Chapter 777

1989 EDITION

Ports Generally; Ports Division

PORT PLANNING AND DEVELOPMENT

(Temporary provisions relating to Oregon Port Planning and Development Advisory Committee are compiled as notes preceding ORS 777.003)

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PORT PLANNING AND DEVELOPMENT

Note: Sections 2 and 4 to 9 of chapter 607, Oregon Laws 1987, provide:

Sec. 2. As used in sections 2 to 17 of this 1987 Act, "advisory committee" means the Oregon Port Planning and Development Advisory Committee. [1987 c 607 §2]

Sec. 4. (1) There is established the Oregon Port Planning and Development Advisory Committee consisting of nine members. The membership of the advisory committee shall consist of the following:

(a) Four members with experience in port management, each of whom shall be appointed from a different port region specified in ORS 777.840 The Oregon Public Ports Association may recommend persons to the Governor for appointment under this paragraph and the Governor may select persons recommended by the association when making such appointments However, the Governor may appoint to the advisory committee qualified persons from each of the four port regions specified in ORS 777.840 other than those persons recommended by the association.

(b) Five members who shall be appointed by the Governor from individuals having any of the following qualifications:

(A) Broad knowledge and extensive experience in recreation and tourism in this state;

(B) Broad knowledge and extensive experience in basic trade and industry, with particular emphasis in international marketing,

(C) Broad knowledge and extensive experience in transportation;

(D) Extensive experience in representing the interests of labor; and

(E) Broad knowledge of financial management with extensive experience in bond financing.

(2) The representation on the advisory committee provided for in this section shall be maintained by the Governor in making appointments to fill vacancies

(3) The term of office of each member is four years. A member is eligible for reappointment, but no member shall serve for more than two consecutive terms. Before the expiration of the term of a member, the Governor shall appoint a successor, consistent with subsection (1) of this section, whose term begins on January 1 next following If there is a vacancy for any cause, the Governor shall make an appointment to become immediately effective for the unexpired term

(4) A member of the advisory committee is entitled to compensation and expenses as provided in ORS 292 495 [1987 c 607 §4]

Sec. 5. (1) Notwithstanding the term of office specified by section 4 of this 1987 Act, of the members first appointed to the advisory committee:

(a) Five shall serve for terms ending December 31, 1991; and

(b) Four shall serve for terms ending December 31, 1989

(2) The respective terms of the members first appointed to the advisory committee shall be determined by the Governor. [1987 c.607 §5]

Sec. 6. (1) The advisory committee shall select one of its members as chairperson and another as vice-chairperson, for terms and with duties and powers necessary for the performance of the functions of such offices as the advisory committee determines.

(2) A majority of the members of the advisory committee constitutes a quorum for the transaction of business.

(3) The advisory committee shall meet at least quarterly and as the advisory committee determines necessary at times and places specified by the call of the chairperson or of a majority of the members of the advisory committee.

(4) In accordance with applicable provisions of ORS 183.310 to 183.550, the advisory committee may adopt rules necessary for the administration of the laws that the advisory committee is charged with administering. [1987 c 607 §6]

Sec. 7. (1) The Oregon Port Planning and Development Advisory Committee is established to:

(a) Coordinate with all ports incorporated under ORS chapter 777 or 778 in their planning and development activities and to advise the Economic Development Commission on such issues affecting and of importance to the state's ports;

(b) Make specific recommendations on port planning and development projects to the Economic Development Commission; and

(c) Oversee all studies of the ports in this state, in cooperation and consultation with the individual ports involved in each study. In addition to any other port studies that may be conducted, the advisory committee shall require and cause at least the two port studies described in this paragraph to be conducted. If the advisory committee considers it necessary, the advisory committee may appoint a task force to determine the scope of any study The advisory committee shall be responsible for reporting the findings of the studies, including specific recommendations, to the Sixty-fifth Legislative Assembly. The two studies required under this paragraph are:

(A) A study of the governmental and management structures necessary for the full development of commerce along the Columbia River, which shall focus on developing strategies and an implementation plan to fully develop the potential of the Columbia River and to best utilize the resources in deepwater port transportation from Port of Astoria to Port of Portland to meet the transportation needs of Oregon business and commerce; and

(B) A study of the potential, the development and the market opportunities for deepwater, recreational and inland ports, which shall focus on differential analyses of these three types of ports, and on developing strategies to best develop the full potential of the ports in each of these three categories.

(2) The advisory committee shall also:

(a) Foster cooperation from other public agencies to assist and facilitate port planning and development;

(b) Encourage private sector involvement in port planning and development projects;

(c) Recommend standards for performance and management for the operation of port facilities and marketing activities;

(d) Advise the Ports Division in providing technical assistance to the state's ports as specified in section 17 of this 1987 Act, and

(e) Initiate contact with Washington ports on the Columbia River to develop projects of mutual benefit. [1987 c.607 §7]

Sec. 8. (1) The Economic Development Commission shall require the advisory committee to submit a report of its activities to the commission at least once in each calendar quarter.

(2) The advisory committee shall submit to the Governor, the Joint Legislative Committee on Trade and Economic Development and to each port in this state an annual report of the activities of the advisory committee in such detail as will adequately describe the administration of sections 2 to 8 of this 1987 Act, the effect of sections 2 to 17 of this 1987 Act on ports in

Oregon and the condition of the funds created under ORS 777.727 and 777.884. [1987 c.607 §8]

Sec. 9. The Oregon Port Planning and Development Advisory Committee is established for the period of four years following the effective date of this 1987 Act [July 11, 1987]. [1987 c.607 §9]

PORTS

(Policy)

777.003 Policy. (1) The Legislative Assembly finds that:

(a) The ports of this state ought to be more directly and actively involved in creating and carrying out at the local level the economic development objectives and programs of the State of Oregon.

(b) Ports in this state provide effective local assistance to state economic and transportation development efforts.

(c) Ports in Oregon are vital to many important existing industries in this state, such as agriculture, aviation, maritime commerce, international trade, tourism, recreation, fishing, wood products and transportation.

(d) The ports in this state have few technical or institutional resources to deal with multiple state and federal programs.

(e) Ports in this state need coordinating and planning assistance from the State of Oregon in order to be competitive in national and international markets and to continue to contribute to the economic development efforts in this state.

(2) Therefore, the Legislative Assembly declares that it is the policy of this state to take an active role in Oregon's port planning and development. To that end, the Economic Development Commission and the Ports Division may work to:

(a) Coordinate with the Department of Transportation and other state agencies, commissions and advisory committees engaged in activities affecting ports to facilitate the planning and development of the state's ports;

(b) Promote local cooperation in statewide planning and development of the ports;

(c) Promote long-term economic self-sufficiency of the ports;

(d) Encourage cost-effective investments with prudent financial consideration of port development projects; and

(e) Facilitate the ports in enhancing the management capability in their effort to expand and respond to greater domestic and international market opportunities. [1987 c.607 §3]

(Definitions)

777.005 Definitions for ORS 777.005 to 777.725 and 777.915 to 777.953. As used in ORS 777.005 to 777.725 and 777.915 to 777.953, unless the context requires otherwise:

(1) "Board" means the board of commissioners of a port.

(2) "County" means the county in which the port, or the greater portion of the area of the port, is located.

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

(4) "County clerk" means the county clerk of the county.

(5) "Port" means a municipal corporation incorporated, or proposed to be incorporated, pursuant to ORS 777.010 and 777.050.

(6) "Owner" or "landowner" means the record owner of real property or the vendee of a recorded contract of purchase of real property, if any, to the exclusion of the vendor. [Amended by 1971 c.728 §1, 1983 c.83 §109]

(Organization of Ports)

777.010 Areas which may be incorporated as ports. (1) Municipal corporations designated as ports may be incorporated, in the manner provided in this section and ORS 777.050.

(2) A proposed port may include all the territory in one county. However, where a petition is filed for incorporation of a port, the territorial limits of which do not include the county as a whole, the limits proposed by the petition shall not extend beyond the natural watershed of any drainage basin whose waters flow into another bay, estuary or river navigable from the sea situate within the county. [Amended by 1959 c.602 §1; 1963 c 209 §1, 1967 c.342 §1; 1971 c.727 §182; 1971 c.728 §2]

777.015 [Amended by 1967 c 342 §2; repealed by 1971 c.727 §203]

777.020 [Amended by 1959 c.602 §2; 1963 c 252 §1; repealed by 1971 c.727 §203]

777.022 [1959 c.602 §4; 1963 c 252 §2; repealed by 1971 c 727 §203 and by 1971 c.728 §138]

777.025 [Amended by 1967 c 342 §3, repealed by 1971 c.647 §149 and by 1971 c.728 §138]

777.030 [Amended by 1959 c.57 §1; 1963 c.252 §3, repealed by 1971 c.647 §149]

777.035 [Amended by 1967 c 342 §4; repealed by 1971 c.727 §203]

777.040 [Amended by 1959 c.602 §5, repealed by 1971 c.727 §203]

777.045 [Repealed by 1971 c.647 §149 and by 1971 c 727 §203]

777.050 Operation and effect of proclamation; general corporate powers and

capacity. From the date of the formation order, the port specified in the order shall:

(1) Have perpetual succession.

(2) Have, and may exercise and carry out, the corporate powers and objects declared by ORS 777.005 to 777.725 and 777.915 to 777.953.

(3) Make all contracts, hold, receive and dispose of real and personal property, and do all other acts and things which may be requisite, necessary or convenient in carrying out the objects of the corporation or exercising the powers conferred upon it.

(4) Sue and be sued, plead and be impleaded in all actions, suits or proceedings brought by or against it. [Amended by 1971 c.727 §184, 1971 c.728 §10]

777.055 [Repealed by 1971 c.728 §138]

777.060 [Amended by 1963 c.268 §18; repealed by 1971 c.727 §203]

(Facilities for World Maritime Trade)

777.065 Development of port facilities at certain ports as state economic goal; state agencies to assist ports. The Legislative Assembly recognizes that assistance and encouragement of enhanced world trade opportunities are an important function of the state, and that development of new and expanded overseas markets for commodities exported from the ports of this state has great potential for diversifying and improving the economic base of the state. Therefore, development and improvement of port facilities suitable for use in world maritime trade at the Ports of Umatilla, Morrow, Arlington, The Dalles, Hood River and Cascade Locks and the development of deepwater port facilities at Astoria, Coos Bay, Newport and Portland is declared to be a state economic goal of high priority. All agencies of the State of Oregon are directed to assist in promptly achieving the creation of such facilities by processing applications for necessary permits in an expeditious manner and by assisting the ports involved with available financial assistance or services when necessary. [1981 c.879 §6]

Note: 777.065 was enacted into law by the Legislative Assembly but was not added to or made a part of ORS chapter 777 or any series therein by legislative action See Preface to Oregon Revised Statutes for further explanation

(Port Powers and Functions; Port Commissioners)

777.080 Application of special district election laws to ports. (1) ORS chapter 255 governs the following:

(a) The nomination and election of district commissioners.

(b) The conduct of district elections.

(2) The electors of the district may exercise the powers of the initiative and referendum regarding a district measure, in accordance with ORS 255.135 to 255.205. [1983 c.350 §325]

777.090 Agreements between ports; allocation of expenses and revenues. A port may enter into agreements with other ports to exercise jointly all powers granted to any of the agreeing ports. The agreement may authorize joint acquisition of real property or other interests in land and may provide for the allocation among the agreeing ports of expenses incurred or revenues received in the performance of the agreement. [1981 c.879 §10]

Note: 777.090 to 777.100 were enacted into law by the Legislative Assembly but were not added to or made a part of ORS chapter 777 or any series therein by legislative action. See Preface to Oregon Revised Statutes for further explanation.

777.095 Agreement between Port of Astoria and State Land Board concerning deepwater port facility at Tongue Point; division of revenue; board's share credited to Common School Fund. Any agreement between the Port of Astoria, individually or in conjunction with another port, pursuant to ORS 777.090, and the State Land Board shall specify a division between the parties of all net revenues accruing from the management of the deepwater port facility at Tongue Point. The State Land Board's share of the net revenues shall be transferred to the Division of State Lands and credited to the Common School Fund. [1981 c.879 §9]

Note: See note under 777 090.

777.100 Annual report to legislative committee concerning agreements made under ORS 777.090. Annually, the directors of any agreeing ports and the Director of the Division of State Lands shall report to the Legislative Committee on Trade and Economic Development the nature of all agreements made under ORS 777.090 and accomplishments thereunder. [1981 c.879 §11]

Note: See note under 777 090.

777.105 Bay, river and harbor improvement. A port may improve bays, rivers and harbors within its limits and between its limits and the sea for the width and length and to the depth the port considers necessary or convenient for the use of shipping and as the means at its disposal will allow. It may construct the canals, basins and waterways necessary or convenient for the use of shipping or the extension of the commerce of the port. [Amended by 1971 c 728 §12]

777.108 Agreements between two or more ports. Two or more ports may enter agreements, to exercise jointly all powers granted to each of the agreeing ports indi-

vidually. In the exercise of such powers ports may acquire jointly all lands, rights in real property, leases or easements necessary for their purposes. However, ports so acting jointly shall not acquire real property or rights in any other port without the consent of such port. [1961 c.367 §2, 1971 c.728 §13]

777.110 Contracts with Federal Government. A port may:

(1) Contract with the Federal Government to do all or part of the work of making or maintaining, or both, a depth of water in the bays, harbors or rivers as determined by the Federal Government; and

(2) Receive therefor compensation as agreed between the Federal Government and the port. [Amended by 1971 c.728 §14]

777.112 Contracts between ports and other governmental units. (1) A port may enter into a contract with the United States, or with a county, city, port or other municipal corporation of the State of Oregon or of the State of Washington or with either of those states:

(a) To provide facilities or services that any of the contracting parties might provide or perform separately for the improvement or maintenance of the bays, harbors and channels of the Columbia River and other Oregon rivers and streams; or

(b) To exercise the powers which any of the contracting parties has to control the use of the waters, shores and banks thereof.

(2) Any port may enter into any contract or agreement with established diking districts, drainage districts, soil and water conservation districts, water control districts or corporations for the use and control of water for promoting erosion control, pollution control or otherwise protecting, maintaining and enhancing waters within the boundaries of the port district.

(3) Expenses incurred or revenues received in the performance of a contract or agreement entered into under subsections (1) and (2) of this section shall be allocated among the contracting parties as the contract shall provide. [1961 c.367 §3; 1971 c.691 §1; 1971 c.728 §139]

777.113 Port assistance to other governmental units within port boundaries. Consistent with the purposes, functions and powers granted to it by law, a port may provide research or technical assistance for the planning, promotion or implementation of commercial, industrial or economic development projects upon request by any city, county or municipal corporation within the boundaries of the port. [1977 c.209 §2]

Note: 777.113 was enacted into law by the Legislative Assembly and was added to and made a part of ORS chapter 777 but was not added to or made a part of any series therein by legislative action See Preface to Oregon Revised Statutes for further explanation.

777.115 [Repealed by 1971 c 728 §16 (777 116 enacted in lieu of 777.115)]

777.116 Port may acquire real and personal property; appraisal required; purchase contract limited. (1) A port may acquire, by condemnation or other lawful method, hold, use, enjoy and convey, lease or otherwise dispose of real and personal property, or any interest therein, necessary or convenient in carrying out its powers. Condemnation proceedings shall be conducted as provided by ORS chapter 35.

(2) A port shall not purchase real property without first appointing a port staff appraiser or a disinterested independent appraiser. If the appraiser determines the value of the property exceeds $100,000, then the port shall appoint one additional disinterested appraiser. The appraisal shall fix the fair market value of the property proposed to be purchased. This subsection, however, does not require a port to purchase such property at the appraised value, nor shall the appraisal be admitted in evidence in any condemnation proceeding.

(3) Notwithstanding the provisions of ORS 696.030, a port staff appraiser shall be a licensed real estate appraiser under ORS 696.162.

(4) A port may purchase real or personal property upon a contractual basis when the period of time allowed for payment under the contract does not exceed 20 years. [1971 c.728 §17 (enacted in lieu of 777 115, 777 185 and 777.187); 1973 c.127 §2; 1975 c.43 §1; 1979 c.17 §1]

777.120 Port's authority over harbors, wharf lines and navigation. (1) To the full extent the State of Oregon might exercise control or grant to ports the right to exercise control, a port has full control of all bays, rivers and harbors within its limits, and between its limits and the sea. As convenient, requisite or necessary or in the best interests of the maritime shipping and commercial interests of the port, a port may, within its limits:

(a) Make, change or abolish wharf lines in bays, rivers and harbors.

