

# Chapter 450

## 1977 REPLACEMENT PART (1979 reprint)

### Sanitary Districts and Authorities; Water Supply Authorities

SANITARY DISTRICTS GENERALLY	
450.005	Definitions for ORS 450.005 to 450.245
(Formation)	
450.009	Formation purposes; petition
450.045	Board; powers; nomination; qualification; terms; election
(Officers and Elections)	
450.055	Board officers; term; vacancy
450.060	Nomination and election of directors
450.062	Increase of board membership from three to five members
450.065	Election of president; appointment, duties and compensation of secretary
450.070	Meetings of board
(Powers)	
450.075	Powers of sanitary district
450.080	Signatures on contracts and other documents
450.082	District may contract for employe health care services or insurance
450.084	Payment for services or insurance by district
450.085	Adoption of regulations and ordinances
(District Finances)	
450.090	County treasurer's duties in regard to district funds; other deposits
450.095	Bond election
450.110	District bonds; denomination; interest
450.115	Use of proceeds of bond sale
450.120	Debt limitations
450.125	When voter approval is required to issue bonds
450.130	Sewer service charges; collection and enforcement
450.135	Ordinance declaring method of payment
450.140	Assessment ordinance
450.145	Entry of assessments in lien docket; lien docket as public record
450.150	Hearing of objections to proposed improvements
450.155	Instalment payment of improvement costs; assessment of public property benefited; issuance of improvement warrants and bonds
450.160	Collection and enforcement of delinquent liens; reassessment
450.165	Preparation and approval of plans for drains and sewer installations
450.170	Levy of taxes
450.175	Collection of taxes
(Merger; Consolidation)	
450.178	Merger; approval by voters required; status of surviving district
450.182	Consolidation; approval by voters required; status of successor district
450.186	Petitions; election
450.190	Debt distribution plans; levy of taxes and assessments to liquidate prior existing indebtedness
450.198	Meeting of boards of affected districts; notice; quorum; election of board for surviving or successor district; filing of resolution
450.202	Election of board members for surviving or successor district; terms
(Annexation)	
450.215	Plans for division and disposal of properties
450.225	Effective date of annexation; disposition of properties in territory; liabilities and indebtedness of territory; filing of report
(Miscellaneous)	
450.245	Application of ORS 450.005 to 450.245 to districts organized under former laws; savings clause
(Districts with Valuation less than \$250,000)	
450.250	Definitions for ORS 450.250 to 450.300
450.255	Districts eligible for state help in financing sewerage systems
450.260	Conditions precedent to financing application
450.265	Bonds issued by district pursuant to ORS 450.250 to 450.300 are subject to State Treasurer control; refunding bonds issuable
450.270	Powers of State Treasurer in connection with ORS 450.250 to 450.300
450.275	State Treasurer approval of other bond issues by a district whose bonds are owned by state
450.280	Circumstances and conditions under which State Treasurer may purchase sewerage system bonds
450.285	State Sanitary District Sewer Bond Fund
450.290	Provisions concerning liquidation of indebtedness incurred by district financing a sewerage system under ORS 450.250 to 450.300
450.295	Refinancing indebtedness of district; court-appointed receiver may operate system
450.300	Duty of treasurer to keep funds separate and to withhold tax receipts for bond payments; liability of treasurer

**PUBLIC HEALTH AND SAFETY**

(Sanitary District Sewerage System Revolving Fund)	450.855	Action board may take at hearing concerning boundaries, installations to be constructed, costs and financing
450.303 Purchase of general obligation bonds of sanitary districts; Sanitary District Sewerage System Revolving Fund	450.860	Portion of installation construction costs in an authority chargeable to area benefited
<b>WATER SUPPLY AUTHORITIES</b>		
450.675 Formation of water supply authorities from areas within one or more counties	450.865	Ordinance specifying action of board at hearing may be adopted; remonstrances thereto
450.680 Formation of water supply authorities by cities and water districts	450.867	Election on ordinance adopted under ORS 450.865
450.685 Application of certain provisions to water supply authorities	450.870	Assessments against benefited property
	450.875	Collection of delinquent assessments by lien foreclosure procedure; reassessment procedure
<b>SANITARY AUTHORITIES</b>		
(Generally)		
450.705 Policy; construction	450.880	Sewer service charges
450.710 Definitions for ORS 450.675 to 450.980	450.885	Tax levies on all or only part of the property in the authority; budget for authority required
(Formation)		
450.715 Areas which may be formed into sanitary authorities	450.890	Collection of taxes; taxes are liens on property
450.785 Initiation of formation of a district by governing body without petition	450.895	Bonds, general obligation or revenue or combination of both; bonds to mature serially and be paid in instalments
(Board and Elections)		
450.790 Sanitary authority board	450.900	Election on bond issues; limitation on indebtedness
450.795 Nomination and election of first board members; terms	450.905	Notice of bond election
450.800 Annual and special elections in the authority	450.915	Bonds, issuance and sale
	450.920	Disposition of proceeds of the sale of bonds
	450.925	Refunding bonds may be issued
	450.930	Redemption of bonds before maturity dates
	450.935	Short-term financing
	450.940	Payment of assessments in instalments; issuance of improvement warrants and bonds
	450.945	Custody and disbursement of authority funds by county treasurer
(Powers)		
450.806 General powers of board; selection of board chairman; appointment of authority manager		
450.808 General duties of authority manager		
450.810 Board may adopt and enforce ordinances for sanitary purposes		
450.815 General powers of authority	450.947	Contracts for medical, dental and hospital services; insurance for employes; effect of failure to contract
450.820 Authority may maintain garbage collection system and engage in insect control activities	450.949	Payment of contract costs by authority and by employe; multiple contracts; qualification of insurer or hospital association
450.825 Plan for sewage disposal and drainage to be developed by authority	450.963	Employes' retirement system
450.830 Authority may construct and operate sewage disposal and drainage systems; operation beyond authority boundaries	450.967	Funding of retirement plan
450.835 Contract for or purchase of sewage disposal and drainage systems	450.971	Employe contribution
	450.973	Eligibility for retirement plan
	450.977	Tax levy to finance programs under ORS 450.947 to 450.977
(Finances)		
450.840 Costs for construction and operation of systems and general expenses of authority, how borne		
450.845 Areas needing sewerage installations to be determined and plans for installations to be made	450.980	Procedure for testing proceedings and acts of sanitary authorities
450.850 Hearing on board's proposed construction plans and estimated special assessments; notice of hearing		
		<b>PENALTIES</b>
	450.990	Penalties

# SANITARY DISTRICTS, AUTHORITIES; WATER AUTHORITIES

## CROSS REFERENCES

- Actions and suits by and against governmental units and officials, 30.310 to 30.400
- Bonds of sanitary districts, purchase by state, 224.310 to 224.450
- City sewers and sanitation, Ch. 224
- Construction and financing of sewerage facilities in sanitary districts, 454.105 to 454.175
- Cooperation by counties authorized, 451.140, 451.560
- Cooperative and joint action by districts, Ch. 190
- Discrimination in employment on account of age, 659.026
- Dissolution of special districts, 451.577
- District election procedures, Ch. 255
- Health hazard annexation or district formation, facilities and services, boundaries, 431.705 to 431.760
- Liens of municipal corporations, enforcement of against land acquired by county on foreclosure of delinquent tax liens, 275.130, 275.170
- Municipal districts in certain cases have powers of people's utility districts, 261.310
- Population, determination of, 190.520
- Port of Portland, sewers, 778.025
- Relocation of municipal facilities, payment of costs by Department of Transportation, 366.321
- Sewage disposal, authority, 454.205 to 454.255
- Sewage disposal and other service facilities, Ch. 451
- Tax levies by districts, Ch.310
- Tax levies outside constitutional limitation, authorization for serial, 280.060
- Vehicles used in refuse operations, maximum single axle weight, 483.506
- Water resources policy, state, compliance with required, 536.300 to 536.400
- 450.005**
- District election procedures, Ch. 255
- 450.009**
- Formation, changes in organization, generally, 198.705 to 198.955
- Review by local government boundary commission, 199.410 to 199.512
- 450.055**
- Bonds for board members, 198.220
- Recall procedure, 198.430
- Vacancies, filling of, 198.320
- 450.075**
- Condemnation procedure, Ch. 35, Ch. 281
- Powers of State Treasurer to authorize service beyond district boundaries, 450.270
- Rights of way for public uses, Ch. 772
- Sewerage system plans and specifications to be approved by Environmental Quality Commission, 468.742
- 450.085**
- Ordinances and regulations of districts, generally, 198.510 to 198.600
- 450.090**
- Liability of treasurer on bond for failure to account for sewerage revenues, 450.300
- 450.110**
- Borrowing and bonds of districts, 287.010, 287.012
- County treasurer's signature required on bonds where treasurer is bond manager, 208.205
- Information on bond issues to Municipal Debt Advisory Commission, 287.040, 287.042
- Issuance of bonds prohibited, when, 450.275
- Preliminary official statement required, 287.018
- 450.140**
- Assessments or levies against certain farm use lands prohibited, 308.401
- Assessments when bonds of district are purchased by state, 450.290
- 450.165**
- Master plan for sewage disposal in unincorporated areas, 451.120
- 450.170**
- Assessments or levies against certain farm use lands prohibited, 308.401
- Districts must submit budgets to the tax supervising and conservation commission in Multnomah County, 294.635
- 450.255**
- Borrowing by districts, Ch. 287
- Financing public projects and improvements, Ch. 280
- Financing sewerage systems in certain cities, 224.310 to 224.420, in sanitary districts, 454.105 to 454.175
- 450.295**
- Refinancing indebtedness of subdivisions, 287.104
- 450.705**
- District election procedures, Ch. 255
- 450.790**
- Bonds for board members, 198.220
- Recall procedure, 198.430
- Vacancies, filling of, 198.320
- 450.810**
- Authority to enter on private premises, 459.285
- Garbage disposal, or regulation thereof, by counties, 451.570
- Ordinances and regulations of districts, generally, 198.510 to 198.600
- 450.825**
- Plans for sewer systems to be approved by Environmental Quality Commission, 468.742
- 450.845**
- Master plan for sewage disposal in unincorporated areas, 451.120
- 450.895**
- Borrowing and bonds of districts, 287.010, 287.012
- 450.915**
- County treasurer's signature required on bonds where treasurer is bond manager, 208.205
- Information on bond issues to Municipal Debt Advisory Commission, 287.040, 287.042
- 450.925**
- Advance refunding bonds state regulation, 288.605 to 288.695
- 450.980**
- Proceedings to determine validity of district organizations and actions, 33.710, 33.720



**SANITARY DISTRICTS  
GENERALLY**

**450.005 Definitions for ORS 450.005 to 450.245.** As used in ORS 450.005 to 450.245, unless the context requires otherwise:

- (1) "District board" means the governing body of a district.
- (2) "County board" means the county court or board of county commissioners of the county.
- (3) "County" means the county in which the district, or the greater portion of the taxable assessed value of the district or proposed district, is located.
- (4) "District" means a sanitary district formed in one or more counties and outside the corporate limits of any city pursuant to ORS 450.005 to 450.245 or pursuant to any law which those sections supersede.
- (5) "Owner" means the holder of the record title to real property or the vendee under a land sale contract, if there is such a contract.
- (6) "Secretary" means the secretary of the district.
- (7) "Treasurer" means the treasurer of the county.
- (8) "Voter" means a registered voter of the state who resides in the district or proposed district. [Amended by 1969 c.563 §1]

**(Formation)**

**450.009 Formation purposes; petition.** Sanitary districts may be formed for the purpose of providing sanitation facilities and services. In addition to the other matters, a petition for formation of a sanitary district shall state the number of members, three or five, on the district board. [1955 c.442 §2 (enacted in lieu of 450.010); 1969 c.563 §2; 1971 c.727 §119; 1975 c.647 §36]

**450.010** [Repealed by 1955 c.442 §1 (450.009 enacted in lieu of 450.010)]

**450.015** [Amended by 1969 c.563 §3; repealed by 1971 c.727 §203]

**450.017** [1955 c.442 §4; 1969 c.563 §4; repealed by 1971 c.647 §149 and by 1971 c.727 §203]

**450.020** [Amended by 1955 c.111 §1; 1969 c.563 §5; repealed by 1971 c.727 §203]

**450.025** [Amended by 1969 c.563 §6; repealed by 1971 c.727 §203]

**450.030** [Amended by 1969 c.563 §7; repealed by 1971 c.727 §203]

**450.035** [Repealed by 1971 c.647 §149]

**450.040** [Amended by 1961 c.438 §3; repealed by 1971 c.647 §149]

**450.045 Board; powers; nomination; qualification; terms; election.** (1) The power and authority given a sanitary district, except as otherwise provided, shall be exercised by a board of three or five members, according to the number set forth in the petition for formation.

