Chapter 198

1993 EDITION

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DEFINITIONS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(24) A 9-1-1 communications district organized under ORS 401.807 to 401.857. [1971 c.23 §2; 1975 c.782 §48; 1977 c.756 §1; 1981 c.226 §18; 1987 c.671 §10; 1987 c.863 §10; 1989 c.793 §19; 1993 c.577 §15]

198.110 Definitions for ORS 198.335. As used in ORS 198.335 in addition to the meaning given the term by ORS 198.010, "district" means any one of the following:

(1) A diking district organized under ORS chapter 551.

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

(3) A soil and water conservation district organized under ORS 568.210 to 568.808 and 568.900 to 568.933. [1969 c.344 §1; 1971 c.23 §3; 1983 c.740 §52]

198.120 [1969 c.344 §2; repealed by 1975 c.771 §33]

COMPENSATION AND EXPENSES

198.180 "District" defined for ORS 198.190. As used in ORS 198.190, unless the context requires otherwise, "district" has the meaning given that term by ORS 198.010 (2) to (5) and (7) to (23). In addition, "district" means any one of the following:

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

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

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

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

(5) The Port of Portland created by ORS 778.010. [1971 c.403 §1; 1975 c.782 §48a; 1977 c.756 §2; 1981 c.226 §19; 1983 c.740 §53]

198.190 Compensation and expenses of members of certain boards. A member of the governing body of a district may receive not to exceed $50 for each day or portion thereof as compensation for services performed as a member of the governing body. Such compensation shall not be deemed lucrative. The governing body may provide for reimbursement of a member for actual and reasonable traveling and other expenses necessarily incurred by a member in performing official duties. [1971 c.403 §2; 1983 c.327 §2; 1983 c.740 §53a; 1989 c.517 §1]

BONDS

198.210 Definitions for ORS 198.220. As used in ORS 198.220, in addition to the meaning given the term by ORS 198.010, "district" means any one of the following:

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

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

(3) A weed control district organized under ORS 570.505 to 570.575.

(4) A port district organized under ORS chapter 778. [1969 c.345 §1; 1971 c.23 §4; 1983 c.327 §3]

198.220 Bond or letter of credit for member of boards of certain districts. The governing body of a district shall require bond or an irrevocable letter of credit of any member of the governing body or any officer or employee of the district who is charged with possession and control of district funds and properties. The letter of credit shall be issued by a commercial bank as defined in ORS 706.005. The amount of the bond or letter of credit shall be fixed by the governing body of the district. The premium for the bond or the fee for the letter of credit shall be paid from district funds. [1969 c.345 §2; 1991 c.331 §45]

VACANCIES

198.310 Definitions for ORS 198.320. As used in ORS 198.320, in addition to the meaning given the term by ORS 198.010, "district" means a soil and water conservation district organized under ORS 568.210 to 568.808 and 568.900 to 568.933. [1969 c.669 §1; 1971 c.23 §5; 1983 c.740 §54]

198.320 Filling of vacancies on boards of certain districts. (1) Except as otherwise provided by law, a vacancy in an elected office in the membership of the governing body of a district shall be filled by appointment by a majority of the remaining members of the governing body. If a majority of the membership of the governing body is vacant or if a majority cannot agree, the vacancies shall be filled promptly by the county court of the county in which the administrative office of the district is located.

(2) This subsection applies to districts defined in ORS 255.012 which have a regular district election on a date specified in ORS 255.335. The period of service of a person appointed under subsection (1) of this section shall expire June 30 next following the next regular district election at which a successor is elected. The successor shall be elected to serve the remainder, if any, of the term for which the appointment was made. If the term for which the appointment was made expires June 30 after the election of the successor, the successor shall be elected to a full term. In either case the successor shall take office July 1 next following the election.

(3) This subsection applies to districts not included in subsection (2) of this section. The period of service of a person appointed under subsection (1) of this section shall expire on the day before the first Monday in January of the year next following the election at which a successor is elected. The successor shall be elected to serve the remainder, if any, of the term for which the appointment was made. If the term for which the appointment was made expires on the day before the first Monday in January after the election of a successor, the successor shall be elected to a full term. In either case, the successor shall take office on the first Monday in January of the year next following the election. [1969 c.669 §2; 1981 c.173 §1; 1983 c.350 §2]

DISSOLUTION OF INACTIVE DISTRICTS

198.335 Definitions for ORS 198.335 to 198.365. As used in ORS 198.335 to 198.365, unless the context requires otherwise:

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

(2) "Special district" has the meaning given "district" by ORS 198.110 and 198.210. [1971 c.267 §5]

198.340 Designation of registered office and agent. (1) A special district shall designate a registered office and a registered agent. The registered agent shall be an agent of the district upon whom any process, notice or demand required or permitted by law to be served upon the district may be served. A registered agent shall be an individual resident of this state whose address is identical with the registered office of the district. The registered office may be, but need not be, the same as the place of business of the special district.

(2) The district may change its registered office or change its registered agent, or both, upon filing in the office of the Secretary of State and county clerk of each county in which located a statement setting forth:

(a) The name of the district.

(b) If the address of its registered office is changed, the address to which the registered office is to be changed.

(c) If its registered agent is changed, the name of its successor registered agent.

(d) That the address of its registered office and the address of the business office of its registered agent, as changed, will be identical.

(e) That such change was authorized by resolution duly adopted by the district board.

(3) The statement shall be subscribed and sworn to by the secretary, financial officer or chairman of the district board. [1971 c.267 §7]

198.345 Effect of failure to file certain reports. (1) If a special district for three consecutive years fails to file a report as required by ORS 294.555 or 297.405 to 297.555

the Secretary of State or the Department of Revenue, as the case may be, shall notify the county board of the county where the district, or the greater portion of the assessed valuation of taxable property in the district, is located.

(2) Within 30 days after receiving the notice provided by subsection (1) of this section, the county board shall initiate proceedings to dissolve the special district as provided by ORS 198.345 to 198.365.

(3) The county board may appoint three individuals, residents of the district, to assist in locating the assets, debts and records of the district. [1971 c.267 §§8, 9; 1977 c.774 §14; 1979 c.286 §1]

198.350 Financial statement. Within 60 days after receiving the notice provided by ORS 198.345 (1), the county board shall prepare a financial statement for the district and file it with the clerk. The financial statement shall include:

(1) The date of formation of the district.

(2) The date of the last election of officers, if any, and the names of the persons last serving as members of the governing board.

(3) The amount of each outstanding bond, coupon and other indebtedness of the district, with a general description of the indebtedness and the name of the holder and owner of each, if known.

(4) A description of each parcel of real property and interest in real property owned by the district and, if the property was acquired for delinquent taxes or assessments, the amount of the taxes and assessments on each parcel of property.

(5) Uncollected charges, taxes and assessments levied by the district and the amount upon each lot or tract of land.

(6) A description of all personal property and of all other assets of the district.

(7) The estimated cost of dissolution. [1971 c.267 §10]

198.355 Hearing on dissolution; notice. (1) Upon the filing of the financial statement, the county board of a county not within the jurisdiction of a local government boundary commission shall enter an order calling a hearing on the question of dissolving the district. The hearing shall be called not less than 21 nor more than 30 days after the filing of the statement.

(2) Notice of the hearing shall be given by publication once each week for not less than three weeks in a newspaper of general circulation within the district. The notice shall state the time and place of the hearing and that all interested persons may appear and be heard. The notice shall also state that all persons having claims against the district shall present them at the time of the hearing.

(3) In a county within the jurisdiction of a local government boundary commission, the county board, within 10 days after the filing of the financial statement, shall file with the boundary commission a resolution requesting dissolution of the district. In a county within the jurisdiction of a boundary commission, subsections (1) and (2) of this section and ORS 198.360 do not apply, and the final order adopted by the commission shall terminate the proceeding for all purposes except those mentioned in ORS 198.365. [1971 c.267 §11; 1983 c.336 §19]

198.360 Continuation or termination of district; proceedings for county service district. (1) After the hearing, if the county board finds that the district is in fact operating as an active district, or that there is need for the district, the board shall continue the hearing until the reports required under ORS 294.555 and 297.405 to 297.555 are properly filed. When the county board finds that the reports have been filed, it may:

(a) Enter an order terminating all further proceedings under ORS 198.345 to 198.365; or

(b) If the functions of the district could be performed by a county service district, it may continue the hearing and initiate proceedings to incorporate or annex the area within the district in a county service district organized under ORS 451.410 to 451.610.

(2) If the county board proceeds as provided by paragraph (b) of subsection (1) of this section and the district is terminated as provided by ORS 451.577, the county board shall thereafter enter an order terminating all further proceedings under ORS 198.345 to 198.365. [1971 c.267 §12; 1977 c.774 §15; 1979 c.286 §2]

198.365 County board as trustees for inactive district; distribution of assets; levy of tax to meet debts; delivery of records. (1) If the county board finds that the district is not active and that there is no need for the district, the board shall thereupon constitute a board of trustees for the purpose of paying the debts and disposing of the property of the district.

(2) Any surplus funds and assets remaining to the credit of the district, after payment of the debts of the district, shall be credited to the county general fund available for general purposes. If the district was located in more than one county, the surplus shall be apportioned and turned over to each county in which the district was located. The funds and assets shall be apportioned according to the proportion in each county of the assessed valuation of taxable property in the district.

(3) If the assets of the district are insufficient to pay the debts of the district, the county board acting as a levying board for the district shall levy taxes, within the limits of the authority of the district, for the liquidation of the debts. If the only debt of the district is the cost of the proceedings conducted under ORS 198.345 to 198.365, the county shall pay the cost of the proceedings.

