Act,
19 the first directors elected at a regular district election shall determine
20 their terms by lot so that the terms of two directors expire on the first
21 June 30 that occurs at least two years after the date of the regular
22 district election at which they were elected and the terms of three di-
23 rectors expire on the first June 30 that occurs at least four years after
24 the date of the regular district election at which they were elected.

25 (b) Notwithstanding paragraph (a) of this subsection, if the first
26 elected directors are elected at an election other than a regular district
27 election under ORS 255.335, the directors shall take office upon certi-
28 fication of the election under ORS 255.295 (2) and shall serve until the
29 first June 30 that occurs after the date of the next regular district
30 election, at which election the elected members of the board of direc-
31 tors shall be elected as provided in paragraph (a) of this subsection.

1 **(2)(a) Notwithstanding section 5 (3) of this 2022 Act, two of the first**
2 **directors appointed by the Governor shall serve terms ending on the**
3 **date on which the terms of two of the first directors elected at a reg-**
4 **ular district election expire as provided in subsection (1)(a) of this**
5 **section and the other two of the first directors appointed by the Gov-**
6 **ernor shall serve terms ending on the date on which the terms of three**
7 **of the first directors elected at a regular district election expire as**
8 **provided in subsection (1)(a) of this section.**

9 **(b) The Governor shall determine which of the first directors shall**
10 **be appointed under this subsection for the two-year and the four-year**
11 **terms.**

12 **SECTION 6.** ORS 550.200 is amended to read:

13 550.200. (1) As soon as practicable after the election and appointment of
14 the directors to the board of directors [*of the urban flood safety and water*
15 *quality district*], the directors shall meet to qualify all individuals elected or
16 appointed as directors by administering an oath of office and to elect the
17 officers of the [*district*] board **of directors.**

18 (2) The directors shall elect from their number a chair and vice chair.
19 Such officers have the authority and duties granted them by the [*district*]
20 board **of directors.**

21 (3) The [*district*] board **of directors** shall meet at times and places that
22 the [*district*] board **of directors** considers necessary or convenient.

23 **(4) A majority of the directors shall constitute a quorum for the**
24 **transaction of business.**

25 **SECTION 7.** ORS 550.210 is amended to read:

26 550.210. The board of directors [*of the urban flood safety and water quality*
27 *district*] shall:

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

29 (2) Employ and appoint agents and employees and prescribe the duties and
30 fix the compensation of the agents and employees.

31 (3) Establish reasonable bylaws and rules for the administration of the

1 affairs of the district.

2 (4) Adopt ordinances under ORS 198.510 to 198.600 that the directors
3 consider necessary or convenient for carrying out or enforcing the district's
4 powers and duties under ORS 550.150 to 550.400.

5 (5) Establish and maintain funds and accounts for the moneys of the dis-
6 trict.

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

8 (7) Fix the location of the principal office of the district at some con-
9 venient place within the district.

10 (8) Keep a record of all proceedings of the [*district*] board **of directors**.

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

12 (10) Establish the boundaries of the managed floodplain. The [*district*]
13 board **of directors** may amend the boundaries from time to time as the board
14 deems necessary or prudent to address regulatory or environmental changes
15 that affect the need for district management to accomplish the purposes of
16 the district set forth in ORS 550.170.

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

19 **(12) Call elections within the district as provided in ORS chapter**
20 **255, including, but not limited to, elections for the purposes of ORS**
21 **550.190 and 550.340.**

22 **(13) Do such other acts and things as may be necessary or proper**
23 **for the exercise of the duties imposed on the board of directors.**

24 **SECTION 8.** ORS 550.220 is amended to read:

25 550.220. The board of directors [*of the urban flood safety and water quality*
26 *district*] may appoint stakeholder advisory committees to:

27 (1) Advise the [*district*] board **of directors** on aspects of the operation
28 of the district;[*to*]

29 (2) Assist [*the board*] with community outreach and citizen
30 participation; **and** [*or to*]

31 (3) Advise [*the board*] on **such** other matters as the board **of directors**

1 deems necessary or beneficial to the district.

2 **SECTION 9.** ORS 550.230 is amended to read:

3 550.230. To carry out the purposes for which it was created, the urban
4 flood safety and water quality district is a body corporate and has the power
5 to, without limitation:

6 (1) Have and use a seal.

7 (2) Have perpetual succession.

