

B-Engrossed
Senate Bill 431

Ordered by the Senate May 31
Including Senate Amendments dated April 15 and May 31

Sponsored by Senator FREDERICK, Representative GORSEK; Senator MONNES ANDERSON (Presession 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.

Creates urban flood safety and water quality district in portion of Multnomah County within urban growth boundary adopted by Metro, for purposes of acquiring, purchasing, constructing, improving, operating and maintaining infrastructure in order to provide for flood safety and contribute to water quality, floodplain restoration and habitat and landscape resilience.

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, 198.510 and 255.012; and prescribing an effective date.

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

5
6 **PURPOSE AND CREATION OF**
7 **URBAN FLOOD SAFETY AND WATER QUALITY DISTRICT**
8

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

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 Oregon Constitution, who resides in the district.

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

3 (5) "Green infrastructure" means infrastructure adapted to wet weather management
4 that:

5 (a) Infiltrates, evapotranspires, captures and reuses storm water to maintain or restore
6 natural hydrology;

7 (b) Protects or restores natural landscapes;

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

10 (d) Harvests rain water from an artificial impervious surface for nonpotable uses, in-
11 cluding landscape irrigation and toilet flushing.

12 (6) "Land" or "tract of land" means real property, including improvements on the prop-
13 erty.

14 (7) "Landscape resilience" means the ability of a landscape to sustain ecological func-
15 tions, native biodiversity and critical landscape processes over time, under changing condi-
16 tions and despite multiple stressors and uncertainties.

17 (8) "Managed floodplain" means the portion of the historic Columbia River floodplain lo-
18 cated in northern Multnomah County that requires or benefits from management to accom-
19 plish the purposes of the district, as determined by the district board.

20 (9) "Public body" has the meaning given that term in ORS 174.109.

21 (10) "Works" means dams and storage reservoirs for flood risk reduction, canals, ditches,
22 dikes, levees, revetments, green infrastructure and all other structures, facilities, improve-
23 ments and property necessary or convenient for conveying and controlling water for the
24 purpose of flood control, environmental benefits or water quality.

25 SECTION 3. Creation of urban flood safety and water quality district; purposes; limita-
26 tion; filing boundary change with county assessor and Department of Revenue; protection
27 of water rights. (1) An urban flood safety and water quality district is created for the pur-
28 pose of acquiring, purchasing, constructing, improving, operating and maintaining works in
29 order to:

30 (a) Reduce the risk of flooding;

31 (b) Protect people and property from flood risk;

32 (c) Respond to flood emergencies;

33 (d) Convey water for the purpose of flood safety;

34 (e) Contribute to improved water quality, fish and wildlife habitat, floodplain restoration
35 and landscape resilience;

36 (f) Promote equity and social justice in all aspects of the district's operations;

37 (g) Prepare for and adapt to the impact of climate change in relation to the managed
38 floodplain; and

39 (h) Provide the public with information regarding the cultural history of the territory in
40 the managed floodplain.

41 (2)(a) The boundaries of the district are the boundaries of the portion of Multnomah
42 County that lies within the urban growth boundary adopted by the metropolitan service dis-
43 trict under ORS 268.390 as the urban growth boundary exists on the effective date of this
44 2019 Act, or as changed by the metropolitan service district under ORS 268.354 on or after
45 the effective date of this 2019 Act. All cities and taxing districts within the boundaries of the

1 district shall be included in the district.

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

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

8 **SECTION 4. Proceedings to test validity of order or act of district board.** (1)(a) Any
9 elector or owner of land within the district may bring any proceeding that the board of di-
10 rectors of the urban flood safety and water quality district is authorized to bring under ORS
11 33.710.

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

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

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

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

22
23 **BOARD OF DIRECTORS**
24

25 **SECTION 5. Board of directors; selection of directors; terms.** (1) The initial board of di-
26 rectors of the urban flood safety and water quality district shall consist of 17 directors ap-
27 pointed as follows:

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

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

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

31 (d) One director representing the City of Troutdale appointed by the Troutdale city
32 council.