(4) When the proceedings are completed, the county board shall deliver the books and records of the district to the county clerk. [1971 c.267 §13]

RECALL

198.410 Definitions for ORS 198.425 and 198.430. As used in ORS 198.425 and 198.430, unless the context requires otherwise, "district officer" means a member of the governing body of a district who serves as such by virtue of election to such position. [1969 c.325 §1; 1971 c.23 §6; 1981 c.173 §2; 1983 c.83 §4]

198.420 [1969 c.325 §2; repealed by 1971 c.23 §12]

198.425 Recall of district officers generally. ORS 249.865 to 249.877 apply to the recall of a district officer of a district defined in ORS 255.012. [1981 c.173 §5]

198.430 Recall of officers of districts other than those defined in ORS 255.012. (1) A petition for recall of a district officer of a district other than a district defined in ORS 255.012 shall be filed with the officer with whom a petition for nomination to such office should be filed. If there is no such officer or if the officer is the district officer against whom the petition is being filed, the petition shall be filed with the county clerk of the county in which the administrative office of the district is located.

(2) The petition shall be signed by a number of persons who are qualified to vote in the district, that is equal to but not less than the lesser of:

(a) Fifteen percent of the persons who are qualified to vote in the district, or subdivision of the district from which the district officer was elected; or

(b) Fifteen percent of the total votes cast in the electoral district for all candidates for Governor at the most recent election at which a candidate for Governor was elected to a full term.

(3) Every sheet of each petition containing signatures shall be verified on the face by the affidavit of the person who circulated the sheet, stating that every person who signed the sheet did so in the presence of the person circulating the sheet and that the person circulating the sheet believes that each signer stated the correct residence address of the signer and is a person qualified to vote in the district.

(4) In those districts where a person qualified to vote must be an elector, the petition, before filing, shall be submitted to the county clerk who shall compare the signatures of the persons signing the petition with the signatures of electors on the register of electors and, on the face of each signature sheet, shall make a certificate of the number of signatures the county clerk believes to be genuine. In other districts, the officer who receives the petition for filing, before filing the petition, shall verify the signatures and make a certificate of the number of signatures the officer believes to be genuine.

(5) The district shall pay the expense of verifying the signatures and of calling and conducting the election. The election shall be conducted in the district, or in the subdivision of the district from which the district officer was elected, in accordance with the law governing election of district officers.

(6) A person who is qualified to vote in a district under this section is a person who is qualified, under the law applicable to the district, to vote in an election at which members of the governing body of the district are elected. [1969 c.325 §3; 1981 c.173 §3; 1983 c.83 §5; 1987 c.707 §2]

198.440 Statement of justification from affected officer. (1) A district officer against whom a recall petition has been filed may submit to the officer with whom the recall petition is filed, in not more than 200 words, a statement of justification of the district officer's course in office. The statement must be filed not later than the fifth day after the recall petition is filed.

(2) The county clerk shall have the statement printed on the official and sample ballots for the recall election. [1983 c.514 §1a]

ORDINANCES AND REGULATIONS

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

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

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

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

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

(5) "Presiding officer" means the chairman, president or other person performing

the office of presiding officer of the district board.

(6) "Principal Act" means the law, other than ORS 198.510 to 198.600, applicable to a district. [1971 c.268 §2]

198.520 "District" defined for ORS 198.510 to 198.600. As used in ORS 198.510 to 198.600, unless the context requires otherwise, district has the meaning given that term by ORS 198.010 (2), (4), (5), (6), (11), (12), (14), (17), (19) and (20) to (23). In addition, "district" means any one of the following:

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

(2) The Port of Portland established by ORS 778.010. [1971 c.268 §1; 1975 c.782 §48b; 1977 c.756 §3; 1981 c.226 §20]

198.530 Procedure for adopting, amending or repealing ordinances or regulations. When a district board is authorized by the principal Act of a district to enact, amend or repeal regulations, it shall do so in accordance with ORS 198.510 to 198.600. In all counties which do not provide by ordinance or charter for the manner of enacting, amending or repealing ordinances and regulations, this section applies when a county board pursuant to statute is acting as the governing body of a district. [1971 c.268 §3]

198.540 Notice prior to adoption of ordinance or regulation. (1) Except in an emergency, an ordinance adopting, amending or repealing a regulation shall not be considered or voted upon by a district board unless the ordinance is included in the published agenda of the meeting. The agenda of a meeting shall state the time, date and place of the meeting, give a brief description of the ordinances to be considered at the meeting and state that copies of the ordinances are available at the office of the district board.

(2) The presiding officer shall cause the agenda to be published not more than 10 days nor less than four days before the meeting, in one or more newspapers of general circulation within the district or, if there is no such newspaper, in a newspaper of general circulation in each county in which the district is located. The presiding officer may also cause the agenda:

(a) To be posted in three public places within the district at least 10 days before the meeting; or

(b) To be published by radio and television stations broadcasting in the district as provided by ORS 193.310 and 193.320. [1971 c.268 §4]

198.550 Publication of ordinance; emergency ordinance procedure. (1) Except as provided by subsection (3) of this section, before an ordinance is adopted it shall be read during regular meetings of the district board on two different days at least six days apart. The reading of an ordinance shall be full and distinct unless at the meeting:

(a) A copy of the ordinance is available for each person who desires a copy; and

(b) The board directs that the reading be by title only.

(2) Except as provided by subsection (3) of this section, the affirmative vote of a majority of the members of the district board is required to adopt an ordinance.

(3) An ordinance to meet an emergency may be introduced, read once and put on its final passage at a regular or special board meeting, without being described in a published agenda, if the reasons requiring immediate action are described in the ordinance. The unanimous approval of all members of the board at the meeting, a quorum being present, is required to adopt an emergency ordinance. [1971 c.268 §5]

198.560 Filing of ordinance; notice of adoption of emergency ordinance. (1) Within seven days after adoption of an ordinance, the enrolled ordinance shall be:

(a) Signed by the presiding officer;

(b) Attested by the person who served as recording secretary of the district board at the session at which the board adopted the ordinance; and

(c) Filed in the records of the district.

(2) A certified copy of each ordinance shall be filed with the county clerk, available for public inspection.

(3) Within 15 days after adoption of an emergency ordinance, notice of the adoption of the ordinance shall be published as provided by ORS 198.540 (2) for notice of proposed ordinances. The notice shall:

(a) Briefly describe the ordinance;

(b) State the date when the ordinance was adopted and the effective date of the ordinance; and

(c) State that a copy is on file at the district office and at the office of the county clerk of the county, available for public inspection. [1971 c.268 §6]

198.570 When ordinances take effect. (1) Except as provided by subsection (2) of this section, an ordinance shall take effect on the 30th day after it is adopted, unless a later date is prescribed by the ordinance. If an ordinance is referred to the electors of the district, it shall not take effect until approved by a majority of those voting on the ordinance.

(2) An emergency ordinance may take effect upon adoption. [1971 c.268 §7; 1983 c.350 §3]

198.580 [1971 c.268 §8; repealed by 1979 c.190 §431]

198.590 Petition to adopt, amend or repeal ordinance. Any interested person who is a landowner within the district or an elector registered in the district may petition the district board to adopt, amend or repeal an ordinance. Any such person may appear at any regular meeting of the board and shall be given a reasonable opportunity to be heard. [1971 c.268 §9; 1983 c.83 §6]

198.600 Penalty for violation of ordinances; jurisdiction; enforcement. (1) If a penalty for a violation is not otherwise provided, violation of any regulation adopted by a district board under ORS 198.510 to 198.600 is punishable, upon conviction, by a fine of not more than $250 or imprisonment of not more than 30 days, or both.

(2) Actions to impose punishment shall be brought in the name of the district or county, as the case may be, in any court having jurisdiction of misdemeanors under state laws. The action shall be brought in the county in which the district, or the greater portion of the area of the district, is located. Fines recovered shall be paid to the clerk of the court who, after first deducting the court costs in such proceedings, shall pay the remainder thereof to the treasurer of the district or county initiating the action to go to and form a part of its general fund.

(3) Any peace officer may enforce an ordinance adopted under ORS 198.510 to 198.600. ORS 221.340 is applicable to the enforcement of such ordinances. [1971 c.268 §10]

FORMATION; CHANGES OF ORGANIZATION

(Generally)

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

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

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

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

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

(5) "Change of organization" means the annexation or withdrawal of territory to or from a district, the merger or consolidation of districts or the dissolution of a district.

(6) "Consolidation" means the uniting or joining of two or more districts into a single new successor district.

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

(8) "Dissolution" includes disincorporation, extinguishment or termination of the existence of a district and the cessation of all its corporate powers, except for the purpose of winding up the affairs of the district.

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

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

(11) "Landowner" or "owner of land" means any person shown as the owner of land on the last assessment roll; however, where such person no longer holds the title to the property, then the terms mean any person entitled to be shown as owner of land on the next assessment roll; or, where land is subject to a written agreement of sale, the terms mean any person shown in the agreement as purchaser to the exclusion of the seller; and the terms include any public agency owning land.

(12) "Legal representative" means:

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

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

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

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

(15) "Principal Act" means the statutes which describe the powers of a district, including the statutes under which a district is proposed or is operating.

(16) "Principal county" or "county" means the county in which the district, or

the greater portion of the assessed value of all taxable property in the district, as shown by the most recent assessment roll of the counties, is located at the time proceedings are initiated to form a district; but for any district formed prior to and existing on September 9, 1971, "principal county" or "county" means the county in which the district, or the greater portion of the value of all taxable property in the district, as shown by the most recent assessment roll of the counties, was located on September 9, 1971.

(17) "Proceeding" means a proceeding for formation or for change of organization conducted pursuant to ORS 198.705 to 198.955.

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

(19) "Withdrawal" includes the detachment, disconnection or exclusion of territory from an existing district. [1971 c.727 §1; 1981 c.804 §72; 1983 c.83 §7]

198.710 "District" defined for ORS 198.705 to 198.955. As used in ORS 198.705 to 198.955, unless the context requires otherwise, "district" has the meaning given that term by ORS 198.010 (2) to (4), (6) to (14) and (17) to (23). In addition, the term also means any one of the following:

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

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

(3) The Port of Portland created by ORS 778.010.