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

9 (4) Acquire by condemnation, purchase, devise, gift or voluntary grant
10 real and personal property, or any interest in such property, located inside
11 or outside the boundaries of the managed floodplain, as the [*district*] board
12 **of directors** deems necessary for the purposes of the district set forth in
13 ORS 550.170, and dispose of such real and personal property when the [*dis-*
14 *trict*] board **of directors** deems the property unnecessary for the purposes
15 of the district set forth in ORS 550.170.

16 (5) Enter into intergovernmental agreements under ORS chapter 190 for
17 the construction, preservation, improvement, operation or maintenance of
18 any works or other services.

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

22 (7) Build, construct, purchase, improve, operate and maintain, subject to
23 all applicable provisions of law, all works that the [*district*] board **of di-**
24 **rectors** considers necessary or desirable.

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

26 (9) Enter into contracts or grant agreements with nonprofit corporations
27 or community groups.

28 (10) Acquire and maintain water and water rights, as the [*district*] board
29 **of directors** deems necessary for the purposes of the district set forth in
30 ORS 550.170.

31 (11) Enforce the authority of the district and protect the district's works

1 against public nuisances, obstructions or discharges on public or private
2 property that the district deems to have a negative impact on the district's
3 works.

4 (12) Dissolve any drainage district or corporation described in ORS
5 550.360 that is located entirely within the boundaries of the district and as-
6 sume the assets of the dissolved district or corporation, including all lands
7 and personal property, water rights, obligations, debts and liabilities.

8 (13) Do such other acts and things as may be necessary or proper for the
9 exercise of the powers granted to the district.

10 **SECTION 10.** ORS 550.240 is amended to read:

11 550.240. (1) Except as otherwise provided in this section, the exercise of
12 the power of eminent domain by the urban flood safety and water quality
13 district pursuant to ORS 550.230 (4) shall be governed by ORS 35.015 to
14 35.530.

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

17 (a) Within the managed floodplain; or

18 (b) Outside the managed floodplain if the [*district*] board **of directors**
19 deems such property to be necessary for flood control within the managed
20 floodplain.

21 (3) The district's authority to condemn property includes property already
22 devoted to a public use, if acquisition of such property is required by regu-
23 lations applicable to the district under federal law, is required by a federally
24 mandated agreement between a federal agency and the district or is approved
25 by the public body that owns the property.

26 (4) If the district seeks to acquire by eminent domain all or a portion of
27 property dedicated to open space under the land use regulations of a city or
28 county, just compensation shall be determined based on the zoning desig-
29 nation applicable to the property immediately prior to the open space dedi-
30 cation.

31 **SECTION 11.** ORS 550.260 is amended to read:

1 550.260. (1)(a) The urban flood safety and water quality district shall
2 prepare a plan for watershed and habitat improvement and landscape
3 resilience within the managed floodplain. The watershed improvement plan
4 shall be coordinated with plans or programs of other jurisdictions with au-
5 thority over watershed management within the managed floodplain.

6 (b) The urban flood safety and water quality district may seek funding
7 from other sources if the district determines that the watershed improvement
8 plan would benefit the region or the state.

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

11 (A) Include existing and proposed works of the district and of other public
12 and private agencies relating to flood safety and watershed health; and

13 (B) Demonstrate a basis for the coordination and planning of future works
14 of the district, governmental agencies and private interests to contribute to
15 improved water quality, fish and wildlife habitat and landscape resilience
16 while reducing the risk of flooding, protecting persons and property from
17 flood risk, improving response to flood emergencies and providing for
18 conveyance of water for flood safety.

19 (b) A watershed improvement plan and works included in the plan must
20 be based on assessments of data and information critical for evaluating and
21 monitoring flood safety or watershed health.

22 (3)(a) The initial district board [*of directors*] appointed under ORS 550.190
23 (1) shall consider the projected scope of a watershed improvement plan and
24 the impact of the plan on the cost of the district's works in the course of
25 developing methods of funding the operations of the district as provided in
26 ORS 550.190 (2).

27 (b) The [*district*] board of directors shall complete a watershed improve-
28 ment plan within three years following the date on which the **first board**
29 **of** directors [*of the district board*] commence their [*initial*] terms of office as
30 provided in [*ORS 550.190 (6) to (9)*] **sections 5 and 5a of this 2022 Act.**

31 (4) The district shall review and update the watershed improvement plan

1 at least every 10 years.

2 **SECTION 12.** ORS 550.270 is amended to read:

3 550.270. (1) The urban flood safety and water quality district may under-
4 take construction of works upon approval of the proposed works by the
5 [*district*] board **of directors**.

