

# House Bill 2520

Sponsored by Representative GREENLICK; Representatives BUCKLEY, CLEM, GARRARD (at the request of Special Districts Association of Oregon)

## 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.

Authorizes election of board of directors from within district for service district formed to serve unincorporated community or unincorporated area.

### A BILL FOR AN ACT

1  
2 Relating to the governing body of a service district; creating new provisions; and amending ORS  
3 451.410 and 451.485.

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

5 **SECTION 1. Section 2 of this 2009 Act is added to and made a part of ORS 451.410 to**  
6 **451.610.**

7 **SECTION 2. (1) A board of directors elected from within the territory of the service**  
8 **district may serve as the governing body of a service district that is formed to serve:**

9 (a) **An urban unincorporated community and, if approved by the governing body of the**  
10 **city, all or part of a city;**

11 (b) **A rural unincorporated community and, if approved by the governing body of the city,**  
12 **all or part of a city; or**

13 (c) **An unincorporated area within an acknowledged urban growth boundary.**

14 (2) **A proposal to establish an elected board of directors for a service district described**  
15 **in subsection (1) of this section may be initiated:**

16 (a) **By a petition to form or change the organization of the service district; or**

17 (b) **For an existing service district, on the motion of the governing body of the county**  
18 **that is serving as the governing body of the service district.**

19 (3) **If a proposal to establish an elected board of directors is contained in a petition**  
20 **seeking formation of a service district described in subsection (1) of this section, the gov-**  
21 **erning body of a county may not modify or reject the proposal. However, the governing body**  
22 **of the county:**

23 (a) **May modify the petition on the basis of criteria in ORS 198.805, as provided in ORS**  
24 **198.810; or**

25 (b) **May reject the petition on the basis of criteria in ORS 198.805, as provided in ORS**  
26 **198.810.**

27 (4) **If a proposal to establish an elected board of directors is contained in a petition**  
28 **seeking a change of organization of a service district, the governing body of the county may**  
29 **not modify or reject the proposal. The governing body of the county may modify or reject**  
30 **the petition on the basis of criteria in ORS 198.705 to 198.955. However, if the governing body**  
31 **does not reject the petition based on criteria in ORS 198.705 to 198.955, the governing body**

**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 of a county shall either:

2 (a) Approve the proposal and order an election of the service district board of directors;  
3 or

4 (b) Submit the question of whether to establish an elected board of directors to the  
5 electors of the service district for a vote.

6 (5) The governing body of a service district elected pursuant to this section must be  
7 composed of five or seven directors, based upon the number of directors specified in the pe-  
8 tition for formation or change of organization of the service district or in the motion of the  
9 governing body of the county.

10 (6) A director elected pursuant to this section shall hold office from July 1 next following  
11 election.

12 (7) The term of office of a director elected pursuant to this section is four years. How-  
13 ever, a director shall hold office until the election and qualification of a successor.

14 (8) The board of directors of a service district shall fill a vacancy on the board as pro-  
15 vided in ORS 198.320.

16 (9) An elector residing within the service district is qualified to be a member of the board  
17 of directors of the service district unless the elector is an employee of the service district.

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

19 451.485. (1) Except as provided in section 2 of this 2009 Act, the county court shall be the  
20 governing body of a [county] service district established under ORS 451.410 to 451.610.

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

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

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

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

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

32 [(4)] (d) Where it appears that any service facilities to be constructed will provide service to  
33 areas outside the district at some future date, determining the equitable and fair share of the cost  
34 of construction of such facilities that should be borne by such areas, which share shall be borne by  
35 the revolving fund established under ORS 451.540, by funds obtained by the county under ORS  
36 280.055 or by any other method of financing described by ORS 451.490 until such areas are served  
37 by the facilities.

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

43 [(6)] (f) In the case of sewage works, where trunk or interceptor sewers, treatment plants and  
44 similar facilities are to be charged to all property within the district while lateral sewers, street  
45 mains and similar facilities are to be charged only to property to be served immediately by the

1 system, determining the fair and equitable share of the total cost to be charged to areas within the  
2 district.

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

5 **SECTION 4.** ORS 451.410 is amended to read:

6 451.410. As used in ORS 451.410 to 451.610, unless the context indicates otherwise:

7 (1) "Change of organization" [*has*] **means, in addition to the meaning given that term in ORS**  
8 **198.705, a change in the services that the service district is authorized to construct, maintain**  
9 **and operate or a change in the governance structure pursuant to section 2 of this 2009 Act.**

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

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

12 (4) "District" means a [*county*] service district established under ORS 451.410 to 451.610 to pro-  
13 vide service facilities in a county or counties.

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

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

17 (7) **"Rural unincorporated community" has the meaning given that term in ORS 221.034.**

18 [(7)] (8) "Service facilities" means public service installations, works or services provided within  
19 a county or counties for any or all of the purposes specified in ORS 451.010.

20 (9) **"Urban unincorporated community" means an unincorporated community that:**

21 (a) **Includes at least 150 permanent residential dwelling units;**

22 (b) **Contains a mixture of land uses, including three or more public, commercial or in-**  
23 **dustrial land uses;**

24 (c) **Includes areas served by a community sewer system; and**

25 (d) **Includes areas served by a community water system.**

26 **SECTION 5.** (1) **Section 2 of this 2009 Act applies on or after the effective date of this 2009**  
27 **Act.**

28 (2) **The amendments to ORS 451.410 and 451.485 by sections 3 and 4 of this 2009 Act apply**  
29 **to a proposal to establish an elected board of directors for a service district contained in ei-**  
30 **ther a petition filed under ORS 198.800 or a motion of the governing body of a county on or**  
31 **after the effective date of this 2009 Act.**

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