(4) A translator district organized under ORS 354.605 to 354.715. [1971 c.727 §2; 1975 c.782 §48c; 1977 c.756 §4; 1979 c.108 §5; 1979 c.877 §1; 1981 c.226 §21]

198.715 Short title; procedure for formation or change of organization. (1) ORS 198.705 to 198.955 may be cited as the District Boundary Procedure Act.

(2) Except as otherwise provided by ORS 199.410 to 199.519, all district formation or change of organization proceedings shall be initiated, conducted and completed as provided by ORS 198.705 to 198.955. However, ORS 198.705 to 198.955 are not intended to apply when a change of organization is made by statute as provided by ORS 222.510 to 222.580, 451.573 to 451.577 and 451.585. [1971 c.727 §4]

198.720 Boundaries. Except as otherwise specifically provided by the principal Act:

(1) A district may consist of contiguous or noncontiguous territory located in one or more adjoining counties. If any part of the territory subject to a petition for formation or annexation is within a city, the petition shall be accompanied by a certified copy of a resolution of the governing body of the city approving the petition.

(2) A district may not include territory included within another district formed under the same principal Act when the other district is authorized to perform and is performing the services the affected district is authorized to perform, unless:

(a) Withdrawal of such territory is proposed and the territory is withdrawn by withdrawal proceedings conducted in the other district simultaneously with the formation or annexation proceedings, and the proposed boundary changes are approved for both districts; or

(b) The principal Act provides for automatic withdrawal of the affected territory in such a case.

(3) The boundary lines of a district formed under ORS 198.705 to 198.955 shall include only such territory as may in reason be served by the facilities or services of the district. [1971 c.727 §5]

198.725 Procedure when two counties affected. If there are two or more affected counties in a proceeding under ORS 198.705 to 198.955, any notices, proceedings, orders or any other act authorized or required to be given, taken or made by the county board, the county clerk or any other officer of a county, shall be given, taken or made by the persons holding such offices in the principal county. Officers of an affected county other than the principal county shall cooperate with the officers of the principal county and shall furnish the officers of the principal county with such certificates, records or certified copies of records as may be necessary to enable the officers of the principal county to comply with ORS 198.705 to 198.955. [1971 c.727 §7]

198.727 Merger or consolidation; procedure when city joined to merged or consolidated districts. (1) A proposal to merge or consolidate districts may be initiated as provided in ORS 198.895.

(2) A proposal to merge or consolidate districts may provide that a city be joined to the surviving or successor district for the purpose of receiving service from the district.

(3) If a proposal to merge or consolidate districts includes a proposal to join a city to the surviving or successor district, the proposal may be initiated as provided in ORS 198.895. [1983 c.142 §5]

198.730 Notice. (1) Except as otherwise provided by ORS 198.705 to 198.955, when notice is required or authorized to be published, posted or mailed, it shall be published,

posted or mailed as provided by this section. When notice is required to be given and the duty of giving the notice is not specifically enjoined upon some officer, agency or person, the county clerk or the secretary of the district board, as the case may be, shall give notice or cause it to be given.

(2) Notice required to be published shall be published in one or more newspapers of general circulation within the affected district. If any newspaper is of general circulation in two or more affected districts, publication in one such newspaper is sufficient publication for all such affected districts. If no newspaper is of general circulation within the affected district, the publication shall be made in a newspaper of general circulation within the principal county. Published notice of a hearing shall be commenced at least 15 days prior to the date specified in the notice for the hearing, and the last publication shall be made at least five days prior to the hearing.

(3) Notice required to be posted shall be posted on or near the doors of the meeting room of the district board or of the county board, or upon any official public bulletin board customarily used for the purpose of posting public notices by or pertaining to the district or county. Posted notice shall be posted not less than five successive days. If posted notice is notice of a hearing, posting shall be commenced not less than 15 days prior to the date specified in the notice for the hearing.

(4) Mailed notice shall be sent first class and deposited, postage prepaid, in the United States mails and shall be considered to have been given when so deposited. If mailed notice is a notice of a hearing, mailing shall be made not more than 15 days nor less than five days prior to the date specified in the notice for the hearing.

(5) Notice authorized or required to be given by publication, posting or mailing shall contain all matters required by ORS 198.705 to 198.955. If a petition, ordinance, resolution or order of a district board giving notice contains all matters required to be contained in the notice, the county clerk or district secretary may, and shall if required, cause a copy of such petition, ordinance, resolution or order to be published, posted or mailed, in which case no other notice need be given by the clerk or secretary. [1971 c.727 §8; 1983 c.350 §4]

198.735 Right of interested person to appear; written statements. (1) On or before the date set for a hearing on a petition, any person interested in the proposed formation or change of organization of the district may appear and present written statements for or against the granting of the petition or the proposed change.

(2) A written statement for or against a proposed formation or change of organization or a request for an election must be in writing, must clearly specify the defect, error, irregularity or omission to which objection, if any, is made and must be filed within the time and in the manner provided by ORS 198.705 to 198.955. Any statement not so made and filed shall be considered voluntarily waived. [1971 c.727 §§9,10]

198.740 Election procedure governed by law under which district operates; omission governed by district or general election law. When ORS 198.705 to 198.955 require an election to be called within a district, the election shall be conducted as provided by the principal Act of the district or as provided by the principal Act for an election on formation. However, to the extent of an omission in the principal Act:

(1) If the district or territory is defined as a district under ORS 255.012, ORS chapter 255 applies.

(2) If the district is not named in ORS 255.012, the general election laws apply. [1971 c.727 §11; 1983 c.350 §5]

198.745 Content of resolution calling election. A resolution or order calling an election on a proposed formation or change of organization shall:

(1) Provide for giving notice of the special election or elections upon the question.

(2) Designate each district or other territory within which the election or elections are to be held.

(3) Fix a date for the election, which date shall be the same for each election when an election is called upon the same question within more than one territory or district.

(4) State the substance of the question or questions to be submitted to the electors.

(5) Specify any terms and conditions provided for in the formation or change of organization.

(6) Contain such other matters as may be necessary to call, provide for and give notice of the election or elections and to provide for the conduct thereof and the canvass of the returns thereupon. [1971 c.727 §12]

198.747 Effective date of boundary change. (1) Notwithstanding any provision of ORS 198.705 to 198.955 that provides a different effective date, an annexation, withdrawal, consolidation or merger shall not become effective during the period:

(a) Beginning after the 90th day before a primary or general election and ending on the day after the election; or

(b) Beginning after the deadline for filing the notice of election before any other election held by any district or other municipal corporation involved in the annexation, withdrawal, consolidation or merger and ending on the day after the election.

(2) If the effective date established for an annexation, withdrawal, consolidation or merger is a date that is prohibited under this section, the annexation, withdrawal, consolidation or merger shall become effective on the day after the election.

(3) For the purposes of ORS 308.225 only, the effective date of an annexation shall be the date of the order declaring the annexation under ORS 198.855. [1985 c.808 §67; 1989 c.923 §23]

Note: ORS 198.747 was added to and made a part of ORS 198.705 to 198.955 but was not added to ORS 198.510 to 198.915 by legislative action. See Preface to Oregon Revised Statutes for further explanation.

198.748 Prospective petition for formation; filing; content. Before circulating a petition for formation of a district, the petitioner shall file with the county clerk of the principal county a prospective petition. The petitioner shall include with the prospective petition a description of the boundaries of the territory proposed to be included in the district. [1991 c.70 §2]

Note: 198.748 was added to and made a part of 198.705 to 198.955 by legislative action but was not added to ORS 198.510 to 198.915. See Preface to Oregon Revised Statutes for further explanation.

198.749 Economic feasibility statement for district formation. Before circulating a petition for formation of a district, the persons designated on the petition as the chief petitioners shall complete an economic feasibility statement for the proposed district. The economic feasibility statement shall form the basis for the proposed tax base required by ORS 198.750 (1)(g). The economic feasibility statement shall contain:

(1) A description of the services and functions to be performed or provided by the proposed district;

(2) An analysis of the relationships between those services and functions and other existing or needed government services; and

(3) A proposed first year line item operating budget and a projected third year line item operating budget for the new district that demonstrate its economic feasibility. [1989 c.92 §2]

198.750 Content of petition proposing formation or change of organization; verification. (1) If a proposal for formation or change of organization of a district is made by petition, the petition shall:

(a) State that the petition is filed pursuant to ORS 198.705 to 198.955.

(b) State the names of all affected districts and all affected counties.

(c) Designate the principal Act of each affected district.

(d) State the nature of the proposal, whether formation of a district or change of organization and the kind of change proposed.

(e) State whether the territory subject to the petition is inhabited or uninhabited.

(f) If the petition is for formation, and district board members are elected, state the number of members on the board.

(g) If the petition is for formation, include both a proposed tax base sufficient to support the services and functions described in the economic feasibility statement required by ORS 198.749 and a declaration of the rate of taxation necessary to raise an amount of revenue equal to the proposed tax base. A tax base and tax rate need not be included in the petition if no tax revenues are necessary to support the services and functions described in the economic feasibility statement. The tax base shall be expressed as a total dollar amount and the tax rate shall be expressed in dollars per thousand dollars of assessed value. The tax rate shall be calculated for the latest tax year for which the assessed value of the proposed district is available.

(h) Set forth any proposed terms and conditions, if any, to which a proposed formation or change of organization is to be subject.

(i) State, or indicate opposite each signature, whether the signers of the petition are landowners within the district or electors registered in the district, or both.

(j) Request that proceedings be taken for the formation or change of organization proposed.

(2) If the petition proposes formation of a district, the petition shall set forth a description of the boundaries of the territory proposed to be included in the district. If the petition proposes annexation or withdrawal of territory, the petition shall set forth a description of the boundaries of the territory to be annexed or withdrawn.