(2) To be qualified to be a member of the board, a person must be a registered voter and freeholder within the area of the district.

(3) If a three-member board is to be elected:

(a) The candidate receiving the highest or the second highest vote shall be elected for a term of four years.

(b) The candidate receiving the third highest vote shall be elected for a term of two years.

(4) If a five-member board is to be elected:

(a) The candidate receiving the first, second or third highest vote shall be elected for a term of four years.

(b) The candidate receiving the fourth or fifth highest vote shall be elected for a term of two years.

(5) The terms of office of the first directors shall expire in two or four years from the first day of July next succeeding their election.

[Amended by 1955 c.442 §6; 1971 c.647 §83; 1971 c.727 §§120, 195; 1973 c.796 §62; 1975 c.647 §34]

**450.050** [Amended by 1969 c.563 §8; repealed by 1971 c.727 §203]

**450.052** [1955 c.107 §1; 1969 c.563 §9; repealed by 1971 c.727 §203]

**450.054** [1955 c.594 §2; 1969 c.563 §10; repealed by 1971 c.727 §203]

**(Officers and Elections)**

**450.055 Board officers; term; vacancy.** (1) The officers of the district shall be the district board, consisting of three or five members, and a secretary appointed by the board.

(2) Except as to those members of the board who are elected on formation and those members who are elected at an election when the number of board members is increased to five, the term of office of each elective mem-

ber shall be four years, and until his successor is elected and qualified.

(3) Vacancy in the membership of the board shall occur by reason of the occurrence of any event listed in ORS 236.010 or, unless excused, by failure to attend three successive regular board meetings. [Amended by 1955 c.442 §7; 1967 c.439 §1; 1969 c.563 §§11, 29; 1969 c.669 §9; 1975 c.647 §35]

**450.057** [1961 c.438 §2; 1967 c.609 §9; repealed by 1971 c.647 §149]

**450.060 Nomination and election of directors.** (1) An election shall be held in the district, on the date fixed by ORS 255.335, to elect a successor to the office of each board member whose term expires.

(2) If one board member is to be elected, the candidate receiving the highest vote shall be elected. If two board members are to be elected, the candidates receiving the first and second highest vote shall be elected.

(3) Each officer elected shall take office on the first day of July following his election. [Amended by 1955 c.442 §8; 1967 c.137 §2; 1971 c.647 §84; 1973 c.796 §63; 1975 c.647 §37]

**450.062 Increase of board membership from three to five members.** (1) A district having a three member board may vote to increase the number of members on the board to five at the annual election referred to in ORS 450.060. The question of increased membership shall be placed on the ballot when a petition, signed by 10 registered voters in the district, is filed with the secretary of the board requesting that the voters of the district be permitted to vote on the question. The board shall be increased to five members if, and only if, a majority of the votes cast on the question of increasing the number of board members favors the increase.

(2) At the same election at which the question of increasing the board from three to five members is voted upon, the voters shall vote for three board members. The terms of board members elected shall commence, as provided in ORS 450.060. If a majority of the votes cast on the question of increasing the number of members on the board favors the increase, the qualified nominees or write-in candidates receiving the first and second highest vote shall be elected for a period of three years and the qualified nominee or write-in candidate receiving the third highest vote shall be elected for a term of two years. If less than a majority of the votes cast on the

question of increasing the number of members on the board favors the increase, only the qualified nominee or write-in candidate receiving the highest number of votes shall be elected. [1955 c.442 §5; 1971 c.647 §85]

**450.065 Election of president; appointment, duties and compensation of secretary.** (1) At its first regular meeting each year, or as soon thereafter as practicable, the board shall choose one of its members as president and appoint a secretary.

(2) The secretary shall receive such compensation as is fixed by the order of the board.

(3) The secretary shall perform all duties required by the board and those prescribed in ORS 450.005 to 450.245.

(4) Within 30 days following the entry of the order establishing a district, the secretary of the district shall file a written report with the Environmental Quality Commission, stating the name of the district, the date of its formation and the names and addresses of the board members, and shall furnish with his report a map showing the district boundaries. [Amended by 1957 c.671 §1; 1969 c.345 §9; 1971 c.727 §121]

**450.070 Meetings of board.** (1) The board shall hold such meetings either in the day or evening, as may be convenient, but must hold one regular monthly meeting at a stated time and public place, at which, so far as practicable, district business shall be conducted.

(2) In case of the absence or inability of the president or secretary to act, the board may, by order entered in its minutes, choose a president pro tempore, or secretary pro tempore, or both.

(3) Special meetings may be called by the president or two members of the board by giving notice of time and place of the meeting six hours in advance.

#### (Powers)

**450.075 Powers of sanitary district.** Every sanitary district may:

(1) Have and use a common seal.

(2) Sue and be sued by its name.

(3) Acquire, construct, reconstruct, alter, enlarge, renew, replace, operate and maintain such sewage collection and disposal systems as in the judgment of the board are necessary and proper for the area of the district. In the

performance of these functions, either in or out of the district, it may join with any county, city or other district or governmental agency in the joint establishment, maintenance and operation of such works, and may contract therefor within the limits of authority conferred by ORS 450.005 to 450.245.

(4) Permit the use, by lease or otherwise, of any property of the district by any other district, city or other governmental agency.

(5) Acquire by purchase, gift, devise, condemnation proceedings or otherwise, such real and personal property and rights of way, either within or without the limits of the district, as in the judgment of the board are necessary or proper to the exercise of its powers, and to pay for and hold the same.

(6) Make and accept contracts, deeds, releases and documents that, in the judgment of the board, are necessary or proper in the exercise of any of the powers of the district.

(7) Issue bonds as provided in ORS 450.095 to 450.125.

(8) Determine the rate of levy of taxes in the district, and fix sewer rentals, charges and assessments as provided in ORS 450.130 to 450.175.

(9) Employ and pay necessary agents, employes and assistants.

(10) Lay its sewers and drains in any public street or road in the county, and for this purpose enter upon it and make all necessary and proper excavations, restoring it to its proper condition. However, the consent of the proper city, county or state authorities, as the case may be, shall first be obtained and the conditions of such consent complied with.

(11) Maintain and operate disposal sites and solid waste collection and disposal systems in compliance with ORS 459.005 to 459.285 and subsections (1), (2) and (3) of 459.992.

(12) Call and conduct all necessary or proper elections.

(13) Compel all residents and property owners in the district to connect their houses and structures requiring sewage or drainage disposal with adjacent street sewers, drains or other sewage disposal system of the district.

(14) Do any act necessary or proper to the complete exercise and effect of any of its powers or for the purposes for which it was formed.

(15) Make and enforce all necessary and proper regulations for:

(a) The cleanliness of roads and streets of the district.

(b) All other sanitary purposes not in conflict with the laws of this state.

(16) Make and enforce necessary and proper regulations governing the storage, collection, transportation and disposal of solid wastes where such regulations are supplemental to the requirements of the Environmental Quality Commission adopted pursuant to ORS 459.045 and are necessary to meet special local conditions. [Amended by 1967 c.428 §13; 1969 c.563 §12; 1969 c.593 §38; 1971 c.36 §6; 1971 c.647 §86; 1971 c.648 §25]

**450.080 Signatures on contracts and other documents.** All contracts, deeds, warrants, releases, receipts and documents shall be signed in the name of the district by its president and countersigned by its secretary.

**450.082 District may contract for employe health care services or insurance.** (1) The district board may enter into contracts for medical or any other remedial care recognized under state law and hospital services or insurance covering employes of the district for remedial care and hospital benefits. Failure to obtain insurance or service contracts shall not be construed as negligence or lack of diligence on the part of the board or the members thereof.

(2) As used in this section "remedial care" includes services rendered by a person licensed to practice one or more of the healing arts within the scope of his license. [1967 c.439 §4]

**450.084 Payment for services or insurance by district.** (1) The district may agree to pay none, part or all of the premiums or charges on insurance or service contracts, and it may collect from the salary of any employe covered by the contract the percentage of the premiums or charges the employe is required to provide pursuant to the contract. Contributions for premiums or charges by employes shall be only on a voluntary basis.

(2) The board may negotiate more than one contract with one or more companies or associations if necessary to obtain optimum coverage at minimum cost.

(3) No premium or other periodic charge on any insurance or service contract shall be paid unless the insurer or hospital association

issuing such policy or contract is authorized to transact business as an insurance company or hospital association in this state.

(4) Expenses incurred by a district in establishing programs or providing benefits authorized by ORS 450.082 and this section are expenses for which a district may levy taxes as provided by ORS 450.170. [1967 c.439 §§3, 5]

**450.085 Adoption of regulations and ordinances.** Any general regulation or ordinance of a district board shall be adopted in accordance with ORS 198.510 to 198.600. Orders not establishing a general regulation need not be posted or published. [Amended by 1971 c.268 §16]

#### (District Finances)

**450.090 County treasurer's duties in regard to district funds; other deposits.** (1) The county treasurer shall be custodian of all sanitary district funds and shall pay out moneys of the district only upon written order of the board, signed by the president and countersigned by the secretary.

(2) The order shall specify the name of the person to whom the money is to be paid, the fund from which it is to be paid, and shall state generally the purpose for which payment is to be made.

(3) The order shall be entered in the minutes of the board. The county treasurer shall keep the order as his voucher and shall keep account of his receipts and disbursements of money for the sanitary district.

(4) Notwithstanding the provisions of subsections (1) to (3) of this section, any funds of the district other than taxes may be deposited, at the discretion of the board, in one or more banks or savings and loan associations to be designated by the board. Funds deposited in a bank or savings and loan association shall be withdrawn or paid out only upon proper order and warrant or check signed by the president and countersigned by the secretary. [Amended by 1977 c.318 §1]

**450.095 Bond election.** (1) At any time after the district is organized, the board, by order entered in its minutes, may, when in its judgment it is advisable, and must, upon a petition of 15 percent of the registered voters residing in the district, call an election and submit to the voters of the district the question whether bonds of the district, either gen-

eral obligation, revenue or a combination of both, shall be issued and sold to raise money for the purposes set forth in subsection (3) of ORS 450.075.

(2) The order calling a bond election shall be approved by not less than a majority of the members of the board. The board may submit to the voters as one proposal the question of issuing bonds to make all outlays, or so many of them as may be selected. Or the board may submit as separate questions the issuance of bonds for any of the outlays singly or in such combinations as the order calling the election may direct.

(3) However, when an election is called pursuant to a petition of registered voters, the proposal must conform with the proposal of the petition, if within the powers of the district.

(4) If a majority of the votes cast at a bond election is in favor of the issuance of bonds, the board may issue and dispose of the bonds proposed in the order calling the election. [Amended by 1957 c.671 §2; 1969 c.563 §13]

**450.100** [Repealed by 1971 c.647 §149]

**450.105** [Amended by 1961 c.438 §4; repealed by 1971 c.647 §149]

**450.110 District bonds; denomination; interest.** (1) General obligation or revenue bonds shall be of such denominations as the board determines, except that no bonds shall be of a denomination greater than \$5,000.

