

# House Bill 2592

Sponsored by Representative HOLVEY (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**.

Establishes principal Act for organization of broadband district to build, maintain and operate fiber-optic network for delivery of high speed broadband and other telecommunications services.

### A BILL FOR AN ACT

1  
2 Relating to principal Act for organization of broadband districts; creating new provisions; and  
3 amending ORS 174.116, 198.010, 198.115, 198.180, 198.210, 198.310, 198.510, 198.705, 199.420 and  
4 255.012.

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

6 **SECTION 1.** (1) A broadband district may be organized to build, maintain and operate a  
7 fiber-optic network designed to make high-speed broadband and other telecommunications  
8 services available to persons that work and live within the district as provided in sections 1  
9 to 5 of this 2015 Act, and the provisions of ORS 198.705 to 198.955 that are consistent with  
10 sections 1 to 5 of this 2015 Act.

11 (2) From the date of organization, a broadband district is a body politic and corporate  
12 that:

13 (a) Has the power to perform the duties and functions imposed on the district by law.

14 (b) Can make all contracts, hold, receive and dispose of real and personal property, and  
15 do all other acts and things that may be requisite, necessary or convenient in carrying out  
16 the objects of the district or exercising the powers conferred upon it.

17 (c) Can sue and be sued, plead and be impleaded in all actions, suits or proceedings  
18 brought by or against it.

19 **SECTION 2.** (1) The Public Utility Commission shall establish by rule standards for  
20 fiber-optic networks to be built, maintained and operated by a broadband district under  
21 sections 1 to 5 of this 2015 Act.

22 (2) Before a broadband district may build a fiber-optic network under sections 1 to 5 of  
23 this 2015 Act, the district shall submit the district's plan for the fiber-optic network for re-  
24 view and approval by the commission.

25 (3) Rules adopted by the commission may include:

26 (a) Bandwidth standards that require upload and download speeds of at least 1 gigabit.

27 (b) Regulations for competition amongst private entities if private entities are permitted  
28 to control access to the fiber-optic network by serving as Internet service providers.

29 **SECTION 3.** (1) The district board of a broadband district shall deposit moneys of the  
30 district in one or more banks designated by the board. Moneys may be withdrawn only when  
31 ordered by the board, upon a check signed and countersigned by the individual or individuals

**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 authorized by a resolution of the board.

2 (2) The board shall retain on file a receipt or voucher that shows clearly the nature and  
3 items covered by each check drawn.

4 **SECTION 4.** (1) In carrying out the purposes of sections 1 to 5 of this 2015 Act, a  
5 broadband district may assess, levy and collect a tax upon the taxable real and personal  
6 property situated within the district, in an amount each year not to exceed one-fourth of one  
7 percent of the real market value of the property, computed in accordance with ORS 308.207.

8 (2) Taxes authorized under this section must be levied and returned to the county officer  
9 whose duty it is to extend the tax roll by the time required by law for city taxes to be levied  
10 and extended. The county officer whose duty it is to extend the county levy shall extend the  
11 levy of a district in the same manner as city taxes are extended.

12 (3) All taxes levied by the district become payable at the same time and are collected by  
13 the same officers as regular county taxes. The county officers collecting the taxes shall pay  
14 them to the treasurer of the district.

15 (4) For purposes of ad valorem taxation, a boundary change must be filed in final ap-  
16 proved form with the county assessor and the Department of Revenue as provided in ORS  
17 308.225.

18 **SECTION 5.** (1) For the purpose of exercising the authority granted by sections 1 to 5  
19 of this 2015 Act, a broadband district may:

20 (a) Issue and sell, when authorized by the electors of the district, general obligation  
21 bonds of the district secured by a pledge of the full faith and credit and taxing power of the  
22 district.

23 (b) Issue and sell revenue bonds secured by a pledge of all or a portion of the revenue  
24 of the district.

25 (2) Bonds outstanding at any one time may not exceed in the aggregate two and one-half  
26 percent of the real market value of all taxable property within the district, computed in ac-  
27 cordance with ORS 308.207.