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

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

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

38 (h) One director representing the Port of Portland appointed by the board of commis-
39 sioners of the Port of Portland.

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

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

44 (k) One director representing Peninsula Drainage District No. 2 appointed by the district
45 board of supervisors.

1 (L) One director representing Sandy Drainage Improvement Company appointed by the
2 company board of directors.

3 (m) One director who resides in a neighborhood within the boundaries of Multnomah
4 County Drainage District No. 1, Peninsula Drainage District No. 1, Peninsula Drainage Dis-
5 trict No. 2 or Sandy Drainage Improvement Company appointed by the Governor.

6 (n) One director who represents a private sector business located within the boundaries
7 of Multnomah County Drainage District No. 1, Peninsula Drainage District No. 1, Peninsula
8 Drainage District No. 2 or Sandy Drainage Improvement Company appointed by the Gover-
9 nor.

10 (o) Three directors who represent public interest nonprofit corporations with expertise
11 or interest related to the territory within the boundaries of Multnomah County Drainage
12 District No. 1, Peninsula Drainage District No. 1, Peninsula Drainage District No. 2 or Sandy
13 Drainage Improvement Company appointed by the Governor, of which:

14 (A) One director must represent an environmental conservation organization; and

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

16 (2) The purpose of the initial district board is to organize the district and to develop, and
17 approve or seek approval from the electors of, methods of funding the operations of the
18 district. To accomplish this purpose, the initial district board may exercise all the duties and
19 powers set forth in section 7 of this 2019 Act.

20 (3) At the first meeting of the initial district board, the board shall elect a member to
21 serve as chair. The chair shall preside over board meetings, appoint subcommittees subject
22 to board approval and set the meeting agenda subject to revisions by the board.

23 (4) Any vacancy on the initial district board shall be filled by majority vote of the re-
24 maining directors of the board. The replacement director must qualify for the vacant posi-
25 tion as provided in subsection (1) of this section.

26 (5) The directors of the initial district board shall serve until the initial district board
27 adopts a resolution calling for the selection of the district board. The initial district board
28 shall adopt the resolution no later than six months before the next regular district election
29 that is held after the district first begins to collect revenues under one of the methods set
30 forth in section 16 of this 2019 Act. The initial district board shall file a copy of the resolution
31 with the county elections officer and the Governor.

32 (6) The district board shall consist of nine voting directors selected as follows:

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

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

37 (A) Resides within the managed floodplain;

38 (B) Regardless of whether the elector resides within the managed floodplain, owns real
39 property located within the managed floodplain; or

40 (C) Regardless of whether the elector resides within the managed floodplain, is the des-
41 ignated representative of a business or other for profit or nonprofit corporation that owns
42 real property located within the managed floodplain and is authorized in writing by the owner
43 to be a candidate at the time of filing the declaration of candidacy.

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

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

- 1 (ii) One director with expertise or an interest in environmental conservation;
- 2 (iii) One director with expertise or an interest in environmental justice; and
- 3 (iv) One director representing the Port of Portland from among persons recommended
- 4 by the board of commissioners of the Port of Portland.

5 (B) Before making an appointment under subparagraph (A)(i) to (iii) of this paragraph,
6 the Governor shall provide the district board with an opportunity to recommend individuals
7 who may have specific kinds of expertise that the board believes to be necessary or beneficial
8 to the district.

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

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

18 (9)(a)(A) The district board shall fill any vacancy among the elected directors of the dis-
19 trict board as provided in ORS 198.320.

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

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

25 SECTION 6. Organizational meeting; oath; officers; meetings. (1) As soon as practicable
26 after the election and appointment of the directors to the board of directors of the urban
27 flood safety and water quality district, the directors shall meet to qualify all individuals
28 elected or appointed as directors by administering an oath of office and to elect the officers
29 of the district board.

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

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

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

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

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

39 (3) Establish reasonable bylaws and rules for the administration of the affairs of the
40 district.

41 (4) Adopt ordinances under ORS 198.510 to 198.600 that the directors consider necessary
42 or convenient for carrying out or enforcing the district's powers and duties under sections
43 1 to 26 of this 2019 Act.