(b) By ordinance make, modify or abolish regulations for the use of navigation, or for the placing of obstructions in or the removal of obstructions from bays, rivers and harbors.

(2) A port shall have the authority to engage in the control and prevention of river and stream bank erosion, and the prevention of damage from floodwater and sediment, and to make, establish, change, modify or abolish such rules and regulations to preserve natural resources and prevent estuary and

stream pollution within the boundaries of the district. [Amended by 1971 c.268 §20; 1971 c.691 §2, 1971 c.728 §140]

777.125 Ports may maintain tug and pilotage service; charges; port's liability limited; salvage claims. (1) A port may establish, maintain and operate a tugboat and pilotage service in the port and between the port and the sea. To provide such service, it may purchase, lease, control and operate tugboats and pilot boats and collect charges from vessels employing such tugs for towage or pilotage services.

(2) The charges for towage and pilotage shall be fixed by the board and filed in the records of the port. A port is entitled to a lien upon a vessel for any sums due the port for piloting or towing such vessel. The master and owner of such vessel shall, in addition, be jointly and severally liable to the port for the sums due.

(3) If a vessel or cargo, while being towed by a vessel owned or operated by a port or while under the charge of a pilot employee thereof, suffers injury or loss by reason of the fault of the tug, or the negligence or incompetency of the pilot, the port shall not be liable for any loss or injury thereof in excess of $5,000.

(4) A port may claim and collect salvage for services rendered to vessels in distress in the same manner as a natural person. [Amended by 1971 c 728 §20]

777.130 [Amended by 1963 c 219 §1, 1963 c 365 §1, 1965 c.445 §1; 1967 c 416 §2; 1969 c.497 §1; repealed by 1971 c 728 §21 (777.195 to 777 258 enacted in lieu of 777 130)]

777.132 Authority of ports to distribute water; construct and maintain marina and recreation facilities. (1) A port may distribute water for domestic purposes, industrial purposes, irrigation purposes or for the purposes of recharging ground water basins or reservoirs within or without the port.

(2) A port may construct, improve, maintain and operate public marina or other recreation facilities. Such facilities may include campgrounds or parks which the port may operate and maintain or lease to public or private organizations or persons for operation and maintenance. [1969 c 497 §3; 1971 c.728 §29; 1973 c.127 §1; 1974 s.s. c.39 §1; 1987 c 103 §1]

Note: 777.132 was enacted into law by the Legislative Assembly but was not added to or made a part of 777.115 to 777.160 by legislative action. See Preface to Oregon Revised Statutes for further explanation.

777.135 Board of port commissioners; qualifications; appointment; term; first meeting; election. (1) The power and authority given a port is vested in and shall be exercised by a board of five commissioners, each of whom shall be an elector registered in the port.

(2) Within 10 days after the formation of the port, the Governor shall appoint the first board of five commissioners, each of whom shall be an elector registered in the port.

(3) The commissioners shall meet at a place within the port, designated by the Governor, on the fifth day after their appointment and shall organize as a board, first making and subscribing to an oath of office. The term of office of each commissioner shall be determined by lot at the first meeting of the board. The terms of two of the commissioners expire June 30 next following the first regular district election, and the terms of the remaining three commissioners expire June 30 next following the second next regular district election.

(4) At the first regular district election following the appointment of the first board, two commissioners shall be elected. At the second regular district election following the appointment of the first board, three commissioners shall be elected.

(5) Except as provided in subsection (3) of this section, the term of commissioner is four years. [Amended by 1967 c.185 §1; 1971 c.647 §136; 1971 c.727 §§185, 200; 1971 c.728 §30, 1973 c 796 §74; 1983 c 83 §110; 1983 c 350 §318]

777.137 Designation of position numbers for commissioners. (1) Each office of commissioner of the board of a port shall be designated by number as Position No. 1, Position No. 2, and so forth.

(2) The secretary of a port shall assign a position number to each office on the board. The number so assigned shall be certified by the secretary to the commissioner in office holding that position. The secretary shall file a copy of the certification with the election officer for the district. [1969 c 297 §2; 1971 c.728 §31; 1983 c.350 §319]

777.140 Board meetings; board officers; public records. (1) A board shall meet at a place within the port as it may from time to time determine. A board shall hold at least one regular meeting in each month on a day to be fixed by it, and may hold special meetings as provided by its rules.

(2) A board shall choose from its number a president, vice president, treasurer and secretary, who shall hold their offices until the next election of officers and who shall have the powers and perform the duties usual in such cases. Annual reports shall be made by the president, vice president, treasurer and secretary and filed with the board.

(3) All proceedings of a board shall be entered in the records of the board. All books, maps, plans, documents, vouchers, reports and other papers and records pertain-

ing to the business of the port shall be public records. [Amended by 1971 c 728 §32]

777.145 [Repealed by 1969 c 345 §20]

777.150 Port employees; compensation. A port may employ engineers, superintendents, mechanics, clerks or other persons as it may find requisite, necessary or convenient and fix their rates of compensation. [Amended by 1967 c 412 §1, 1971 c.403 §16; 1971 c.728 §36]

777.155 Division of ports into subdistricts. Upon a petition of the electors filed with the board within 10 days after the date of a boundary or name change order a board shall subdivide the port. Such a petition shall be signed by electors registered in the district equal in number to at least 25 percent of the electors who voted at the last port election. The board by resolution shall divide the port into five subdistricts approximately equal in population. Not later than the 10th day after the resolution is adopted, the secretary of the board shall file a certified copy of the resolution with the county clerk of each county in which the district is located. [Amended by 1963 c 268 §19, 1967 c 498 §3; 1971 c.727 §186; 1971 c.728 §37, 1983 c.83 §111; 1983 c.350 §320]

777.160 Representation by subdistricts; terms of commissioners after subdistricting. (1) At the first regular district election after the effective date of the division of a port into subdistricts under ORS 777.155 or 777.326, one commissioner shall be elected from each subdistrict. Thereafter election of commissioners shall be by subdistrict and by the electors in each such subdistrict.

(2) The terms of office of the incumbent commissioners of a port that is subdivided as provided by ORS 777.155 or 777.326 terminate on June 30 following the first regular district election after the effective date of the division of the port into subdistricts.

(3) The two commissioners who receive the greatest number of votes cast at the election under subsection (1) of this section shall hold office for the term of four years beginning July 1 following the election. The three commissioners who receive the lesser number of votes cast at the election shall hold office for the term of two years beginning July 1 following the election. [Amended by 1963 c 268 §20, 1967 c 498 §4, 1971 c 727 §187; 1971 c.728 §38, 1973 c.796 §75, 1983 c.350 §321]

777.165 Vacancies. Notwithstanding ORS 198.320, the Governor may fill vacancies on the board of any port by appointment when the vacancies exist as a result of the failure to nominate and elect board members as provided in ORS 777.080, 777.135 and 777.160. The appointees shall be electors registered in the port. If the port is divided into subdistricts under ORS 777.155 or 777.326, the appointees shall be electors registered in the subdistrict represented by the vacant position. The terms of the appointees shall be determined by lot at a meeting of the board held within five days after the appointment. However, the term of an appointee shall expire on June 30 next following the succeeding regular district election at which a successor is elected. The terms of the appointees shall be arranged with the terms of the other members so that the terms of not more than three commissioners expire on June 30 next following any regular district election. [Amended by 1969 c.669 §18, 1971 c.728 §39; 1981 c.173 §53; 1983 c 83 §112, 1983 c 350 §322]

777.170 [Amended by 1971 c 728 §40 1975 c 647 §51, repealed by 1981 c 173 §54 (777.171 enacted in lieu of 777 170)]

777.171 [1981 c 173 §55 (enacted in lieu of 777 170); repealed by 1983 c.350 §331a]

777.175 [Repealed by 1971 c.728 §138]

777.180 Powers of ports created by special laws. All ports created prior to April 17, 1920, under any special law of the Legislative Assembly of this state shall, in addition to the powers they possessed on that date, have all the powers possessed by ports under the general laws of this state, except the power to borrow money and issue bonds under ORS 777.410 and 777.415. [Amended by 1971 c.728 §41]

777.185 [Amended by 1963 c.327 §1; 1971 c.545 §1; repealed by 1971 c.728 §16 (777 116 enacted in lieu of 777 185)]

777.187 [1967 c.186 §2; repealed by 1971 c 728 §16 (777.116 enacted in lieu of 777.187)]

777.190 Ordinances for policing or regulating of port property. A port may by ordinance in accordance with ORS 198.510 to 198.600 make, modify or abolish regulations to provide for the policing, control, regulation and management of property owned, operated, maintained or controlled by the port. A port, for the purpose of enforcing such ordinances, may appoint peace officers who shall have the same authority, for the purpose of the enforcement of the ordinances, as other peace officers. [1955 c 699 §§2, 3, 4; 1959 c.255 §1; 1971 c 268 §21; 1971 c 728 §42]

777.195 Port may engage in certain water commerce-related activities. A port may, for hire:

(1) Acquire, charter, own, maintain and operate watercraft for the transportation of all kinds of merchandise, freight and commercial or recreational passengers, and engage generally in the coastwise trade and commerce, both domestic and foreign.

(2) Own, acquire, construct, operate and maintain railroad terminal grounds and yards; and construct, operate and maintain such line or lines of railroad, with necessary sidetrack, turnouts, switches and connection and arrangements with other common carri-

ers, as may facilitate water commerce between common carriers and points within the port; and carry and transport freight and passengers and move passenger trains over the lines.

(3) Acquire, own, lease, rent, operate, maintain and dispose of towboats, barges and other vessels for the transportation of cargo or passengers in maritime commerce on the Columbia and Snake Rivers and their tributaries, within or without the boundaries of this state.

(4) Acquire, own, lease, rent, operate, maintain and dispose of unit trains and related facilities for the transportation of bulk commodities to facilities within the port from locations within or without the port. [1971 c.728 §22 (enacted in lieu of 777 130); 1979 c 109 §1; 1981 c 879 §2]

777.205 [1963 c 209 §3; repealed by 1971 c 727 §203]

777.210 Port may engage in certain port management activities. A port may:

(1) Establish, operate and maintain water transportation lines in any of the navigable waters of this state and waters tributary thereto, any portion of which may touch the boundaries of the port.

(2) Engage generally in the business of buying and selling coal, fuel oil and all kinds of fuel for watercraft of all kinds.

(3) Acquire, construct, maintain or operate sea walls, jetties, piers, wharves, docks, boat landings, warehouses, storehouses, elevators, grain bins, terminal icing plants, facilities for processing agricultural, fish or meat products, bunkers, oil tanks, ferries, canals, locks, tidal basins, bridges, subways, tramways, cableways, conveyors, power plants, power transmission lines, administration buildings and fishing terminals, and modern appliances and buildings for the economical handling, packing, storing and transportation of freight and handling of passenger traffic with full power to lease and sell the same, together with the lands upon which they are situated, whether held by the port in its governmental capacity or not.

(4) For the public convenience and the convenience of its shipping and commercial interests, may improve all or any portion of the waterfront of its harbors, rivers and waterways.

(5) Enlarge its tidal area, and construct, excavate or dredge canals and channels connecting its waterways with one another or with other waterways and the sea.

(6) Acquire or construct, maintain or operate airports anywhere within the port.

(7) Acquire, construct, maintain, operate, support, promote or invest in facilities and related activities for the propagation of fish in accordance with the commercial fishing laws. [1971 c.728 §23 (enacted in lieu of 777.130); 1979 c.407 §3]

777.215 [1963 c.209 §4; repealed by 1971 c.727 §203]

777.220 Port may collect certain fees from port users. A port may collect from vessels using any port facility, wharfage, dockage and drydockage; and collect from owners or consignees of goods passing over the docks and warehouses, wharfage and storage charges for goods so handled. [1971 c 728 §24 (enacted in lieu of 777 130)]

777.225 [1963 c 209 §5; repealed by 1971 c.727 §203]

777.230 Port may provide power for port purposes; limitation on sale of electric power to public. (1) A port may:

(a) Design, erect, complete, operate and maintain all necessary hydroelectric, steam-generating, electric, oil, gasoline or other power-producing plants or systems, for the purpose of generating electrical current for lighting and power purposes.

(b) Acquire rights of way for the placing of transmission lines over which to carry the electrical energy required between the points of origin or production and the locations where such power may be carried for distribution, and sell, lease and dispose of same.

(2) This section does not authorize a port to enter into the business of supplying electric energy or services, or other power service, to municipalities or to the public, or for any purpose other than the construction or operation of docks, terminals, elevators or other shipping facilities, or in any of the work ports are authorized by law to engage in.

(3) Subsection (2) of this section shall not prohibit a port from supplying electrical energy from an existing generation facility acquired incidental to the acquisition of real property ports are by law authorized to acquire, provided that a port supplies such power to a utility under terms substantially similar to those in effect at the time of the acquisition. [1971 c.728 §25 (enacted in lieu of 777.130); 1985 c.773 §4]

777.240 Port may advertise and promote facilities and commerce. A port may advertise and promote the facilities and commerce of the port, through public and trade media, exhibits, fairs, trade fairs and trade tours, either alone or in cooperation with others or through associations or organizations having similar interests. [1971 c.728 §26 (enacted in lieu of 777.130)]

777.250 Port powers with respect to development and use of its lands; industrial or research and development parks; sports, recreation, convention, trade show facilities. (1) A port may construct buildings or other improvements and acquire

personal properties including but not limited to machinery and equipment considered necessary whether or not now in existence or under construction, suitable for use by any industry for the manufacturing, refining, processing or assembling of any agricultural, mining or other products or by any commercial enterprise in storing, warehousing, distributing or selling or servicing any products of agriculture, mining or industry or by any profit or nonprofit enterprise for research and development. The port has full power to lease and sell the buildings, improvements and personal property, together with the lands upon which they are situated, whether held by the port in its governmental capacity or not.

(2) In addition, a port may:

(a) Acquire and develop land, or develop land already owned, as the site for an industrial or research and development park, including as a part of such development provisions for water, sewage, drainage, roads, transportation, power, communication or other similar facilities which are incidental to the development of the site;

(b) Develop the site pursuant to a comprehensive plan in a manner compatible with other uses in the area in which the industrial or research and development park is located and adopt regulations necessary to implement the plan;

(c) Lease, sublease or sell tracts of land within an industrial or research and development park as building sites to any industry or commercial enterprise or profit or nonprofit enterprise described by this subsection; and

(d) Charge and collect fees for services made available within the industrial or research and development park.

(3) A port may acquire, construct, maintain or operate sports, recreation, convention and trade show facilities.

(4) For revenue bonding purposes under ORS 777.560 to 777.590, projects undertaken under this section shall be classified as either:

(a) Sales, if the port is to sell outright or by conditional sale its interest in the property, or, if by contract the port's title to the property is retained for a limited term only; or

(b) Leases, if the port is only to rent, lease, sublease or charge a user fee for the property with the intention of retaining title to, or possession of, the property for its future benefit and use. [1971 c.728 §27 (enacted in lieu of 777.130); 1979 c.407 §1a; 1979 c.109 §2; 1983 c 459 §15; 1987 c.103 §2]

777.255 [Repealed by 1963 c 268 §21]

777.258 General powers of port in promotion of certain interests. A port may, in general, do such other acts and things, not mentioned by ORS 777.195 to 777.258, as tend to promote the maritime shipping, aviation and commercial interests of the port. [1971 c.728 §28 (enacted in lieu of 777.130)]

777.260 [Repealed by 1963 c.268 §21]

777.262 Port dredging activities; legislative findings and purpose. (1) The Legislative Assembly finds:

(a) That recent changes in federal law authorize the United States Army Corps of Engineers to require ports and other local communities to provide a portion of the costs of dredging harbors and channels near those communities;

(b) That port districts and communities in this state cannot afford to pay the costs necessary to continue the dredging activities that are essential to keep the major harbors and waterways navigable for larger vessels in maritime trade; and

(c) That the State of Oregon must therefore pay for such dredging activities when ports cannot, or this state must tolerate the loss of maritime trade and commerce that will inevitably result from the halt of dredging activities.