(3) If a petition proposes formation of a district, or consolidation or merger of districts, the petition may propose a name for the new district or for the surviving or successor district.

(4) Each petition containing signatures shall be verified by the affidavit of the person circulating the petition, stating that every person who signed the petition did so in the presence of the person circulating the

petition. [1971 c.727 §§13, 14; 1983 c.83 §8; 1989 c.92 §3]

198.755 Number of signatures required. (1) A petition for formation shall be signed by not less than:

(a) Fifteen percent of the electors or 100 electors, whichever is the greater, registered in the territory subject to the petition; or

(b) Fifteen owners of land or the owners of 10 percent of the acreage, whichever is the greater number of signers, within the territory subject to the petition.

(2) A petition for annexation shall be signed by not less than:

(a) Fifteen percent of the electors or 100 electors, whichever is the lesser, registered in the area proposed to be annexed; or

(b) Fifteen owners of land or the owners of 10 percent of the acreage, whichever is the greater number of signers, within the area proposed to be annexed.

(3) A petition for withdrawal shall be signed by not less than:

(a) Fifteen percent of the electors or 100 electors, whichever is the lesser, registered in the district; or

(b) Fifteen owners of land or the owners of 10 percent of the acreage, whichever is the greater number of signers, within the district.

(4) A petition for merger and a petition for consolidation shall be signed by not less than:

(a) Fifteen percent of the electors or 100 electors, whichever is the lesser, registered in each district which it is proposed to merge or consolidate; or

(b) Fifteen owners of land in each district or the owners of 10 percent of the acreage located in each district, whichever is the greater number of signers.

(5) A petition for dissolution shall be signed by not less than:

(a) Fifteen percent of the electors registered in the district; or

(b) Owners of 15 percent of the acreage within the district. [1971 c.727 §15; 1973 c.117 §1; 1983 c.83 §9]

198.760 Requirements for signers of petition; signer's withdrawal prohibited; chief petitioners designated. (1) Each person signing a petition may also print the person's name on the petition and shall add after the signature the date of signing. If a person is signing the petition as an elector, the person shall add after the signature the person's place of residence, giving street and number or a designation sufficient to enable the place of residence to be readily ascertained. If the signer is signing the petition as a landowner, the number of acres of land owned by the signer and the name of the county whose assessment roll is used for the purpose of determining the signer's right to vote shall be stated in the body of the petition or indicated opposite the signature. If the signer is a legal representative of the owner, the signature shall be accompanied by a certified copy of the signer's authority to sign as a legal representative.

(2) After a petition has been offered for filing, a person may not withdraw the person's name therefrom.

(3) A petition shall designate not more than three persons as chief petitioners, setting forth their names and mailing addresses. A petition may consist of a single instrument or separate counterparts. [1971 c.727 §17; 1973 c.283 §7; 1983 c.567 §18]

198.765 Requirements for filing petition; validity and certification of signatures. (1) A petition shall not be accepted for filing unless the signatures thereon have been secured within six months of the date on which the first signature on the petition was affixed. A petition for formation of a district shall not be accepted for filing if it is not accompanied by the economic feasibility statement required under ORS 198.749. When a petition for formation of a district includes a tax base for the proposed district, the petition shall be filed not later than 180 days before the date of the next regular statewide primary or general election at which the petition for formation will be voted upon. Petitions required to be filed with the county board shall be filed with the county clerk of the principal county. Petitions required to be filed with the district board shall be filed with the secretary of the district board. It is not necessary to offer all counterparts of a petition for filing at the same time, but all counterparts when certified as provided by subsection (3) of this section shall be filed at the same time.

(2) Within 10 days after the date a petition is offered for filing, the county clerk or district secretary, as the case may be, shall examine the petition and determine whether it is signed by the requisite number of qualified signers. If the requisite number of qualified signers have signed the petition, the county clerk or district secretary shall file the petition. If the requisite number have not signed, the county clerk or district secretary shall so notify the chief petitioners and may return the petition to the petitioners.

(3) A petition shall not be filed unless the certificate of the county clerk or the district secretary is attached thereto certifying that the county clerk or district secretary has compared the signatures of the signers with

the appropriate records, that the county clerk or district secretary has ascertained therefrom the number of qualified signers appearing on the petition, and that the petition is signed by the requisite number of qualified signers.

(4) No petition for dissolution shall be accepted for filing within one year after an election held on the question of dissolution of a district. [1971 c.727 §18; 1973 c.117 §2; 1989 c.92 §4; 1991 c.70 §3]

198.770 Method of determining validity of landowner signatures. (1) In examining a petition required or permitted to be signed by landowners the county clerk or district secretary shall disregard the signature of a person not shown as owner on the last equalized assessment roll unless prior to certification the secretary or county clerk is furnished with written evidence, satisfactory to the county clerk or district secretary, that the signer:

(a) Is a legal representative of the owner;

(b) Is entitled to be shown as owner of land on the next assessment roll;

(c) Is a purchaser of land under a written agreement of sale; or

(d) Is authorized to sign for and on behalf of any public agency owning land.

(2) If a person signing a petition as a landowner appears as owner on the last equalized assessment roll but is shown thereon as a partner, tenant in common or tenant by the entirety, the signature of the person signing shall be counted as if all other owners, as shown on the roll for the same parcel of land, has signed. [1971 c.727 §19]

198.775 Security deposit to accompany petition; payment of costs from security deposit; payment of costs by county or district. (1) A petition for formation, annexation, withdrawal or dissolution shall not be accepted for filing unless the petition is accompanied by a bond, a cash deposit or other security deposit as follows:

(a) The bond shall be in a form and in an amount approved by the county board, not to exceed $100 for each precinct in the affected district and any territory to be included in the district, up to a maximum of $10,000. The bond shall be conditioned that, if the attempted formation, annexation, withdrawal or dissolution is not effected, the chief petitioners will pay the costs thereof, excluding any costs incurred by a local government boundary commission under ORS 199.410 to 199.519.

(b) The cash deposit shall be in an amount approved by the county board, not to exceed $100 for each precinct in the affected district and any territory to be included in the district, up to a maximum of $10,000. The cash deposit shall be accompanied by a form prescribed by the Secretary of State. The form shall include the names and addresses of all persons and organizations providing any part of the cash deposit and the amount provided by each, and a statement signed by the chief petitioners that if the costs of the attempted formation, annexation, withdrawal or dissolution exceed the deposit, the chief petitioners shall pay to the county treasurer the amount of the excess costs.

(c) The security deposit other than a bond or cash deposit shall be of a kind and in an amount approved by the county board, not to exceed $100 for each precinct in the affected district and any territory to be included in the district, up to a maximum of $10,000. The security deposit shall be accompanied by a form prescribed by the Secretary of State. The form shall include the names and addresses of all persons and organizations providing any part of the security deposit and the amount and kind provided by each, and a statement signed by the chief petitioners that if the costs of the attempted formation, annexation, withdrawal or dissolution exceed the security deposited, the chief petitioners shall pay to the county treasurer the amount of the excess costs.

(2) If the proposed formation, annexation, withdrawal or dissolution is effected, the district shall be liable for the costs. Not later than the 30th day after the election, if a cash deposit or security deposit other than a bond was made under subsection (1) of this section, the county clerk shall refund the deposit to the persons who made the deposit.

(3) If the proposed formation, annexation, withdrawal or dissolution is not effected, the county shall collect the costs of the attempted formation, annexation, withdrawal or dissolution as follows:

(a) If the chief petitioners posted a bond, the county shall collect on the bond.

(b) If the chief petitioners made a cash deposit, not later than the 30th day after the election, the county clerk shall pay into the general fund of the county that portion of the deposit needed to reimburse the county for the costs. If any portion of the deposit remains after the costs have been paid, the county clerk shall refund the portion to the persons shown on the form filed under subsection (1) of this section as having made the deposit. If the costs exceed the amount of the deposit, the chief petitioners shall pay to the county treasurer the amount of the excess costs.

(c) If the chief petitioners made a security deposit other than a bond or cash deposit, not later than the 30th day after the

election, the county clerk shall negotiate or otherwise collect on as much of the security deposit as necessary to reimburse the county for the costs and shall pay the proceeds into the general fund of the county. If any portion of the security deposit or any proceeds of the security deposit remain after the costs have been paid, the county clerk shall return the portion or the remaining proceeds to the persons shown on the form filed under subsection (1) of this section as having made the deposit. If the costs exceed the amount of the proceeds, the chief petitioners shall pay to the county treasurer the amount of the excess costs.

(4) Notwithstanding subsection (1) of this section, the costs of proceedings initiated by a county or district board, excluding costs incurred by a local government boundary commission under ORS 199.410 to 199.519, shall be paid by the initiating board out of county or district funds. [1971 c.727 §20; 1983 c.567 §19]

198.780 Filing of duplicates of certain documents. (1) Within 10 days after a document referred to by subsection (2) of this section is entered, adopted or executed, the board that entered, adopted or executed the document shall file duplicate copies of the document with the Department of Revenue, the Secretary of State and with the county clerk and the county assessor of each county in which any district affected by the document is located.

(2) This section applies to:

(a) An order of formation entered by the county board under ORS 198.810 to 198.840.

(b) An order of annexation entered by the county board under ORS 198.850 to 198.867.

(c) An order of withdrawal entered by the county board under ORS 198.875.

(d) A resolution of merger adopted by the district board under ORS 198.910.

(e) A resolution of consolidation adopted by the district board under ORS 198.910.

(f) The statement executed by the board of trustees of a dissolving district under ORS 198.945. [1971 c.727 §21; 1977 c.884 §1]

198.782 Documents to be filed with Secretary of State before business transacted. No municipal corporation, as defined in ORS 297.405, incorporated or formed in this state after October 3, 1979, shall receive or disburse moneys or transact business of any kind until a notice of incorporation or formation has been filed with the Secretary of State by that corporation. [1979 c.621 §7]

Note: 198.782 was enacted into law by the Legislative Assembly but was not added to or made a part of ORS chapter 198 or any series therein by legislative action. See Preface to Oregon Revised Statutes for further explanation.