28 (3) All bonds issued by a broadband district under this section must be issued as provided  
29 in ORS 287A.300 to 287A.380.

30 **SECTION 6.** ORS 198.010 is amended to read:

31 198.010. As used in this chapter, except as otherwise specifically provided, "district" means any  
32 one of the following:

33 (1) A people's utility district organized under ORS chapter 261.

34 (2) A domestic water supply district organized under ORS chapter 264.

35 (3) A cemetery maintenance district organized under ORS chapter 265.

36 (4) A park and recreation district organized under ORS chapter 266.

37 (5) A mass transit district organized under ORS 267.010 to 267.390.

38 (6) A metropolitan service district organized under ORS chapter 268.

39 (7) A special road district organized under ORS 371.305 to 371.360.

40 (8) A road assessment district organized under ORS 371.405 to 371.535.

41 (9) A highway lighting district organized under ORS chapter 372.

42 (10) A health district organized under ORS 440.305 to 440.410.

43 (11) A sanitary district organized under ORS 450.005 to 450.245.

44 (12) A sanitary authority, water authority or joint water and sanitary authority organized under  
45 ORS 450.600 to 450.989.

- 1 (13) A vector control district organized under ORS 452.020 to 452.170.
- 2 (14) A rural fire protection district organized under ORS chapter 478.
- 3 (15) An irrigation district organized under ORS chapter 545.
- 4 (16) A drainage district organized under ORS chapter 547.
- 5 (17) A water improvement district organized under ORS chapter 552.
- 6 (18) A water control district organized under ORS chapter 553.
- 7 (19) A weather modification district organized under ORS 558.200 to 558.440.
- 8 (20) A port organized under ORS 777.005 to 777.725 and 777.915 to 777.953.
- 9 (21) A geothermal heating district organized under ORS chapter 523.
- 10 (22) A transportation district organized under ORS 267.510 to 267.650.
- 11 (23) A library district organized under ORS 357.216 to 357.286.
- 12 (24) A 9-1-1 communications district organized under ORS 403.300 to 403.380.
- 13 (25) A heritage district organized under ORS 358.442 to 358.474.
- 14 (26) A radio and data district organized under ORS 403.500 to 403.542.
- 15 **(27) A broadband district organized under sections 1 to 5 of this 2015 Act.**

16 **SECTION 7.** ORS 198.115 is amended to read:

17 198.115. (1) As used in this section, “district” has the meaning given that term in ORS 198.010  
18 (1) to (5), [and] (7) to (24) **and (27)**.

19 (2) A district, by an ordinance or resolution that takes effect at least one year prior to the date  
20 of the regular district election, may provide that any individual who is an employee of the district  
21 is not eligible to serve as a member of the governing board of the district by which the individual  
22 is employed.

23 **SECTION 8.** ORS 198.180 is amended to read:

24 198.180. As used in ORS 198.190, unless the context requires otherwise, “district” has the  
25 meaning given that term by ORS 198.010 (2) to (5), (7) to (23), [and] (25) **and (27)**. In addition, “dis-  
26 trict” means any one of the following:

27 (1) A county service district organized under ORS chapter 451.

28 (2) A diking district organized under ORS chapter 551.

29 (3) A corporation for irrigation, drainage, water supply or flood control organized under ORS  
30 chapter 554.

31 (4) A soil and water conservation district organized under ORS 568.210 to 568.808 and 568.900  
32 to 568.933.

33 (5) The Port of Portland created by ORS 778.010.

34 **SECTION 9.** ORS 198.210 is amended to read:

35 198.210. As used in ORS 198.220, in addition to the meaning given the term by ORS 198.010 (1)  
36 to (5), [and] (7) to (24) **and (27)**, “district” means any one of the following:

37 (1) A corporation for irrigation, drainage, water supply or flood control organized under ORS  
38 chapter 554.

39 (2) A soil and water conservation district organized under ORS 568.210 to 568.808 and 568.900  
40 to 568.933.

41 (3) A weed control district organized under ORS 569.350 to 569.445.

42 (4) A port district organized under ORS chapter 778.