(2) Therefore, it is the purpose of this section and ORS 777.267 to provide a method of financing required dredging activities in the ports of this state when those ports are unable to finance such activities. [1989 c 1020 §1]

Note: 777.262 and 777 267 were enacted into law by the Legislative Assembly but was not added to or made a part of ORS chapter 777 or any series therein by legislative action. See Preface to Oregon Revised Statutes for further explanation.

777.265 [Repealed by 1963 c 268 §21]

777.267 Oregon Ports Dredging Fund. (1) There is established in the State Treasury the Oregon Ports Dredging Fund. The moneys in the fund are continuously appropriated to the Economic Development Department for the purpose of paying a portion of the costs of dredging activities that are carried out in the harbors and channels on the Oregon coast and along the lower Columbia River when federal law or regulation requires a portion of the costs of such dredging to be paid by local interests.

(2) The Oregon Ports Dredging Fund established by this section shall consist of such moneys as may be appropriated to the fund by the Legislative Assembly, including interest on such moneys. [1989 c.1020 §2]

Note: See note under 777.262.

777.270 [Amended by 1959 c 602 §6; repealed by 1963 c.268 §21]

777.272 [1959 c 602 §8; repealed by 1963 c.268 §21]

777.275 [Repealed by 1963 c.268 §21]

777.280 [Repealed by 1963 c 268 §21]

777.285 [Repealed by 1963 c.268 §21]

777.290 [Repealed by 1963 c 268 §21]

777.295 [Repealed by 1963 c.268 §21]

(Annexation)

777.300 [1963 c 268 §2, repealed by 1971 c 727 §203]

777.303 [1963 c.268 §3; repealed by 1971 c.727 §203]

777.305 [Repealed by 1963 c 268 §21]

777.307 [1963 c.268 §4; repealed by 1971 c 727 §203]

777.310 [Repealed by 1963 c 268 §21]

777.313 [1963 c.268 §5, repealed by 1971 c.727 §203]

777.315 [Repealed by 1963 c 268 §21]

777.317 [1963 c 268 §6, repealed by 1971 c 727 §203]

777.320 [Repealed by 1963 c 268 §21]

777.323 [1963 c.268 §7, repealed by 1971 c 727 §203]

777.325 [Amended by 1959 c.602 §9, repealed by 1963 c.268 §21]

777.326 Special procedure for annexations increasing by one-half or more the area or assessed value of taxable property within the port. (1) This section applies when an annexation would increase the area of a port by one-half or more, or would increase the assessed value of taxable property within a port by one-half or more. An annexation proposal subject to this section, if approved by the county board, shall be submitted to the electors at an election which shall be held at the same time as a state-wide general or primary election. At the same election the board shall submit to the electors a proposed new tax base.

(2) When the county board orders an election on the annexation proposal, the board shall adopt an order dividing or redividing the area of the port, including the territory annexed, into five subdistricts. The boundaries of the subdistricts shall be determined in accordance with ORS 777.155 and shall be described in the order calling the election on the proposed annexation.

(3) At the first regular district election following the effective date of the annexation, one commissioner from each of the five subdistricts established under subsection (2) of this section shall be elected. The terms of the incumbent commissioners shall terminate and the terms of the commissioners elected under this subsection shall commence as provided in ORS 777.160.

(4) If the annexation is approved, the order proclaiming the annexation shall also describe the boundaries of the subdistricts established as provided by subsection (2) of this section. [1967 c.498 §2; 1971 c.647 §140, 1971 c.727 §§188, 201; 1971 c.728 §49; 1983 c.350 §323]

Note: The amendments to 777.326 by section 79, chapter 267, Oregon Laws 1987, is repealed on January 1, 1994. See section 82, chapter 267, Oregon Laws 1987. The text is set forth for the user's convenience.

777.326. (1) This section applies when an annexation would increase the area of a port by one-half or more, or would increase the assessed value of taxable property within a port by one-half or more. An annexation proposal subject to this section, if approved by the county board, shall be submitted to the electors at an election which shall be held at the same time as a biennial primary or general election. At the same election the board shall submit to the electors a proposed new tax base.

(2) When the county board orders an election on the annexation proposal, the board shall adopt an order dividing or redividing the area of the port, including the territory annexed, into five subdistricts. The boundaries of the subdistricts shall be determined in accordance with ORS 777.155 and shall be described in the order calling the election on the proposed annexation

(3) At the first regular district election following the effective date of the annexation, one commissioner from each of the five subdistricts established under subsection (2) of this section shall be elected The terms of the incumbent commissioners shall terminate and the terms of the commissioners elected under this subsection shall commence as provided in ORS 777.160.

(4) If the annexation is approved, the order proclaiming the annexation shall also describe the boundaries of the subdistricts established as provided by subsection (2) of this section

777.327 [1959 c.602 §11; repealed by 1963 c 268 §21]

777.328 [1963 c.268 §8; repealed by 1971 c 727 §203]

777.330 [Repealed by 1963 c.268 §21]

777.333 [1963 c 268 §9; repealed by 1971 c.727 §203 and by 1971 c 728 §138]

777.335 [Repealed by 1963 c.268 §21]

777.337 [1963 c.268 §10; repealed by 1971 c 727 §203]

777.340 [Repealed by 1963 c.268 §21]

777.343 [1963 c 268 §11; repealed by 1971 c.727 §203]

777.345 [Repealed by 1963 c.268 §21]

777.347 Consent of State Lands Division for state lands. The Division of State Lands is authorized to consent to annexation with respect to any land owned by the State of Oregon, under the jurisdiction of the division, which is located in the territory proposed to be annexed. [1963 c 268 §12; 1971 c.727 §189]

777.350 [Repealed by 1963 c.268 §21]

777.353 Annexation of enclave. When territory not part of another port or wholly belonging to the state or Federal Government is surrounded by the boundaries of a port, the board of the surrounding port may, by resolution, annex the territory to the port with or without the consent of any resident or owner of property within the territory and without submitting the proposed annexation to the electors for approval. [1963 c.268 §13; 1971 c.728 §52]

777.355 [Repealed by 1963 c.268 §21]

777.357 [1963 c.268 §14; repealed by 1971 c 727 §203]

777.360 [1963 c.268 §15; repealed by 1971 c 647 §149 and by 1971 c 727 §203 and by 1971 c.728 §138]

777.365 Name change of port; notice. A board may, within 60 days following an order of annexation, change the name of the port by order made at any regular meeting.

Notice of the proposed change, including the new name, shall be given by publication in a newspaper of general circulation in the port once a week for three successive weeks prior to the meeting. [1963 c 268 §16, 1971 c.727 §190, 1971 c.728 §54]

777.370 [1963 c.268 §17; repealed by 1971 c 727 §203]

(Port Fiscal Matters)

777.395 [1967 c 416 §3, 1971 c.728 §18; repealed by 1975 c.771 §33]

777.405 Deposit and disbursement of moneys; financial records. (1) Money of a port shall be deposited in one or more banks designated by the board. Funds shall be withdrawn only when previously ordered by the board, upon a check signed and countersigned by such persons as may be authorized by resolution of the board.

(2) A receipt or voucher showing clearly the nature and items covered by each check drawn shall be kept on file. [Amended by 1971 c.728 §33, 1989 c.428 §1]

777.410 Ports may borrow money and issue bonds. (1)(a) For the purpose of carrying into effect any of the powers granted by ORS 777.105 to 777.258, a port may, when authorized so to do by the electors, borrow money and sell and dispose of bonds, which shall constitute a general obligation of the port and be secured by the port's full faith and credit. The bonds shall be secured by the taxing power of the port as provided in ORS 777.430 (2). In addition, the port may provide that the bonds shall be payable from and secured by a lien and pledge of all or any part of the revenues derived by the port from the facilities constructed from the proceeds of the bonds. Bonds outstanding at any one time shall never exceed in the aggregate two and one-half percent of the true cash value of all taxable property within the port, computed in accordance with ORS 308.207.

(b) A port may provide for the creation of special trust funds and may authorize the appointment of a trustee to administer such funds. A port may obligate itself to set aside and pay into a special trust fund any revenues pledged to the payment of bonds. A port, from available funds, may establish and fund debt service, operation and maintenance reserves.

(c) Proceeds from the sale of bonds may be used by a port to pay the costs incurred in issuing the bonds, to pay the costs of preliminary work incident to issuing and selling the bonds, including but not limited to planning, engineering, inspection, accounting, fiscal, legal, trustee and other similar expenses, to pay interest on the bonds for such time as the port may determine, but not exceeding six months beyond completion of the facilities financed with the bonds, and to establish reserves for debt service on the bonds.

(2) Without elector approval the board may, whenever it determines that an emergency exists, issue bonds, within the limitation provided by subsection (1) of this section, in an aggregate amount not exceeding $100,000 in any period of 12 months. Bonds shall not be issued under this subsection to provide funds for the acquisition of land. Bonds issued under this subsection shall be issued and sold in accordance with subsection (3) of this section but shall mature in such length of time, not exceeding five years, as the board determines.

(3) All bonds issued under this section shall bear interest at the rate of percent per annum established by ORS 288.515 to 288.600 and shall be issued on such terms and conditions and at such time or times as the board shall determine. They shall be sold in the manner and under the conditions provided by ORS 777.500. Bonds issued under this section and ORS 777.415 shall be executed in behalf of the port by its president and secretary, shall be in denominations of $1,000 or multiples thereof, and shall mature in instalments beginning not more than five and ending not more than 30 years from issue date. [Amended by 1957 c.375 §1; 1963 c.9 §37; 1965 c.223 §1, 1971 c.728 §71; 1973 c 127 §3; 1977 c 698 §1; 1981 c.94 §52; 1981 c 289 §1; 1985 c 773 §2]

777.415 Resolution and election prerequisite to issuance of bonds. When it is proposed to borrow money or to sell and dispose of bonds as authorized by ORS 777.410 (1), a board shall first pass a resolution authorizing the borrowing of money and the issuance and sale of bonds. The resolution shall state the amount of money to be raised, the maximum rate of interest that the bonds will bear and the nature and terms of the bonds. The resolution also shall state the general purpose for which the moneys to be raised are to be used. The question of issuance of the bonds shall then be referred by the board to the electors of the port at a special election to be called for that purpose. The money raised shall be expended for no other purpose than that expressed in the resolution and the purpose shall be stated in the ballot title used in the election. A contract involving the expenditure of funds to be raised under ORS 777.410 (1) shall not be entered into by the board until the borrowing of the funds is approved by a majority of those voting on the question at the special election provided for by this section. [Amended by 1957 c 375 §2; 1971 c.647 §142; 1971 c.728 §72]

777.420 [Repealed by 1957 c.375 §3]

777.425 [Repealed by 1957 c.375 §3]

777.430 Taxing powers of ports. (1) In carrying out the purposes of ORS 777.005 to

777.725 and 777.915 to 777.953, a port may assess, levy and collect taxes upon all taxable real and personal property situated within the port, in an amount each year not to exceed one-fourth of one percent (.0025) of the true cash value of the property, computed in accordance with ORS 308.207.

(2) Each year a port may also assess, levy and collect a tax upon all such property in an amount sufficient to pay the yearly interest on general obligation bonds or other evidences of indebtedness theretofore issued by the port and then outstanding, together with any portion of the principal of general obligation bonds maturing within that year. The tax shall be applied only in payment of interest and principal of such bonds or indebtedness. However, the board may apply any other funds it may have toward such payments. [Amended by 1963 c 9 §38; 1971 c.728 §73]

777.435 Levy, assessment and collection of taxes. (1) Taxes authorized by ORS 777.430 shall be levied in each year and returned to the county officer whose duty it is to extend the tax roll by the time required by law for city taxes to be levied and extended. The county officer whose duty it is to extend the county levy shall extend the levy of a port in the same manner as city taxes are extended.

(2) All taxes levied by a port become payable at the same time and shall be collected by the same officers as regular county taxes. The county officers collecting the taxes shall pay them to the treasurer of the port as provided by law. [Amended by 1971 c.728 §74]

777.440 Levy of special tax by county court upon default of port officers. If a port fails or refuses to levy the special tax provided by ORS 777.430 (2), within the time provided, in an amount sufficient to pay the interest accruing during the 12 months following October 1 next ensuing on bonds theretofore issued by the port and then outstanding, together with any portion of the principal of such bonds maturing within the 12 months, the county board of the county in which the port is located, shall levy at its July term immediately following such failure or refusal by the port, a tax on all the taxable real and personal property situated within the port, at a rate sufficient to pay such interest and principal. [Amended by 1971 c 728 §75]

777.445 Procedure subsequent to levy under ORS 777.440. (1) Taxes levied under ORS 777.440 by the county board shall be assessed and collected as if the levy had been made by the port itself.

(2) However, taxes thus levied by the county board shall not be paid to the treasurer of the port by the county officers collecting the tax, but shall be paid to the county treasurer to the credit of the port issuing the bonds to be used for the purpose provided by subsection (3) of this section.

(3) The county treasurer shall pay from the fund the interest on or maturing principal of any bond described by ORS 777.440 as it becomes due, and at such places as are designated in the bonds or interest coupons thereof, or upon the presentation at the county treasurer's office of the bonds or coupons, which must show the amount due and the number and series of the bond.

(4) All bonds or coupons thereof thus paid shall be immediately reported by the county treasurer to the port board.

(5) On October 1 of the next calendar year following the year of the levy by the county board, the county treasurer shall ascertain the exact amount of interest and principal payable and still remaining unpaid. The county treasurer shall retain from the fund an amount sufficient to pay such principal and interest and pay to the treasurer of the port any balance of the fund remaining after making such deduction. [Amended by 1971 c 728 §76]

777.447 Promissory notes authorized for port development purposes; limitations; form; payment. In addition to other powers granted a port, a port may, at any time, upon proper resolution adopted by the board, issue promissory notes to assist it in carrying out the powers granted the port under ORS 777.250. The promissory notes shall not exceed a term of five years and shall bear interest not to exceed the rate established for bonds under ORS 288.515 to 288.600. A port shall not have more than $250,000 in promissory notes outstanding at any one time. No tax-derived revenues shall be pledged or used to retire the notes and the notes shall be secured solely by the assets and revenues of the port under ORS 777.250 for which the notes are issued. The notes shall be signed by the president and the treasurer of the port and shall state what assets and revenues of the port under ORS 777.250 shall be security for the notes and that the notes do not constitute a full faith and credit pledge of the port. No officer or employee of the port shall hold promissory notes under this section. Expenditure of note proceeds and payment on notes issued under this section shall first be properly budgeted in accordance with the Local Budget Law. [1979 c.119 §2; 1981 c.94 §53]

777.450 [Repealed by 1971 c.728 §138]

777.455 Authority to issue refunding bonds for specified purposes; amounts. A port may, in accordance with ORS 777.455 to 777.505, issue refunding bonds for the pur-

pose of refunding and retiring all or any part of its outstanding bonds when the holders are willing to surrender such bonds. When judgment is taken against a port based on bonds and interest coupons issued by the port, refunding bonds may be issued to provide funds with which to pay such judgment. Such bonds may be issued, pursuant to an ordinance or resolution adopted by the board, without elector approval. Such bonds may be issued in the full amount of the outstanding bonds and any judgment on bonds and interest coupons less any sinking funds applicable thereto. The full faith and credit of the issuing port shall be pledged to the payment of the principal of and interest on each of such bonds. Debt limitations imposed by law do not apply to refunding bonds. [Amended by 1971 c.728 §77]

777.460 Refunding bonds; terms and conditions; bond call. (1) The refunding bonds shall bear interest at a rate determined by the board, payable semiannually, and shall be in such denominations and mature at such times as determined by the board, but the bonds must all mature not later than 30 years after their date of issue.

(2) The board may provide that the bonds are subject to call and redemption prior to maturity, in numerical order, in inverse numerical order or in the entire amount of the issue outstanding. The bonds may be called only on interest-paying dates.

(3) Before calling bonds containing optional provisions, the port shall publish a notice of call in one issue of a newspaper specializing in financial matters published in New York, New York, at least 30 days before such interest-paying date.

(4) Callable refunding bonds, at the option of the board, may be called and retired or may be refunded again in accordance with the terms of the bonds and the provisions of ORS 777.455 to 777.505.