198.785 Proceeding to contest validity of formation or change of organization. (1) If the county clerk refuses to accept and file a petition for formation or for change of organization, or if the county board refuses to call a special election as provided by ORS 198.705 to 198.955, any citizen of the affected district or territory may apply within 10 days after such refusal to the circuit court of the principal county for a writ of mandamus to compel the county board or county clerk to do so. If it is decided by the circuit court that the petition for formation or change of organization is legally sufficient and the requisite number of signatures is attached, the circuit court shall direct the county board to call the election. The suit shall be advanced on the docket and decided by the circuit court as quickly as possible. Either party may appeal as provided for appeals in other proceedings.

(2) An action to determine the validity of a formation or change of organization proceeding may also be brought pursuant to ORS 33.710 and 33.720 or 34.010 to 34.100.

(3) For the purpose of an action to determine or contest the validity of a formation or change of organization, the formation or change shall be considered complete and final upon the date the order of formation or the order, resolution or statement announcing a change of organization is filed with the county clerk as provided by ORS 198.780. [1971 c.727 §22; 1979 c.562 §7; 1979 c.772 §15a]

198.790 Rights of creditors after change of organization; enforcement. No change of organization, or any term or condition thereof, shall impair the rights of any bondholder or other creditor of a district. Notwithstanding ORS 198.705 to 198.955, or of any order changing the organization of a district, or any term or condition thereof, each and every bondholder or other creditor may enforce all the rights of the bondholder or other creditor in the same manner and to the same extent as if the change of organization, term or condition had not been made. Any such rights may also be enforced against agencies, and their respective officers, as follows:

(1) Upon annexation or withdrawal of territory: Against the district to or from which the territory is annexed or withdrawn.

(2) Upon dissolution of a district: Against the successor city, county or district or against a city, county or district receiving distribution of all or any part of the remaining assets of the dissolved district.

(3) Upon merger of two or more districts: Against the surviving district.

(4) Upon consolidation of two or more districts: Against the successor district. [1971 c.727 §23]

198.792 District formation or annexation proceedings to relieve public health danger. (1) Proceedings may be initiated by the county board or any other public agency in accordance with ORS 431.705 to 431.760:

(a) To annex the affected territory to a district, as defined by ORS 431.705; or

(b) To form a metropolitan service district as authorized by ORS chapter 268, or a county service district as authorized by ORS chapter 451, to include the affected territory.

(2) The findings of the Assistant Director for Health when filed with the county board in accordance with ORS 431.735 or 431.750 shall be considered a petition for the purposes of ORS 198.705 to 198.955. The county board of the principal county shall conduct proceedings in accordance with the findings and order of the assistant director and with ORS 198.705 to 198.955.

(3) In proceedings described by subsection (1) of this section, the county board shall determine whether the affected territory shall be included in a new district or annexed to an existing district. The county board shall not inquire into the need for the proposed service facilities or adjust the boundaries of the affected territory. ORS 198.805 (2), and the provisions of ORS 198.810 and 198.815 providing for an election on the formation of or annexation to a district, do not apply to proceedings under this section. [1973 c.361 §14]

198.793 Change of district name. (1) A district may change its name from the name given it in the formation order of the county board under ORS 198.810, or from the name under which it was otherwise incorporated, to a name chosen by resolution of a majority of the members of the district board.

(2) A district board shall not adopt a resolution for a district name change without first publishing notice of the proposed name change under ORS 198.730 (2) and holding a hearing on the matter.

(3) The resolution for a district name change shall take effect 30 days after adoption by the district board unless a petition objecting to the name change is filed as provided in this subsection within those 30 days. The requirements for preparing, circulating and filing a petition under this subsection shall be as provided for an initiative petition in ORS 255.135 to 255.205. If a majority of the electors voting on the question approve the name change, it shall be effective immediately. [1979 c.272 §2; 1983 c.350 §6]

198.794 Effect of district name change; notification to certain officials. (1) All powers, rights, duties and obligations of a district which has adopted a new name under ORS 198.793 shall be continued under the new name. All references to the prior name of the district shall be considered references to the new name.

(2) A district changing its name under ORS 198.793 shall, immediately upon effectiveness of the change, certify the name change to the Director of the Department of Revenue, the county treasurer of the principal county and the county clerk and county assessor of each county in which the district is situated. [1979 c.272 §3]

(Formation)

198.795 Jurisdiction over district formation; duration of jurisdiction. For purposes of a formation proceeding, the county board where the petition is filed shall have original and, except as provided by ORS 199.410 to 199.519, exclusive jurisdiction, coextensive with the boundaries of the proposed district, without regard to county lines. For all purposes under ORS 198.705 to 198.955, the jurisdiction of the county board of the principal county shall continue from the time a district is formed until the district is dissolved. [1971 c.727 §6]

198.800 Formation petition; notice of hearing. (1) A petition for formation shall be filed with the county board of the principal county. Before the petition is filed, it shall be approved by indorsement thereon by any agency required by the principal Act to indorse or approve the petition. If the petition satisfies the requirements of ORS 198.749 and 198.750 to 198.775 and is otherwise sufficient under the principal Act, the county board shall:

(a) If the county is within the jurisdiction of a local government boundary commission, file the petition with the boundary commission within 10 days after the petition is filed with the board; or

(b) Set a date for a hearing on the petition. The hearing shall be held not less than 30 days nor more than 50 days after the date the petition is filed.

(2) The county board shall cause notice of the hearing to be posted in at least three public places and published by two insertions in a newspaper. The notice shall state:

(a) The purpose for which the district is to be formed.

(b) The name and boundaries of the proposed district.

(c) The time and place of the hearing on the petition.

(d) That all interested persons may appear and be heard.

(3) Except as provided in paragraph (a) of subsection (1) of this section, this section and ORS 198.805 do not apply in areas subject to the jurisdiction of a local government boundary commission. [1971 c.727 §24; 1983 c.336 §20; 1989 c.92 §5]

198.805 Conduct of hearing; standards for formation; notice to nonappearing landowner; order for dissolution. (1) At the time stated in the notice, the county board shall hear the petition and determine, in accordance with the criteria prescribed by ORS 199.462, if the area could be benefited by the formation of the district. It may adjourn the hearing from time to time, but not exceeding four weeks in all unless additional notice is given. The county board may alter the boundaries set forth in the petition to either include or exclude territory. In determining the boundaries of the proposed district, the board shall consider the benefit the proposed district will have within the territory in or out of the proposed district. The board shall not modify the boundaries so as to exclude from the proposed district any land which could be benefited by its formation, nor shall there be included any land which will not, in the judgment of the board, be benefited.

(2) If the county board determines that any land has been improperly omitted from the proposed district and that the owner has not appeared at the hearing, the board shall continue the hearing and shall order notice given to the nonappearing owner requiring the owner to appear before it and show cause, if any, why the land of the owner should not be included in the proposed district. The notice shall be given either by posting and publication, in the same manner as notice of the original hearing and for the same period, or by personal service on each nonappearing owner. If notice is given by personal service, service shall be made at least 10 days prior to the date fixed for the further hearing.

(3) If the county board finds that a proposed county service district may not be needed in the future or that indefinite existence may significantly discourage future boundary changes, it may require dissolution as provided in ORS 451.620. The order for such dissolution shall specify the fiscal year, not later than the 10th fiscal year after the date of the order, in which dissolution shall occur. [1971 c.727 §25; 1987 c.504 §5]

198.810 Order for formation; final hearing; election. (1) If the county board approves the petition for formation, as presented or as modified, or if the boundary commission does so and transmits its approval to the county board in accordance with ORS 199.480, the county board shall enter an order so declaring. The order shall set forth the name of the district and the boundaries as determined by the board or by the boundary commission. The order shall also fix a place, and a time not less than 20 nor more than 50 days after the date of the order, for a final hearing on the petition. The order shall declare that if written requests for an election are not filed as provided by subsection (2) of this section, the board, at the time of the final hearing, will enter its order creating the district. The board shall cause notice of the hearing to be given by publication.

(2) An election shall not be held unless written requests for an election are filed at or before the hearing by not less than 15 percent of the electors or 100 electors, whichever is the lesser number, registered in the proposed district.

(3) Notwithstanding subsections (1) and (2) of this section, if the petition for formation includes a tax base for the proposed district and the petition is approved by the county board or boundary commission, an election on the question of forming the district shall be held.

(4) Notwithstanding subsection (2) of this section and ORS 198.815, an order of a boundary commission authorizing a county service district established to provide sewage works to also provide drainage works shall be effective upon the filing of the order with the county board. The order of the boundary commission is subject to referendum by the electors of the county service district in the manner provided for district measures under ORS 255.135 to 255.205. If such an order of a boundary commission is referred to the electors, the order shall not take effect until the order is approved by a majority of the votes cast on the question and the results of the election are certified. The question in the ballot title for a measure referred under this subsection shall be worded so that an affirmative response to the question corresponds to a vote in favor of authorizing the county service district to provide drainage works. [1971 c.727 §26; 1983 c.83 §10; 1983 c.336 §21; 1989 c.92 §6; 1989 c.374 §1]

198.815 Election on formation; notice; ballot title when dissolution ordered; election of first board. (1) If the required number of written requests for an election are filed with the county board on or before the date of the final hearing or if the petition for formation includes a tax base for the proposed district, the board shall provide by order for the holding of an election to submit to the electors the question of forming the district. The board shall cause notice of the

election to be published by two insertions. If requests for an election are filed by less than the required number of persons and no tax base is included in the petition, the county board shall dismiss the requests and enter an order creating the district.

(2) The order calling an election shall fix the date of the election on the next available election date in ORS 255.345 for which the filing deadline can be met. However, when the proposal for formation includes a tax base for the proposed district, the election shall be held on the date of the next regular statewide primary or general election for which the filing deadline can be met. The order shall also state that at such election members of the district board will be voted for. Candidates to be voted for as members of the first board of a district shall be nominated as provided by ORS chapter 255 and the principal Act of a district.