6 (2) The [*district*] board **of directors** shall obtain engineering plans for
7 any works that require engineering.

8 **SECTION 13.** ORS 550.300 is amended to read:

9 550.300. (1) The board of directors [*of the urban flood safety and water*
10 *quality district*] may finance the construction, operation or maintenance of
11 district works by the following means:

12 [(1)] (a) Assessments made under ORS 550.310 against the benefited lands
13 in the district, with or without the issuance of works bonds.

14 [(2)] (b) Service and user charges imposed under ORS 550.330, with or
15 without the issuance of revenue bonds.

16 [(3)] (c) Issuance of general obligation bonds under ORS 550.340.

17 (d) **Any other means authorized by law.**

18 [(4)] (e) Any combination of the means described in this section.

19 (2) **Notwithstanding subsection (1) of this section, the board of di-**
20 **rectors may not levy local option taxes under ORS 280.040 to 280.145.**

21 **SECTION 14.** ORS 550.310 is amended to read:

22 550.310. (1) All or part of the cost of building, constructing, purchasing,
23 operating, maintaining or improving works of the urban flood safety and
24 water quality district may be assessed against the lands to be benefited by
25 the works. The [*district*] board **of directors** shall determine the portion of
26 the cost, if any, that is to be paid from the general fund of the district and
27 the portion that is to be paid by assessments against the lands benefited.

28 (2) Assessments shall be apportioned by the [*district*] board **of directors**
29 among benefited lands in accordance with the special and peculiar benefit
30 to be received from the district works by each lot or parcel of land. For
31 parcels of land, or any portion of the parcels, in the district that are unde-

1 veloped, the [*district*] board **of directors** may, in its discretion, defer as-
2 ssuming or imposing all or any portion of the assessments on such parcels
3 until the parcels are connected with, or receiving services from, the district
4 works.

5 (3) The [*district*] board **of directors** shall afford an opportunity for hear-
6 ing any objections or remonstrances to assessments under this section. If the
7 [*district*] board **of directors** receives objections or remonstrances that are
8 signed by more than 50 percent of the landowners representing more than
9 50 percent of the territory within the proposed assessment district, the pro-
10 posed assessment may not be imposed.

11 (4) If any portion of the cost of district works is assessed against bene-
12 fited lands under this section, the [*district*] board **of directors** may issue
13 works bonds in the total amount of the valid applications the [*district*] board
14 **of directors** has received to pay assessments in installments as provided by
15 ORS 223.205 and 223.210 to 223.295.

16 **SECTION 15.** ORS 550.330 is amended to read:

17 550.330. (1) To pay the costs of acquiring, purchasing, constructing, im-
18 proving, operating and maintaining district works, the board of directors [*of*
19 *the urban flood safety and water quality district*] may adopt an ordinance to:

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

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

24 (2) Charges, fees, rates and tolls described in subsection (1) of this section
25 shall be based on the costs of acquiring, purchasing, constructing, improving,
26 operating and maintaining the works, facilities or services and of adminis-
27 tering the charges.

28 (3) The [*district*] board **of directors** may adopt differential charges or
29 rates applicable to unique, qualitatively different areas within the district
30 when the [*district*] board **of directors** deems such differential charges or
31 rates necessary, beneficial or equitable.

1 (4) Service charges, fees and rates imposed on the owners or occupants
2 of property located outside the managed floodplain shall be commensurate
3 with:

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

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

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

10 (6) The [*district*] board **of directors** may issue revenue bonds by pledging
11 all or part of any charge, fee, rate or toll adopted pursuant to this section.
12 All revenue bonds issued under this section shall be issued as prescribed in
13 ORS chapter 287A.

14 **SECTION 16.** ORS 550.360 is amended to read:

15 550.360. (1)(a) Notwithstanding any other provision of law, the urban flood
16 safety and water quality district may, by resolution of the [*district*] board
17 **of directors**, dissolve any drainage district formed and operating under ORS
18 chapter 547, any drainage district organized and operating under ORS 548.005
19 to 548.120 or any corporation incorporated for any of the purposes listed in
20 ORS 554.020, that is operating entirely within the boundaries of the urban
21 flood safety and water quality district.

22 (b) Upon the dissolution, the dissolved district or corporation shall
23 transfer, and the urban flood safety and water quality district shall assume,
24 the duties, assets and liabilities of the dissolved district or corporation and
25 continue to furnish the services formerly provided by the district or corpo-
26 ration to the residents of, and owners of property in, the dissolved district
27 or corporation. Such assets include, without limitation, all interests in real
28 property and tangible and intangible personal property, including water
29 rights, uncollected taxes, assessments or other charges levied by the dis-
30 solved district or corporation.