(5) Both the principal of the bonds and the interest thereon, when due, shall be paid in lawful money of the United States at the office of the treasurer of the issuing port, or at the fiscal agency of the State of Oregon in the City and State of New York, at the option of the board. [Amended by 1971 c.728 §78, 1981 c.94 §54]

777.465 Disposition of refunding bonds. The refunding bonds may be exchanged par value for par value for the bonds they are issued to refund and may be issued and delivered to a judgment creditor in the amount of the judgment, or the bonds may be advertised for sale and sold for not less than the par value thereof.

777.470 Levy of tax to meet principal and interest; amount required; disposition of proceeds of tax. Upon issuance of any refunding bonds the port board shall levy a tax sufficient to pay the principal and interest of such bonds at maturity. If the bonds are serial bonds the tax shall provide an amount of money sufficient to pay the next maturing instalment of principal and the interest on the entire issue. If the bonds are issued as term bonds the tax shall be sufficient to raise an amount of money, which, if the same amount were raised each year thereafter for the life of the bonds, would produce a sum equal to the principal amount of the bonds so issued. The proceeds of taxes levied under this section shall be set aside when collected into a special fund and used for no other purpose than the payment of the bonds so issued. [Amended by 1971 c.728 §81]

777.475 Remedies of holders of refunding bonds on default. If there is a default in payment of principal or interest of bonds issued pursuant to ORS 777.455, the holders thereof shall be reinvested with and have all the remedies they would have had if they were holding obligations refunded by the issuance of such bonds. [Amended by 1971 c.728 §82]

777.480 Construction of ORS 777.455 to 777.505. The authority contained in ORS 777.455 to 777.505 is supplemental and in addition to all other powers granted to port districts to issue bonds. [Amended by 1971 c.728 §83]

777.485 Compromise and refunding agreements; contents; subsequent procedure; effect. (1) A board may enter into agreement with the holders of its outstanding indebtedness providing for compromise of the indebtedness and the refunding thereof by the issuance of bonds under ORS 777.455. An agreement may provide for the amount of refunding bonds to be issued, the interest rate the bonds are to bear, the dates of maturity of the bonds and the amount of money to be raised by taxes each year to pay the principal of and interest on the bonds. When an agreement is entered into, a port shall have complete authority to issue bonds in accordance therewith.

(2) The board may provide in the ordinance authorizing such refunding bonds:

(a) For setting aside a sinking or other fund into a special trust fund for payment of the bonds.

(b) For the pledging of taxes and other revenues directly to the payment of the principal of or interest on the bonds or to the sinking fund.

(c) For limitations on subsequent borrowings by the port either in the nature of permanent debt or temporary financing.

(d) For limitations on the amounts of appropriations in subsequent budgets for operating expenses.

(3) A port has all necessary authority to carry out the terms and conditions so included in any such ordinance. The validity of the refunding bonds, however, shall not be dependent upon nor affected by the validity or regularity of the ordinance provisions enumerated in subsection (2) of this section. [Amended by 1971 c.728 §84]

777.490 [Repealed by 1971 c.728 §138]

777.495 [Amended by 1965 c.223 §2, repealed by 1971 c 728 §138]

777.500 Advertisement of bonds; bids; rejection of bids; readvertisement; time of sale limited. (1) Refunding bonds shall be advertised for sale at least once each week for not less than two successive weeks in a newspaper of general circulation published within the port or, if there is no such newspaper, then in a newspaper published in the county in which the port is located.

(2) All bids for such bonds shall be in writing and be sealed and, unless the sale is made to the sinking fund of the particular port or to the State of Oregon, shall be accompanied by a certified check or a cashier's check upon a bank doing business in this state for an amount of not less than two percent of the par value of the bonds for which the bid is submitted. Bids shall be opened publicly at the time and place specified in the advertisement. The bonds shall be sold for cash.

(3) If the bids for the purchase of the bonds are not satisfactory, the board may reject any and all of the bids and may readvertise for bids in the manner provided by this section.

(4) The date of sale shall not precede by more than four months the first succeeding date upon which the bonds to be refunded thereby will mature or may be called, redeemed or otherwise retired. [Amended by 1971 c.728 §79, 1981 c.94 §55]

777.505 Delivery of bonds to purchaser; deposit of sale proceeds; redemption and retirement of refunded bonds. (1) Refunding bonds, upon payment therefor in cash, may be delivered to the purchaser thereof at any time after sale date, but not later than the date as of which the refunded bonds have been called for payment. The bonds shall be delivered at the place in the State of Oregon designated by the board in the notice of sale of the bonds.

(2) Proceeds of sale of the bonds equal to the total par value of the bonds refunded shall be deposited at the fiscal agency mentioned in ORS 777.460 in conformity with the laws relating to deposits of funds with the fiscal agency or, at the option of the issuing port, pursuant to ORS 295.005, 295.015 and 295.025 to 295.165, in a special trust account to be used solely for the payment of the principal of the outstanding refunding bonds and for no other purpose.

(3) The outstanding refunded bonds shall be redeemed and retired as soon as possible after the date of sale of the refunding bonds issued in lieu thereof, but in no case shall such refunding bonds be invalidated by reason of the failure of the port to redeem or retire the refunded bonds. [Amended by 1967 c.451 §29; 1971 c.728 §80]

777.510 Port warrants; execution; contents. A port board may issue warrants drawn upon any officer designated the custodian of money belonging to or credited to the port. Warrants shall be signed by the treasurer and countersigned by the president of the port or in the absence or inability of the president to act, by the vice president. Warrants shall show upon their face the nature and extent of the obligation satisfied. They may be used in payment of any obligation of the port, including expenses of operation, payment of the principal amount of port bonds at their maturity and in payment of interest or interest coupons of the bonds at the time the interest becomes due and payable. [Amended by 1971 c.728 §34]

777.515 Payment of warrants; interest on warrants. (1) The treasurer of a port, or the treasurer of the county who is the legal custodian of funds belonging to or credited to a port, shall pay the warrants of the port when presented, if the treasurer has money in custody for the purpose of paying the obligation for which the warrant was given. The treasurer shall write on the face of the warrant the date of redemption and the treasurer's signature.

(2) If there are no funds in the custody of the port treasurer to pay the warrant when presented, the port treasurer shall indorse thereon "Not Paid for Want of Funds" and the date of presentment over the signature of the port treasurer. The warrant shall draw interest at the legal rate from the date of such indorsement. Thereafter, the county treasurer, upon presentment of the warrant, shall pay upon the warrant any funds which may come into the county treasurer's custody for the purpose of paying the obligation for which the warrant was issued and shall, over the signature of the county treasurer, indorse the amount of the payment upon the warrant with the date of the payment.

(3) However, a warrant drawn in payment of the principal or face amount of a port bond shall in no event draw interest in excess of the rate of interest expressed upon

the face of the port bond, and the rate of such interest shall appear upon the face of the warrant. Interest on a warrant shall cease from the date of notice by publication in some newspaper printed or circulated in the county. Notice shall be given by the port treasurer authorized to redeem the warrant, stating that there are funds to redeem outstanding warrants. The treasurer shall give notice when the treasurer has $10,000 belonging to the fund. [Amended by 1971 c.728 §35]

777.520 Special tax levy, rate, use of proceeds; bond sinking fund. (1) A port may assess, levy and collect each year in addition to other taxes which it is by law authorized to levy, a special tax upon all taxable real and personal property situated within the port.

(2) Such annual levy shall not exceed one-tenth of one percent. The proceeds thereof shall be used only in the purchase on the open market of bonds of the port, at such prices, as the board determines.

(3) All funds collected from such levy shall be placed in a separate fund, designated the bond sinking fund, and shall be used exclusively for the purposes provided by this section as long as the principal of any bond of the port remains outstanding or unpaid. After the principal of all bonds of the port has been paid, the balance remaining in such fund may be transferred to any other fund as the board may direct. [Amended by 1971 c.728 §85]

777.525 [Repealed by 1971 c 728 §138]

777.530 Special assessments for local improvement; assessment ordinance; assessment districts. (1) When a port constructs or acquires a local improvement which the port is authorized to construct or acquire, the board of that port may levy special assessments against property within the port in proportion to the benefits such property will receive on account of the construction or acquisition of the local improvement. However, before proceeding to construct or acquire a local improvement for which special assessments will be levied, the board shall adopt an ordinance that:

(a) Describes the local improvement to be constructed or acquired and the part of the work to be undertaken immediately;

(b) Contains a preliminary estimate of the probable cost of the local improvement;

(c) Determines the manner of financing the local improvement. The board may provide that the cost of the construction or acquisition shall be paid in part by assessments against the property directly benefited and in part out of general funds, ad valorem tax levies, the proceeds of the sale of bonds, service charges or any combination of such sources. The determination of the board as to the proportion of cost allocation shall be based on its sound discretion;

(d) Describes one or more assessment districts containing the properties against which the cost of the local improvement will be assessed;

(e) Provides for the method of assessment, the recording of assessment liens on properties that are directly benefited and for the making of supplemental assessments and rebates;

(f) Contains provision for a notice to be mailed to each affected property owner announcing the intention of the board to construct or acquire a local improvement, to create one or more assessment districts and to assess benefited property for a part or all of the cost; and

(g) Provides for a hearing not sooner than 20 days after the mailing of the notices described in paragraph (f) of this subsection at which affected property owners may appear to support or object to the proposed local improvement and assessment. The board shall consider such objections and may adopt, correct, modify or abandon the proposed local improvement or assessments.

(2) Special assessments in the port shall, so far as practicable, be apportioned within the port in accordance with the special and peculiar benefit each lot or parcel of land receives from the construction or acquisition of a local improvement.

(3) Special assessment districts authorized by this section may be established for, and limited to, financing the costs of planning and engineering required for the construction or acquisition of a local improvement.

(4) As used in this section, "local improvement" has the meaning given that term by ORS 223.387. [1989 c 644 §2]

Note: 777.530 and 777.535 were added to and made a part of ORS chapter 777 by legislative action but were not added to any smaller series therein See Preface to Oregon Revised Statutes for further explanation.

777.535 Instalment payment of special assessment; assessment bonds and warrants; limitation. (1) The provisions of ORS 223.205 to 223.295 (Bancroft Bonding Act), ORS 223.770 relating to the assessment of property benefited by public improvements and to the issuance of bonds and other obligations for the cost of such improvements, ORS 223.785 relating to the issuance of special assessment improvement bonds and the provisions of ORS 287.502 to 287.515 relating to the issuance of improvement warrants by cities, shall apply insofar as practicable and applicable in relation to the assessment by ports of the cost or any portion of the cost of improvements against the property bene-

fited in accordance with ORS 777.530 and to the issuance of bonds and other obligations by the port. However, notwithstanding ORS 223.295, the limitation specified in ORS 777.410 (1)(a) on the amount of general obligation bonds outstanding at any one time applies to bonds and other obligations issued under this section.

(2) Where, in ORS 223.205 to 223.295, 223.770 and 287.502 to 287.515, officials of cities are referred to, the corresponding officials of ports shall perform the required functions. [1989 c 644 §3]

Note: See note under 777.530.

777.560 Ports may issue and sell revenue bonds; use of proceeds. For the purpose of carrying into effect any of the powers granted to ports, a port may issue and sell revenue bonds in accordance with ORS 777.560 to 777.590 without the necessity of obtaining the prior approval of the electors of the port. Proceeds from the sale of revenue bonds may be used also to cover the costs incurred in issuing the bonds, and preliminary work incident to carrying out such purposes and powers, including but not limited to planning, engineering, inspection, accounting, fiscal, legal and trustee expenses, the cost of issuance of bonds, engraving, printing, advertising and other similar expenses, and to pay interest on the outstanding bonds issued for any project during the period of actual construction and for six months after the completion thereof. Revenue bonds shall not be a general obligation of the port nor a charge upon the tax revenues of the port, nor a charge upon any other revenues or property of the port not specifically pledged thereto. [1955 c 423 §2; 1959 c 337 §1; 1971 c.728 §86]

777.565 Ordinance authorizing revenue bonds and creating special trust fund. (1) Revenue bonds shall be authorized by ordinance of the board. The ordinance shall provide for the creation of a special trust fund, authorize the appointment of a trustee to administer the fund, and obligate the port to set aside and pay into the special trust fund all, or a portion, of its nontax-derived revenues not otherwise pledged or committed for other purposes for any activity authorized by ORS 777.105 to 777.258, other than an activity under ORS 777.250 (4)(a). For a facility or facilities designated under ORS 777.250 (4)(a), no revenues other than those derived from the particular facility or facilities to be financed by the sale of the particular issue of revenue bonds then being authorized shall be pledged. The board may, in addition, pledge for the payment of the principal and interest of any issue of such bonds any property of the port not pledged for other purposes. However, with respect to revenue bonds issued to finance a facility or facilities designated under ORS 777.250 (4)(a), the board, in addition, may only pledge or mortgage such facilities including buildings, improvements or properties, and any land acquired in connection with such facilities, for the benefit of the holders of revenue bonds issued therefor. Notice that action upon the bond ordinance will be taken at the designated meeting of the board shall be given for a period of not less than two consecutive weeks, prior to the meeting, by publication once each week in a newspaper of general circulation, published within the port or, if there be no such newspaper, in a newspaper of general circulation, published within the county.

(2) A special trust fund created by an ordinance adopted under subsection (1) of this section shall be used solely for payment of principal and interest due upon the revenue bonds issued and sold pursuant to the ordinance, and to the payment of the costs and expenses enumerated in ORS 777.560.

(3) The ordinance may provide that if the money in the special trust fund is insufficient to pay the revenue bonds the bonds shall be payable out of any part or all of other nontax-derived revenues of the port. However, for a facility or facilities designated under ORS 777.250 (4)(a), no revenues other than those derived from the particular facility or facilities to be financed by the sale of the particular issue of revenue bonds then being authorized shall be pledged. When all bonds and expenses thereof have been paid so that no charge remains upon the special fund, the board may, by ordinance, transfer any balance remaining in the fund to its general fund, discharge the trustee and dissolve the special fund. The trustee authorized to administer the fund may, subject to approval of the board, invest and reinvest moneys in the special fund in securities in which the State of Oregon may by law invest.

(4) ORS 777.560 to 777.590 and the provisions of the ordinance authorizing a revenue bond issue constitute a contract with the holders of the bonds, and shall be enforceable by any owner or holder of the bonds. [1955 c 423 §3; 1959 c 337 §2; 1965 c.223 §3; 1967 c 621 §1; 1971 c.728 §87, 1979 c.407 §2]

777.570 Form of bonds. Revenue bonds issued under ORS 777.560 to 777.590:

(1) Shall be negotiable instruments.

(2) Shall bear such dates, mature at such times, be payable at a designated place or at the fiscal agency of the State of Oregon, as determined by the board, and bear such rate or rates of interest either fixed or variable

under a formula fixed at the time of issuance as the board may authorize.

(3) Shall contain a recital that principal and interest on the revenue bonds are payable solely out of revenues and property of the port pledged to the payment thereof by the ordinance of the board authorizing the issue of which the bonds are a part.

(4) May be in registered or coupon form or may be in registered form with the privilege of converting to coupon form.

(5) May contain covenants of the port to protect and safeguard the security and rights of holders of such bonds and such other terms and conditions, in conformity with ORS 777.560 to 777.590, which the board determines are necessary or desirable to protect the port or increase the marketability of the bonds.

(6) Shall be in the form prescribed by the board and executed with either the autograph or facsimile signature of the president and countersigned by the secretary of the port. However, coupons, if any, attached to the bonds need bear only the printed or lithographed facsimile signature of the president and the secretary.

(7) May be issued with the right reserved to the board to redeem the bonds at par or at par plus a premium, in numerical order or in inverse numerical order, upon a designated interest-paying date or dates prior to the final maturity date or dates of the bonds, upon publication, at least 30 days before the redemption date, of one notice of the intended redemption in one issue of a newspaper specializing in financial matters published in the City and State of New York, and of one such notice in one issue of a newspaper of general circulation in the county. [1955 c.423 §4; 1959 c.337 §3; 1965 c.223 §4; 1971 c.728 §141; 1971 c.778 §1, 1981 c.879 §3]

777.575 Sale of bonds. (1) The board may from time to time sell revenue bonds authorized pursuant to ORS 777.565, as provided by this section.