(3) The order calling the election shall require the county official in charge of elections to include with the ballot for the election a map or other description of the boundaries of the proposed district using streets and other generally recognized features and a statement of the tax base and tax rate, if any, proposed for the district in the petition for formation under ORS 198.750 (1)(g). Such statement shall comply with the requirements of ORS 310.402. The map or other description and statement required by this subsection shall be supplied by the county board.

(4) When the proposal for formation includes a tax base for the proposed district, the ballot title shall clearly indicate that a single question is being proposed which is:

(a) Whether the proposed district shall be formed; and

(b) Whether the tax base specified in the ballot title shall be adopted as the initial tax base of that district.

(5) When the proposal for formation includes a tax base for the proposed district, if the proposal is approved by a majority of the votes cast, that tax base shall be the initial tax base of the new district.

(6) If a proposed county service district is subject to dissolution unless a determination of public need for continued existence is made, the ballot title shall include the fiscal year in which dissolution will occur and statement that the district will dissolve unless the board of directors determines that there is a public need for continued existence. [1971 c.727 §27; 1979 c.316 §6; 1987 c.504 §6; 1987 c.707 §1; 1989 c.92 §7; 1989 c.923 §4; 1991 c.70 §4]

198.820 Order by county board; effect of formation. (1) After the election if any is held, if it is determined by the county board that the majority of the votes cast were in favor of formation of the district, the board shall enter an order creating the district. If a majority of the votes cast oppose the formation of the district, the board shall enter an order dismissing the petition. The order shall be entered within 30 days after the date of the election. The county board shall also canvass the votes for members of the district board and, if formation of the district is approved, cause the county clerk to issue certificates of election to the number of persons, equal to the number of board members named in the petition for formation, receiving the highest number of votes.

(2) After the date of the formation order, the inhabitants of the territory within the district shall be a municipal corporation to be known by the name specified in the order, and as such shall have perpetual succession, and by such name shall exercise and carry out the corporate powers and objects conferred by the principal Act of the district.

(3) An order creating a district, whether the district is formed with or without an election, shall state the name and purpose of the district, describe its boundaries, and declare the district formed. From the date of the formation order the district shall be considered established. [1971 c.727 §28]

198.825 Election of first members of board when no formation election required. (1) If an election is not held on the question of formation, an election shall be ordered for the purpose of electing the first members of the district board. When the formation order is entered, the county board shall order an election held in the district, which election shall be held on the next practicable date under ORS 255.345.

(2) ORS chapter 255 governs the nomination and election of the first board of a district defined under ORS 255.012 if the district has an elective board. If the district is not defined under ORS 255.012, the returns of the election shall be made to the county clerk. The clerk shall canvass the votes for members of the district board and issue certificates of election to the number of persons, equal to the number of board members named in the petition for formation, receiving the highest number of votes. [1971 c.727 §29; 1975 c.647 §1; 1983 c.350 §7]

198.830 Petition for formation by all landowners in proposed district. (1) If the owners of all real property within an area desire to form a district, they may sign and present a petition to the county board. The petition shall contain the information required by ORS 198.750 to 198.775 and shall be verified by the affidavit of one of the petitioners that the petitioner believes that the signers of the petition comprise all the own-

ers, at the time of the verification, of all the land included within the proposed district. If members of the district board are generally elected to office, the petition shall also state the names of persons desired as the members of the first board and an acceptance in writing by each agreeing to serve as a member of the board.

(2) The county board shall approve the petition for formation of the district if it finds:

(a) That the owners of all the land within the proposed district have joined in the petition; and

(b) That, in accordance with the criteria prescribed by ORS 199.462, the area could be benefited by formation of the district.

(3) If formation is approved, any election required by ORS 198.810 to 198.825 shall be dispensed with. After the hearing on the petition, if the county board approves the petition, it shall enter an order creating the district. If the district board members generally are elected, the persons nominated by the petition and accepting nomination as members of the board shall constitute the first board of the district. [1971 c.727 §30]

198.835 Order for formation of district in single county; order for exercise of additional function by county service district; contents of order. (1) The county board may initiate the formation of a district, to be located entirely within the county, by an order setting forth:

(a) The intention of the county board to initiate the formation of a district and citing the principal Act.

(b) The name and boundaries of the proposed district.

(c) The date, time and place of a public hearing on the proposal.

(2) An order initiating the formation of a county service district may require dissolution, subject to a determination of public need for continued existence of the county service district as provided in ORS 451.620. The fiscal year in which dissolution will occur, not later than the 10th fiscal year after the date of the order, shall be specified.

(3) If any part of the territory subject to formation of a district under this section is within a city, the order shall be accompanied by a certified copy of a resolution of the governing body of the city approving the order.

(4) A county board that also serves as the governing body of a county service district established to provide sewage works may initiate a proceeding to authorize that county service district to also provide drainage works by adopting an order setting forth the information specified in subsection (1) of this section. The order must be accompanied by resolutions consenting to the additional function that are adopted by the governing bodies of not less than 70 percent of the cities located within the boundaries of the county service district. [1971 c.727 §31; 1987 c.504 §7; 1987 c.510 §1; 1989 c.374 §2]

198.840 Notice of hearing. Notice of the hearing set by the order shall be given in the manner provided by ORS 198.800 except that the notice shall state that the county board has entered an order declaring its intention to initiate formation. The hearing and election on the proposal, and election of board members, shall be conducted as provided by ORS 198.800 to 198.825. [1971 c.727 §32]

198.845 Costs. The county shall bear the cost of formation or attempted formation of a district under ORS 198.835 to 198.845. However, if a district is formed, the district shall reimburse the county for any expenses incurred by the county in making necessary preliminary engineering studies and surveys in connection with the formation of the district. [1971 c.727 §33]

(Annexation)

198.850 Annexation petition or resolution; delayed effective date for certain annexations. (1) When the electors of an area wish to annex to a district, they may file an annexation petition with the county board. Before the petition is filed with the county board, it shall be approved by indorsement thereon by the board of the affected district and by any other agency also required by the principal Act to indorse or approve the petition.

(2) ORS 198.800 to 198.820 apply to the proceeding conducted by the county board and the rights, powers and duties of petitioners and other persons having an interest in the proceedings.

(3) In lieu of a petition, annexation may be initiated by resolution of the district board, or of the county board. Proceedings may also be initiated by any other public agency if authorized by the principal Act. If proceedings are initiated by the district board or another public agency, a resolution setting forth the matters described by ORS 198.835 shall be filed with the county board. The proceeding thereafter shall be conducted as provided by ORS 198.835 to 198.845. An annexation initiated by the district board may include an effective date which is not later than 10 years after the date of the order declaring the annexation. [1971 c.727 §34; 1991 c.637 §5]

198.855 Annexation election; annexation without election when petition signed by all landowners or by majority of electors and owners of more than half of land. (1) If the annexation petition is not signed by all the owners of all the lands in the territory proposed to be annexed or is not signed by a majority of the electors registered in the territory proposed to be annexed and by the owners of more than half of the land in the territory and an election is ordered on the proposed annexation as provided by ORS 198.815, the county board shall order an election to be held in the territory and the county board also shall order the board of the affected district to hold an election on the same day, both elections to be held for the purpose of submitting the proposed annexation to the electors. The district board shall certify the results of the election to the county board. The order of annexation shall not be entered by the county board unless a majority of the votes in the territory and a majority of the votes in the district are in favor of the annexation. If a majority of the votes cast in both elections do not favor annexation, the county board by order shall so declare.

(2) Two or more proposals for annexation of territory may be voted upon at the same time. However, within the district each proposal shall be stated separately on the ballot and voted on separately and, in the territory proposed to be annexed, no proposal for annexing other territory shall appear on the ballot.

(3) If the annexation petition is signed by all of the owners of all land in the territory proposed to be annexed or is signed by a majority of the electors registered in the territory proposed to be annexed and by the owners of more than half of the land in the territory, an election in the territory and district shall be dispensed with. After the hearing on the petition, if the county board approves the petition as presented or as modified or, if an election is held, if the electors approve the annexation, the county board shall enter an order describing the boundaries of the territory annexed and declaring it annexed to the district. [1971 c.727 §35; 1987 c.818 §5]

198.860 Effect of annexation order. After the date of entry of an order by the county board annexing territory to a district, the territory annexed shall become subject to the outstanding indebtedness, bonded or otherwise, of the district in like manner as the territory within the district. [1971 c.727 §36]

198.865 [1971 c.727 §§37, 38; 1979 c.316 §7; repealed by 1983 c.142 §1 (198.866 and 198.867 enacted in lieu of 198.865)]

198.866 Annexation of city to district; approval of annexation proposal; election. (1) The governing body of a city may adopt a resolution or motion to propose annexation to a district for the purpose of receiving service from the district. Upon adoption of an annexation proposal, the governing body of the city shall certify to the district board a copy of the proposal.

(2) The district board shall approve or disapprove the city's annexation proposal. If the district board approves the proposal, the district board shall adopt an order or resolution to call an election in the district. The order or resolution of the district board shall include the matters specified in ORS 198.745. In addition the order or resolution may contain a plan for zoning or subdistricting the district as enlarged by the annexation if the principal Act for the district provides for election or representation by zone or subdistrict.

(3) The district board shall certify a copy of the resolution or order to the governing body of the city.

(4) Upon receipt of the resolution or order of the district board, the governing body of the city shall call an election in the city on the date specified in the order or resolution of the district board.

(5) An election under this section shall be held on a date specified in ORS 255.345 that is not sooner than the 90th day after the date of the district order or resolution calling the election. [1983 c.142 §2 (enacted in lieu of 198.865); 1993 c.417 §1]

198.867 Approval of annexation to district by electors of city and district; certification; effect of annexation. (1) If the electors of the city approve the annexation, the city governing body shall:

(a) Certify to the county board of the principal county for the district the fact of the approval by the city electors of the proposal; and

(b) Present the certificate to the district board.