(2) All bonds shall be payable in lawful money of the United States at the office of the county treasurer, and shall bear interest at a rate not to exceed seven percent per annum, which interest shall be payable semiannually. [Amended by 1969 c.563 §14]

**450.115 Use of proceeds of bond sale.** The proceeds of the sale of bonds shall be deposited with the county treasurer and shall be by him placed in the sanitary district fund called the Sewer Construction Fund of \_\_\_\_\_ (naming it) Sanitary District. The money in the fund shall be used for the purpose indicated in the order calling for election upon the question of the issuance of the bonds, and for no other purpose. However, if those purposes are entirely fulfilled, any balance remaining in the fund shall be used for payment of the principal and interest of the bonds.

**450.120 Debt limitations.** The total outstanding district bonds of all types, including improvement bonds of the kind authorized by ORS 223.205 and 223.210 to 223.295, shall at no time exceed in the aggregate 13 percent of the true cash value of all taxable property within the district, computed in accordance with ORS 308.207. [Amended by 1955 c.612 §1; 1963 c.9 §27]

**450.125 When voter approval is required to issue bonds.** (1) The district may, when authorized by the voters of the district at any general or special election, issue general obligation or revenue bonds for any of the purposes set forth in subsection (3) of ORS 450.075.

(2) All general obligation and revenue bonds shall be paid within a period of 30 years and in annual instalments of such amounts as will make the combined amount of principal and interest payable each year as nearly equal as practicable during the years of payment.

(3) Improvement bonds may be issued in the manner provided by ORS 223.205 and 223.210 to 223.295 without submitting the question of their issuance to the voters of the district. [Amended by 1955 c.612 §2; 1969 c.563 §15]

**450.130 Sewer service charges; collection and enforcement.** (1) The sanitary board may enact ordinances levying sewer service charges within the district, for the purpose of financing the construction, operation and maintenance of the sewage collection and disposal system.

(2) The board may contract with any city or district serving water in such area to collect such service charges with the water bills, and the serving agency may cut off water for nonpayment of such service charges. The board may pay the water serving agency for the reasonable cost of such collection services.

(3) Service charges may also be collected and enforced as provided in ORS 454.225.

[Amended by 1975 c.247 §1]

**450.135 Ordinance declaring method of payment.** (1) For the purposes specified in subsection (3) of ORS 450.075, a district may declare by ordinance before doing the same that the cost, or any portion thereof, shall be assessed against the property directly benefited. Or it may provide in the ordinance that the cost shall be paid partly by assessment against the property directly benefited and partly out of the general funds or sewer service charges collected by the district.

(2) The determination of the board as expressed in the ordinance as to the proportion of the cost shall be based upon an exercise of the board's sound discretion.

**450.140 Assessment ordinance.** If any of the cost of sewers, drains or sewage treatment plants is assessed against the property directly benefited thereby, the board shall, before attempting to make the improvement or assessment, adopt a general ordinance providing for the method of assessment. The ordinance shall:

(1) Contain provision for notice to property owners of intention to make the assessment and improvement.

(2) Provide that notice shall be not less than 20 days before action is taken thereon.

(3) Provide an opportunity for property owners to appear before the board for the purpose of remonstrating against assessments.

(4) Provide for the general method of assessing the property directly benefited and of the recording of liens against the property directly benefited, and of making supplementary assessments and rebates.

**450.145 Entry of assessments in lien docket; lien docket as public record.** (1) When assessments are made they shall be entered into a permanent lien docket which shall be kept in the office of the district and wherein shall be shown the amount of each lien, property against which it has been assessed, the owner thereof and such additional information as is required to keep a permanent and complete record of the lien and the payments thereon.

(2) The lien docket shall be a public record kept by the secretary and shall be open to inspection during all business hours established by the district.

**450.150 Hearing of objections to proposed improvements.** (1) The board shall appoint a time for the hearing of remonstrances or objections against any proposed improvement regardless of the method of payment. At the time appointed all objectors or remonstrators shall have the right to be heard.

(2) If two-thirds or more of the owners of the property directly benefited, which is liable for any of the cost of the sewers, drains or sewage disposal plants, file written remonstrances objecting to the proposed improvement, the board shall sustain the remon-

stances, and no further proceedings in the matter of proposed improvements shall be had for a period of six months.

(3) If two-thirds of the owners of the property directly benefited by the proposed improvements do not file written remonstrances against the improvement, the board may proceed with the making of the improvement.

**450.155 Instalment payment of improvement costs; assessment of public property benefited; issuance of improvement warrants and bonds.** If the cost, or any portion of the cost, of sewers, drains or sewage treatment plants is assessed against the property directly benefited, the provisions of ORS 223.205 and 223.210 to 223.385, in regard to the payment of assessments in instalments, the provisions of ORS 223.770, relating to the assessment of public property benefited by public improvements for the cost of such improvements, and the provisions of ORS 287.502 to 287.510, relating to the issuance of improvement warrants by cities, shall apply in so far as practicable and applicable in the district. Where, in ORS 223.205, 223.210 to 223.385, 223.770 and 287.502 to 287.510 officials of cities are referred to, the corresponding officials of sanitary districts where applicable shall perform the required functions. The district may issue improvement bonds in the total amount of the valid applications it received to pay assessments in instalments as provided in ORS 223.205 and 223.210 to 223.385. [Amended by 1953 c.649 §2; 1955 c.19 §1]

**450.160 Collection and enforcement of delinquent liens; reassessment.** (1) In case the whole or any portion of the cost of sewers, drains or sewage treatment plants is assessed against the property directly benefited and the owner of the property fails to pay the amount of the lien, or any portion thereof, or the interest thereon, when they become due, the board may proceed to foreclose the lien in any manner provided by law for the collection of liens by municipalities and may provide by ordinance a general procedure for the collection of liens in any manner not inconsistent with law.

(2) The provisions of ORS 223.405 to 223.485 relating to reassessment shall be available to sanitary districts where applicable.

**450.165 Preparation and approval of plans for drains and sewer installations.**

(1) Whenever the board deems it expedient or necessary to cause to be constructed sewers, drains or sewage treatment plants, the cost of which, in whole or in part, is to be paid either by the proceeds of the sale of bonds by the district or assessed against the property directly benefited or by both methods in proportion, the board shall retain a registered professional engineer to prepare plans and specifications for the sewers, drains or sewage treatment plants, which plans and specifications shall be filed in the office of the secretary of the district.

(2) The district board may, however, adopt any plans and specifications they see fit, provided the plans have been prepared by a registered professional engineer and have been approved by the Health Division and the Environmental Quality Commission.

**450.170 Levy of taxes.** (1) Assessment and collection of property taxes within the district shall be made by the county officers charged with assessment and collection of other property taxes in the county in which the property lies.

(2) The district board shall fix the amount of money to be raised by taxation for district purposes and for the payment of the principal and interest of outstanding indebtedness of the district which will become due during the year.

(3) The district board shall, in the manner and time prescribed by law, transmit to the county assessor a statement of such taxes. If the board fails to levy a direct ad valorem tax sufficient to pay the interest on and the maturing principal of all outstanding general obligation bonds, the county board of any county in which any portion of the district is included shall levy such tax which shall be extended and collected the same as all other sanitary district taxes. [Amended by 1969 c.563 §16]

**450.175 Collection of taxes.** (1) Taxes levied under ORS 450.170 shall be collected at the same time and in the same manner as county taxes are collected, and when collected shall be paid to the county treasurer for the account of the district.

(2) The taxes shall be a lien upon the property against which they are levied in the sanitary district and shall be of the same force and effect as other liens for taxes. Their col-

lection shall be enforced by the same means as provided for the enforcement of liens for state and county taxes.

**(Merger; Consolidation)**

**450.178 Merger; approval by voters required; status of surviving district.** (1) One district or more may merge with another district if the merger is approved by the voters as provided by ORS 450.186 to 450.202. The districts included in the merger shall be considered annexed by and absorbed into the surviving district.

(2) If the merger is approved, the district boards and officers of the merging districts shall turn over to the board of the surviving district all funds, property, contracts and records of the merging districts. Upon the effective date of the merger, the surviving district shall:

(a) Succeed to all the property, contracts, rights and powers of the merging districts, and shall constitute and be a regularly organized district as if originally organized in the manner provided by ORS 450.005 to 450.245;

(b) Uncollected taxes, assessments or charges levied by the merging districts shall become the property of the surviving district and upon collection shall be credited to the account of the surviving district; and

(c) Subject to any debt distribution plan adopted under ORS 450.190, the surviving district shall become liable for all the obligations, legal or contractual, of the merging districts. [1971 c.532 §2]

**450.182 Consolidation; approval by voters required; status of successor district.** (1) Two or more districts may consolidate and form a new district if the consolidation is approved by the voters as provided by ORS 450.186 to 450.202. The districts included in the consolidation shall be considered joined into a single new district.

(2) If the consolidation is approved, the district boards and officers of the consolidating districts shall turn over to the board of the successor district all funds, property, contracts and records of the consolidating districts. Upon the effective date of the consolidation, the successor district shall:

(a) Succeed to all the property, contracts, rights and powers of the consolidating districts, and shall constitute and be a regularly organized district as if originally organized in

the manner provided by ORS 450.005 to 450.245;

(b) Uncollected taxes, assessments or charges levied by the consolidating districts shall become the property of the successor district and upon collection shall be credited to the account of the successor district; and

(c) Subject to any debt distribution plan adopted under ORS 450.190, the successor district shall become liable for all the obligations, legal or contractual, of the consolidating districts. [1971 c.532 §3]

**450.186 Petitions; election.** (1) When the voters of two or more districts wish to merge or consolidate, they may initiate proceedings by filing duplicate petitions with the boards of the districts to be merged or consolidated, stating the names of the affected districts, and the name of the surviving or successor district. Merger or consolidation may also be initiated by resolution adopted or approved by two or more district boards. The resolution shall contain all the matters required to be stated in a petition to merge or to consolidate.

(2) When proceedings have been initiated, the board of each affected district shall call an election in its district at which there shall be submitted to the voters of the districts the question:

(a) In a merger, of whether the districts shall merge, stating the name by which the surviving district shall be known.

(b) In a consolidation, of whether the districts shall consolidate, stating the name of the successor district. [1971 c.532 §4]

**450.190 Debt distribution plans; levy of taxes and assessments to liquidate prior existing indebtedness.** (1) A petition for merger or consolidation may include a debt distribution plan to be voted upon as a part of the proposal. Such plan may provide for any distribution of indebtedness and may require that merging or consolidating districts remain solely liable for all or any portion of any indebtedness outstanding at the time of the merger or consolidation.

(2) If the merger or consolidation is approved, the district board of the successor or surviving district shall, in accordance with the plan, levy taxes and assessments for the liquidation of any prior existing indebtedness. Such a levy shall be subject to ORS 450.005 to 450.245. [1971 c.532 §5]

450.194 [1971 c.532 §6; repealed by 1975 c.647 §53]

**450.198 Meeting of boards of affected districts; notice; quorum; election of board for surviving or successor district; filing of resolution.** (1) At the elections if a majority of the votes cast in each affected district is in favor of merger or consolidation, the board of the district having the highest assessed valuation for taxation purposes shall call a joint meeting of the boards of the affected districts. The meeting shall be held at a time and place designated by the board calling the meeting, not later than 10 days after the canvass of the vote in the district last canvassed. The secretary of the board calling the meeting shall give notice by certified mail of the time and place of the meeting to each member of the boards of the affected districts.