(2) Except as provided by subsections (3) and (4) of this section, the bonds shall be advertised for sale at least once each week for not less than two successive weeks in a newspaper of general circulation published within the port or, if there is no such newspaper, then in a newspaper published in the county. Bids shall be in writing and be sealed and, unless the bidder is the State of Oregon, accompanied by a certified check or a cashier's check upon a bank doing business in this state in an amount not less than two percent of the par value of the bonds. Bids shall be opened publicly at the time and place specified in the advertisement. If the bids are not satisfactory, the board may reject any and all bids and may readvertise for bids in the manner provided by this subsection.

(3) The board may sell any of the bonds to the Federal Government or any agency thereof at private sale without advertisement or calling for bids.

(4) Revenue bonds including revenue bonds to refund such bonds of a port may be sold to any person either at a public or private sale without advertisement or calling for bids as the board may in its sole discretion determine. [1955 c.423 §5; 1959 c 337 §4, 1965 c.223 §5; 1967 c.416 §1; 1971 c.728 §89; 1981 c 94 §56]

777.580 [1955 c.423 §6; 1959 c.337 §5; 1965 c.223 §6; repealed by 1971 c.728 §138]

777.585 Refunding revenue bonds. (1) A port may, without the necessity of authorization from the electors of the port, issue and sell its refunding revenue bonds for the purpose of redeeming revenue bonds which are outstanding or paying interest due thereon:

(a) At maturity pursuant to redemption provisions in the outstanding revenue bonds; or

(b) At any time before maturity if the holders of the outstanding revenue bonds consent or if the outstanding revenue bonds authorize redemption before maturity.

(2) ORS 777.560 to 777.590 apply to bonds authorized to be issued and sold under this section. [1955 c.423 §7; 1959 c.337 §6; 1965 c.223 §7; 1971 c.728 §90]

777.590 ORS 777.560 to 777.590 provide complete procedure; leasing property and pledging revenues. (1) ORS 777.560 to 777.590 are complete authority for the issuance and sale of revenue bonds and refunding revenue bonds. Any restrictions, limitations, conditions or procedure provided by other statutes relating to issuance and sale of bonds or other obligations including, but not limited to, any restrictions, limitations, conditions or procedures set forth in ORS 288.320, do not apply to the issuance and sale of revenue bonds and refunding revenue bonds under ORS 777.560 to 777.590.

(2) The lease of any property of the port and the pledging of revenues therefrom to the payment of the costs and expenses enumerated by ORS 777.560, and to the payment of principal and interest on bonds issued and sold under ORS 777.560 to 777.590, shall be considered to further the public interest within the meaning of ORS 271.310. [1955 c.423 §8; 1959 c.337 §7; 1965 c.223 §8; 1971 c.728 §91]

(Special Elections)

777.605 Special elections. When a board desires to hold an election for the purpose of submitting to the electors of the port any measure that may lawfully be submitted to the electors, at any meeting called in accordance with its rules or the statutes governing the board, the board may adopt a resolution calling a special election. In the resolution the board may describe in general terms the measures which are to be submitted at the election. [Amended by 1971 c.728 §92; 1973 c.796 §76, 1975 c.647 §52; 1983 c.350 §326]

777.610 [Repealed by 1971 c.647 §149]

777.615 [Repealed by 1971 c.647 §149]

777.620 [Repealed by 1971 c.647 §149]

777.625 [Repealed by 1971 c.647 §149]

(Emergency Assistance)

777.630 Definition of "port emergency." As used in ORS 777.630 to 777.660, "port emergency" means any condition existing within a port that will probably result within 60 days in a default by the port in payment of principal or interest of bonds issued by the port or in payment of any other debt or obligation incurred by the port, which will have an adverse material effect on the financial condition of the port and will adversely affect the credit of the state. [1987 c.607 §10]

Note: 777.630 to 777.665 were added to and made a part of ORS chapter 777 but were not added to any smaller series therein by legislative action. See Preface to Oregon Revised Statutes for further explanation.

777.635 Determination of port emergency; application for assistance. (1) When the Economic Development Commission or the board of commissioners of the port determines that a port emergency exists, any Oregon port district with a population of fewer than one million inhabitants may file with the Ports Division an application to receive money from the Oregon Port Revolving Fund under ORS 777.665. The application shall be filed in such a manner and contain or be accompanied by such information as the Ports Division may prescribe.

(2) Upon receipt of an application filed under this section, the Ports Division shall determine whether a port emergency exists with regard to the applicant. In making its determination, the division may seek the assistance of the Secretary of State and the State Treasurer.

(3) If the Ports Division or the Economic Development Commission determines that a port emergency does not exist, the commission may, within 60 days, either reject the application or require the applicant to submit additional information as may be necessary.

(4) The Economic Development Commission may, by its own action, declare that a port emergency exists in any Oregon port district with a population of fewer than one million inhabitants. After declaring a port emergency under this subsection, the Economic Development Commission shall notify the affected port district of the declaration within 10 days. [1987 c.607 §11]

Note: See note under 777.630.

Note: See note preceding 777.850.

777.640 Emergency loans; conditions for approval; prohibited uses of loan proceeds. (1) The Economic Development Commission may approve a loan from the Oregon Port Revolving Fund under ORS 777.665 to prevent a default by the applicant if:

(a) After review by the commission it finds that a port emergency exists with regard to the applicant;

(b) There is a high probability that a loan from the Oregon Port Revolving Fund under ORS 777.665 will prevent a default by the applicant;

(c) Moneys from the Oregon Port Revolving Fund under ORS 777.665 are or will be available for the loan; and

(d) The applicant agrees to the terms imposed by the commission under ORS 777.645 for making the loan.

(2) The Economic Development Commission shall not provide loans to port districts under this section for regular port operating expenses. Loans received by ports under ORS 777.630 to 777.660 shall not be used for regular port operating expenses. [1987 c.607 §12]

Note: See note under 777.630.

777.645 Additional conditions. The Economic Development Commission may, as a condition for making a loan under ORS 777.640, require an applicant to:

(1) Have an audit and examination of the applicant's financial condition and financial operations performed as provided in ORS 297.405 to 297.555 and to agree to correct deficiencies noted in the audit report.

(2) To the extent permitted by the Constitution and laws of this state, levy the special tax provided by ORS 777.430 (2).

(3) Submit a new tax base to the electors of the port district for approval.

(4) If the new tax base submitted to the electors of the port district is not approved, adopt a resolution by the commissioners of the port initiating dissolution of the port under ORS chapter 198. [1987 c.607 §13]

Note: See note under 777.630.

777.650 Gifts to commission and division. The Ports Division and Economic Development Commission may accept gifts of

money or other property from any public or private agency or person given for the purposes of ORS 777.630 to 777.660. Money so received shall be paid into the Oregon Port Revolving Fund. Property so received shall be used for the purposes of the Oregon Port Revolving Fund. [1987 c.607 §14]

Note: See note under 777 630.

777.655 Payment to ports. Loans made to ports under ORS 777.630 to 777.660 may be paid in a lump sum or in instalments for a specified period of time. Loans for a single port emergency, when paid in instalments, may extend beyond the biennium in which the first payment of the loan is made. [1987 c 607 §15]

Note: See note under 777 630

777.660 Rules of commission to establish priorities. Rules adopted by the Economic Development Commission shall establish standards by which priorities among grant applications may be determined. [1987 c 607 §16]

Note: See note under 777 630

777.665 Source of emergency loan moneys; port eligibility; security for loan; priority. (1) Notwithstanding ORS 777.884 (1), but subject to subsection (4) of this section, moneys in the Oregon Port Revolving Fund that are not required for other uses, may be used by the Economic Development Commission for payments of loans to port districts under ORS 777.630 to 777.660.

(2) A port district is eligible for a loan under ORS 777.630 to 777.660 only when the port district is ineligible under ORS 777.858 (5) for a loan for a port development project. Notwithstanding ORS 777.860, the Economic Development Commission may establish the amount of a loan and the terms for repayment of the loan made under ORS 777.630 to 777.660 as the commission considers appropriate under the circumstances until the port district obtains a new tax base or is dissolved under ORS 777.645.

(3) When a loan is made to a port district under ORS 777.630 to 777.660, if the port is thereafter dissolved under ORS 777.645 (4) and ORS chapter 198, the liens and other security accepted by the Economic Development Commission as collateral for the loan shall be subordinate to all other liens, security interests and contract rights in the port's property held by other creditors of the port.

(4) The amount of $250,000 is established for the biennium beginning July 1, 1987, as the maximum limit for payment of loans to ports out of moneys in the Oregon Port Revolving Fund under ORS 777.630 to 777.660. ORS 777.884 (3) shall not affect or limit the making of such loans. [1987 c.607 §21]

Note: See note under 777.630.

(Establishment of Water Transportation Lines)

777.705 Definitions for ORS 777.705 to 777.725. As used in ORS 777.705 to 777.725, "bonus" or "bonuses" includes payment of funds for:

(1) Chartering vessels;

(2) Guaranteeing to vessels, transportation lines, companies or persons, cargo and tonnage, and guaranteeing to vessels, transportation lines, companies or persons against loss on account of delay in the Columbia River or Willamette River or at the Columbia River bar;

(3) Absorption of charges for lightering, dredging, towage and pilotage of any vessels; or

(4) Fixing of pilotage and stevedoring charges, seamen's wages, fuel costs, supplies and other charges and expenses incident to maritime commerce, at such a rate as may place a port on a competitive basis in such matter with other ports. [Amended by 1971 c.728 §97]

777.710 Payment of bonus explained. The payment of a bonus authorized by ORS 777.715 and 777.720 includes the payment of sums necessary to make good the guarantee described by ORS 777.705. [Amended by 1971 c.728 §98]

777.715 Ports may pay bonuses in aid of water transportation and may charter vessels. (1) By the payment of bonuses to a person engaged or preparing to engage in the operation of water transportation lines, a port may:

(a) Aid in establishing water transportation lines between the port and any other domestic or foreign port or ports; and

(b) Aid in establishing water transportation lines on the interior rivers of this state, on the rivers between Washington and Oregon, or on the rivers of Washington and Idaho reached by navigation from Oregon's rivers.

(2) A port may charter vessels. [Amended by 1971 c.728 §99]

777.720 Discretion of board in making payment; contracts. A board may expend the money raised as authorized by ORS 777.725 in the form of a bonus or bonuses payable to the persons described by ORS 777.715. The money shall be expended in the manner and at such times as the board determines will result in the greatest benefit and advantage to the port and will best aid the establishment and continued operation of the water transportation lines. The board may contract as may be necessary to carry

into effect the purposes of ORS 777.725. [Amended by 1971 c.728 §100]

777.725 Borrowing money to pay bonus; bond issues, amount, terms, interest, signature, approval by electors, name of bonds, sale. (1) For the purpose of ORS 777.705 to 777.725 and 777.915 to 777.953, a port may borrow money and sell and dispose of bonds. The bonds shall not, singly or in the aggregate, with previous debts and liabilities incurred and outstanding for such purposes, exceed one-fourth of one percent (.0025) of the true cash value of all taxable property within the port. The bonds shall be issued from time to time as the board may determine, and shall be of such denominations, run for such period of years and for such rate of interest as the board determines.

(2) Bonds shall not be issued unless authorized by the majority of the electors voting upon the question at an election called for that purpose.

(3) Every issue of bonds shall be in serial form so as to mature in numerical order in equal instalments annually on and after five years from date. The bonds shall not bear interest exceeding in any event a net effective rate of seven percent per annum. The bonds shall be signed on behalf of the port by its president and countersigned by its secretary. The bonds shall be so conditioned that the port shall agree, in consideration of the premises, to pay at a place therein named to the bearer or registered holder thereof the sum named therein at the maturity thereof in lawful money of the United States, with interest thereon in like lawful money at the rate per annum named therein, payable semiannually in accordance with the tenor and terms of interest coupons thereto attached.

(4) The bonds shall be known as water transportation bonds of the Port of (insert name of port), County of (insert name of county), State of Oregon, as the case may be.

(5) The bonds shall be sold for cash to the highest responsible bidder, upon sealed bids, after advertising; but the board may reject any and all bids tendered and proceed to readvertise when bids are not satisfactory. [Amended by 1967 c.293 §35; 1971 c.728 §101]

PORT PLANNING AND MARKETING FUND

777.727 Port Planning and Marketing Fund; uses; sources; investment. (1) There is created within the State Treasury, separate and distinct from the General Fund, the Port Planning and Marketing Fund. All moneys in the Port Planning and Marketing Fund are appropriated continuously to the Ports Division of the Department of Economic Development and shall be used by the Ports Division for:

(a) Administrative expenses of the Ports Division in processing grant applications and investigating proposed planning or marketing projects.

(b) Payment of grants under ORS 777.727 to 777.738 to ports incorporated under ORS 777.010 and 777.050.

(2) The Port Planning and Marketing Fund shall consist of:

(a) Moneys appropriated to the fund by the Legislative Assembly.

(b) Moneys obtained from gifts or grants received under ORS 777.729.

(c) Moneys obtained from interest earned on the investment of such moneys.

(3) Moneys in the Port Planning and Marketing Fund, with the approval of the State Treasurer, may be invested as provided by ORS 293.701 to 293.776, 293.810 and 293.820, and the earnings from such investments shall be credited to the Port Planning and Marketing Fund. [1985 c.775 §1]

Note: 777.727 to 777.738 were enacted into law by the Legislative Assembly but were not added to or made a part of ORS chapter 777 or any series therein by legislative action. See Preface to Oregon Revised Statutes for further explanation

777.729 Assistance, gifts and grants. The Ports Division of the Department of Economic Development may accept assistance, grants and gifts, in the form of money or other thing of value from any public or private agency or person for any of the purposes described in ORS 777.727 to 777.738. [1985 c.775 §2]

Note: See note under 777.727.

777.730 [Repealed by 1971 c.728 §138]

777.732 Grant purposes; application; standards; prohibited funding. (1) The Ports Division of the Department of Economic Development may make grants, as funds are available, to any port incorporated under this chapter or ORS chapter 778 for:

(a) A planning project conducted under ORS 777.835 or any other planning project necessary for improving the port's capability to carry out its authorized functions and activities relating to trade and commerce; or

(b) A marketing project necessary for improving the port's capability to carry out its authorized functions and activities relating to trade and commerce.

(2) Any port incorporated under this chapter or ORS chapter 778 may file with the Ports Division an application for a grant from the Port Planning and Marketing Fund to finance a specific planning project or marketing project.

(3) An application under this section shall be filed in such a manner and contain or be accompanied by such information as the Ports Division may prescribe.

(4) Upon receipt of an application, the Ports Division shall determine whether the planning project or marketing project is eligible for funding under ORS 777.727 to 777.738. If the Ports Division determines that the project is not eligible, it shall within 60 days:

(a) Reject the application; or

(b) Require the applicant to submit additional information as may be necessary.

(5) The Ports Division may approve a grant for a planning project or a marketing project described in an application filed under this section if, after investigation by the division, it finds that:

(a) The project meets the standards and criteria established by rules of the Ports Division for grant financing from the Port Planning and Marketing Fund; and

(b) Moneys in the Port Planning and Marketing Fund are or will be available for the project.

(6) Grants to ports under ORS 777.727 to 777.738 shall not exceed $25,000 and shall not exceed 75 percent of the total cost of the project.

(7) The Ports Division shall adopt rules necessary for carrying out ORS 777.727 to 777.738. Such rules shall include standards by which to determine priorities among grant applications filed with the Ports Division.

(8) The Ports Division shall not fund any program that subsidizes regular port operating expenses. [1985 c.775 §§3, 6; 1987 c.607 §18]

Note: See note under 777.727.

777.735 [Repealed by 1971 c.647 §149 and by 1971 c 728 §138]

777.736 Funding priorities. (1) The Ports Division shall develop marketing grant funding priorities considering such factors as community need and whether the project will lead to economic diversification, development of a new or emerging industry and redevelopment of existing public facilities. The division shall give priority to regional or cooperative projects, and projects that leverage other marketing efforts by the state or other local government units.

(2) The division shall review all proposals to avoid duplication of marketing efforts among ports, and to maintain consistency with the applicable county or city comprehensive plans. [1985 c.775 §5]

Note: See note under 777.727.

777.738 Annual report. The Ports Division shall provide an annual report to the Legislative Committee on Trade and Economic Development on the marketing and planning program. [1985 c.775 §7]

Note: See note under 777.727.

