

# Chapter 440

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## Health Districts; Port Hospitals

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### CROSS REFERENCES

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- Determination of legality of district organization and actions, 33.710, 33.720
- Election procedures, Ch. 255
- Employees, labor relations, 662.705 to 662.795
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- Borrowing and bonds of districts, 287.010, 287.012
- 440.390
- Information on bond issues to Municipal Debt Advisory Commission, 287.040, 287.042
- 440.395
- Public projects and improvements, financing costs, 280.040 to 280.140
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**PUBLIC HEALTH AND SAFETY**

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440.010 [Amended by 1963 c.607 §1; 1967 c.613 §1; repealed by 1981 c.45 §1]

440.020 [Amended by 1967 c.613 §2; repealed by 1981 c.45 §1]

440.030 [Amended by 1963 c.607 §2; 1967 c.613 §4; repealed by 1981 c.45 §1]

440.040 [1967 c.613 §3; repealed by 1981 c.45 §1]

440.110 [Repealed by 1981 c.45 §1]

440.120 [Repealed by 1981 c.45 §1]

440.130 [Repealed by 1981 c.45 §1]

440.140 [Repealed by 1981 c.45 §1]

440.150 [Repealed by 1981 c.45 §1]

440.160 [Repealed by 1981 c.45 §1]

440.170 [Repealed by 1981 c.45 §1]

440.180 [Amended by 1967 c.317 §1; repealed by 1981 c.45 §1]

440.190 [Repealed by 1981 c.45 §1]

440.200 [Amended by 1967 c.317 §2; repealed by 1981 c.45 §1]

440.210 [Repealed by 1981 c.45 §1]

440.220 [Amended by 1963 c.607 §3; repealed by 1981 c.45 §1]

440.230 [Repealed by 1981 c.45 §1]

## HEALTH DISTRICTS

**440.305 District created coterminous with each district existing on July 2, 1957; districts existing on July 2, 1957, abolished.** (1) There hereby is created a health district territorially coterminous with each health district existing on July 2, 1957, if such existing health district was at that time a valid health district but for the fact that the electors of the district were required to have resided in the district for a period of not less than 90 days next preceding an election. In determining the boundaries of health districts created by this subsection, full effect shall be given to annexations effected by health districts prior to November 22, 1957, under ORS 441.205 to 441.410 (1957 Replacement Part).

(2) Health districts created by subsection (1) of this section are subject to and shall be governed by ORS 440.315 to 440.410.

(3) Health districts territorially coterminous with health districts created by subsection (1) of this section hereby are abolished. [Formerly 441.195]

**440.310 New district succeeds to and replaces abolished district.** Each health district created by ORS 440.305 (1) shall in all respects be the successor of and replace the territorially coterminous health district abolished by ORS 440.305 (3). Without limiting the foregoing:

(1) A successor health district is:

(a) The owner of all assets of the succeeded health district, including real and personal property, money, water, water rights and riparian rights.

(b) Successor party to the contracts of the succeeded health district.

(c) Successor party to court proceedings in which the succeeded health district was a party.

(d) Successor obligor and subject to the indebtedness, bonded or otherwise, of the succeeded health district.

(2) A successor health district shall levy and collect any tax lawfully assessed or collect any tax lawfully assessed and levied, as the case may be, by the succeeded health district.

(3) The rules and regulations of the succeeded health district are the rules and regulations of the successor health district until changed under ORS 440.315 to 440.410.

(4) The directors and officers of the succeeded health district are the directors and officers of the successor health district. [Formerly 441.200; 1987 c.158 §84]

**440.315 Definitions for ORS 440.315 to 440.410.** As used in ORS 440.315 to 440.410, unless the context requires otherwise:

(1) "County board" means the county court or board of county commissioners, as the case may be, of the county in which a district, or the greater portion of the taxable assessed value thereof, is located.

(2) "County clerk" means the county clerk of the county in which a district, or the greater portion of the taxable assessed value thereof, is located.

(3) "District board" or "board" means the board of directors of a district.

(4) "Health district" or "district" means any district formed pursuant to ORS 440.315 to 440.410.

(5) "Owner" means the holder of the record title to real property or the vendee under a land sale contract, if there is such a contract. [Formerly 441.205; 1975 c.701 §1; 1983 c.83 §85]

**440.320 Health districts authorized.** (1) Districts may be incorporated as municipal corporations for the purpose of supplying their inhabitants with facilities for the care of sick and injured persons as provided in ORS 440.315 to 440.410. Such municipal corporations may consist of territory in one or more counties, or of a city with or without unincorporated territory. A city shall not be divided in the formation of a health district.