(2) At the joint meeting, a majority of the members of the board of each affected district constitute a quorum for the transaction of business. The board members so assembled shall from among the members elect five persons to serve as board members of the surviving or successor district until the next general election. The board so elected shall immediately meet and organize as provided by ORS 450.065 and shall by resolution declare the districts merged or consolidated, as the case may be. From the date of adoption of the resolution the merger or consolidation is complete. The board shall cause certified copies of the resolution to be filed with the Environmental Quality Commission and the county clerk and county assessor of each county in which the affected districts are located. [1971 c.532 §7]

**450.202 Election of board members for surviving or successor district; terms.** At the first regular election held in the surviving or successor district, five district board members shall be elected. The terms of office of the members elected shall be determined in the manner provided by ORS 450.045. [1971 c.532 §8]

### (Annexation)

**450.205** [Amended by 1957 c.671 §3; 1969 c.563 §17; repealed by 1971 c.727 §203]

**450.207** [1957 c.671 §5; 1969 c.563 §18; repealed by 1971 c.727 §203]

**450.210** [Amended by 1957 c.671 §6; 1969 c.563 §19; repealed by 1971 c.727 §203]

**450.215 Plans for division and disposal of properties.** (1) If territory proposed to be annexed is within the limits of another sanitary district, the board of the district to which annexation is proposed and the board of such other district shall meet with each other prior to the hearing on the annexation petition to agree upon a division and disposal of the properties of the other district that lie within the territory proposed to be annexed. An agreement between the boards is effective only in the event the proposed annexation is approved by the voters.

(2) The plan of division of properties provided for in subsection (1) of this section shall be arrived at by giving consideration to the assessed valuation of the other district as a whole, the assessed valuation of the territory to be annexed, the types of properties and their location and intended use. If a plan of division of properties is agreed upon, the plan shall be reduced to writing and, if the proposed annexation is approved by the voters, shall be binding upon the districts party to the plan and upon all other interested persons.

[Amended by 1957 c.671 §7; 1969 c.563 §20; 1971 c.727 §123]

**450.220** [Amended by 1957 c.671 §8; 1969 c.563 §21; repealed by 1971 c.727 §203]

**450.225 Effective date of annexation; disposition of properties in territory; liabilities and indebtedness of territory; filing of report.** (1) If the territory annexed to the district was, prior to the vote on the petition for annexation, within the limits of another sanitary district, the effective date of the annexation shall be the effective date of the withdrawal from the other district of the territory previously within its limits.

(2) Unless a plan for division of properties has been agreed upon as provided in subsection (2) of ORS 450.215, the district from which the territory has been withdrawn shall proceed to turn over to the district to which the territory has been annexed, its properties in the territory withdrawn. The provisions of ORS 222.560 shall govern the method and procedure by which such division of properties shall be made.

(3) Notwithstanding subsection (2) of this section, the district to which the territory was annexed may, in the sound discretion of its board, assume such obligations if the obligations do not bring the total of the district's obligation above any applicable limitations prescribed by law or otherwise. When the

district assumes such obligations, it shall be liable to the other district, as provided by paragraph (a) or (b) of subsection (2) of ORS 222.520, at the option of the annexing district. After the district agrees to make the payments referred to in this subsection, neither the annexing district nor the annexed territory shall be charged by the other district with any future liabilities, obligations or functions of the other district.

(4) Within 30 days after the effective date of the county board's order of annexation, the secretary of the annexing district shall file a written report with the Environmental Quality Commission, stating the name of the district and the date of the county board's order of annexation, and shall furnish with his report a map of the district boundaries as they are after the annexation. [Amended by 1957 c.671 §10; 1969 c.563 §22; 1971 c.727 §124]

**450.227** [1957 c.112 §§2, 3, 4; 1967 c.137 §1; 1969 c.563 §23; repealed by 1971 c.727 §203]

**450.228** [1957 c.671 §9; 1969 c.563 §24; repealed by 1971 c.727 §203]

**450.230** [Amended by 1957 c.671 §11; 1969 c.563 §25; repealed by 1971 c.727 §203]

**450.235** [Amended by 1969 c.563 §26; repealed by 1971 c.727 §203]

**450.237** [1961 c.679 §§2, 3; repealed by 1971 c.727 §203]

**450.239** [1961 c.679 §§4, 5; 1969 c.563 §27; repealed by 1971 c.727 §203]

**450.240** [Repealed by 1957 c.401 §6]

**450.242** [1961 c.679 §§6, 7, 8; 1969 c.563 §28; repealed by 1971 c.727 §203]

#### (Miscellaneous)

**450.245 Application of ORS 450.005 to 450.245 to districts organized under former laws; savings clause.** (1) Sanitary districts organized under chapter 385, Oregon Laws 1935, which were exercising the functions of sanitary districts on July 16, 1949, are vested with all rights, powers and obligations prescribed in ORS 450.005 to 450.245 and, after July 16, 1949, shall conduct their business in accordance with and be subject to those sections.

(2) No right or obligation incurred by the formation of a sanitary district pursuant to the provisions of chapter 385, Oregon Laws 1935, as amended by chapter 402, Oregon Laws 1941, is affected by the repeal of those provisions.

#### (Districts with Valuation Less Than \$250,000)

**450.250 Definitions for ORS 450.250 to 450.300.** (1) "District" means a sanitary district duly organized under the provisions of ORS 450.005 to 450.245, having an assessed valuation of not more than \$250,000.

(2) "Sewerage system" means complete or primary sewage treatment and disposal facilities, sewer mains, pumping stations, and all equipment and appurtenances necessary, useful or convenient for the treatment or disposal of sewage, or any portion of such a system, whether within or without the boundaries of a district. [1955 c.577 §1; 1959 c.157 §9]

**450.255 Districts eligible for state help in financing sewerage systems.** Districts that have been certified by the Environmental Quality Commission as being in need of sewerage systems may apply to the State Treasurer for the financing of such costs under authority of ORS 450.250 to 450.300. The Environmental Quality Commission shall certify to the State Treasurer, in writing, a list of the districts that are in dire need of sewerage and sanitation facilities. [1955 c.577 §2; 1959 c.574 §1]

**450.260 Conditions precedent to financing application.** A district shall not apply to the State Treasurer for financing under ORS 450.250 to 450.300 unless:

(1) It submits to the State Treasurer plans and specifications prepared by competent licensed engineers setting forth the type or character of sewer system or sewerage facilities proposed for the particular district and the estimated cost of the system and of the appurtenances thereto.

(2) It submits to the State Treasurer the proposed plan of the district for liquidation of indebtedness to be incurred for financing the cost of such system or facilities. [1955 c.577 §3]

**450.265 Bonds issued by district pursuant to ORS 450.250 to 450.300 are subject to State Treasurer control; refunding bonds issuable.** The bonds issued by districts pursuant to ORS 450.250 to 450.300 shall bear such dates, be in such form, run for such periods of time, bear such rates of interest not exceeding four percent per annum, and be sold by the districts at such prices not less than the par value thereof and the full amount of accrued interest thereon, as the State Treasurer may determine. Refunding bonds of like obli-

gation, bearing interest at not more than four percent per annum payable semiannually, may be issued to replace outstanding bonds, provided the refunding bonds are sold publicly, at not less than par value and accrued interest, upon competitive bids. [1955 c.577 §4]

**450.270 Powers of State Treasurer in connection with ORS 450.250 to 450.300.**

(1) The State Treasurer shall be the sole judge as to whether state funds shall be invested in the bonds of a district and as to which undertakings shall first be financed. The decision of the State Treasurer on the subject of investment and priority shall be final.

(2) The State Treasurer may enlist the technical services of any state officer or department in a study of the feasibility and cost of the sewerage project. The State Treasurer further may employ licensed engineers, at the cost of the district, to make such a study for the district and for the State Treasurer.

(3) The State Treasurer, in his discretion, may purchase with moneys from the revolving fund provided by ORS 450.250 to 450.300, general obligation sewerage system bonds of any district, issued under authority of ORS 450.250 to 450.300. If the State Treasurer deems it expedient in the acquisition and construction of a sewerage system for a district to furnish sewerage service for territory that is contiguous to or outside the boundaries of the district, the State Treasurer may authorize the district to furnish such service and to construct part of its system outside its boundaries for such purpose.

(4) The State Treasurer may authorize districts to issue sewerage system bonds with the right reserved to them to redeem bonds at par value and accrued interest prior to the final maturity dates of the bonds.

(5) The State Treasurer, in his discretion, may authorize deferment of payment of interest upon the sewerage bonds of the district for a period not exceeding three years, and may provide for the issuance of such bonds with graduated rates of interest.

(6) The State Treasurer may specify the procedure to be followed by a district in availing itself of the provisions of ORS 450.250 to 450.300. [1955 c.577 §5]

**450.275 State Treasurer approval of other bond issues by a district whose bonds are owned by state.** So long as any of the sewerage bonds of the district are owned by the state, the district shall not issue other

bonds of any character without prior written approval of the State Treasurer. [1955 c.577 §6]

**450.280 Circumstances and conditions under which State Treasurer may purchase sewerage system bonds.** (1) The State Treasurer may purchase from a district at private sale sewerage system bonds bearing interest at a rate agreed upon by him and the district not exceeding four percent per annum payable semiannually. Such bonds shall qualify for investment by the state only if the sewer connection charges and revenues of the sewerage system of the issuing district, after the payment of operation and maintenance expenses, are pledged wholly to the payment of the principal of and interest upon the bonds, and the issuing district shall covenant to levy ad valorem taxes upon all of the taxable property within its boundaries to meet deficiencies in such charges and revenues for such purposes, and only if the combined indebtedness for all public purposes, other than state or federal, within the boundaries of the district, including the proposed sewerage system indebtedness, but excluding obligations issued for other utilities that are self-supporting or self-liquidating or are approximately so, does not exceed 25 percent of the total value of all taxable property within the district. Such value shall be determined by converting the assessed value to the true cash value, using as a basis of computation the percentage of true cash value at which property in the county or counties in which the district is located was assessed for state and county purposes, as indicated in the latest table of assessed valuations of counties filed by the Department of Revenue with the Secretary of State pursuant to ORS 309.370. The said limitation shall apply only to districts that finance the costs of their sewerage systems under ORS 450.250 to 450.300. The limitation shall include the ratios of indebtedness to the total valuation, determined in like manner, of other subdivisions that overlap the district to an extent of more than 50 percent of the total value of the district. Indebtedness within the 25 percent limitation may be incurred by a district if approved by the voters thereof at an election called and held for that purpose. Notwithstanding that such revenues may have been pledged to the payment of the principal of and the interest upon a particular issue of general obligation bonds owned by the state, the same revenues, with the approval of the State Treasurer, may be pledged to the payment of the principal of and the interest

on additional issues of such bonds purchased by the state from the district. The additional issues shall be on a parity with previous issues as to the pledge of such charges and revenues for such purposes. In order to complete the financing of a sewerage system, after bonds payable as to principal and interest from revenues and ad valorem taxation have been issued, the State Treasurer may purchase issues of general obligation sewerage system bonds of districts, payable only from ad valorem property taxes, provided such issues, together with other obligations of the district, do not exceed the debt limits specified in this section.