777.740 [Amended by 1971 c.647 §143; repealed by 1971 c.728 §138]

777.745 [Repealed by 1971 c 728 §138]

777.750 [Repealed by 1971 c 728 §138]

EXPORT TRADING CORPORATIONS

777.755 Legislative findings and policy. The Legislative Assembly hereby finds that:

(1) The geographical location of this state, its maritime resources, its skilled labor force and the availability of land for industrial and commercial development provide an opportunity for the citizens of this state to expand participation in and increase the benefits from international trade and commerce.

(2) The development and operation of international trade and commerce is in the public interest because that trade and commerce promotes the commerce of this state, creates and retains jobs and diversifies the economy of this state.

(3) Export trading corporations, encouraged by federal law, provide a means to develop and facilitate international trade and commerce and the export and import of goods and services through this state by furnishing services necessary to international trade and by the purchase, sale and financing of goods and services.

(4) Export trading corporations can facilitate the expansion of total exports and imports and are an important mechanism for experimentation in the development of innovative international trade programs beneficial to local, state, regional and national economic needs.

(5) Export trading corporations can provide a means for meeting this state's need for well-developed export and import trade intermediaries and can achieve economies of scale and acquire expertise enabling them to export and import goods and services or provide export and import trade services at a reasonable cost to producers. [1983 c 200 §1]

777.760 Definitions for ORS 777.755 to 777.800. As used in ORS 777.755 to 777.800, unless the context requires otherwise:

(1) "Board" means the board of directors of an export trading corporation.

(2) "Commissioner" means a member of the board of commissioners of a port.

(3) "Commissioners of the port" means the board of commissioners of the port which formed the export trading corporation.

(4) "Export trading corporation" means a municipal corporation formed by a port under ORS 294.125, 294.316, 646.740 and 777.755 to 777.800.

(5) "Export trading project" means a transaction or arrangement for the purchase, sale, exchange or delivery of goods or services in international trade or commerce.

(6) "Port" means a municipal corporation formed under ORS 777.005 to 777.725, 777.850 to 777.910, 777.915 to 777.953 and 777.990 or ORS chapter 778.

(7) "Services" includes, but is not limited to, architectural, automatic data processing, business, communications, consulting, engineering, financial, insurance, legal, management, product research and design, repair, training and transportation services. [1983 c.200 §2]

777.763 Export trading corporation; formation by port; hearing; dissolution of corporation. (1) Any port may form an export trading corporation. Proceedings to form an export trading corporation shall be initiated by a resolution adopted by the commissioners of the port proposing the formation of an export trading corporation and fixing a time and place for a public hearing on the resolution. The hearing shall be held not less than 30 days after adoption of the resolution.

(2) Notice of the public hearing shall be published in one or more newspapers of general circulation within the port not less than 15 days prior to the date fixed for the public hearing.

(3) Any person may appear at the public hearing and present oral or written statements for or against the proposal to form an export trading corporation.

(4) After the public hearing, if the commissioners of the port determine the formation of an export trading corporation would promote the purposes of ORS 294.125, 294.316, 646.740 and 777.755 to 777.800, the board may by ordinance form an export trading corporation.

(5) An ordinance forming an export trading corporation shall include:

(a) The name of the export trading corporation.

(b) The names of the initial board of directors.

(c) The office address and the name and address of the initial registered agent.

(6) Unless a later date is specified, the ordinance shall take effect and the export trading corporation formed on the 30th day after enactment of the ordinance. The ordinance shall be subject to the powers of initiative and referendum vested in the electors of the port.

(7) A certified copy of the ordinance shall be filed with the Secretary of State.

(8) The port by ordinance may dissolve the export trading corporation. The ordinance shall include a plan for the dissolution and liquidation of the assets of the export trading corporation. Any surplus assets remaining after payment of the indebtedness of the export trading corporation shall be transferred to the port. [1983 c.200 §3]

777.765 Powers of export trading corporation. An export trading corporation shall constitute a municipal corporation of this state and a public body, corporate and politic, exercising public power. No part of the net earnings of an export trading corporation shall accrue to the benefit of a private person. An export trading corporation may:

(1) Develop, manage and operate export trading projects.

(2) Conduct market research, advertising and marketing, within and outside the boundaries of this state.

(3) Purchase or otherwise acquire, finance, hold, maintain, sell, lease or otherwise dispose of goods or services of every type or nature, within or outside the boundaries of this state.

(4) Acquire or provide communication, insurance, legal assistance, transportation, including trade documentation and freight forwarding, foreign exchange, letters of credit and other necessary or desirable services.

(5) Purchase or otherwise acquire, construct, operate, maintain, lease, rent and dispose of warehouses, elevators, terminals, buildings and other necessary or desirable facilities, within or outside the boundaries of this state.

(6) Enter into contracts, joint ventures, brokerage or other agreements with any person for the purchase, sale or distribution of goods or services, within or outside the boundaries of this state.

(7) Levy and collect rentals, commissions, fees, storage and other charges for use of facilities or services rendered.

(8) Apply for and accept financial, technical or other assistance from any person, including the federal, state, county or city government, or other municipal corporations.

(9) Enter into contracts with any governmental entity or municipal corporation.

(10) Do such other acts or things as may be necessary or convenient for the exercise of the powers granted by ORS 294.125,

294.316, 646.740 and 777.755 to 777.800. [1983 c.200 §10]

777.767 Authorized agreements. (1) An export trading corporation may enter into agreements which provide for the establishment of prices or rates, or which require a party to the agreement to sell, lease or purchase a commodity or service solely to or from the export trading corporation or to the persons designated in the agreement, when such agreements are entered into pursuant to export trade activities specified in a certificate issued to the corporation under 15 U.S.C. §§4001 to 4021. This subsection is not intended to confer any immunity from federal anti-trust laws beyond the immunity conferred by a certificate issued under 15 U.S.C. §§4001 to 4021.

(2) When entering into agreements containing the provisions described in subsection (1) of this section, the export trading corporation shall be deemed to be performing a governmental function essential for the benefit of the people of this state and the development and diversification of the economy of this state.

(3) An export trading corporation and a port may enter into agreements for the port to provide accounting, clerical, technical, sales, promotional and other administrative services. The port shall be reimbursed not less than the actual cost for providing such services. [1983 c.200 §13]

777.770 Additional fiscal powers of export trading corporation. For the purpose of carrying into effect all or any of its powers, an export trading corporation may:

(1) Borrow money, evidence such borrowing with its promissory notes or other obligations of indebtedness, and pledge in whole or in part any of its assets or revenues not subject to prior liens or pledges.

(2) Issue and sell revenue bonds in the manner and upon the terms and conditions authorized by ORS 777.560 to 777.590.

(3) Purchase, negotiate and sell letters of credit, bills of lading, dock receipts, dock warrants, drafts and other documents of title as defined in ORS 71.2010 (15). [1983 c.200 §11]

777.773 Status of obligations of export trading corporation; prohibited investments. (1) An obligation of an export trading corporation, whether arising from the sale of revenue bonds or otherwise, shall not in any manner be a general obligation of the port, nor a charge upon any revenues or property of the port.

(2) An export trading corporation shall not acquire stock or other equity interest in any private corporation organized for profit. [1983 c.200 §12]

777.775 Status of export trading corporation; application of certain laws. (1) An export trading corporation is not a public agency or public contracting agency for the purposes of ORS 279.011 to 279.063 or 279.575.

(2) An export trading corporation is not a public employer for the purposes of ORS chapter 237. [1983 c.200 §16]

777.780 Board of directors; election; term; compensation; board officers. (1) The board of directors of the export trading corporation shall consist of three members. Only commissioners of the port shall be eligible to serve as members of the board of directors. The board of directors shall be elected by majority vote of the commissioners of the port.

(2) The initial board of directors shall consist of one director elected for a one-year term, one director elected for a two-year term and one director elected for a three-year term. Following election of the initial board, the term of office of a director is three years. A director shall serve until a successor is elected and qualified.

(3) Before the expiration of the term of a director, the commissioners of the port shall elect a successor. A director is eligible for reelection. In case of a vacancy for any cause, the commissioners of the port shall elect a person to serve for the unexpired term.

(4) The board shall choose from among its members by majority vote a president, vice president and secretary-treasurer to serve for such terms as the board may determine.

(5) Directors shall not be entitled to compensation for their services but shall be entitled to reimbursements for actual and necessary expenses incurred or paid in the performance of their duties as members of the board. [1983 c.200 §4]

777.783 Board meetings; quorum. (1) The board may hold regular meetings at the time and place fixed by the rules of the board. A majority of the members of the board constitutes a quorum for the transaction of business.

(2) Special meetings may be held when called by the president of the board or by a majority of the members of the board in the manner prescribed by the rules of the board. [1983 c.200 §5]

777.785 Meetings of board to be open to public; executive sessions. (1) Except as provided in subsection (2) of this section, all meetings of the board shall be open to the public and all persons shall be permitted to attend any meeting.

(2) In addition to matters which may be considered in executive session under ORS 192.660, the board may also meet in executive session to:

(a) Consider preliminary negotiations for an export trading project involving financial or commercial information which the board in good faith determines should be kept confidential.

(b) Review the operation, modification, enlargement or abandonment of an export trading project involving financial or commercial information which the board in good faith determines should be kept confidential.

(3) In its discretion the board may allow representatives of the news media to attend executive sessions held under paragraphs (a) and (b) of subsection (2) of this section on such terms and conditions as the board may prescribe. [1983 c 200 §6]

777.787 Chief executive officer of export trading corporation; appointment; removal. (1) The board may appoint a chief executive officer who shall be responsible for the administration of the business affairs of an export trading corporation. The chief executive officer shall perform such duties as the board may prescribe.

(2) The chief executive officer shall hold office for an indefinite term and may be removed from office only by the affirmative vote of a majority of the board. Removal of a chief executive officer may be reconsidered by the board but is otherwise final and not subject to appeal. [1983 c.200 §7]

777.790 Employees of export trading corporation. (1) An export trading corporation may employ such persons within or outside the boundaries of this state as necessary or convenient to accomplish its purposes. In addition, an export trading corporation may appoint such agents, brokers or representatives, within or outside the boundaries of this state, as necessary or convenient to accomplish its purposes.

(2) The chief executive officer of an export trading corporation may employ, appoint, discipline or remove all employees, agents, brokers and representatives of an export trading corporation, and fix the compensation to be paid to such persons. [1983 c 200 §8]

777.793 Disclosure of commercial or financial information prohibited; exception. (1) Except as provided in subsection (2) of this section, no officer, agent or employee of an export trading corporation shall disclose commercial or financial information concerning an export trading project.

(2) Commercial or financial information may be disclosed:

(a) In a judicial proceeding when disclosure is ordered by a court of competent jurisdiction;

(b) With the consent of the persons whose interests are affected by disclosure;

(c) By an officer, agent or employee of an export trading corporation acting within the scope of employment, as prescribed by rules of the board; or

(d) When the board finds the information would not reasonably be considered confidential, the export trading corporation has not obliged itself in good faith not to disclose the information and disclosure is in the public interest. [1983 c 200 §9]

777.795 Right to inspect records of export trading corporation; certain records exempt from disclosure. (1) Except as provided in subsection (2) of this section, the written records of an export trading corporation shall be public records available for inspection under ORS 192.410 to 192.505.

(2) In addition to the exemptions set forth in ORS 192.501 to 192.505, the following public records of an export trading corporation are exempt from disclosure:

(a) Information consisting of financial, commercial, sales, production, cost or similar business records of a private concern or enterprise which is not otherwise required to be disclosed by state or federal law.

(b) Trade secrets, as defined in ORS 192.501 (2). [1983 c.200 §14]

777.800 Annual report. An export trading corporation shall report annually to the port on the operations of the export trading corporation. A copy of the report shall be filed by the export trading corporation with the Secretary of State. [1983 c.200 §15]

PORTS DIVISION

777.805 Definitions for ORS 777.805 to 777.845. As used in ORS 777.805 to 777.845, unless the context requires otherwise:

(1) "Commission" means the Economic Development Commission.

(2) "Department" means the Economic Development Department.

(3) "Director" means the Director of the Economic Development Department.

(4) "Port" means the Port of Portland and any municipal corporation established pursuant to ORS 777.005 to 777.725, 777.850 to 777.910, 777.915 to 777.953 and 777.990.

(5) "Ports Division" or "division" means the Ports Division of the Economic Development Department. [1969 c.599 §39; 1973 c.249 §78; 1975 c.371 §1; 1985 c.565 §120]

Note: See note preceding 777.850.

777.810 Ports Division continued in Economic Development Department. The Ports Division is continued within the Economic Development Department. [1969 c 599 §40, 1973 c.249 §79; 1975 c.371 §3; 1985 c.565 §121]

777.815 [1969 c.599 §42, 1969 c.599 §42a, repealed by 1973 c 249 §91]

777.817 Division to provide managerial assistance and technical services; cooperation with other agencies. (1) The Ports Division shall provide managerial assistance and technical referral services to ports organized under this chapter.

(2) The Ports Division shall:

(a) Disseminate such research and technical information as is available to the division; and

(b) Provide managerial assistance to ports requesting such assistance.

(3) The Ports Division shall work cooperatively with existing organizations and agencies that provide research and technical services, including, but not limited to:

(a) The Division of State Lands;

(b) The State Marine Board; and

(c) The Sea Grant College and marine extension services at Oregon State University. [1987 c.607 §17]

Note: 777.817 was added to and made a part of ORS chapter 777 but was not added to any smaller series therein by legislative action. See Preface to Oregon Revised Statutes for further explanation.

777.820 [1969 c 599 §43, repealed by 1973 c 249 §91]

777.825 [1969 c 599 §44; repealed by 1973 c 249 §91]

777.830 Division employees. Subject to the approval of the director and any applicable provisions of the State Personnel Relations Law, the chief administrative officer of the division may appoint such subordinate officers and employees as are necessary to the accomplishment of the duties and powers assigned to the division and prescribe their duties and fix their compensation. [1969 c 599 §45, 1973 c 249 §80]

777.835 Division function; approval required for creation of new ports; coordinating, planning and research on international trade. (1) The commission, through the division, shall be the state-wide coordinating, planning and research agency for all ports and port authorities in this state to insure the most orderly, efficient and economical development of the state port system.

(2) Notwithstanding any other provision of law, after July 1, 1969, no port or port authority may be formed without the prior approval of the commission.

(3) The commission, through the division, shall be the state-wide coordinating, planning and research agency for port activities involving international trade and international trade development and industrial, commercial and recreational development. Such coordinating, planning and research shall be coordinated with the activities of the Legislative Committee on Trade and Economic Development for its information. [1969 c 599 §46; 1973 c.249 §81; 1975 c.371 §4]

777.840 Port regions. The following port regions are established:

(1) Coastal Region. Tillamook, Lincoln, Lane, Douglas, Coos and Curry Counties.

(2) Lower Columbia Region. Clatsop, Columbia, Clackamas, Washington and Multnomah Counties.

(3) Mid-Columbia Region. Hood River, Wasco, Sherman, Gilliam, Morrow and Umatilla Counties.

(4) Interior Region. Those counties not included within the Coastal Region, the Lower Columbia Region or the Mid-Columbia Region. [1969 c 599 §47]

777.845 Regional meetings required; report to commission. (1) At least four times each year, and at such other times and places as the commission may direct, representatives of each port and port authority within a region established by ORS 777.840 shall meet to discuss and solve problems of common interest within the region. Except for meetings directed by the commission, regional meetings shall be held at such times and places as are designated by a majority of the representatives. The representatives shall choose from among their number a chairman and other officers for such terms and with such duties and powers as the representatives determine necessary for the performance of their duties.

(2) The chairman of each regional meeting shall cause a summary of the proceedings to be delivered to the department. [1969 c 599 §48, 1973 c 249 §82]

OREGON PORT REVOLVING FUND

Note: Sections 10 and 11, chapter 908, Oregon Laws 1989, first become operative on July 1, 1993. See section 87, chapter 908, Oregon Laws 1989 Those sections provide.

Sec. 10. The Economic Development Commission is abolished. On the operative date of this section [July 1, 1993], the tenure of office of the members of the Economic Development Commission shall cease. [1989 c.908 §10]

Sec. 11. (1) There are imposed upon, transferred to and vested in the Finance Committee for Economic Development all the duties, functions and powers of the Economic Development Commission under ORS 280 310 to 280.393, 280 395 and 280.397, 280.520 to 280 585 and 777 850 to 777 910.