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

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

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

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

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

5 (10) Establish the boundaries of the managed floodplain. The district board may amend
6 the boundaries from time to time as the board deems necessary or prudent to address reg-
7 ulatory or environmental changes that affect the need for district management to accom-
8 plish the purposes of the district set forth in section 3 of this 2019 Act.

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

10 SECTION 8. Stakeholder advisory committee. The board of directors of the urban flood
11 safety and water quality district may appoint stakeholder advisory committees to advise the
12 district board on aspects of the operation of the district, to assist the board with community
13 outreach and citizen participation or to advise the board on other matters as the board
14 deems necessary or beneficial to the district.

15
16 **POWERS OF DISTRICT**

17
18 SECTION 9. General powers of district. To carry out the purposes for which it was cre-
19 ated, the urban flood safety and water quality district is a body corporate and has the power
20 to, without limitation:

21 (1) Have and use a seal.

22 (2) Have perpetual succession.

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

24 (4) Acquire by condemnation, purchase, devise, gift or voluntary grant real and personal
25 property, or any interest in such property, located inside or outside the boundaries of the
26 managed floodplain, as the district board deems necessary for the purposes of the district
27 set forth in section 3 of this 2019 Act, and dispose of such real and personal property when
28 the district board deems the property unnecessary for the purposes of the district set forth
29 in section 3 of this 2019 Act.

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

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

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

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

38 (9) Enter into contracts or grant agreements with nonprofit corporations or community
39 groups.

40 (10) Acquire and maintain water and water rights, as the district board deems necessary
41 for the purposes of the district set forth in section 3 of this 2019 Act.

42 (11) Enforce the authority of the district and protect the district's works against public
43 nuisances, obstructions or discharges on public or private property that the district deems
44 to have a negative impact on the district's works.

45 (12) Dissolve any drainage district or corporation described in section 22 of this 2019 Act

1 that is located entirely within the boundaries of the district and assume the assets of the
2 dissolved district or corporation, including all lands and personal property, water rights, ob-
3 ligations, debts and liabilities.

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

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

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

10 (a) Within the managed floodplain; or

11 (b) Outside the managed floodplain if the district board deems such property to be nec-
12 essary for flood control within the managed floodplain.

13 (3) The district's authority to condemn property includes property already devoted to a
14 public use, if acquisition of such property is required by regulations applicable to the district
15 under federal law, is required by a federally mandated agreement between a federal agency
16 and the district or is approved by the public body that owns the property.

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

21 **SECTION 11. District activities as urban services.** Activities of the urban flood safety and
22 water quality district are deemed to be urban services, as defined in ORS 195.065, if the dis-
23 trict engages in the activities to manage flood control and safety, water quality or surface
24 water.

25 **SECTION 12. Watershed improvement.** (1)(a) The urban flood safety and water quality
26 district shall prepare a plan for watershed and habitat improvement and landscape resilience
27 within the managed floodplain. The watershed improvement plan shall be coordinated with
28 plans or programs of other jurisdictions with authority over watershed management within
29 the managed floodplain.

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

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

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

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

41 (b) A watershed improvement plan and works included in the plan must be based on as-
42 sessments of data and information critical for evaluating and monitoring flood safety or
43 watershed health.

44 (3)(a) The initial district board of directors appointed under section 5 (1) of this 2019 Act
45 shall consider the projected scope of a watershed improvement plan and the impact of the

1 plan on the cost of the district's works in the course of developing methods of funding the
2 operations of the district as provided in section 5 (2) of this 2019 Act.

3 (b) The district board of directors shall complete a watershed improvement plan within
4 three years following the date on which the directors of the district board commence their
5 initial terms of office as provided in section 5 (6) to (9) of this 2019 Act.

6 (4) The district shall review and update the watershed improvement plan at least every
7 10 years.

8 **SECTION 13. District works; engineering plans.** (1) The urban flood safety and water
9 quality district may undertake construction of works upon approval of the proposed works
10 by the district board.