43 **SECTION 10.** ORS 198.310 is amended to read:

44 198.310. As used in ORS 198.320, in addition to the meaning given the term by ORS 198.010 (1)  
45 to (5), (7) to (24), [and] (26) **and (27)**, “district” means a soil and water conservation district organ-

1 ized under ORS 568.210 to 568.808 and 568.900 to 568.933.

2 **SECTION 11.** ORS 198.510 is amended to read:

3 198.510. As used in ORS 198.510 to 198.600, unless the context requires otherwise:

4 (1) "County" means the county in which the district, or the greater portion of the assessed value  
5 of the district, is located.

6 (2) "County board" means the board of county commissioners or the county court of the county.

7 (3) "County clerk" means the county clerk of the county.

8 (4) "District" has the meaning given that term in ORS 198.010 (2), (4), (5), (11), (12), (14), (17),  
9 (19), (20) to (23), (25), [and] (26) **and (27)**. In addition, "district" means any one of the following:

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

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

12 (5) "District board" means the governing body of a district and the term includes a county board  
13 that is in the governing body of a district.

14 (6) "Presiding officer" means the chairperson, president or other person performing the office  
15 of presiding officer of the district board.

16 (7) "Principal Act" means the law, other than ORS 198.510 to 198.600, applicable to a district.

17 **SECTION 12.** ORS 198.705 is amended to read:

18 198.705. As used in ORS 198.705 to 198.955, unless the context requires otherwise:

19 (1) "Affected county" means each county which contains or would contain any territory for  
20 which a formation or a change of organization is proposed or ordered or which contains all or any  
21 part of a district for which a change of organization is proposed or ordered.

22 (2) "Affected district" means each district which contains or would contain territory for which  
23 a formation or a change of organization is proposed or ordered.

24 (3) "Annexation" includes the attachment or addition of territory to, or inclusion of territory in,  
25 an existing district.

26 (4) "Change of organization" means the annexation or withdrawal of territory to or from a dis-  
27 trict, the merger or consolidation of districts or the dissolution of a district.

28 (5) "Consolidation" means the uniting or joining of two or more districts into a single new suc-  
29 cessor district.

30 (6) "County board" means the county court or board of county commissioners of the principal  
31 county.

32 (7) "Dissolution" includes disincorporation, extinguishment or termination of the existence of a  
33 district and the cessation of all its corporate powers, except for the purpose of winding up the af-  
34 fairs of the district.

35 (8) "District" has the meaning given that term in ORS 198.010 (2) to (4), (6) to (14), (17) to (23),  
36 [and] (25) **and (27)**. In addition, "district" means any one of the following:

37 (a) A county road district organized under ORS 371.055 to 371.110.

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

39 (c) The Port of Portland created by ORS 778.010.

40 (d) A translator district organized under ORS 354.605 to 354.715.

41 (9) "District board" means the governing board of a district.

42 (10) "Formation" includes incorporation, organization or creation of a district.

43 (11) "Inhabited territory" means territory within which there reside 12 or more persons who  
44 have been registered to vote within the territory for at least 30 days prior to the date a proceeding  
45 is commenced under ORS 198.705 to 198.955.

1 (12) “Landowner” or “owner of land” means any person shown as the owner of land on the last  
 2 assessment roll. However, if the person no longer holds the title to the property, then the terms  
 3 mean any person entitled to be shown as owner of land on the next assessment roll, or, when land  
 4 is subject to a written agreement of sale, the terms mean any person shown in the agreement as  
 5 purchaser to the exclusion of the seller. “Landowner” or “owner of land” includes any public  
 6 agency owning land.

7 (13) “Legal representative” means:

8 (a) An officer of a corporation duly authorized, by the bylaws or a resolution of the board of  
 9 directors of the corporation, to sign for and on behalf of the corporation; and

10 (b) A guardian, executor, administrator or other person holding property in a trust capacity  
 11 under appointment of court, when authorized by an order of court, which order may be made without  
 12 notice.

13 (14) “Merger” means the extinguishment, termination and cessation of the existence of one or  
 14 more districts by uniting with and being absorbed into another district.