(2) A health district organized under ORS 440.315 to 440.410 may include within its boundaries all or any part of the territory of a port district organized under ORS chapter 777 if the port district does not then operate a hospital. [Formerly 441.210]

**440.325 Board of directors; qualifications.** The power and authority given to health districts, except as otherwise provided by ORS 440.315 to 440.410, is vested in and shall be exercised by a board of directors each of whom shall be an elector of the district. [Formerly 441.280; 1979 c.520 §1; 1983 c.83 §86; 1983 c.350 §255; 1983 c.699 §5]

**440.327 First board of directors; how first terms computed; oath; terms; vacancy.** (1) At the election for the first board of directors, five directors shall be elected. Their terms shall commence on the 30th day after the election. The terms of the candidates for the first board of directors who receive the first and second highest number of votes expire June 30 next following the second regular district election. The terms of the candidates who receive the third, fourth and fifth highest votes expire June 30 next following the first regular district election.

(2) Not later than the 10th day after the issuance of the order of formation, the directors of the first board shall take and subscribe an oath of office and then meet and organize.

(3) Except as provided in subsection (1) of this section, the term of a director is four years.

(4) The board of directors shall fill any vacancy on the board as provided in ORS 198.320. [1983 c.350 §257]

**440.330 Number of directors; terms; effect of absence; district employee not eligible to serve on board.** (1) The board of directors of a district, by resolution offered and adopted at any regular meeting of the board, may increase the number of directors from five to no more than 15.

(2) If the number of directors is increased by action of the board, the board shall not fill by appointment any newly created position on the board, but shall provide for the election at the next regular district election of a sufficient number of additional directors to fill the newly created positions on the board.

(3) The term of office of each director elected under subsection (2) of this section shall begin July 1 following the next regular district election.

(4) The directors who are elected under subsection (2) of this section shall determine by lot the length of term each shall hold office. The terms of not more than one-half of the directors who are appointed or elected shall expire June 30 next following the first regular district election after the appointment or election. The terms of the remainder shall expire June 30 next following the second regular district election after the appointment or election.

(5) The term of a director shall expire when the director is absent from four or more consecutive regular meetings of the board and the board declares the position vacant. The vacancy shall be filled as provided by ORS 198.320 (1) and (2).

(6) An individual who is an employee of a health district is not eligible to serve as a director of the health district by which the individual is employed. [Formerly 441.285; 1979 c.520 §3; 1981 c.508 §1; 1983 c.350 §258; 1983 c.699 §1a; 1989 c.478 §1]

**440.335 Election of officers of board of directors; duties; quorum.** (1) The directors shall, at the time of their organization, choose from their number a chairman, a secretary and a treasurer, who shall hold their offices until their successors are elected and qualified.

(2) These officers shall have, respectively, the powers and shall perform the duties usual in such cases and shall be known as the president, secretary and treasurer of the health district.

(3) A majority shall constitute a quorum to do business and, in the absence of the chairman, any other member may preside at any meeting. [Formerly 441.290]

**440.340 Directors; meetings.** The district board shall hold meetings at such time and place within the district as it may, from time to time, determine, but it shall hold at least one regular meeting in each month on a day to be fixed by it, and may hold special meetings under such rules as it may make. [Formerly 441.295]

**440.345 Position numbers for election of directors.** (1) Each office of director of a health district shall be designated by number as Position No. 1, Position No. 2 and so forth.

(2) The secretary of a district shall assign a position number to each office on the board. The secretary shall certify the number so assigned to the director in office holding that position and shall file one copy of the certification in the records of the election officer for the district. [Formerly 441.305; 1983 c.350 §259]

**440.347 District elections.** (1) ORS chapter 255 governs the following:

(a) The nomination and election of directors.

(b) The conduct of district elections.

(2) The electors of a district may exercise the powers of the initiative and referendum regarding a district measure, in accordance with ORS 255.135 to 255.205. [1983 c.350 §261]

**440.350 Call of special elections.** The board, at any regular meeting, may call a

special election of the electors of the district.  
[Formerly 441.305]

440.355 [Formerly 441.315; repealed by 1979 c.190 §431]

**440.360 Powers of health districts.** Any corporation formed under this chapter shall have all the powers necessary to carry out the purposes of ORS 440.315 to 440.410, including, but not confined to, the following:

- (1) To sue and be sued.
- (2) To contract and be contracted with.

(3) To adopt the form of corporate structure deemed by the board to be most effective in carrying out the purposes of the health district, including subsidiary nonprofit corporations owned and controlled by the district as may be organized for specific purposes not inconsistent with the general purposes of the district.