11 (2) The district board shall obtain engineering plans for any works that require engi-
12 neering.

13 **SECTION 14. District contracts subject to Public Contracting Code.** The urban flood
14 safety and water quality district is a contracting agency as defined in ORS 279A.010 for all
15 applicable requirements of the Public Contracting Code.

16 **SECTION 15. Construction on public land or right of way or along watercourse.** (1) The
17 urban flood safety and water quality district may construct works:

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

20 (b) Across or along any stream of water or watercourse, any ground water resource or
21 any affected lands that are the property of the state or of any political subdivision of the
22 state.

23 (2) When constructing works under this section, the district shall comply with all federal,
24 state and local permitting and regulatory requirements and restrictions applicable to the
25 district's work in a street, right of way, stream of water or watercourse or ground water
26 resource that is the property of the state or of any political subdivision of the state.

27 **SECTION 16. Financing construction, operation or maintenance of district works.** The
28 board of directors of the urban flood safety and water quality district may finance the con-
29 struction, operation or maintenance of district works by the following means:

30 (1) Assessments made under section 17 of this 2019 Act against the benefited lands in the
31 district, with or without the issuance of works bonds.

32 (2) Service and user charges imposed under section 19 of this 2019 Act, with or without
33 the issuance of revenue bonds.

34 (3) Issuance of general obligation bonds under section 20 of this 2019 Act.

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

36 **SECTION 17. Assessment of cost of works against benefited lands; hearing on proposed**
37 **assessment; works bonds.** (1) All or part of the cost of building, constructing, purchasing,
38 operating, maintaining or improving works of the urban flood safety and water quality dis-
39 trict may be assessed against the lands to be benefited by the works. The district board shall
40 determine the portion of the cost, if any, that is to be paid from the general fund of the
41 district and the portion that is to be paid by assessments against the lands benefited.

42 (2) Assessments shall be apportioned by the district board among benefited lands in ac-
43 cordance with the special and peculiar benefit to be received from the district works by each
44 lot or parcel of land. For parcels of land, or any portion of the parcels, in the district that
45 are undeveloped, the district board may, in its discretion, defer assessing or imposing all or

1 any portion of the assessments on such parcels until the parcels are connected with, or re-
2 ceiving services from, the district works.

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

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

12 **SECTION 18. Ad valorem property taxes; collection; enforcement.** (1)(a) The urban flood
13 safety and water quality district may annually impose, assess and collect a tax on all taxable
14 property located in the district in an amount sufficient to pay the principal and interest due
15 in the fiscal year on outstanding general obligation bonds issued by the district.

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

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

22 **SECTION 19. Service and user charges; process for issuing revenue bonds.** (1) To pay the
23 costs of acquiring, purchasing, constructing, improving, operating and maintaining district
24 works, the board of directors of the urban flood safety and water quality district may adopt
25 an ordinance to:

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

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

30 (2) Charges, fees, rates and tolls described in subsection (1) of this section shall be based
31 on the costs of acquiring, purchasing, constructing, improving, operating and maintaining
32 the works, facilities or services and of administering the charges.

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

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

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

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

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

44 (6) The district board may issue revenue bonds by pledging all or part of any charge, fee,
45 rate or toll adopted pursuant to this section. All revenue bonds issued under this section

1 shall be issued as prescribed in ORS chapter 287A.

2 **SECTION 20. General obligation bonds; refunding bonds; procedures.** (1)(a) Upon approval
3 of the electors of the urban flood safety and water quality district, the district may issue
4 general obligation bonds. The district may not issue or have outstanding at the time of is-
5 suance general obligation bonds in a principal amount that exceeds two percent of the real
6 market value of all taxable property in the district, calculated as provided under ORS 308.207.

7 (b) Bonds issued under this section may be issued solely for the purpose of financing:

8 (A) Capital construction or capital improvements within the meaning of Article XI, sec-
9 tion 11, of the Oregon Constitution;

10 (B) Capital construction or improvements within the meaning of Article XI, section 11b,
11 of the Oregon Constitution; or

12 (C) Capital costs within the meaning of Article XI, section 11L, of the Oregon Constitu-
13 tion.