15 (15) “Notice” includes an ordinance, resolution, order or other similar matter providing notice  
 16 which ORS 198.705 to 198.955 authorize or require to be published, posted or mailed.

17 (16) “Principal Act” means the statutes which describe the powers of a district, including the  
 18 statutes under which a district is proposed or is operating.

19 (17) “Principal county” or “county” means the county in which the district, or the greater por-  
 20 tion of the assessed value of all taxable property in the district, as shown by the most recent as-  
 21 sessment roll of the counties, is located at the time proceedings are initiated to form a district, but  
 22 for any district formed prior to and existing on September 9, 1971, “principal county” or “county”  
 23 means the county in which the district, or the greater portion of the value of all taxable property  
 24 in the district, as shown by the most recent assessment roll of the counties, was located on Sep-  
 25 tember 9, 1971.

26 (18) “Proceeding” means a proceeding for formation or for change of organization conducted  
 27 pursuant to ORS 198.705 to 198.955.

28 (19) “Uninhabited territory” means territory within which there reside less than 12 electors who  
 29 were residents within the territory 30 days prior to the date a proceeding is commenced under ORS  
 30 198.705 to 198.955.

31 (20) “Withdrawal” includes the detachment, disconnection or exclusion of territory from an ex-  
 32 isting district.

33 **SECTION 13.** ORS 199.420 is amended to read:

34 199.420. As used in ORS 199.410 to 199.534, unless the context requires otherwise, “district”  
 35 means one of the following:

36 (1) Domestic water supply district organized under ORS chapter 264.

37 (2) Park and recreation district organized under ORS chapter 266.

38 (3) Metropolitan service district organized under ORS chapter 268.

39 (4) Highway lighting district organized under ORS chapter 372.

40 (5) Sanitary district organized under ORS 450.005 to 450.245.

41 (6) Sanitary authority, water authority or joint water and sanitary authority organized under  
 42 ORS 450.600 to 450.989.

43 (7) County service district organized under ORS chapter 451.

44 (8) Vector control district organized under ORS 452.020 to 452.170.

45 (9) Rural fire protection district organized under ORS chapter 478.

1 (10) Geothermal heating district organized under ORS chapter 523.

2 (11) Corporations organized under ORS chapter 554 for the purpose of supplying water for do-  
3 mestic use or any other district supplying or seeking to supply domestic water.

4 (12) Library district organized under ORS 357.216 to 357.286.

5 (13) Special road district organized under ORS 371.305 to 371.360.

6 (14) Heritage district organized under ORS 358.442 to 358.474.

7 **(15) A broadband district organized under sections 1 to 5 of this 2015 Act.**

8 **SECTION 14.** ORS 255.012 is amended to read:

9 255.012. As used in this chapter, “district” means:

10 (1) A domestic water supply district organized under ORS chapter 264.

11 (2) A cemetery maintenance district organized under ORS chapter 265.

12 (3) A park and recreation district organized under ORS chapter 266.

13 (4) A mass transit district organized under ORS 267.010 to 267.390.

14 (5) A transportation district organized under ORS 267.510 to 267.650.

15 (6) A metropolitan service district organized under ORS chapter 268.

16 (7) A translator district organized under ORS 354.605 to 354.715.

17 (8) A library district organized under ORS 357.216 to 357.286.

18 (9) A county road district organized under ORS 371.055 to 371.110.

19 (10) A special road district organized under ORS 371.305 to 371.360.

20 (11) A road assessment district organized under ORS 371.405 to 371.535.

21 (12) A highway lighting district organized under ORS chapter 372.

22 (13) A health district organized under ORS 440.305 to 440.410.

23 (14) A sanitary district organized under ORS 450.005 to 450.245.

24 (15) A sanitary authority, water authority or joint water and sanitary authority organized under  
25 ORS 450.600 to 450.989.

26 (16) A county service district organized under ORS chapter 451.

27 (17) A vector control district organized under ORS 452.020 to 452.170.

28 (18) A rural fire protection district organized under ORS chapter 478.

29 (19) An airport district organized under ORS chapter 838.

30 (20) A geothermal heating district organized under ORS chapter 523.

31 (21) A water improvement district organized under ORS chapter 552.