(2) All bonds heretofore issued under authority of ORS 450.250 to 450.300 and sold to the state, and the proceedings under which they were issued, hereby are approved, validated, ratified, and confirmed, and such bonds are the valid and legally binding general obligations of the issuing district. [1955 c.577 §7; 1957 c.121 §1; 1959 c.574 §2; 1971 c.647 §91]

**450.285 State Sanitary District Sewer Bond Fund.** There hereby is created in the State Treasury a fund, separate and apart from the General Fund, to be known as "State Sanitary District Sewer Bond Fund," for investment under authority of ORS 450.250 to 450.300, and for payment of costs of the State Treasurer in connection therewith for which purposes such fund hereby is appropriated. The State Treasurer may engage such assistance and incur such expenses to carry out the purposes of ORS 450.250 to 450.300 as may be necessary. The earnings of the fund shall accrue to the General Fund, and the amounts received in payment of the principal of investments thereof shall be credited to the General Fund, to be available for the payment of general governmental expenses. [1955 c.577 §8; 1957 c.702 §1; 1957 s.s. c.14 §1; 1963 c.341 §4]

**450.290 Provisions concerning liquidation of indebtedness incurred by district financing a sewerage system under ORS 450.250 to 450.300.** (1) Each district financing the cost of a sewerage system under authority of ORS 450.250 to 450.300 shall submit to the State Treasurer for approval, a schedule of its rates and sewer connection charges, and proposed method of collection thereof. The rates and charges shall be such as, in the judgment of the State Treasurer, are sufficient to pay the operation and maintenance costs of the system and to liquidate, during the period approved by the State Treas-

urer, the indebtedness incurred by the district in the construction of the system. The State Treasurer may further require as part of his agreement to purchase the bonds of the district, that the district levy and collect assessments in the manner provided by ORS 450.005 to 450.245, and that it pledge the receipts from such assessments, both principal and interest, to the payment of its bonds and the interest thereon. The district shall be fully authorized to levy and collect such assessments against properties within or without the boundaries of the district, that will be benefited by the sewerage system of the district. Should the receipts of the district prove inadequate to pay such costs and such indebtedness, the State Treasurer may direct the district to increase its rates and charges to make the sewerage project self-supporting and self-liquidating, and the district thereupon shall establish the rates and charges prescribed by the State Treasurer.

(2) If the State Treasurer so directs, delinquent charges for use of or connection with a sewerage system shall be certified to the assessor of the county or counties in which the district is located and shall be entered upon the tax rolls of the county and be collected and accounted for in the same manner in which city taxes are collected and accounted for. The said charges shall constitute liens upon the real property of the corporation or person against whom they are assessed.

(3) The district shall obtain from the State Treasurer approval of its annual budgets and tax levies before they are certified to the clerk and assessor of the county in which the district is located, for extension upon the county tax rolls. [1955 c.577 §9]

**450.295 Refinancing indebtedness of district; court-appointed receiver may operate system.** If any district fails to meet, when due, any obligations sold to the state under authority of ORS 450.250 to 450.300, the State Treasurer and the district may agree upon and put into effect, any plan they may consider expedient for refinancing the indebtedness of the district, or the State Treasurer, with the approval of the circuit court of the county in which the major portion of the assessed valuation of the district is located, may appoint a receiver to operate the sewerage system. The receiver shall act as such so long as the circuit court deems receivership necessary to protect the interests of the state and of the district. [1955 c.577 §10]

**450.300 Duty of treasurer to keep funds separate and to withhold tax receipts for bond payments; liability of treasurer.** The treasurer of each district that finances the cost of a sewerage system or facilities under authority of ORS 450.250 to 450.300 shall keep collections or assessments for sewerage service and sewer connection fees separate and distinct from other funds of the district and shall withhold from tax receipts not less often than quarterly the full amounts proportionate to the elapsed portion of the tax year that have been levied for the payment of interest on and the principal of the sewerage system bonds of the district. For failure to account for sewerage revenues and taxes as provided in this section, such treasurers shall be liable upon their official bonds.

[1955 c.577 §11]

**(Sanitary District Sewerage System Revolving Fund)**

**450.303 Purchase of general obligation bonds of sanitary districts; Sanitary District Sewerage System Revolving Fund.** (1) Any sanitary district in the state having an actual value in excess of \$750,000, that has not been able to sell its general obligation bonds on the market upon competitive bids or has not been able to obtain a bid for its bonds at a rate of interest of not to exceed five percent per annum payable semiannually, pursuant to notice of sale of the bonds published in a newspaper of general circulation printed and published for a period of two consecutive weeks in the county in which the major portion of the assessed value of the district is located, may sell its bonds to the State of Oregon, if the bonds are approved for investment by the State Treasurer. For the purposes of this section, actual value shall be determined in the manner prescribed by ORS 450.120. Bonds issued under authority of this section, together with other outstanding indebtedness of the district, shall not exceed in the aggregate 15 percent of the actual value of the district. For the purposes of this section, the 15 percent limitation shall supersede the limitation imposed by ORS 450.120 or any other law in conflict with this section. Only bonds authorized and issued in compliance with ORS 450.005 to 450.080, 450.085 to 450.115, 450.125 to 450.245 and the provisions of this section may be purchased by the State of Oregon as investments of the fund designated in subsection (2) of this section.

(2) A fund in the State Treasury, separate and apart from the General Fund, to be known as the "Sanitary District Sewerage System Revolving Fund," hereby is created. The moneys in the Sanitary District Sewerage System Revolving Fund are available for investment under the authority of this section for which purposes such fund hereby is appropriated. The interest paid on the investments purchased pursuant to this section shall be credited to the General Fund of the State of Oregon, and the principal, as it is repaid to the state by sanitary districts, shall be credited to the General Fund to be available for the payment of general governmental expenses. The State Treasurer is authorized to sell at not less than cost, the bonds, in whole or in part, that have been purchased under the authority of this section. The proceeds of sale of the bonds shall be credited to the General Fund to be available for the payment of general governmental expenses. [1959 c.425 §§1, 2; 1963 c.341 §5]

450.305 [Repealed by 1969 c.25 §1]

450.310 [Repealed by 1969 c.25 §1]

450.315 [Repealed by 1969 c.25 §1]

450.320 [Repealed by 1969 c.25 §1]

450.325 [Repealed by 1969 c.25 §1]

450.330 [Repealed by 1969 c.25 §1]

450.335 [Repealed by 1969 c.25 §1]

450.340 [Repealed by 1969 c.25 §1]

450.345 [Repealed by 1969 c.25 §1]

450.350 [Repealed by 1969 c.25 §1]

450.355 [Repealed by 1969 c.25 §1]

450.360 [Repealed by 1969 c.25 §1]

450.365 [Repealed by 1969 c.25 §1]

450.370 [Repealed by 1969 c.25 §1]

450.375 [Repealed by 1969 c.25 §1]

450.380 [Repealed by 1969 c.25 §1]

450.385 [Repealed by 1969 c.25 §1]

450.390 [Repealed by 1969 c.25 §1]

450.395 [Repealed by 1969 c.25 §1]

450.400 [Repealed by 1969 c.25 §1]

450.405 [Repealed by 1969 c.25 §1]

450.410 [Repealed by 1969 c.25 §1]

450.415 [Repealed by 1969 c.25 §1]

450.420 [Repealed by 1969 c.25 §1]

450.425 [Repealed by 1969 c.25 §1]

- 450.430 [Repealed by 1969 c.25 §1]
- 450.435 [Repealed by 1969 c.25 §1]
- 450.440 [Repealed by 1969 c.25 §1]
- 450.445 [Repealed by 1969 c.25 §1]
- 450.450 [Repealed by 1969 c.25 §1]
- 450.455 [Repealed by 1969 c.25 §1]
- 450.460 [Repealed by 1969 c.25 §1]
- 450.465 [Repealed by 1969 c.25 §1]
- 450.470 [Repealed by 1969 c.25 §1]
- 450.475 [Repealed by 1969 c.25 §1]
- 450.480 [Repealed by 1969 c.25 §1]
- 450.485 [Repealed by 1969 c.25 §1]
- 450.490 [Repealed by 1969 c.25 §1]
- 450.495 [Repealed by 1969 c.25 §1]
- 450.500 [Repealed by 1969 c.25 §1]
- 450.505 [Repealed by 1969 c.25 §1]
- 450.510 [Repealed by 1969 c.25 §1]
- 450.515 [Repealed by 1969 c.25 §1]
- 450.520 [Repealed by 1969 c.25 §1]
- 450.525 [Repealed by 1969 c.25 §1]
- 450.530 [Repealed by 1969 c.25 §1]
- 450.535 [Repealed by 1969 c.25 §1]
- 450.540 [Repealed by 1969 c.25 §1]
- 450.545 [Repealed by 1969 c.25 §1]
- 450.550 [Repealed by 1969 c.25 §1]
- 450.555 [Repealed by 1969 c.25 §1]
- 450.560 [Repealed by 1969 c.25 §1]
- 450.565 [Repealed by 1969 c.25 §1]
- 450.570 [Repealed by 1969 c.25 §1]
- 450.575 [Repealed by 1969 c.25 §1]
- 450.580 [Repealed by 1969 c.25 §1]

**WATER SUPPLY  
AUTHORITIES**

**450.675 Formation of water supply authorities from areas within one or more counties.** Any portion of one or more counties, including both incorporated and unincorporated areas as well as areas within domestic water supply districts, county service districts for water supply works and other districts may be formed into a water supply authority under ORS 450.675 to 450.980. Such areas need not be contiguous. [1971 c.504 §3]

**450.680 Formation of water supply authorities by cities and water districts.** In addition to the manner of formation provided by ORS 450.715 to 450.785 the governing bodies of one or more cities or water districts or both may, when they consider it necessary for the public health, safety and welfare, on their own motion initiate the formation of a water supply authority. The procedure for hearing and election, and notice thereof, in ORS 450.730 to 450.780 shall be followed, so far as applicable with necessary adaptations, in forming a water supply authority initiated under this section. [1971 c.504 §4]

**450.685 Application of certain provisions to water supply authorities.** (1) Except as provided by subsection (2) of this section, ORS 450.675 to 450.980 apply to a water supply authority.

(2) Subsection (1) of ORS 450.810, subsections (7), (8) and (9) of 450.815, and ORS 450.820 and 450.835 do not apply to a water supply authority.

(3) ORS 264.306 to 264.314, regarding water service charges and regulation of water users, are applicable to a water supply authority. [1971 c.504 §5]

**SANITARY AUTHORITIES  
(Generally)**

**450.705 Policy; construction.** (1) It hereby is recognized and declared that the sewage disposal, drainage, insect control and related problems in many of the areas of the state where the population is rapidly expanding can best be solved through the cooperative and integrated effort and support of unincorporated and incorporated areas. It is the purpose of ORS 450.675 to 450.980 to provide a means whereby such cooperation and integration can be achieved and ORS 450.675 to 450.980 is to be construed liberally to accomplish this purpose.

(2) It is recognized also that potable water supply problems in many areas of the state where the population is rapidly expanding can best be solved through the cooperative and integrated effort and support of unincorporated and incorporated areas. It is the purpose of ORS 450.675 to 450.980 to provide a means whereby water supply authorities can be formed and such cooperation and integration can be achieved and ORS 450.675 to 450.980 is to be construed liberally to accomplish that purpose. [1955 c.614 §1; 1971 c.504 §1]

**450.710 Definitions for ORS 450.675 to 450.980.** As used in ORS 450.675 to 450.980 unless the context clearly indicates otherwise:

(1) "Authority" means a sanitary authority established under ORS 450.675 to 450.980.

(2) "Board" means the sanitary authority board under ORS 450.675 to 450.980.

(3) "Construction" includes the acquisition of land or other property for the construction of an installation and the improvement, enlargement, alteration and reconstruction of an installation and the acquisition of existing sewage disposal or drainage systems, or portions thereof.

(4) "Governing body" means the county court or board of county commissioners of a county.

(5) "Owner of land" or "landowner" means a vendee under a recorded land sale contract or if there is no such contract the holder of the record title to the land in which vendee or holder has a present interest equal to or greater than a life estate.