31 (c) The dissolved district or corporation shall be considered annexed by

1 and merged into the urban flood safety and water quality district.

2 (2) A dissolution under this section may be initiated only by resolution
 3 of the [*district*] board **of directors**. The [*district*] board **of directors** may not
 4 consider a dissolution resolution unless and until the urban flood safety and
 5 water quality district has [*operating and capital funding*] sufficient **funding**
 6 **from one or more of the means set forth in ORS 550.300** to enable the
 7 urban flood safety and water quality district to assume and manage the du-
 8 ties, assets and liabilities of the dissolved district or corporation.

9 (3) A dissolution under this section becomes effective no later than one
 10 year after the date on which the [*district*] board **of directors** adopts the
 11 dissolution resolution, unless the district or corporation to be dissolved
 12 agrees to an earlier dissolution date.

13 (4)(a) As soon as practicable after the date on which the [*district*] board
 14 **of directors** adopts a dissolution resolution under this section, the
 15 [*district*] board **of directors** and the governing bodies of the districts or
 16 corporations to be dissolved, or the designated representatives of the gov-
 17 erning bodies, shall meet to negotiate a debt distribution plan. A debt dis-
 18 tribution plan may provide for any distribution of indebtedness between the
 19 urban flood safety and water quality district and the district or corporation
 20 to be dissolved.

21 (b) If the [*district*] board **of directors** and the governing bodies do not
 22 agree on a debt distribution plan, or if the territory of the district or cor-
 23 poration to be dissolved remains liable under the plan for any portion of the
 24 indebtedness outstanding at the time of the dissolution and transfer, the
 25 [*district*] board **of directors** shall serve as the ex officio board of the dis-
 26 solved district or corporation for the purpose of imposing and collecting
 27 charges or taxes in the territory until all indebtedness of the dissolved dis-
 28 trict or corporation, including interest, is paid in full.

29 (c) Before a debt distribution plan may be agreed to under this section,
 30 the urban flood safety and water quality district shall obtain consent from
 31 all known holders of valid indebtedness owed by the district or corporation

1 to be dissolved or releases based on provision in the debt distribution plan
2 for the payment of nonconsenting holders. The territory within the bounda-
3 ries of the district or corporation to be dissolved may not by reason of the
4 dissolution and transfer be relieved of outstanding liabilities and indebt-
5 edness for which the district or corporation to be dissolved has previously
6 entered into an agreement.

7 (5) After paying and discharging all debts and obligations or obtaining
8 consent from holders of valid indebtedness or releases from nonconsenting
9 holders, in accordance with the debt distribution plan, the governing body
10 of the district or corporation to be dissolved shall transfer to the urban flood
11 safety and water quality district all assets of the district or corporation to
12 be dissolved.

13 (6) If requested by the district or corporation to be dissolved, or at the
14 discretion of the [*district*] board **of directors**, the [*district*] board **of direc-**
15 **tors** may create a zone committee with members appointed by the chair of
16 the district or corporation to be dissolved to provide for continuity and rec-
17 ommendations with respect to fees, rates and charges, and levels of support
18 and operation, within the territory of the dissolved district or corporation.

19 **SECTION 17. Section 18 of this 2022 Act is added to and made a part**
20 **of ORS 550.150 to 550.400.**

21 **SECTION 18. (1) As used in this section, “actionable condition”**
22 **means a condition on public or private property that obstructs, clogs,**
23 **damages, injures, reduces the efficiency of, impairs the usefulness of**
24 **or otherwise has a negative impact on the district’s works.**

25 **(2) In addition to the remedies provided under ORS 550.390 and**
26 **550.400, when an actionable condition exists, the district may bring a**
27 **civil action in Multnomah County Circuit Court against the person or**
28 **persons responsible for creating or maintaining the actionable condi-**
29 **tion.**

30 **(3) The civil action may include a request for one or more of the**
31 **following remedies:**

1 **(a) Injunctive relief;**

2 **(b) Authority to enter onto the property to abate the actionable**
3 **condition; and**

4 **(c) Remediation costs and damages that arise from the existence**
5 **or abatement of the actionable condition.**

6 **SECTION 19.** **This 2022 Act takes effect on the 91st day after the**
7 **date on which the 2022 regular session of the Eighty-first Legislative**
8 **Assembly adjourns sine die.**

9