32 (22) A water control district organized under ORS chapter 553.

33 (23) A weather modification district organized under ORS 558.200 to 558.440.

34 (24) A livestock district organized under ORS 607.005 to 607.051.

35 (25) A port organized under ORS 777.005 to 777.725 and 777.915 to 777.953.

36 (26) The Port of Portland established by ORS 778.010.

37 (27) A school district.

38 (28) Territory, other than territory within a city, proposed to be created, formed or incorporated  
39 into a district or to be annexed or otherwise added to a district.

40 (29) A soil and water conservation district organized under ORS 568.210 to 568.810 and 568.900  
41 to 568.933.

42 (30) A heritage district organized under ORS 358.442 to 358.474.

43 (31) A radio and data district organized under ORS 403.500 to 403.542.

44 **(32) A broadband district organized under sections 1 to 5 of this 2015 Act.**

45 **SECTION 15.** ORS 174.116 is amended to read:

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

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

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

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

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

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

15 (a) An economic improvement district created under ORS 223.112 to 223.132 or 223.141 to  
 16 223.161.

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

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

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

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

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

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

23 (h) A metropolitan service district organized under ORS chapter 268.

24 (i) A translator district organized under ORS 354.605 to 354.715.

25 (j) A library district organized under ORS 357.216 to 357.286.

26 **(k) A heritage district organized under ORS 358.442 to 358.474.**

27 [(k)] **(L)** A county road district organized under ORS 371.055 to 371.110.

28 [(L)] **(m)** A special road district organized under ORS 371.305 to 371.360.

29 [(m)] **(n)** A road assessment district organized under ORS 371.405 to 371.535.

30 [(n)] **(o)** A highway lighting district organized under ORS chapter 372.

31 [(o)] **(p)** A 9-1-1 communications district organized under ORS 403.300 to 403.380.

32 **(q) A radio and data district organized under ORS 403.500 to 403.542.**

33 [(p)] **(r)** A health district organized under ORS 440.305 to 440.410.

34 [(q)] **(s)** A sanitary district organized under ORS 450.005 to 450.245.

35 [(r)] **(t)** A sanitary authority, water authority or joint water and sanitary authority organized  
 36 under ORS 450.600 to 450.989.

37 [(s)] **(u)** A county service district organized under ORS chapter 451.

38 [(t)] **(v)** A vector control district organized under ORS 452.020 to 452.170.

39 [(u)] **(w)** A rural fire protection district organized under ORS chapter 478.

40 [(v)] **(x)** A geothermal heating district organized under ORS chapter 523.

41 [(w)] **(y)** An irrigation district organized under ORS chapter 545.

42 [(x)] **(z)** A drainage district organized under ORS chapter 547.

43 [(y)] **(aa)** A diking district organized under ORS chapter 551.

44 [(z)] **(bb)** A water improvement district organized under ORS chapter 552.

45 [(aa)] **(cc)** A water control district organized under ORS chapter 553.

- 1        [(bb)] **(dd)** A district improvement company or a district improvement corporation organized
  - 2 under ORS chapter 554.
  - 3        [(cc)] **(ee)** A weather modification district organized under ORS 558.200 to 558.440.
  - 4        [(dd)] **(ff)** A fair district formed under ORS chapter 565.
  - 5        [(ee)] **(gg)** A soil and water conservation district organized under ORS 568.210 to 568.808 and
  - 6 568.900 to 568.933.
  - 7        [(ff)] **(hh)** A weed control district organized under ORS 569.350 to 569.445.
  - 8        [(gg)] **(ii)** A port organized under ORS 777.005 to 777.725 and 777.915 to 777.953.
  - 9        [(hh)] **(jj)** The Port of Portland created under ORS 778.010.
  - 10       [(ii)] **(kk)** An airport district established under ORS chapter 838.
  - 11       [(jj)] *A heritage district organized under ORS 358.442 to 358.474.]*
  - 12       [(kk)] *A radio and data district organized under ORS 403.500 to 403.542.]*
  - 13       **(LL) A broadband district organized under sections 1 to 5 of this 2015 Act.**
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