(6) "Qualified elector" means a registered voter of the state. [1955 c.614 §2; 1971 c.647 §92]

#### (Formation)

**450.715 Areas which may be formed into sanitary authorities.** Any portion of one or more counties, including both incorporated and unincorporated areas as well as areas within sanitary, drainage or other districts, may be formed into a sanitary authority under ORS 450.675 to 450.980. Such areas need not be contiguous. [1955 c.614 §3]

**450.720** [1955 c.614 §4; repealed by 1971 c.727 §203]

**450.725** [1955 c.614 §5; repealed by 1971 c.727 §203]

**450.730** [1955 c.614 §6; repealed by 1971 c.727 §203]

**450.735** [1955 c.614 §7; repealed by 1971 c.727 §203]

**450.740** [1955 c.614 §8; repealed by 1971 c.727 §203]

**450.745** [1955 c.614 §9; repealed by 1971 c.727 §203]

**450.750** [1955 c.614 §10; repealed by 1971 c.727 §203]

**450.755** [1955 c.614 §11; repealed by 1971 c.647 §149 and by 1971 c.727 §203]

**450.760** [1955 c.614 §12; repealed by 1971 c.647 §149 and by 1971 c.727 §203]

**450.765** [1955 c.614 §13; 1967 c.609 §10; repealed by 1971 c.647 §149]

**450.770** [1955 c.614 §14; repealed by 1971 c.647 §149 and by 1971 c.727 §203]

**450.775** [1955 c.614 §15; repealed by 1971 c.647 §149 and by 1971 c.727 §203]

**450.780** [1955 c.614 §16; repealed by 1971 c.727 §203]

**450.785 Initiation of formation of a district by governing body without petition.** In addition to other methods of initiating proceedings for the formation of a sanitary authority under ORS 450.705 to 450.945 and when they consider it necessary for the protection of the public health, safety and welfare, the governing bodies of one or more counties may on their own motion initiate the formation of a sanitary authority. ORS 450.765 shall be followed, so far as applicable and with necessary adaptations, in forming a sanitary authority initiated under this section. [1955 c.614 §17; 1971 c.727 §126]

#### (Board and Elections)

**450.790 Sanitary authority board.** (1) The officers of the authority shall be a board of five members elected as provided in ORS 450.795 and 450.800, a chairman of the board appointed under ORS 450.806 and a manager appointed by the board under ORS 450.806.

(2) Any qualified elector residing within the proposed authority is qualified to be a member of the board of the authority. [1955 c.614 §18]

**450.795 Nomination and election of first board members; terms.** (1) The five persons receiving the highest number of votes shall be elected as members of the board.

(2) The terms of two of the members so elected shall expire two years from the first day of July following the date of the first election in the authority. The terms of three of the members shall expire four years from the first day of July following the date of the first election in the authority. The respective terms of the first members shall be determined by lot at their first meeting after their election.

[1955 c.614 §19; 1971 c.647 §97; 1971 c.727 §§127, 196; 1973 c.796 §64; 1975 c.647 §38]

**450.800 Annual and special elections in the authority.** (1) The date of the regular election in an authority is the date fixed by ORS 255.335. The board may call special elections in the authority to be held on a date specified in ORS 255.345.

(2) At each regular election held in the authority there shall be elected a successor to any member whose term expires on the first

day of July following such election date and a successor to fill any vacancy. At such election the person, or two persons if two members are to be elected, receiving the highest number of votes shall be elected to serve for a four-year term and until his successor is elected and qualified.

(3) The board may submit to the voters at the regular election any measure which may properly be submitted to the voters. [1955 c.614 §20; 1969 c.669 §10; 1971 c.647 §98; 1973 c.796 §65; 1975 c.647 §39]

**450.802** [1955 c.614 §21; repealed by 1971 c.403 §18]

**450.804** [1955 c.614 §22; repealed by 1969 c.669 §21]

**(Powers)**

**450.806 General powers of board; selection of board chairman; appointment of authority manager.** (1) The board shall be the governing body of the authority and shall exercise all powers thereof.

(2) The board shall every two years appoint one of its members as chairman to serve for a two-year term. A chairman so appointed is eligible for reappointment as chairman.

(3) The board shall appoint a professional-ly qualified person as manager of the authority. He shall serve at the pleasure of the board and receive such compensation as is fixed by the board.

(4) All contracts, deeds, warrants, releases, receipts and documents of every kind shall be signed in the name of the authority by the chairman of the board and shall be countersigned by the manager of the authority. [1955 c.614 §23]

**450.808 General duties of authority manager.** The manager of the authority shall, subject to the direction and control of the board, serve as the administrator and supervisor of the functions and operations of the authority and shall perform all duties prescribed by the board. [1955 c.614 §24]

**450.810 Board may adopt and enforce ordinances for sanitary purposes.** (1) The district board may, for the protection of the health, safety and general welfare of the authority, adopt and enforce all necessary and proper regulations or ordinances for:

(a) The control of sewage disposal and drainage.

(b) The storage, collection, transportation and disposal of solid wastes where such regu-

lations are supplemental to the requirements of the rules of the Environmental Quality Commission adopted pursuant to ORS 459.045, and are necessary to meet special local conditions.

(c) The cleanliness of roads and streets in the authority.

(d) The control of mosquitoes and other insects.

(e) All other sanitary purposes not in conflict with the laws of this state.

(2) Any general ordinance of the district board shall be enacted in accordance with ORS 198.510 to 198.600. [1955 c.614 §26; 1967 c.428 §14; 1969 c.593 §39; 1971 c.268 §17; 1971 c.648 §26; 1973 c.835 §163]

**450.815 General powers of authority.** For the purpose of carrying out the powers granted to the authority under other provisions of ORS 450.675 to 450.980 and in addition thereto, the authority may:

(1) Have and use a common seal.

(2) Sue and be sued by its name.

(3) Permit the use, by lease or otherwise, of any property of the authority by any other authority, district, city or other governmental agency.

(4) Acquire by purchase, gift, devise, condemnation proceedings or otherwise, such real and personal property and rights of way, either within or without the authority, as in the judgment of the board are necessary or proper to the exercise of its powers, and to pay for and hold the same.

(5) Make and accept contracts, deeds, releases and documents which, in the judgment of the board, are necessary or proper in the exercise of any of the powers of the authority.

(6) Employ and pay necessary agents, employes and assistants.

(7) Lay its sewers and drains in any public street, highway or road in the county, and for this purpose enter upon it and make all necessary and proper excavations, restoring it to its proper condition. However, the consent of the proper city, county or state authorities, as the case may be, shall first be obtained and the conditions of such consent complied with.

(8) Compel all residents and property owners in the authority to connect their houses and structures requiring sewage disposal with adjacent sewers within the authority.

(9) Fix sewer charges and rentals.

(10) Do any act necessary or proper to effect and carry out the purposes for which the authority was formed pursuant to ORS 450.675 to 450.980. [1955 c.614 §25]

**450.820 Authority may maintain garbage collection system and engage in insect control activities.** In addition to other powers granted to it under ORS 450.675 to 450.980, the authority may:

(1) Maintain and operate disposal sites and garbage collection systems in compliance with the requirements of ORS 459.005 to 459.285 and subsections (1), (2) and (3) of 459.992.

(2) Engage in mosquito and other insect control activities. [1955 c.614 §27; 1967 c.428 §15; 1969 c.593 §40; 1971 c.648 §27]

**450.825 Plan for sewage disposal and drainage to be developed by authority.** As soon as practicable after the election of the first members of the board, the board shall make a study and survey of the existing sewage disposal facilities and systems in the authority and of its sewage disposal needs, both present and future, and prepare an overall coordinated plan for the authority which incorporates, so far as practicable, existing sewage disposal and drainage systems, future sewage treatment plants, including connecting trunk and lateral sewers, and future drainage systems. Such plan shall be revised from time to time as circumstances may require. In preparing the plan or revisions thereto, the board shall take into consideration expected fluctuations in population and in business and industrial activity. [1955 c.614 §28]

**450.830 Authority may construct and operate sewage disposal and drainage systems; operation beyond authority boundaries.** The sanitary authority may construct, maintain or operate sewage disposal and drainage systems, including sewage treatment plants, trunk and lateral sewers and drains, or any combination thereof, for any area within the authority. Portions of such systems may be constructed outside the authority where necessary or expedient. The authority may furnish sewage disposal service to areas outside the authority on a contract basis. [1955 c.614 §29]

**450.835 Contract for or purchase of sewage disposal and drainage systems.** The authority may, in performing the powers conferred by ORS 450.830:

(1) Contract with any city or county, any district organized for a public purpose, any other governmental agency or any person, partnership, association or corporation for the use or joint operation of all or any portion of any sewage disposal or drainage system owned or controlled by such city, county, district, agency, person, partnership, association or corporation; or

(2) Purchase all or any portion of any sewage disposal or drainage system from such city, county, district, agency, person, partnership, association or corporation on such terms as are fair and reasonable. Where the area served by such system, or part thereof, is situated within the authority, the authority may agree, on such terms as are fair and reasonable, to furnish sewage disposal or drainage functions for the area then served by such sewage disposal or drainage system. Under this subsection, as a part of the purchase agreement and on such terms as are fair and reasonable, the authority may assume liability for any outstanding bonded or other indebtedness incurred prior to the time of purchase in connection with the facilities to be purchased. [1955 c.614 §30]

#### (Finances)

**450.840 Costs for construction and operation of systems and general expenses of authority, how borne.** (1) The cost of construction of a sewage disposal system, including treatment plants and trunk or lateral sewers, or a drainage system shall be borne by the area directly benefited by the system. The property within such area shall bear such cost in the manner provided in ORS 450.855.

(2) The cost of operation and maintenance of sewage disposal systems and drainage systems shall be borne by the area directly benefited by such systems. The property within such area shall bear such cost in the manner provided in ORS 450.880.

(3) The costs and expenses of the authority which are not chargeable under ORS 450.675 to 450.980 to any particular area within the authority such as over-all planning, expenses of the board, conduct of elections and hearings and mosquito and other insect control shall be borne by the entire authority in the manner

provided in paragraph (a) of subsection (1) of ORS 450.885. [1955 c.614 §31]

**450.845 Areas needing sewerage installations to be determined and plans for installations to be made.** Whenever the board deems it expedient or necessary for the protection of the public health, safety and welfare to cause to be constructed treatment plants or trunk or lateral sewers or drains, or any combination thereof, the board shall determine the proposed boundaries of the area to be directly benefited thereby and have a registered professional engineer prepare plans and specifications for such plants, sewers or drains. Such plans and specifications must be approved by the Health Division and the Environmental Quality Commission and shall be filed in the office of the authority. Parcels of land which may be served practicably by lateral sewers or drains connected with treatment plants or trunk sewers or drains and are not adequately served by existing plants, sewers or drains, as the case may be, are considered to be directly benefited by the plants, sewers or drains of the authority. If all or any portion of the cost of construction is to be specially assessed against individual property, the engineer shall include in the plans and specifications, a description of the location and assessed value of each lot, tract or parcel of land, or portion thereof, to be specially benefited by the improvement, with the names of the record owners thereof and an estimate of the unit cost of the improvement to the specially benefited property. [1955 c.614 §32]

**450.850 Hearing on board's proposed construction plans and estimated special assessments; notice of hearing.** (1) After plans and specifications have been prepared and filed as provided in ORS 450.845, the board shall hold a hearing within the authority and may adjourn the hearings from time to time.