(2) If the electors of the district approve the annexation, the district board shall:

(a) Certify the results of the election; and

(b) Attach the certificate to the certificate of the city and present both certificates to the county board.

(3) Upon receipt of the certificate of the city governing body and the district board, the county board shall enter an order annexing the territory included in the city to the district. When the county board enters the order, the city territory, together with any territory thereafter annexed to the city:

(a) Shall be included in the boundaries of the district; and

(b) Shall be subject to all liabilities of the district in the same manner and to the same extent as other territory included in the district. [1983 c.142 §3 (enacted in lieu of 198.865)]

198.869 Annexation contract; recordation; effect. A contract between a district and a landowner relating to extraterritorial provision of service and consent to eventual annexation of property of the landowner shall be recorded and, when recorded, shall be binding on all successors with an interest in that property. [1991 c.637 §2]

Note: 198.869 was added to and made a part of 198.705 to 198.955 by legislative action but was not added to ORS 198.510 to 198.915. See Preface to Oregon Revised Statutes for further explanation.

(Withdrawal)

198.870 Petition for withdrawal of property from district. (1)(a) When a plan for district improvements is adopted, or any time more than two years after the date of formation of a district or after the date of annexation of territory to a district if petitioner's property is located within the territory annexed, an owner of land included in a district may petition the county board for withdrawal of the property of the owner from the district.

(b) If the electors of an area within a district wish to withdraw from the district, they may file a petition with the county board.

(2) Petitioners shall cause notice of the petition filing to be given in writing to the district secretary. Within five days after the petition is filed, petitioners shall furnish the secretary with a copy of the petition as filed.

(3) Except as provided by ORS 198.875, ORS 198.800 to 198.820 apply to proceedings for withdrawal and to the rights, powers and duties of the petitioners and other persons having an interest in the proceeding.

(4) The county board may approve the petition as presented or it may adjust the boundaries and approve the petition. The petition shall be approved if it has not been, or is not or would not be, feasible for the territory described in the petition to receive service from the district. The petition shall be denied if it appears that it is, or would be, feasible for the territory described in the petition to receive service from the district. [1971 c.727 §39]

198.875 Election on withdrawal petition. (1) At the time and place set for the final hearing upon the withdrawal petition if the required number of written requests for an election on the proposed withdrawal have not been filed, the county board shall enter an order withdrawing the described area from the district.

(2) If the required number of requests for an election are filed on or before the final hearing, the county board shall call an election in the district upon the question of the withdrawal of the area.

(3) If an election is called and a majority of the votes cast at the election is in favor of the withdrawal of the designated area from the district, the county board shall enter an order withdrawing the area from the district. If the majority of the votes cast is against withdrawal, the county board shall enter an order declaring the results of the election. In either case, the county board shall cause a copy of the order to be filed with the secretary of the district. [1971 c.727 §40]

198.880 Effect on withdrawn area. The described area withdrawn shall, from the date of entry of the order, be free from assessments and taxes levied thereafter by the district. However, the withdrawn area shall remain subject to any bonded or other indebtedness existing at the time of the order, except as provided by ORS 198.882. The proportionate share shall be based on the assessed valuation, according to the assessment roll in the year of the levy, of all the property contained in the district immediately prior to the withdrawal. [1971 c.727 §41; 1977 c.663 §1]

198.882 Tax relief to withdrawn area; conditions for relief; ultimate liability. (1) The governing body of a district shall relieve an area withdrawn from the district from taxation for its proportionate share of outstanding bonded or other indebtedness if:

(a) No district services have been provided to the withdrawn area; and

(b) The area withdrawn does not exceed five percent of the equalized assessed valuation of the taxable property within the entire district prior to the withdrawal, as certified to the county assessor in the tax year of the withdrawal.

(2) Notwithstanding subsection (1) of this section, if the total unlimited taxing power of the district over the area not withdrawn from the district does not wholly satisfy the bonded or other indebtedness incurred prior to the withdrawal, the withdrawn territory shall be taxed in an amount sufficient to satisfy its proportionate share of that indebtedness. [1977 c.663 §3]

Note: 198.882 was enacted into law by the Legislative Assembly but was not added to or made a part of ORS chapter 198 or any series therein by legislative action. See Preface to Oregon Revised Statutes for further explanation.

(Merger; Consolidation)

198.885 Merger of districts; effect. (1) One district or more may merge with another district if the merger is approved by the electors as provided by ORS 198.895 to 198.915 or if it is approved by a local government boundary commission as provided by ORS 199.480 (1)(c). The districts included in the merger shall be considered annexed by and absorbed into the surviving district.

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

(a) Succeed to all the property, contracts, rights and powers of the merging districts, and shall constitute and be a regularly organized district as if originally organized in the manner provided by the principal Act and ORS 198.705 to 198.955;

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

(c) Subject to any debt distribution plan adopted under ORS 198.900, the surviving district shall become liable for all the obligations, legal or contractual, of the merging districts. [1971 c.727 §42; 1983 c.336 §22]

198.890 Consolidation of districts; effect. (1) Two or more districts may consolidate and form a new district if the consolidation is approved by the electors as provided by ORS 198.895 to 198.915 or if it is approved by a local government boundary commission as provided by ORS 199.480 (1)(c). The districts included in the consolidation shall be considered joined into a single new district.

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

(a) Succeed to all the property, contracts, rights and powers of the consolidating districts, and shall constitute and be a regularly organized district as if originally organized in the manner provided by the principal Act and ORS 198.705 to 198.955;

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

(c) Subject to any debt distribution plan adopted under ORS 198.900, the successor district shall become liable for all the obligations, legal or contractual, of the consolidating districts. [1971 c.727 §43; 1983 c.336 §23]

198.895 Initiation of merger and consolidation; procedure when city included in merger or consolidation. (1) The electors of two or more districts may initiate proceedings to merge or consolidate districts by filing duplicate petitions with the boards of the districts to be merged or consolidated. The petitions shall state the names of the affected districts, and the name of the surviving or successor district and whether the merger or consolidation must be approved by each district. If the proposal may be approved by fewer than all affected districts and may be effective only as to the approving districts, the petition shall so specify.

(2) When proceedings have been initiated as provided in subsection (1), (3), (4) or (5) of this section, and the districts or district and city are subject to the jurisdiction of a local government boundary commission, the initiating documents shall be filed with the boundary commission as provided by ORS 199.476.

(3) If a proposed merger or consolidation initiated under subsection (1) of this section includes a proposal to join a city to the surviving or successor district, the electors of the districts and the city also shall file a duplicate petition with the governing body of the city. The signature requirements under ORS 198.755 applicable to a district proposed to merge or consolidate are applicable to the city. A petition under this subsection shall contain all the matters required to be stated in the petition under subsection (1) of this section, except that the petition also shall state:

(a) The name of the city proposed to join the surviving or successor district; and

(b) Whether the merger or consolidation must be approved by each district or city in order to be effective.

(4) The electors of one district and a city may initiate proceedings to join the city to the district by filing duplicate petitions with the board of the district and the governing body of the city. The signature requirements under ORS 198.755 (4) applicable to a district are applicable to the city. A petition under this subsection shall contain the name of the district, the name of the city and shall state that the proposal must be approved by the district and the city in order to be effective.

(5) Merger or consolidation also may be initiated by resolution adopted or approved by two or more district boards. If the merger or consolidation under this subsection in-

cludes a proposal to join a city to the surviving or successor district, the governing body of the city also must adopt or approve a resolution. A resolution adopted or approved under this subsection shall contain all the matters required to be stated in a petition to merge or to consolidate. the matters required to be stated in a petition to merge or to consolidate. [1971 c.727 §44; 1983 c.142 §6; 1983 c.336 §24; 1985 c.263 §1]

198.900 Content of petition for merger or consolidation. (1) A petition for merger or consolidation may include a debt distribution plan to be voted upon as a part of the proposal. The plan may provide for any distribution of indebtedness and may require that merging or consolidating districts and any city to be joined to the surviving or successor district remain solely liable for all or any portion of any indebtedness outstanding at the time of the merger or consolidation.

(2) If the merger or consolidation is approved, the district board of the successor or surviving district shall, in accordance with the plan, levy taxes and assessments for the liquidation of any prior existing indebtedness. Such a levy shall be subject to the principal Act of the consolidated or merged district. [1971 c.727 §45; 1983 c.142 §7]

198.902 Application of district petition requirements to cities. The procedures and requirements regarding the preparation, circulation and filing of a petition in a district under ORS 198.705 to 198.955 apply to the preparation, circulation and filing of a petition in a city, except that the duties of the secretary of the district board as described in ORS 198.765 and 198.770 shall be performed by the elections officer of the city. The governing body of a city shall perform the duties of the district board in ORS 198.705 to 198.955 in regard to a petition filed with the city. [1983 c.142 §9]

198.903 Joint assembly of governing bodies of affected districts or cities; order for election; contents. (1) When the governing body of each affected district or city has received a petition under ORS 198.895 containing the required number of signatures or has adopted or approved a resolution, the governing body of the affected entity having the largest population according to the most recent federal decennial census shall call a joint assembly of the governing bodies of the affected entities. The governing body calling the joint assembly shall specify the time and place of the assembly. The secretary of the governing body shall give notice of the assembly to each member of the governing body of each affected entity. The notice shall be given by certified mail.

(2) At the joint assembly, a majority of the members of each governing body constitute a quorum for the transaction of business.

(3) The assembly, by a majority of all members present, shall adopt an order calling an election in each affected entity. The order shall include the matters specified in ORS 198.745.

