

A-Engrossed Senate Bill 543

Ordered by the House May 30
Including House Amendments dated May 30

Sponsored by Senator RILEY, Representative SCHOUTEN; Senators BOQUIST, BURDICK, DEMBROW, GOLDEN, MANNING JR, ROBLAN, WAGNER, Representatives ALONSO LEON, HELM, KENY-GUYER, MCLAIN, WILDE (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.

Authorizes formation of children's service districts. Authorizes children's service districts to levy property taxes to fund programs that offer children's services. Defines "children's services" as services that support children's total health and well-being provided outside of school hours to individuals not more than 18 years of age. Provides that, if action is filed [*claiming*] **asserting valid claim** that revenue funding project is subject to compression under \$5 per \$1,000 of real market value cap for purposes of Ballot Measure 5 (1990) as revenue funding project constituting educational services, children's service district shall discontinue project and shall use revenue for project that does not constitute educational services.

A BILL FOR AN ACT

1
2 Relating to children's service districts; creating new provisions; and amending ORS 198.010.

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

4 **SECTION 1.** ORS 198.010 is amended to read:

5 198.010. As used in this chapter, except as otherwise specifically provided, "district" means any
6 one of the following:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

12 **(28) A children's service district organized under sections 2 to 5 of this 2019 Act.**

13 **SECTION 2. (1) As used in sections 2 to 5 of this 2019 Act:**

14 **(a) "Children" means individuals who are not more than 18 years of age.**

15 **(b) "Children's services" means services that support children's total health and well-being that are provided to children outside of school hours.**

17 **(2)(a) Children's service districts may be formed to provide funding for programs that offer children's services.**

19 **(b) If an action is filed asserting a valid claim that any revenue of a children's service district is subject to the \$5 limitation per \$1,000 of real market value under Article XI, section 11b, of the Oregon Constitution, because the revenue funds a project constituting educational services, including support services, the children's service district shall discontinue the project and shall instead use the revenue for a project that does not constitute educational services, including support services, within the meaning of Article XI, section 11b, of the Oregon Constitution.**

26 **(3)(a) ORS 198.705 to 198.955 apply to children's service districts.**

27 **(b) Notwithstanding paragraph (a) of this subsection, the petition for formation of a children's service district must be signed by not less than 10 percent of the electors or 100 electors, whichever is greater, registered in the territory subject to the petition.**

30 **SECTION 3. (1) The governing body of a children's service district shall be a board organized in accordance with this section and shall exercise all powers of the district.**

32 **(2)(a) The board shall consist of five members serving four-year terms.**

33 **(b) A district board member must be an elector residing within the children's service district.**

35 **(c) The district board members shall be elected as provided in ORS 198.815 and this section.**

37 **(3) Five district board members shall be elected at the election for district formation and shall serve for the following terms:**

39 **(a) If the effective date of the formation of the district occurs in an odd-numbered year, two district board members shall be elected for four-year terms and the other three district board members shall be elected for two-year terms.**

42 **(b) If the effective date of the formation of the district occurs in an even-numbered year, two district board members shall be elected for three-year terms and the other three district board members shall be elected for one-year terms.**

45 **(4) At the first meeting of the district board, or as soon as practicable, the board shall**

1 choose one of the members of the board as president.

2 (5) Each district board member shall hold office until election and qualification of a suc-
3 cessor.

4 **SECTION 4. A children's service district has the power:**

5 (1) To have and use a common seal.

6 (2) To sue and be sued in the name of the district.

7 (3) To make and accept any and all contracts, deeds, leases, releases and documents of
8 any kind that, in the judgment of the district board, are necessary and proper to the exercise
9 of any power of the district, and to direct the payment of all lawful claims or demands.

10 (4) To assess, levy and collect taxes to pay the cost of children's services within the
11 boundaries of the district, any lawful claims against the district and the operating expenses
12 of the district.

13 (5) To employ all necessary agents and assistants.

14 (6) To select the children's services programs that, after a competitive process conducted
15 by the district, are to receive funding from the district.

16 (7) To call elections for the district after the formation of the district.

17 (8) To enlarge the boundaries of the district as provided by ORS 198.705 to 198.955.

18 (9) Generally to do and perform any and all acts necessary and proper to the complete
19 exercise and effect of any of the powers of the district or the purposes for which the district
20 was formed.

21 **SECTION 5. (1) The board of a children's service district may annually impose, assess**
22 **and collect operating taxes as defined in ORS 310.055 on the assessed value of all taxable**
23 **property located in the district. The revenues from the taxes shall be used for the purposes**
24 **for which the district was created.**

25 (2) A children's service district is a municipal corporation for purposes of ORS 294.305
26 to 294.565 and shall file a written notice with the county assessor as required under ORS
27 310.060.

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