(2) The board shall post notice of the time and place of the hearing in at least three conspicuous places in the area directly benefited, for two weeks prior to the hearing and publish such notice in a newspaper of general circulation printed and published in the area once a week for two successive weeks prior to the hearing or, if there is no such newspaper, in a newspaper of general circulation printed and published in the county in which the area, or the largest portion thereof, is situated. Such notice shall contain a statement that the

board proposes to construct a sewage treatment plant or trunk or lateral sewers or drains, or any combination thereof, for the area and a statement, if special assessments are to be levied against property specially benefited, showing the estimated total cost of the improvement which is to be paid for by special assessment of benefited property and the engineer's estimated unit cost of the improvement to the specially benefited property, clearly indicating that this is an estimate and not an assessment; and set forth the proposed boundaries of the area and that all interested persons may appear and be heard. [1955 c.614 §33; 1973 c.399 §1]

**450.855 Action board may take at hearing concerning boundaries, installations to be constructed, costs and financing.** At the hearing under ORS 450.850 the board may:

(1) Modify the proposed boundaries of the area directly benefited by and to pay for the proposed installations except that no land in the authority which could not be directly benefited by the proposed installation may be included and no land in the authority which could be directly benefited by the proposed installation may be excluded. If it appears that land should be included in the area which was not included within the boundaries designated in the notice of the hearing and that the owners of such land have not appeared at the hearing the board shall adjourn the hearing and give notice to such owners by registered mail or by posting and publishing notice in the area to be included in substantially the same manner that notice is given under subsection (2) of ORS 450.850. If the notice is given by registered mail, the notice shall be mailed at least 10 days prior to the date fixed for the further hearing. The notice shall contain the date, time and place of the adjourned hearing, a statement that the board proposes to construct sewage treatment plants or trunk or lateral sewers or drains for an area within the authority, a description of the additional area to be included within such area and a statement that all persons interested may appear and be heard.

(2) Determine what installations shall be constructed and the total cost of the construction. The cost of making engineering plans and specifications shall be borne by the area directly benefited by the installation as a part of the construction costs.

(3) Determine the manner in which the property within the area shall bear the cost of the proposed installations. The board may provide, in its sound discretion, that the cost shall be borne by assessments against the property directly benefited, by sewer connection charges, by collection of sewer service charges in the area or, if general obligation bonds are to be issued and sold to finance the construction of the installations, by annual levies of taxes against property in the area, or by any combination of these methods. If all or a part of the cost of the proposed installations are to be borne by assessments against the property directly benefited, the board may, in its sound discretion, levy the assessments in an amount based upon the engineer's estimate of the cost, or may delay the assessments until the total cost of the installation is determined. Such cost shall be apportioned, so far as practicable, in accordance with the special and peculiar benefit each parcel of land in the area could receive from the installation. Where parcels of land in the area are partially or wholly undeveloped or are devoted to uses which in no way require sewage disposal service, the board may, in its sound discretion, defer assessing, imposing or levying all or any part of the assessments, sewer service charges or taxes against such parcels until the parcels or the undeveloped portions thereof are connected with the installations.

(4) Determine the method of financing the construction of the proposed installations and the amount and type of bonds, if any, to be issued and sold under ORS 450.895 to 450.920 to finance the construction of the proposed installations. [1955 c.614 §34; 1973 c.399 §2; 1977 c.621 §1]

**450.860 Portion of installation construction costs in an authority chargeable to area benefited.** When in providing sewage disposal or drainage systems for an area within the authority the board determines that any portion of sewage treatment plants or trunk or lateral sewers or drains constructed or acquired, or being constructed or acquired, by the authority, will be used by the area, a fair and equitable portion of the original cost of such plants, sewers or drains and of improvements thereto, less depreciation, shall be charged to the area on an assessment or sewer service charge basis, or any combination thereof. The proceeds of such assessments or charges shall be used by the board, in its discretion, for payment of bonds issued to construct such plants, sewers or drains or for

future improvements or additions to or maintenance of such plants, sewers or drains. The determination made under this section shall be made at the hearing of the board in connection with any proposed construction of sewage disposal or drainage systems for the area. [1955 c.614 §57]

**450.865 Ordinance specifying action of board at hearing may be adopted; remonstrances thereto.** (1) After the board has concluded the hearing under ORS 450.850 and 450.855 it may adopt an ordinance specifying the installations to be constructed for the area, the boundaries of the area, the method of apportioning the construction cost to the area directly benefited, whether by assessment, by sewer connection charges, by sewer service charges or annual levy, or combinations thereof, and the method of financing the construction of the installations. A copy of the ordinance shall be published once a week for two successive weeks in a newspaper of general circulation printed and published in the area directly benefited or, if there is no such newspaper, in a newspaper of general circulation printed and published in the county in which the area, or the largest portion thereof, is situated.

(2) If within 30 days after the last publication of such ordinance written remonstrances against the proposed construction are filed in the office of the authority by a majority of the owners of the land in the area directly benefited, no further proceedings shall be had in connection with the proposed construction. However, a modified proposal may be initiated within six months thereafter.

(3) If such remonstrances are not filed by a majority of the owners of the land in the area directly benefited, the board may proceed with the construction of the installation in accordance with the ordinance. [1955 c.614 §35; 1973 c.399 §3]

**450.867 Election on ordinance adopted under ORS 450.865.** (1) If the ordinance adopted under ORS 450.865 specifies that all or a part of the cost of construction of the installation is to be financed through the sale of general obligation bonds of the authority to be repaid by annual levies of taxes against property in the area, the board may, in its sound discretion, call a special election within the area to be directly benefited by the construction on the question of whether or not the construction and financing plan adopted by the ordinance should be implemented by the

board. Notice of the date of the election, the polling places therefor, the hours the polls shall be open and a brief description of the proposition to be voted upon may be incorporated in the ordinance adopted under ORS 450.865 and publication of such ordinance containing such notice shall satisfy the requirements for publication of notice of election contained in ORS 255.085 and 255.095.

(2) If a majority of the qualified voters voting on the question at the election vote against the proposal, there shall be no further proceedings in connection with the proposed construction. However, a modified proposal may be initiated within six months after the date of the election.

(3) If a majority of the qualified voters voting at the election approve the proposal, the board may proceed with the construction of the installation in accordance with the ordinance, subject to the right of property owners within the area to remonstrate under ORS 450.865. [1973 c.399 §6; 1975 c.647 §40]

**450.870 Assessments against benefited property.** (1) All assessments made pursuant to subsection (3) of ORS 450.855 shall be determined and made by an order of the board adopted in accordance with such procedures as shall be established by a general ordinance adopted by the board. Such general ordinance shall establish a procedure for assessing property directly benefited by the installation, making supplementary assessments and rebates, notice of the proposed assessment, provide for correction of errors, establish the form of the assessment order and such other procedures as are necessary to the adoption of the assessment order. It shall not be necessary to issue a separate order for each parcel of land, and any number of parcels in the same area and the same county may be included in one order. A copy of the order making an assessment, certified and acknowledged by the manager of the authority, shall be filed with the county clerk of the county in which the land is located. Upon being filed, the assessment shall constitute a lien against the land assessed.

(2) Notice of all assessments levied by an authority shall be given to the landowner by mail and shall be payable on the 30th day after such notice is mailed unless agreements for payment of such instalments are made pursuant to ORS 450.940. All assessments shall be paid to the county treasurer who is custodian of the funds of the authority and a

receipt shall be issued therefor. From time to time the board shall order the satisfaction of the liens against lands on which assessments have been paid, and a copy of such order shall be filed with the county clerk of the county in which the lands are located. [1955 c.614 §36; 1973 c.399 §4; 1977 c.621 §2]

**450.875 Collection of delinquent assessments by lien foreclosure procedure; reassessment procedure.** (1) In case the whole or any portion of the cost of sewage treatment plants, trunk or lateral sewers or drains is assessed against property directly benefited and the owner of the property fails to pay the amount of the lien, or any portion thereof, or the interest thereon, when due, the board may proceed to foreclose the lien in any manner provided by law for the collection of liens by municipalities and may provide by ordinance a general procedure for the collection of liens in any manner not inconsistent with law.

(2) The provisions of ORS 223.405 to 223.485 relating to reassessment shall be available to sanitary authorities where applicable. [1955 c.614 §37]

**450.880 Sewer service charges.** (1) The authority may adopt ordinances imposing sewer service charges within an area within the authority, for the purpose of financing the improvement, operation and maintenance of a sewage disposal or drainage system acquired or constructed by the authority for the area.

(2) The board may contract with any city or district serving water in such area to collect such service charges with the water bills, and the serving agency may cut off water for nonpayment of such service charges. The board may pay the water-serving agency for the reasonable cost of such collection services.

(3) Service charges may also be collected and enforced in substantially the manner provided in ORS 224.220. [1955 c.614 §38]

**450.885 Tax levies on all or only part of the property in the authority; budget for authority required.** (1) The authority may, annually as provided in this section:

(a) Levy a tax on all the property in the authority to provide funds with which to pay expenses of the authority and pay general obligation bonds of the authority which expenses and bonds are not chargeable under ORS 450.675 to 450.980 to any particular area in the authority.

(b) Levy an additional tax on the property in any particular area within the authority to provide funds with which to pay any part of the principal and interest on general obligation bonds which are to be paid by such area where sewer service charges or assessments will not be sufficient to pay such principal and interest.

(2) Assessment and collection of taxes levied on property within the authority shall be made by the county officers charged with assessment and collection of other property taxes in the county in which the property lies.

(3) Each year, immediately after his necessary records are made, the county assessor of each county in which the authority is situated shall transmit to the board a statement in writing, showing the total value of all property within the authority and within each area within the authority which is subject to levy under paragraph (b) of subsection (1) of this section as ascertained for that year from the assessment rolls of each county in which property of the authority lies, as equalized and corrected by the county board of equalization.

(4) The board shall prepare a budget in the form, manner and time prescribed in the Local Budget Law and in accordance therewith fix the amount of money to be raised by taxation for carrying out its functions and activities and for the payment of the principal and interest of outstanding indebtedness of the authority which will become due during the year. The board shall determine the amount of taxes to be raised from the entire authority and the additional amount to be raised from each of the areas within the authority which are directly benefited by particular installations.

(5) The board shall, in the manner and time prescribed by law, transmit to the county assessor of each county a statement of taxes which are to be collected in such county. If the board fails to levy taxes under this section sufficient to pay the interest on and the maturing principal of all outstanding general obligation bonds of the entire authority or on property in areas which are primarily obligated to pay the bonds, the governing body of the counties in which the authority is situated shall cause such taxes to be levied, extended and collected and, if necessary, cause a tax on all the property in the authority to be levied, extended and collected to pay general obligation bonds of the authority. However, any levy against all property in the authority

under this subsection shall not alter or limit the obligation of the area primarily obligated on the bonds as between such area and the authority. [1955 c.614 §39]

**450.890 Collection of taxes; taxes are liens on property.** (1) Taxes levied under ORS 450.885 shall be collected at the same time and in the same manner as county taxes are collected and, when collected, shall be paid to the county treasurer and deposited to the credit of the sanitary authority fund. Taxes collected to pay expenses or obligations of a particular area shall be credited to separate accounts or funds of the authority to be used for such purposes.

(2) The taxes shall be a lien upon the property against which they are levied and shall be of the same force and effect as other liens for taxes. Their collection shall be enforced by the same means as provided for the enforcement of liens for county property taxes. [1955 c.614 §40; 1975 c.122 §1]

**450.895 Bonds, general obligation or revenue or combination of both; bonds to mature serially and be paid in instalments.** The authority may, when authorized by a majority of the votes cast at an election by voters of the authority, issue general obligation bonds or revenue bonds, or a combination of both, for the purpose of paying the cost of acquisition or construction, operation and maintenance of sewage treatment plants or trunk or lateral sewers or drains for any area or areas within the authority or to carry out any other purpose authorized under ORS 450.675 to 450.980. Each issue of general obligation bonds shall be the general obligation of the entire authority but shall be the primary obligation of the area directly benefited by the sewage treatment plant or trunk or lateral sewers or drains constructed with the proceeds of each issue of such bonds and paid by assessment, annual levy or sewer service charges, or combinations thereof, as determined by the board under ORS 450.855. Revenue bonds shall be payable solely out of designated revenues of the authority and shall not be deemed to be a general obligation of the authority or a charge upon its tax revenues. All bonds issued shall mature serially within not to exceed 30 years from date of issue, and shall be paid in annual instalments of such amounts as will make the combined amount of principal and interest payable each year as nearly equal as practicable during the years of payment. [1955 c.614 §41]

**450.900 Election on bond issues; limitation on indebtedness.** (1) Before issuing any bonds under ORS 450.895, the board shall at a regular meeting call an election and submit to the voters in the authority the question whether bonds of the authority, either general obligation, revenue, or a combination of both, shall be issued and sold to raise money for the construction of sewage treatment plants or trunk or lateral sewers or drains for any area or areas within the authority.