(2) Except as provided in subsection (1) of this section, there are imposed upon, transferred to and vested in the Economic Development Department all the

duties, functions and powers of the Economic Development Commission. [1989 c 908 §11]

777.850 Definitions for ORS 777.850 to 777.910. As used in ORS 777.850 to 777.910, unless the context requires otherwise:

(1) "Business development project" means the engineering, improvement, rehabilitation, construction, operation or maintenance, in whole or in part, including the preproject planning costs of any business development project authorized by ORS 777.250 (1).

(2) "Port development project" means the engineering, improvement, rehabilitation, construction, operation or maintenance, in whole or in part, including the preproject planning costs of any project authorized by ORS 777.105 to 777.258, except projects authorized primarily by ORS 777.250 (1).

(3) "Commission" means the Economic Development Commission appointed pursuant to ORS 184.006.

(4) "Director" means the Director of the Economic Development Department appointed pursuant to ORS 184.135.

(5) "Fund" means the Oregon Port Revolving Fund.

(6) "Port district" means any municipal corporation incorporated, or proposed to be incorporated, pursuant to ORS chapter 778 or ORS 777.005 to 777.725, 777.850 to 777.910, 777.915 to 777.953 and 777.990. [1977 c.838 §3; 1985 c.565 §122; 1985 c.773 §3]

777.852 Application for port development money. Any Oregon port district may file with the commission an application to borrow money from the Oregon Port Revolving Fund for a port development project as provided in ORS 777.850 to 777.910. The application shall be filed in such a manner and contain or be accompanied by such information as the commission may prescribe. [1977 c.838 §4]

Note: See note preceding 777.850.

Note: Section 4, chapter 645, Oregon Laws 1989, provides:

Sec. 4. The Economic Development Commission shall solicit and review proposals for loans to be made from the Oregon Port Revolving Fund for the purpose of flexible manufacturing pilot projects and may make provisions for deferred repayments as provided for in ORS 770.860 (1)(a). The commission shall submit a report to the Legislative Assembly and the Joint Legislative Committee on Trade and Economic Development at the end of the 1989-1991 biennium detailing the flexible manufacturing pilot project loan program, loans approved and the status of the projects, and making recommendations for extending, modifying or eliminating flexible loan repayment provisions. [1989 c.645 §4]

777.854 Commission review of application; fee. (1) Upon receipt of an application filed, as provided in ORS 777.852, the commission shall determine whether the plans and specifications for the proposed port development project set forth in or accompanying the application are satisfactory. If the commission determines that the plans and specifications are not satisfactory, they may within 60 days:

(a) Reject the application.

(b) Require the applicant to submit additional information of the plans and specifications as may be necessary.

(2) The commission shall charge and collect from the applicant, at the time the application is filed, a fee of not to exceed $100. Moneys referred to in this subsection shall be paid into the Oregon Port Revolving Fund. [1977 c 838 §5]

Note: See note preceding 777 850

777.856 Private development contracts not prohibited. Nothing in ORS 777.850 to 777.910 is intended to prevent an applicant from employing a private engineering firm and construction firm to perform the engineering and construction work on a proposed port development project. [1977 c 838 §6]

777.858 Qualifications for approval of port development funding. The commission may approve a port development project proposed in an application filed, as provided in ORS 777.852, if, after investigation, they find that:

(1) The proposed port development project is feasible and a reasonable risk from practical and economic standpoints, and the loan has reasonable prospect of repayment.

(2) Moneys in the Oregon Port Revolving Fund are or will be available for the proposed port development project.

(3) There is a need for the proposed port development project, and the applicant's financial resources are adequate to provide the working capital needed to assure success of the project.

(4) The applicant has received all necessary permits required by federal, state or local agencies.

(5) The applicant has not received or entered into a contract or contracts exceeding $1 million with the commission, under authority of ORS 777.850 to 777.910, for the previous 365 days, and provided that no applicant may have more than $1.5 million in outstanding loans at any one time.

(6) The standards under ORS 184.025, have been met. [1977 c 838 §7; 1979 c.182 §11; 1979 c.800 §1; 1989 c.645 §1]

Note: See note preceding 777.850.

777.860 Loan from fund; repayment plan; project inspection; enforcement of contract. If the commission approves the project, the commission, on behalf of the state, and the applicant may enter into a loan contract of not more than $500,000, se-

cured by good and sufficient collateral, which shall set forth, among other matters:

(1) A plan for repayment by the applicant to the Oregon Port Revolving Fund moneys borrowed from the fund used for the port or business development project and interest on such moneys used at a rate of interest for port development projects of not less than five percent or for business development projects of not less than one percent less than the prevailing interest rate on United States Treasury bills of comparable term, as determined by the commission. The repayment plan, among other matters:

(a) Shall provide for commencement of repayment by the port district of moneys used for the project and interest thereon no later than one year after the date of the loan contract or at such other time as the commission may provide.

(b) May provide for reasonable extension of the time for making any repayment in emergency or hardship circumstances if approved by the commission.

(c) Shall provide for such evidence of debt assurance of, and security for, repayment by the applicant as are considered necessary by the commission.

(d) Shall set forth a schedule of payments and the period of loan which shall not exceed the usable life of the contracted project or 20 years from the date of the contract, whichever is less, and shall also set forth the manner of determining when loan payments are delinquent. The payment schedule shall include repayment of interest which accrues during any period of delay in repayment authorized by paragraph (a) of this subsection, and the payment schedule may require payments of varying amounts for collection of such accrued interest.

(e) Shall set forth a procedure for formal declaration of default of payment by the commission, including formal notification of all relevant federal, state and local agencies; and further, a procedure for notification of all relevant federal, state and local agencies that declaration of default has been rescinded when appropriate.

(f) Shall provide for partial or complete repayment, in excess of scheduled payments, of any outstanding principal loan amount without penalty. If any prepayment is made, that amount shall not be included in any computation for the purposes of ORS 777.858 (5).

(2) Provisions satisfactory to the commission for field engineering and inspection, the commission to be the final judge of completion of the contract.

(3) That the liability of the state under the contract is contingent upon the availability of moneys in the Oregon Port Revolving Fund for use in the project.

(4) Such further provisions as the commission considers necessary to insure expenditure of the funds for the purposes set forth in the approved application.

(5) That the commission may institute appropriate action or suit to prevent use of the facilities of a project financed by the Oregon Port Revolving Fund if the port is delinquent in the repayment of any moneys due the Oregon Port Revolving Fund. [1977 c.838 §8; 1979 c.800 §2, 1985 c.773 §1; 1989 c.645 §2]

Note: See note preceding 777.850.

777.862 Project moneys from port revolving fund. If the commission approves a loan for a port development project, the commission shall pay moneys for such project from the Oregon Port Revolving Fund, in accordance with the terms of the loan contract as prescribed by the commission. [1977 c.838 §9]

Note: See note preceding 777.850.

777.864 Filing of lien against port by commission; notice of satisfaction. (1) If the commission accepts a lien against any port district's real or personal property as collateral required by ORS 777.860, the commission shall file notice of the loan with the recording officer of each county in which is situated any real or personal property of the port district. The notice shall contain a description of the encumbered property, the amount of the loan, and a statement that loan payments are liens against such property.

(2) Upon payment of all amounts loaned to a port district pursuant to ORS 777.850 to 777.910, the commission shall file with each recording officer referred to in subsection (1) of this section, a satisfaction notice that indicates repayment of the loan. [1977 c.838 §10]

Note: See note preceding 777.850

777.866 Commission powers to enforce loan agreement. (1) The commission may institute proceedings to foreclose any lien for delinquent loan payments.

(2) If a port district fails to comply with a contract entered into pursuant to ORS 777.860, the commission may seek appropriate legal remedies to secure the loan, and may contract with any port project developer for continuance of the port development project and for repayment of moneys from the Oregon Port Revolving Fund used therefor and interest thereon.

(3) The commission may also provide by contract or otherwise for a port development

project until the project is assumed by the new port project developer. [1977 c 838 §11]

Note: See note preceding 777 850.

777.868 Sources of loan repayment moneys. A port district that enters into a contract with the commission for a port development project and repayment as provided in ORS 777.860 may obtain moneys for repayment to the Oregon Port Revolving Fund under the contract in the same manner as other moneys are obtained for purposes of the port district or other moneys available to the developer. [1977 c 838 §12]

Note: See note preceding 777 850

777.870 Gifts to commission. The commission may accept gifts of money or other property from any source, given for the purposes of ORS 777.850 to 777.910. Money so received shall be paid into the Oregon Port Revolving Fund. Property so received shall be used for the purposes of the Oregon Port Revolving Fund. [1977 c 838 §14]

Note: See note preceding 777.850.

777.872 Rules of commission. In accordance with any applicable provisions of ORS 183.310 to 183.550, the commission may make such rules as they consider necessary to carry out their duties, functions and powers under ORS 777.850 to 777.910. [1977 c.838 §15]

Note: See note preceding 777 850

777.874 Biennial report to legislature. The commission shall submit to the Legislative Assembly and the Governor a biennial report of the transactions of the Oregon Port Revolving Fund in such detail as will adequately indicate the condition of the fund. [1977 c.838 §21]

Note: See note preceding 777 850.

777.876 Duties of director. The commission may appoint the director as their representative and agent in all matters pertaining to ORS 777.850 to 777.910. The director, through the chief administrative officer of the Ports Division, shall assure that all provisions of ORS 777.850 to 777.910 are complied with and that appropriately trained personnel are employed pursuant to ORS 777.830 to properly administer the fiscal and other portions of ORS 777.850 to 777.910. [1977 c.838 §27]

Note: See note preceding 777.850.

777.878 Reimbursement to port revolving fund upon refinancing of project. Except as provided in ORS 777.880, if any port development project is refinanced or financial assistance is obtained from other sources after the execution of the loan from the state, all such funds shall be first used to repay the state if such refinancing or financial assistance applies only to the port development project authorized and does not include any subsequent addition, expansion, improvement or further development. [1977 c.838 §16]

777.880 Joint financing; port revolving fund limit. (1) The commission may authorize funds from the Oregon Port Revolving Fund to be used in appropriate joint governmental participation projects or as match money with any port, state or federally funded port development project authorized within a port district, subject to the stipulations of ORS 777.850 to 777.910.

(2) Any application for a loan under this section shall be in such form as the commission prescribes and shall furnish such proof of federal, state or local approval as appropriate for funding of the port development project.

(3) The total amount of moneys loaned from the fund for federal, state or local joint port development project purposes shall not exceed $500,000 per project. [1977 c.838 §17; 1979 c.800 §3]

Note: See note preceding 777 850.

777.882 Loan contract under joint financing programs. If the commission approves an application for the loan of moneys authorized by ORS 777.880, the commission shall enter into a loan contract, secured by good and sufficient collateral, with the port district that provides, among other matters:

(1) That notices of any liens against the property be filed with the recording officer of each county as provided for in ORS 777.864 (1) and (2).

(2) That the loan bear interest at the same rate of interest as provided in ORS 777.860 (1).

(3) That the contract shall set forth a schedule of payments including interest and principal for the period of the loan, which shall not exceed the usable life of the contracted project or 20 years from the date of the contract, whichever is less, and shall set forth the manner of determining when loan payments are delinquent. The same schedule shall include repayment of interest which accrues during any period of delay in repayment authorized by ORS 777.850 to 777.910, and the repayment schedule may require payments of varying amounts for collection of such accrued interest. However, the commission may make provisions for extensions of time in making repayment if the delinquencies are caused by acts of God or other conditions beyond the control of the port district and the security will not be impaired thereby.

(4) Such provisions as the commission considers necessary to insure expenditure of the moneys loaned for the purposes provided

in ORS 777.880, including all provisions of ORS 777.858.

(5) That the commission may cause to be instituted appropriate proceedings to foreclose liens as provided for in ORS 777.866 (1) and (2) for delinquent loan payments and shall pay the proceeds of any such foreclosure, less their expenses incurred in foreclosing, into the Oregon Port Revolving Fund. [1977 c.838 §18; 1989 c.645 §3]

Note: See note preceding 777.850.

777.884 Oregon Port Revolving Fund; creation; purposes; sources; debt limit. (1) There is created within the State Treasury a revolving fund known as the Oregon Port Revolving Fund, separate and distinct from the General Fund. Moneys in this fund are continuously appropriated to the Economic Development Commission for the following purposes:

(a) Administrative expenses of the commission in processing applications and investigating proposed port development projects.

(b) Transfer of funds pursuant to ORS 777.886.

(c) Payment of loans to port districts pursuant to ORS 777.850 to 777.910.

(d) Administrative expenses of the Ports Division of the Economic Development Department. In any one year, administrative expenses charged under this paragraph may not be greater than the total revenues received in that year from fees provided for in paragraph (a) of subsection (2) of this section, plus three percent of the total asset value of the fund.

(2) The fund created by subsection (1) of this section shall consist of:

(a) Application fees required by ORS 777.854 (2).

(b) Repayment of moneys loaned to port districts or others from the Oregon Port Revolving Fund, including interest on such moneys.

(c) Payment of such moneys as may be appropriated to the fund by the Legislative Assembly.

(d) Moneys obtained from any interest accrued from such funds.

(3) Outstanding debt on the fund shall not exceed 95 percent of all deposits, accounts payable, and other assets of the fund.

(4) No money shall be expended from the Oregon Port Revolving Fund for any economic development study costing more than $25,000 unless a work plan and budget for such study has been provided to the Legislative Committee on Trade and Economic Development. [1977 c.838 §§20, 24; 1979 c.416 §6; 1985 c.773 §5]

Note: See note preceding 777.850.

Note: Sections 19 and 20, chapter 607, Oregon Laws 1987, provide:

Sec. 19. (1) Notwithstanding ORS 777.884 (1), available moneys in the Oregon Port Revolving Fund that were accrued as earned income of the fund may be transferred to the Port Planning and Marketing Fund created under ORS 777.727.

(2) Notwithstanding ORS 777.727 (1)(b), moneys transferred to the Port Planning and Marketing Fund under this section may be used for payments of grants under ORS 777.727 to 777.738 to ports incorporated under this chapter or ORS chapter 778.

(3) In addition to and notwithstanding any other law, an amount not to exceed 1.5 percent of the assets of the Port Revolving Loan Fund as calculated on July 1 of each year shall be transferred to the Port Planning and Marketing Fund under this section.

(4) In addition to and notwithstanding any other law, the amount of $250,000 is established for the biennium beginning July 1, 1987, as the maximum limit for payment of expenses from the Port Planning and Marketing Fund for the purposes identified in subsection (2) of this section. [1987 c.607 §19]

Sec. 20. Section 19 of this 1987 Act is repealed on July 1, 1991. [1987 c.607 §20]

777.886 Reimbursement of General Fund for initial fund appropriation. (1) When the commission determines that moneys in sufficient amounts are available in the Oregon Port Revolving Fund, the State Treasurer shall reimburse the General Fund without interest in an amount equal to the amount allocated by the Legislative Assembly pursuant to section 25, chapter 838, Oregon Laws 1977. The moneys used to reimburse the General Fund under this section shall not be considered a budget item on which a limitation is otherwise fixed by law.

(2) In lieu of the repayment to the General Fund required by subsection (1) of this section, the commission may prepare an annual certification to the Executive Department stating the amount of actual administrative expenses charged pursuant to ORS 777.884 (1)(d). The Executive Department shall use this certification to reduce the amount of repayment to the General Fund required by section 25, chapter 838, Oregon Laws 1977.

(3) The certification allowed by subsection (2) of this section may be retroactive to July 1, 1979. [1977 c.838 §22; 1981 c.653 §6]

Note: See note preceding 777.850

777.888 Use of fund proceeds. All payments, receipts and interest from outstanding indebtedness shall be retained in the Oregon Port Revolving Fund and accumulated for new project dispersal, and repayment of funds allocated pursuant to ORS 777.886 and section 25, chapter 838, Oregon Laws 1977. All interest earnings of the fund from whatever source shall be retained and accumulated in the Oregon Port Revolving Fund and shall be used for port development projects,

and repayment of funds allocated pursuant to section 25, chapter 838, Oregon Laws 1977. [1977 c.838 §23]

777.890 [1977c.838 §1; renumbered 777.910]

777.892 When alternative method of financing port development project permitted. If the commission finds that a port development project is eligible for approval under ORS 777.858 except that moneys in the Oregon Port Revolving Fund are not available for the proposed project, the commission may finance the project as provided in ORS 777.892 to 777.904. [1981 c.532 §2]

Note: See note preceding 777.850

777.894 Revenue bond financing; eligibility of projects; issuance of bonds determined by State Treasurer. (1) The Economic Development Commission shall adopt by rule standards by which to determine the eligibility of port development projects for bond financing under ORS 777.892 to 777.904. In determining such standards, the commission shall consider all relevant data without giving priority to one factor over others. In adopting standards under this section, the commission shall meet the standards under ORS 184.025 and consider the factors described in ORS 280.320 (1).