(4) The order adopted by the assembly may include a plan for zoning or subdistricting the surviving or successor district for the purpose of nominating or electing members of its board if the principal Act for the district provides for election or representation by zone or subdistrict. The plan must describe the proposed boundaries of the zones or subdistricts. If required by the principal Act, the plan also must include a map of the proposed zone or subdistrict boundaries.

(5) If the merger or consolidation is initiated by petition and the petition includes a debt distribution plan, the order adopted under this section shall include that plan. [1983 c.142 §10; 1983 c.350 §7b]

198.905 Certification of election results. The governing body of each affected entity shall meet separately not later than the fifth day after receiving from the county clerk the abstract of the votes cast in the entity in an election on consolidation or merger. At the meeting, the governing body of the entity shall determine the result of the election and certify the result to the governing body of each of the affected entities. [1971 c.727 §46; 1983 c.142 §11]

198.910 Joint meeting of governing bodies of merged or consolidated districts and cities; election of board members for surviving or successor district; terms. (1) If the proposal for merger or consolidation is approved by a majority of the votes cast in each affected entity required for approval of the proposal, the governing body of the affected entity with the largest population according to the most recent federal decennial census shall call a joint meeting of the governing bodies of the affected entities. The meeting shall be held at a time and place designated by the governing body calling the meeting, not later than 10 days after the canvass of the vote in the entity last canvassed. The secretary of the entity calling the meeting shall give notice of the time and place of the meeting to each member of the governing body of each affected entity.

(2) At the joint meeting, a majority of the members of the governing body of each affected entity constitute a quorum for the transaction of business. The members so assembled shall from among the members elect a number of persons consistent with the

principal Act to serve as board members of the surviving or successor district. The board so elected shall immediately meet and organize as provided by the principal Act and shall by resolution declare the districts merged or consolidated and each affected city joined, as the case may be. From the date of adoption of the resolution the merger or consolidation is complete, and the city territory, together with any territory thereafter annexed to the city, is included in the boundaries of the surviving or successor district and shall be subject to all the liabilities of the district in the same manner and to the same extent as other territory included in the district.

(3) Of the persons elected under subsection (2) of this section to serve as board members of the surviving or successor district, three shall serve until June 30 following the next regular district election as defined in ORS 255.005 and the remaining members shall serve until June 30 next following the second regular district election. However, if the principal Act provides for a board of directors of three members for the surviving or successor district, then two members shall serve until June 30 following the next regular district election as defined in ORS 255.005 and the remaining member shall serve until June 30 next following the second regular district election. The terms of office of the members shall be determined by lot. [1971 c.727 §47; 1983 c.142 §12; 1989 c.503 §1; 1993 c.424 §4]

198.915 Election of board members at regular district election. At the first regular election held in the surviving or successor district, two or three district board members shall be elected as provided by ORS 198.910 (3). [1971 c.727 §48; 1993 c.424 §5]

(Dissolution)

198.920 Dissolution procedure. Dissolution of a district may be initiated:

(1) By a petition of the electors requesting dissolution of the district, filed with the county board.

(2) By resolution of the district board filed with the county board when the district board determines that it is in the best interest of the inhabitants of the district that the district be dissolved and liquidated.

(3) By resolution of the county board:

(a) If the district at the time of the regular district election has not elected district board members, as required by the principal Act, to fill vacancies on the district board; or

(b) If the territory within the district is uninhabited; and

(c) If in either case the county board determines that it is in the best interest of the people of the county that the district be dissolved and liquidated.

(4) Within five days after a petition is filed or a resolution of a county board is adopted under this section, a copy shall be filed with the district secretary, if any, or with any other district officer who can with reasonable diligence be located.

(5) If there are no qualified district board members, the county board shall act as or appoint a board of trustees to act in behalf of the district. [1971 c.727 §49]

198.925 Findings of fact by district board. (1) When dissolution proceedings have been initiated, the district board shall make findings of fact which shall include:

(a) The amount of each outstanding bond, coupon and other indebtedness, with a general description of the indebtedness and the name of the holder and owner of each, if known.

(b) A description of each parcel of real property and interest in real property and, if the property was acquired for delinquent taxes or assessments, the amount of such taxes and assessments on each parcel of property.

(c) Uncollected taxes, assessments and charges levied by the district and the amount upon each lot or tract of land.

(d) A description of the personal property and of all other assets of the district.

(e) The estimated cost of dissolution.

(2) The district board shall propose a plan of dissolution and liquidation.

(3) Within 30 days after initiation of the dissolution proceeding, the findings of fact and the proposed plan of dissolution and liquidation shall be filed in the office of the county clerk and shall be available for inspection by any interested person. [1971 c.727 §50]

198.930 Plan for dissolution and liquidation. The plan of dissolution and liquidation may include provision for transfer and conveyance of all assets of the district to any other district or, in the case of a county service district, to the county in which the district is located, which has the authority to and agrees to assume the outstanding indebtedness of the dissolving district, if any, and to continue to furnish similar services to the inhabitants of the district. [1971 c.727 §51; 1987 c.504 §8]

198.935 Election on dissolution; consent of creditors; content of notice. (1) When the district to be dissolved is within the jurisdiction of a local government boundary commission, within 10 days after the district board files the plan of dissolution and liquidation required by ORS 198.925, the district board shall file the documents initiating dissolution with the boundary commission in accordance with ORS 199.476.

(2) Within 10 days after the district board files the plan of dissolution and liquidation required by ORS 198.925, and following boundary commission approval if necessary, the district board shall call an election for the purpose of submitting to the electors of the district the question of whether the district shall be dissolved, its indebtedness liquidated and its assets disposed of in accordance with the plan proposed. The election shall be held on the next available election date in ORS 255.345 for which the filing deadline can be met. No election shall be called until the assent of all known holders of valid indebtedness against the district is obtained or provision is made in the plan for payment of the nonassenting holders. The notice of the election shall contain a brief summary of the plan of dissolution and liquidation and state that the plan of dissolution is available for examination at the office of the county clerk. [1971 c.727 §52; 1979 c.316 §8; 1983 c.336 §25; 1987 c.707 §3; 1989 c.923 §5]

198.940 Dissolution without election. The election required by ORS 198.935 shall be dispensed with and the county board shall declare the district dissolved and proceed in accordance with ORS 198.945, if the county board finds that:

(1) Dissolution is in the interest of the people of the county; and

(2) The territory within the affected district is uninhabited;

(3) The district has failed regularly to elect district board members in accordance with the principal Act of the district; or

(4) For a county service district, dissolution is required due to an absence of public need for continuation of the district, as provided in ORS 451.620. [1971 c.727 §53; 1987 c.504 §9]

198.945 Trustees for dissolved district; records to county clerk; limitation on further elections. (1) Upon canvassing the vote after the election, if it appears that a majority or more of the votes cast approve dissolution, the district board shall declare the district dissolved. The board shall thereupon constitute a board of trustees who shall pay the debts or procure releases thereof and dispose of the property of the district. If the dissolved district was located wholly within the limits of one county, the board of the dissolving district may designate the county board as the board of trustees for the purpose of winding up the affairs of the district. If a majority of the votes cast at the election is against dissolution, the district board shall declare the proposal lost and cause the result of the vote to be made a part of the records of the district. In either case, the results of the election shall be certified to the county board immediately after the canvass of the vote.

(2) If dissolution is approved, after the affairs of the district have been fully settled, all books and records of the district shall be deposited by the board of trustees in the office of the county clerk of the county. At the same time, the board of trustees shall execute under oath, and file with the county board, a statement that the district has been dissolved and its affairs liquidated. From the date of the statement, the corporate existence of the district is terminated for all purposes.

(3) If a majority of the votes cast are against dissolution, no further election for dissolution shall be called by the board, upon petition or upon a resolution of the board, prior to the expiration of one year from the date of the election on dissolution. [1971 c.727 §54]

198.950 Power of trustees to convey assets. The board of trustees may convey to another district all assets of the dissolving district as described by ORS 198.930:

(1) If the other district assumes all debts and obligations of the dissolving district and undertakes to continue to furnish the service provided by the dissolving district pursuant to the plan of dissolution and liquidation; and

(2) If the consent of all the known holders of valid indebtedness against the district has been obtained, or provision has been made in the plan for payment of the nonassenting holders. [1971 c.727 §55]

198.955 Disposition of assets. (1) Except as provided by ORS 198.950, any surplus funds remaining to the credit of the district, after payment of the indebtedness of the district, shall be turned over to the county treasurer. If the assets of the district are insufficient to pay the indebtedness, the board of trustees shall levy taxes, within the limits of the authority of the district, for the liquidation of such indebtedness.

(2) Notwithstanding subsection (1) of this section, if the property of a district is located within the corporate limits of a city, such property shall, upon dissolution of the district, vest in the city in which located and the property of the district lying outside the

corporate limits of any city shall vest in the county until the formation of a city embracing such territory, at which time it shall vest in the city.

(3) In each year that the county receives surplus funds to the credit of the district under subsection (1) of this section, any funds in the account of the district on June 30, in excess of $6,000 retained by the county for administration, shall be certified to the county assessor and shall be disposed of as provided under one of the following paragraphs, as selected by the county assessor:

(a) Notwithstanding ORS 310.105, the funds may be offset against that portion of the levies of taxing units levied against the property values of property within the dissolved district. The method of offset shall be further defined by rule of the Department of Revenue. If the funds are offset as provided under this paragraph, the funds shall be distributed to each taxing unit in the amount of that taxing unit's offset.

(b) The amount may be credited to each property appearing on the tax roll for the year for which the credit applies within the dissolved district on the basis of current assessed value. If the surplus funds are distributed under this paragraph, the surplus funds shall be deposited in the unsegregated tax collections account established under ORS 311.385 and distributed in the same manner as other funds in that account. The method to be used to credit the amount of the surplus shall be further defined by rule of the Department of Revenue. [1971 c.727 §56; 1989 c.883 §1; 1991 c.459 §343]

198.990 [1969 c.344 §3; 1971 c.743 §344; repealed by 1983 c.740 §55]