(2) The order calling a bond election shall be signed by not less than four members of the board and may submit to the voters as one proposal the question of issuing bonds to finance one or more sewage treatment plants or trunk or lateral sewers or drains; or the order may submit as separate questions the issuance of bonds for any sewage treatment plants or trunk or lateral sewers or drains in such combinations as the order may direct.

(3) The authority's total outstanding bonds of all kinds, including improvement bonds of the kind authorized by ORS 223.205 and 223.210 to 223.295, and revenue bonds shall at no time exceed in the aggregate 13 percent of the actual value of all property by law assessable for state and county purposes within the authority. The actual value shall be the amount obtained by dividing the assessed value of the property within the authority, as shown upon the assessment roll as of January 1 of the latest calendar year for which a valuation has been certified pursuant to ORS 311.105, by the assessment ratio for such year for the county or counties in which the authority is located, as shown in the statement filed by the Department of Revenue with the Secretary of State, pursuant to ORS 309.370. [1955 c.614 §42]

**450.905 Notice of bond election.** Notice of a bond election shall contain:

(1) The information required by subsection (2) of ORS 255.085.

(2) If general obligation bonds, which are to be paid by particular areas in the authority, are to be issued, a statement that the bonds will be the general obligation of the entire authority but will be the primary obligation of the areas in the authority which will be directly benefited by the sewage treatment plants or trunk or lateral sewers or drains constructed with the proceeds of the bonds and paid through assessment, annual levy, or sewer service charges, or combinations thereof, as determined by the board under ORS

450.855 and designating specifically the boundaries of such area or areas.

(3) If revenue bonds are to be issued, a statement that the bonds will be payable solely out of designated revenues of the authority and will not be a general obligation of the authority or a charge upon the tax revenues of the authority. [1955 c.614 §43; 1971 c.647 §99; 1975 c.647 §41]

**450.910** [1955 c.614 §44; repealed by 1971 c.647 §149]

**450.915 Bonds, issuance and sale.** (1) If, at the bond election, a majority of the votes cast is in favor of the issuance of bonds, the board may issue and sell the bonds as provided in this section.

(2) The bonds shall be in such denominations of \$500 or \$1,000, or multiples thereof, as the board determines.

(3) All bonds shall be payable in lawful money of the United States at the office of the county treasurer of the county in which the authority, or the largest area thereof, is situated.

(4) If the bonds are revenue bonds, the bonds shall contain a statement that such bonds are payable solely out of designated revenues of the authority and are not general obligations of the authority or a charge upon the tax revenues of the authority.

(5) The bonds shall be signed by the chairman of the board and countersigned by the manager of the authority. However, the printed or lithographed facsimile signatures of the chairman and manager may be affixed to coupons, if any, on the bonds. In accordance with ORS 208.200 and 208.205, each bond payable at the office of the county treasurer shall be registered with the county treasurer who is the custodian of the funds of the authority under ORS 450.945 and signed by him.

(6) All legally authorized and issued general obligation bonds or revenue bonds shall be advertised and sold in the manner prescribed in ORS 287.014 to 287.026. [1955 c.614 §45; 1969 c.694 §11; 1975 c.642 §24; 1977 c.188 §4]

**450.920 Disposition of proceeds of the sale of bonds.** The proceeds of the sale of bonds shall be deposited with the county treasurer who is custodian of the funds of the authority and shall be placed by him in the sanitary authority fund and credited to a special account or accounts which are designated for use for the particular purpose or purposes for which the bond proceeds are to be

used. The proceeds of such bonds shall be used solely for the purpose or purposes indicated in the order calling for election upon the question of the issuance of the bonds and for no other purpose. However, the proceeds of the sale of the bonds may be used for payment of the principal and interest of such bonds and expenses of the formation of the authority. [1955 c.614 §46]

**450.925 Refunding bonds may be issued.** (1) The board may, without authorization from the voters, issue refunding bonds for the purpose of refunding outstanding bonds issued under ORS 450.895 to 450.920.

(2) The provisions of subsections (2) to (6) of ORS 450.915 are applicable to refunding bonds issued and sold under this section.

(3) The refunding bonds may be issued to refund bonds originally issued or to refund bonds previously issued for refunding purposes and for no other purpose. [1955 c.614 §47]

**450.930 Redemption of bonds before maturity dates.** In its discretion, the board may issue bonds of the authority with reservation of the right to redeem them for retirement or refunding purposes prior to the final dates of maturity in the manner provided in ORS 287.008. [1955 c.614 §48]

**450.935 Short-term financing.** The provisions of ORS 287.402 to 287.432 relating to short-term financing hereby are made applicable to sanitary authorities formed under ORS 450.675 to 450.980. [1955 c.614 §49]

**450.940 Payment of assessments in instalments; issuance of improvement warrants and bonds.** When the cost, or any portion thereof, of sewage treatment plants or trunk or lateral sewers or drains is assessed against the property directly benefited, the provisions of ORS 223.205 and 223.210 to 223.385, relating to the payment of assessments in instalments, and the provisions of ORS 287.502 to 287.510, relating to the issuance of improvement warrants by cities, shall apply to the authority in so far as practicable and applicable. Where in ORS 223.205, 223.210 to 223.385 and 287.502 to 287.510 officials of cities are referred to, the corresponding officials who perform similar services for the authority where applicable shall perform the required functions. The authority may issue improvement bonds in the total amount of the valid applications it has re-

ceived to pay assessments in instalments as provided in ORS 223.205 and 223.210 to 223.385. [1955 c.614 §50]

**450.945 Custody and disbursement of authority funds by county treasurer.** (1) The county treasurer of the county in which the authority, or the largest area thereof, is situated shall be custodian of all sanitary authority taxes paid to the county treasurer in accordance with ORS 450.890 and such other funds that the authority may pay to the county treasurer for deposit to the credit of the authority. The county treasurer shall pay out moneys of the authority only upon written order of the board, signed by the chairman of the board and countersigned by the manager of the authority. However, where the board has authorized the manager to approve and order the payment of claims in the amount of \$500 or less, the treasurer shall pay out moneys of the authority on such orders of the manager.

(2) The order shall specify the name of the person to whom the money is to be paid, the fund from which it is to be paid and shall state generally the purpose for which payment is to be made.

(3) A copy of the order shall be filed in the records of the board. The county treasurer shall keep the order as his voucher and shall keep account of his receipts and disbursements of money for the sanitary authority.

(4) The county treasurer shall keep separate accounts and funds, where necessary, to segregate the various operations and construction projects of the authority.

(5) Notwithstanding the provisions of subsections (1) to (4) of this section, any funds of the authority other than taxes may be deposited, at the discretion of the board, in one or more banks or savings and loan associations to be designated by the board. Funds deposited in a bank or savings and loan association shall be withdrawn or paid out only upon proper order and warrant or check signed by the chairman and countersigned by the manager. [1955 c.614 §51; 1975 c.122 §2]

#### (Programs for Employees)

**450.947 Contracts for medical, dental and hospital services; insurance for employees; effect of failure to contract.** (1) An authority may enter into contracts for medical, dental and hospital services or insurance covering employees of the authority for life,

accidental death and dismemberment, weekly wage indemnity during disability, dental care, remedial care and hospital benefits. Failure to obtain insurance or service contracts shall not be construed as negligence or lack of diligence on the part of the board or the members thereof.

(2) As used in this section, "remedial care" includes services rendered by a person licensed to practice one or more of the healing arts within the scope of his license or any other remedial care recognized under the law of this state. [1973 c.399 §8]

**450.949 Payment of contract costs by authority and by employee; multiple contracts; qualification of insurer or hospital association.** (1) The authority may agree to pay none, part or all of the premiums or charges on insurance or service contracts, and it may collect from the salary of any employee covered by the contract the percentage of the premiums or charges the employee is required to provide pursuant to the contract. Contributions for premiums or charges by employees shall be only on a voluntary basis.

(2) The authority may negotiate more than one contract with one or more companies or associations if necessary to obtain optimum coverage at minimum cost.

(3) No premium or other periodic charge on any insurance or service contract shall be paid unless the insurer or hospital association issuing such policy or contract is authorized to transact business as an insurance company or hospital association in this state. [1973 c.399 §9]

**450.950** [1955 c.614 §52; repealed by 1971 c.727 §203]

**450.955** [1955 c.614 §53; repealed by 1971 c.727 §203]

**450.960** [1955 c.614 §54; repealed by 1971 c.727 §203]

**450.963 Employees' retirement system.**

(1) An authority may establish an employees' retirement system pursuant to ORS 450.963 to 450.973. The authority may enter into agreements necessary to establish the system and carry out the plan and may agree to modifications of such agreements from time to time.

(2) The retirement plan may provide for retirement benefits measured on the basis of services rendered or to be rendered by an employee, either before or after the date on which such employee first becomes a member of the retirement plan. The retirement plan may provide for a minimum of years of service

and a minimum and maximum age of retirement for the employe. [1973 c.399 §10]

**450.965** [1955 c.614 §55; repealed by 1971 c.727 §203]

**450.967 Funding of retirement plan.**

The authority may budget and provide for payment into the fund of the retirement plan an amount sufficient:

(1) To provide, on an actuarial reserve basis, the amortized level premium cost of the retirement benefits which, under the provision of the retirement system, are to be provided by the authority to its employees who attain the retirement age or retire in accordance with the terms of the retirement plan.

(2) To meet the actuarially computed costs of retirement benefits measured on the basis of services rendered or to be rendered by an employe before or after the date on which such employe becomes a member of the retirement plan. [1973 c.399 §11]

**450.970** [1955 c.614 §56; repealed by 1971 c.727 §203]

**450.971 Employe contribution.** The authority may collect, as a contribution from any employe, that percentage of the salary received by the employe which is necessary to fund on an actuarial reserve basis the cost of retirement benefits which the employe is required to provide pursuant to the provisions of the retirement plan. [1973 c.399 §12]

**450.973 Eligibility for retirement plan.** Nothing in ORS 450.947 to 450.977 authorizes the authority to budget, provide for payments or collect contributions to fund retirement benefits for an individual who is not in the employment of the authority at the time of the creation of a membership status under a retirement plan. [1973 c.399 §13]

**450.975** [1955 c.614 §58; repealed by 1971 c.727 §203]

**450.977 Tax levy to finance programs under ORS 450.947 to 450.977.** Expenses incurred by a district in establishing programs or providing benefits authorized by ORS 450.947 to 450.977 are expenses for which an authority may levy taxes as provided in ORS 450.885. [1973 c.399 §7]

(Miscellaneous)

**450.980 Procedure for testing proceedings and acts of sanitary authorities.** The provisions of ORS 261.605 to 261.630 relating to court proceedings to test the validity of acts and proceedings of People's Utility Districts hereby are made applicable, so far as practicable, to the proceedings and acts of sanitary authorities. [1955 c.614 §59]

**PENALTIES**

**450.990 Penalties.** Violation of any regulation or ordinance under ORS 450.085 is punishable, upon conviction, by a fine of not more than \$100 or imprisonment of not more than one month, or both.

**CERTIFICATE OF LEGISLATIVE COUNSEL**

Pursuant to ORS 173.170, I, Thomas G. Clifford, Legislative Counsel, do hereby certify that I have compared each section printed in this chapter with the original section in the enrolled bill, and that the sections in this chapter are correct copies of the enrolled sections, with the exception of the changes in form permitted by ORS 173.160 and other changes specifically authorized by law.

Done at Salem, Oregon,  
October 1, 1977.

Thomas G. Clifford  
Legislative Counsel