14 (2) All general obligation bonds, including refunding bonds, issued under this section shall
15 be issued as prescribed in ORS chapter 287A.

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

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

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

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

42 **SECTION 22. Dissolution of drainage or water control district or corporation; transfer**
43 **of assets and liabilities to urban flood safety and water quality district.** (1)(a)
44 Notwithstanding any other provision of law, the urban flood safety and water quality district
45 may, by resolution of the district board, dissolve any drainage district formed and operating

1 under ORS chapter 547, any drainage district organized and operating under ORS 548.005 to
2 548.120 or any corporation incorporated for any of the purposes listed in ORS 554.020, that
3 is operating entirely within the boundaries of the urban flood safety and water quality dis-
4 trict.

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

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

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

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

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

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

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

41 (5) After paying and discharging all debts and obligations or obtaining consent from
42 holders of valid indebtedness or releases from nonconsenting holders, in accordance with the
43 debt distribution plan, the governing body of the district or corporation to be dissolved shall
44 transfer to the urban flood safety and water quality district all assets of the district or cor-
45 poration to be dissolved.

1 (6) If requested by the district or corporation to be dissolved, or at the discretion of the
2 district board, the district board may create a zone committee with members appointed by
3 the chair of the district or corporation to be dissolved to provide for continuity and recom-
4 mendations with respect to fees, rates and charges, and levels of support and operation,
5 within the territory of the dissolved district or corporation.

6 **SECTION 23. Notice requirements.** (1) Except as provided in subsection (2) of this sec-
7 tion, when notice is required to be given by publication under sections 1 to 26 of this 2019
8 Act, the notice must be published in a newspaper of general circulation within the boundaries
9 of the urban flood safety and water quality district, or if there is no such newspaper, in a
10 newspaper of general circulation in Multnomah County.

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

12 **SECTION 24. Election laws applicable.** (1) ORS chapter 255 governs the nomination and
13 election of the board of directors of the urban flood safety and water quality district and the
14 conduct of all district elections.

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

17 **SECTION 25. Waterway pollution; penalty.** (1) A person commits the crime of waterway
18 pollution if the person:

19 (a) Throws, dumps or otherwise places, or permits to be thrown, dumped or otherwise
20 placed, any rubbish, refuse or any other matter or object in any ditch, lateral, canal, slough
21 or other waterway or conduit used in connection with any works or waterway under the
22 control of the urban flood safety and water quality district;

23 (b) Befouls or pollutes, or allows to be befouled or polluted, any waterway or conduit
24 described in paragraph (a) of this subsection; or

25 (c) Obstructs, or allows to be obstructed, in any manner, any waterway or conduit de-
26 scribed in paragraph (a) of this subsection.

27 (2) Waterway pollution is a Class C misdemeanor.

28 **SECTION 26. Civil liability for remediation costs.** (1) Regardless of any criminal prose-
29 cution or the result of a prosecution under section 25 of this 2019 Act, the urban flood safety
30 and water quality district or any other person injured by a violation of section 25 of this 2019
31 Act may bring a civil action to secure an injunction, damages or other appropriate relief
32 against any and all persons whose actions caused the injury to a waterway described in sec-
33 tion 25 of this 2019 Act owned or controlled by the district or person.

34 (2) Upon prevailing in such civil action, the plaintiff may recover damages measured by
35 the total costs of remediating the injury actually incurred by the district or the person that
36 owns or controls the injured waterway.

37
38 **CONFORMING AMENDMENTS**
39

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

41 174.116. (1)(a) Subject to ORS 174.108, as used in the statutes of this state “local government”
42 means all cities, counties and local service districts located in this state, and all administrative
43 subdivisions of those cities, counties and local service districts.

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

45 (A) An entity created by statute, ordinance or resolution for the purpose of giving advice only

1 to a local government;

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

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

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

10 (a) An economic improvement district created under ORS 223.112 to 223.132 or 223.141 to
11 223.161.

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

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

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

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

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

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

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

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

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

21 (k) A county road district organized under ORS 371.055 to 371.110.