(2) Upon determining a port development project an eligible project for bond financing under ORS 777.892 to 777.904, the Economic Development Commission shall forward the application to the State Treasurer, who shall determine whether to issue revenue bonds. [1981 c.532 §3]

Note: See note preceding 777.850

777.896 Issuance of bonds; determining factors. In determining whether to issue revenue bonds under ORS 777.892 to 777.904, the State Treasurer shall consider:

(1) The bond market for the types of bonds proposed for issuance.

(2) The terms and conditions of the proposed issue.

(3) Such other relevant factors as the State Treasurer considers necessary to protect the financial integrity of the state. [1981 c.532 §4]

777.898 Powers of State Treasurer. In addition to any other powers granted by law or by charter, in relation to an eligible port development project, the state, acting through the State Treasurer or designee may:

(1) Pledge and assign to the holders of such bonds or a trustee therefor all or any part of the moneys repaid to the Oregon Port Revolving Fund, including interest on such moneys, and define and segregate such revenues or provide for the payment thereof to a trustee;

(2) Make all contracts, execute all instruments and do all things necessary or convenient in the exercise of the powers granted by this section, or in the performance of its covenants or duties, or in order to secure the payment of its bonds; and

(3) Enter into and perform such contracts and agreements with political subdivisions and state agencies as the respective governing bodies of the same may consider proper and feasible for or concerning the planning, construction, installation, lease or other acquisition, and the financing of such facilities, which contracts and agreements may establish a board, commission or such other body as may be deemed proper for the supervision and general management of the facilities of the eligible project. [1981 c.532 §5]

777.900 Authority to issue bonds. (1) If the State Treasurer determines that revenue bonds should be issued:

(a) The State Treasurer may authorize and issue in the name of the State of Oregon revenue bonds secured by moneys repaid to the Oregon Port Revolving Fund, including interest on such moneys, to finance or refinance in whole or part the cost of acquisition, construction, reconstruction, improvement or extension of projects. The bonds shall be identified by project and issued in the manner prescribed by ORS 286.010, 286.020 and 286.105 to 286.135, and refunding bonds may be issued to refinance such revenue bonds.

(b) The State Treasurer shall designate the underwriter, trustee and bond counsel and enter into appropriate agreements with each to carry out the provisions of ORS 777.892 to 777.904.

(2) Any trustee designated by the State Treasurer to carry out all or part of the powers specified in ORS 280.335 must agree to furnish financial statements and audit reports for each bond issue. [1981 c.532 §6]

777.902 Method of issuing bonds; use of bond proceeds; repayment of loans made with bond proceeds. (1) ORS 280.360 to 280.380 and 280.390 apply to revenue bonds issued under ORS 777.892 to 777.904.

(2) The proceeds of revenue bonds issued and sold under ORS 777.892 to 777.904 shall be deposited in the Oregon Port Revolving Fund and used for the payment of a loan to a port district for a port development project described in ORS 777.892 and for which project the revenue bonds were issued.

(3) A loan made with money derived from the sale of revenue bonds under this section shall be made as other loans under ORS 777.850 to 777.910 are made, except that the loan contract, notwithstanding ORS 777.882

(3), shall set forth a schedule of payments which shall not exceed the usable life of the contracted project. [1981 c.532 §7]

777.904 Limitations of bonds; recitals. (1) Revenue bonds issued under ORS 777.892 to 777.904:

(a) Shall not be payable from nor charged upon any funds other than the revenue pledged to the payment thereof, except as provided in this section, nor shall the state be subject to any liability thereon. No holder or holders of such bonds shall ever have the right to compel any exercise of the taxing power of the state to pay any such bonds or the interest thereon, nor to enforce payment thereof against any property of the state except those moneys repaid to the Oregon Port Revolving Fund, including interest on such moneys, under the provisions and for the purposes of ORS 777.892 to 777.904.

(b) Shall not constitute a charge, lien or encumbrance, legal or equitable, upon any property of the state, except those moneys repaid to the Oregon Port Revolving Fund, including interest on such moneys, under the provisions of and for the purposes of ORS 777.892 to 777.904.

(c) Shall not exceed, for all bonds issued, a total value of $3 million.

(2) Each bond issued under ORS 777.892 to 777.904 shall recite in substance that the bond, including interest thereon, is payable solely from the revenue pledged to the payment thereof. No such bond shall constitute a debt of the state or a lending of the credit of the state within the meaning of any constitutional or statutory limitation. However, nothing in ORS 777.892 to 777.904 is intended to impair the rights of holders of bonds to enforce covenants made for the security thereof as provided under ORS 777.902. [1981 c.532 §8]

777.910 Short title. This Act shall be known as the Oregon Port Revolving Fund Act. [Formerly 777 890]

OREGON INTERNATIONAL PORT OF COOS BAY

777.915 Definitions for ORS 777.915 to 777.953. As used in ORS 777.915 to 777.953, unless the context requires otherwise:

(1) "Board" means the board of commissioners of the Oregon International Port of Coos Bay.

(2) "Port" means the Oregon International Port of Coos Bay. [1987 c 565 §2]

777.917 Oregon International Port of Coos Bay; applicability of statutes. (1) The Port of Coos Bay is hereby renamed the Oregon International Port of Coos Bay. (2) Notwithstanding ORS 777.135 to 777.165, 777.410 and 777.415, ORS 777.915 to 777.953 apply to the Oregon International Port of Coos Bay. [1987 c.565 §§2a, 3]

777.920 Board of port commissioners; powers. The power and authority given to the port is vested in and shall be exercised by a board of five commissioners. The board may exercise such powers, at regular or special meetings, as is usual and customary with similar bodies. [1987 c.565 §4]

Note: Section 18, chapter 565, Oregon Laws 1987, provides:

Sec. 18. (1) Notwithstanding the number of commissioners specified in section 4 of this 1987 Act [777 920], the Governor shall appoint two additional commissioners to the board, who shall serve for terms ending December 31, 1991. Notwithstanding section 5 of this 1987 Act [777.923], the two commissioners appointed under this section need not be electors registered within the port

(2) Upon expiration of the terms of office of the two commissioners appointed under this section, no successors shall be appointed. [1987 c.565 §18]

777.923 Qualifications of port commissioners. (1) The board shall be composed of electors registered in the port.

(2) A person is eligible for appointment as a commissioner of the port who at the time of the appointment is a citizen of the United States and of the State of Oregon, and who has for one year immediately preceding appointment resided within the port. [1987 c.565 §5]

777.925 Appointment of port commissioners; term; vacancies. (1) Upon the expiration of the term of a commissioner, a successor shall be appointed by the Governor, subject to confirmation as provided by ORS 171.562 and 171.565. Except as provided in ORS 777.927 and 777.930, appointees, when confirmed, shall hold office for a term of four years and until their respective successors have been appointed, confirmed and qualified.

(2) If a vacancy occurs by death, resignation or disqualification of a commissioner, the vacancy shall be filled by appointment by the Governor for the unexpired term subject to confirmation as provided by subsection (1) of this section. [1987 c.565 §6]

777.927 Removal of port commissioner for malfeasance; statement of charges; notice; court hearing. If the Governor is at any time satisfied that a commissioner has been guilty of malfeasance in office, the Governor may file with the Secretary of State a written statement of the acts of the commissioner constituting the malfeasance. Thereupon the Secretary of State shall transmit a copy of the statement to the commissioner named and another copy to the clerk of the Circuit Court for Marion County. After the expiration of 10 days following the delivery of the statement to the

commissioner a hearing shall be held before the court, of which hearing the commissioner is entitled to at least five days' notice. If upon the hearing the court determines that the commissioner has been guilty of malfeasance in office, written findings to that effect shall be made and filed by the court. Thereupon the commissioner shall be considered removed from office. The vacancy so created shall be filled as provided in ORS 777.925. [1987 c.565 §7]

777.930 Removal of port commissioner for lack of attendance; authorized leave of absence. (1) If a commissioner appointed under ORS 777.925 fails, without being excused by the remaining members of the board, to attend for a period of 60 days any of the regular or special meetings of the board regularly and duly called and held, that commissioner may be removed from office by the Governor.

(2) The board may grant a leave of absence not exceeding three months to a commissioner unable to attend meetings of the board by reason of illness or continued absence from the Oregon International Port of Coos Bay. [1987 c.565 §10]

777.933 Board meetings; executive committee. (1) The board shall hold at least one regular meeting in each month on a day to be fixed by it, and may hold special meetings as provided by the rules of the board. At all regular and special meetings a majority of the commissioners then members of the board constitutes a quorum.

(2) The board may create an executive committee of which every commissioner shall be a member and of which a number less than a majority, as the board may determine, may constitute a quorum for the transaction of business. The committee may hold its meetings under such rules as the board may prescribe. However, the executive committee has no power except as a committee and only as expressly conferred upon it by the rules of the board. In no event shall the committee exercise the general powers of the board. The board has no power to appoint or delegate any part of its power or authority to any committee except the executive committee. [1987 c 565 §8]

777.935 Board officers. (1) The Governor shall designate one member of the board as president of the board, who shall hold that office until removed from it by the Governor. The president of the board shall have the powers and perform the duties usual to the office of president.

(2) The president of the board shall designate from the other members of the board a vice president, treasurer and secretary of the board, who shall hold those offices until removed from them by the president. Each officer shall have the powers and perform the duties usual to the respective offices. [1987 c.565 §9]

777.937 Board to report to Legislative Assembly. The board shall report to the Legislative Assembly of this state, biennially, everything done or performed by the board under this chapter. [1987 c.565 §11]

777.940 Power to issue general obligation bonds; limitation; dedication of revenues; use of proceeds. (1) For the purpose of carrying into effect any of the powers granted to the port, the port has the power to borrow money and to sell and dispose of bonds which shall constitute a general obligation of the port and be secured by the port's full faith and credit. Such bonds outstanding at one time shall never exceed in the aggregate one and three-fourths percent of the true cash value of all taxable property within the limits of the port, computed in accordance with ORS 308.207. The bonds shall be secured by the taxing power of the port as provided in ORS 777.430 (2). In addition, the port may provide that the bonds shall be payable from and secured by a lien and pledge of all or any part of the revenues derived by the port from the facilities constructed from the proceeds of the bonds.

(2) The port may provide for the creation of special trust funds and may authorize the appointment of a trustee to administer the same and may obligate itself to set aside and pay into a special trust fund any revenues pledged to the payment of the bonds. The port may establish and provide from available funds for the funding of debt service, operation and maintenance reserves.

(3) Proceeds from the sale of the bonds may also be used to pay the costs incurred in issuing the bonds, preliminary work incident to carrying out such powers, including but not limited to planning, engineering, inspection, accounting, fiscal, legal and trustee expenses and other similar expenses, and to pay interest on the bonds for such period as the port may determine, but not to exceed six months beyond completion of the facilities financed with the bonds, and to establish reserves for debt service on the bonds. [1987 c.565 §12]

777.943 Issuance of bonds; form; redemption. Bonds authorized by ORS 777.940:

(1) May be issued from time to time in one or more series, bear such date or dates, mature at such times and in such amounts, be in such denomination or denominations, be payable within or without the State of Oregon, bear such rate or rates of interest and have such other terms, conditions and

covenants as the board may by ordinance determine.

(2) May be in coupon form with or without privilege of registration or may be in registered form; or both, with the privilege of converting or reconverting to one form or another.

(3) Shall be signed by the president and by the secretary or an assistant secretary of the port, either manually or by their printed, engraved or lithographed signature; provided, however, that at least one signature is manual. The seal of the port or a facsimile thereof shall be printed, engraved or lithographed on the bonds. Coupons, if any, attached to the bonds need bear only the printed, engraved or lithographed facsimile signature of the president and the secretary or an assistant secretary of the port.

(4) May be issued with the right reserved to the board to redeem the bonds at par or at par plus a premium, in such order, and at such time or times prior to the final maturity date or dates of the bonds, as the board by ordinance may provide, upon publication, at least 30 days before the redemption date, of at least one notice of the intended redemption in one issue of a newspaper specializing in financial matters published in any of the cities of New York, New York; Chicago, Illinois; or San Francisco, California, as the board may provide in the ordinance, and of one such notice in one issue of a newspaper of general circulation published within the corporate boundaries of the port; provided that if a bond to be redeemed is then registered, notice of the intended redemption of such bond may be given by the mailing, at least 30 days before the redemption date, of at least one such notice to the registered owner, in lieu of the publication thereof; provided, however, that failure to so mail such notice shall not affect the proceedings for such redemption. [1987 c.565 §13]

777.945 Certain uses of bond proceeds prohibited in absence of elector approval. Bonds shall not be issued by the port to provide funds for the establishment or operation of surface ship and air lines or for the payment of bonuses to either such line or lines without the approval of the electors of the port expressed at an election called and held within the port at which such question is submitted. [1987 c.565 §14]

777.947 Limitation on annual issuance and aggregate amount of bonds in absence of elector approval. (1) The total amount of general obligation bonds issued in any calendar year by the port without the approval of the electors of the port shall not exceed $500,000.

(2) The aggregate outstanding principal amount of general obligation bonds issued by the port without the approval of the electors of the port shall not at any time exceed $1.5 million.

(3) Nothing in this section applies to refunding bonds. [1987 c 565 §15]

777.950 Certain uses of proceeds of bonds issued without elector approval prohibited. Notwithstanding any other provision of law, proceeds from the sale of bonds issued by the port without the approval of the electors of the port under ORS 777.947, except for refunding bonds, shall be used only for construction, maintenance and repair of facilities and works necessary for industrial development within the port, construction, maintenance and repair of docks, piers, wharves, dredge and spoil sites and navigation aids and as matching moneys for state and federal grants for the purposes described in this section. [1987 c 565 §16]

777.953 Annexation; authority; procedure; effect. (1) The board, on its own motion, may initiate a proposal for annexation to the port of territory that is not within another port organized under this chapter. Such territory may be either wholly or partially within or outside the same county in which the port is located. However, if the territory proposed to be annexed is outside Coos County, then the territory must be situated entirely within the watershed of the Coos River and its tributaries. The proposal for annexation shall be made in a resolution adopted by the board.

(2) After adoption of a resolution proposing annexation of the territory described in subsection (1) of this section to the port, the board shall fix a day for a public hearing before the board at which time the electors of the port and of the affected territory may appear and be heard on the question of annexation.

(3) The board shall cause notice of the hearing to be published once each week for two successive weeks prior to the day of the hearing in a newspaper of general circulation in the county and shall cause notices of the hearing to be posted in four public places in the port for the same period.

(4) After the public hearing, the board shall file the resolution proposing annexation with the governing body of the county in which the territory proposed to be annexed is situated. The county governing body shall order an election to be held in the territory. The county governing body shall also order the board to hold an election within the boundaries of the port on the same day, both elections to be held for the purpose of submitting the proposed annexation to the elec-

tors. The board shall certify the results of the election to the county governing body. The order of annexation shall be entered by the county governing body when a majority of all the votes cast in the territory and the port are in favor of the annexation.

(5) After the date of entry of an order by the county governing body annexing territory to the port, the territory annexed shall become subject to the outstanding indebtedness, bonded or otherwise, of the port in like manner as the territory within the port.

(6) ORS 198.705 to 198.955 and 777.326 do not apply to an annexation proceeding conducted under this section. [1987 c.565 §16a]

PENALTIES

777.990 Penalties. (1) Failure by a port treasurer, or county treasurer charged with the duties provided by ORS 777.515, to comply with the requirements of that section for a period of 10 days is punishable, upon conviction, by a fine of not less than $500 nor more than $1,000.

(2) Any person violating a regulation adopted by a port board under ORS 777.120 or 777.190 shall be guilty of a misdemeanor and upon conviction shall be punished by a fine of not more than $250. [Amended by 1971 c.728 §102]