22 (L) A special road district organized under ORS 371.305 to 371.360.

23 (m) A road assessment district organized under ORS 371.405 to 371.535.

24 (n) A highway lighting district organized under ORS chapter 372.

25 (o) A 9-1-1 communications district organized under ORS 403.300 to 403.380.

26 (p) A health district organized under ORS 440.305 to 440.410.

27 (q) A sanitary district organized under ORS 450.005 to 450.245.

28 (r) A sanitary authority, water authority or joint water and sanitary authority organized under
29 ORS 450.600 to 450.989.

30 (s) A county service district organized under ORS chapter 451.

31 (t) A vector control district organized under ORS 452.020 to 452.170.

32 (u) A rural fire protection district organized under ORS chapter 478.

33 (v) A geothermal heating district organized under ORS chapter 523.

34 (w) An irrigation district organized under ORS chapter 545.

35 (x) A drainage district organized under ORS chapter 547.

36 (y) A diking district organized under ORS chapter 551.

37 (z) A water improvement district organized under ORS chapter 552.

38 (aa) A water control district organized under ORS chapter 553.

39 (bb) A district improvement company or a district improvement corporation organized under
40 ORS chapter 554.

41 (cc) A weather modification district organized under ORS 558.200 to 558.440.

42 (dd) A fair district formed under ORS chapter 565.

43 (ee) A soil and water conservation district organized under ORS 568.210 to 568.808 and 568.900
44 to 568.933.

45 (ff) A weed control district organized under ORS 569.350 to 569.445.

1 (gg) A port organized under ORS 777.005 to 777.725 and 777.915 to 777.953.

2 (hh) The Port of Portland created under ORS 778.010.

3 (ii) An airport district established under ORS chapter 838.

4 (jj) A heritage district organized under ORS 358.442 to 358.474.

5 (kk) A radio and data district organized under ORS 403.500 to 403.542.

6 (LL) A sand control district organized under ORS 555.500 to 555.535.

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

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

10 198.010. As used in this chapter, except as otherwise specifically provided, “district” means any
11 one of the following:

12 (1) A people’s utility district organized under ORS chapter 261.

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

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

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

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

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

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

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

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

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

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

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

25 (13) A vector control district organized under ORS 452.020 to 452.170.

26 (14) A rural fire protection district organized under ORS chapter 478.

27 (15) An irrigation district organized under ORS chapter 545.

28 (16) A drainage district organized under ORS chapter 547.

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

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

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

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

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

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

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

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

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

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

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

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

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

43 198.310. As used in ORS 198.320, in addition to the meaning given the term by ORS 198.010 (1)
44 to (5), (7) to (24)[(26) and (27)] **and (26) to (28)**, “district” means a soil and water conservation
45 district organized under ORS 568.210 to 568.808 and 568.900 to 568.933.

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

2 198.510. As used in ORS 198.510 to 198.600, unless the context requires otherwise:

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

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

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

7 (4) “District” has the meaning given that term in ORS 198.010 (2), (4), (5), (11), (12), (14), (16),
8 (17), (19), (20) to (23), (25)[, (26) and (27)] **to (28)**. In addition, “district” means any one of the fol-
9 lowing:

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 31.** ORS 255.012 is amended to read:

18 255.012. As used in this chapter, “district” means:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 (27) A school district.

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

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

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

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

8 (32) A sand control district organized under ORS 555.500 to 555.535.

9 **(33) An urban flood safety and water quality district created under sections 1 to 26 of this**
10 **2019 Act.**

11

12

UNIT AND SECTION CAPTIONS

13

14 **SECTION 32. The unit and section captions used in this 2019 Act are provided only for**
15 **the convenience of the reader and do not become part of the statutory law of this state or**
16 **express any legislative intent in the enactment of this 2019 Act.**

17

18

EFFECTIVE DATE

19

20 **SECTION 33. This 2019 Act takes effect on the 91st day after the date on which the 2019**
21 **regular session of the Eightieth Legislative Assembly adjourns sine die.**

22