(4) To have and use a corporate seal, and to alter the same at pleasure.

(5) To purchase, acquire and possess such real and personal property, including clinical and nonclinical property, as may be necessary or convenient to carry into effect the objectives of the corporation, to enter into agreements to lease any such real and personal property for a term not to exceed 30 years, with or without an option to purchase the property, to take, hold and possess real and personal property, purchased from, or donated by, the United States, or any state, territory, county, city or other municipal corporation or any person, firm, association or private corporation for the purpose of aiding in the objects of the corporation, to lease all or any part of the real and personal property of the district, including entering into an agreement for a lease for operation of the district property, or any part thereof, for a term not to exceed 30 years and to dispose of in any manner all or part of the real or personal property of the district.

(6) To acquire, by purchase, lease or otherwise, facilities to provide health services, as defined in ORS 442.015, and to provide the health services in conjunction with or separate from the hospital facilities of the district.

(7) To appoint subordinate officers, agents, employees, staff and other personnel as the needs of the corporation may require, and to prescribe their duties and compensation.

(8) To prescribe and maintain a system of records in accordance with accepted standards of hospital administration.

(9) To adopt, amend, carry out and enforce rules with respect to any or all of the following:

- (a) Admission of patients.

(b) Nursing personnel, laboratory personnel, dietitians and other skilled personnel.

(c) Laboratories, sanitation and other facilities of the hospital and their use.

(d) Admission to and conduct in the hospital of persons desiring to diagnose or treat any disease, injury or other physical or mental condition in such hospitals, or who may diagnose or treat any disease, injury or other physical or mental condition in such hospitals if such rules are in conformance with ORS 441.055 (3) to (6).

(e) Providing for application for membership and affiliation with any association of hospitals which has for its purpose the elevation of the standards of hospital care and necessary to qualify for such membership and affiliation.

(10) To construct, purchase, acquire by gift or otherwise, equipment and other property in connection therewith and to operate and maintain a hospital or long term care facility, as defined in ORS 442.015, and conduct such hospital business or facility business within the district.

(11) To enter into cooperative agreements with one or more public or private hospital-related organizations for carrying out any of the purposes or powers of the district.

(12) To provide ambulance service by contracting for such service or by acquiring the equipment and personnel necessary for the operation of such service.

(13) To construct, purchase, equip, operate, and maintain medical offices or clinic facilities within the district, including but not limited to carrying out such activities as a landlord, lessor or general partner in a limited partnership.

(14) To contract short-term indebtedness or to borrow temporarily money for any hospital purpose on its credit or on its patient revenues.

(15) To do all other things necessary to carry out the purposes of ORS 440.315 to 440.410. [Formerly 441.320; 1979 c.520 §2; 1981 c.508 §3; 1983 c.699 §2; 1983 c.740 §155; 1985 c.747 §50; 1987 c.850 §1]

**440.365 Hospitalization charges.** A health district shall charge sick and injured persons for the use of its hospital facilities and services rendered in connection therewith and fix and collect the rates therefor. [Formerly 441.325]

**440.370 Eminent domain.** A health district may exercise within its boundaries the same rights and powers of eminent domain and of purchasing, selling, condemning and appropriating real property, water, water rights and riparian rights, which cities and towns or other corporations have, to be ex-

exercised in any manner authorized by law. [Formerly 441.330]

**440.375 Authority to issue bonds.** (1) For the purpose of carrying into effect the powers granted by ORS 440.315 to 440.410, a health district, when authorized at any properly called election held for that purpose, may borrow money and sell and dispose of general obligation bonds.

(2) If prior to April 1, 1983, a health district had outstanding indebtedness incurred pursuant to ORS 440.360 (11), a health district may issue general obligation bonds pursuant to this section in an amount not to exceed the unpaid principal of and interest on such indebtedness plus costs incidental to the bonds to be sold.

(3) The general obligation bonds outstanding at one time shall never exceed in the aggregate two and one-half percent of the real market value of all taxable property within the district, computed in accordance with ORS 308.207.

(4) Notwithstanding the provisions of subsection (3) of this section, if the district has within its limits a population of 300 or over, it shall be permitted to have bonds outstanding in an amount which shall not exceed in the aggregate 10 percent of the real market value.

(5) The bonds shall be issued from time to time by the district board in behalf of the health district as authorized by its electors. [Formerly 441.335; 1983 c.191 §1; 1991 c.459 §399]

**440.380 Bonds; maturity; interest; conditions.** (1) The bonds shall mature serially within not to exceed 30 years from issue date.

(2) The bonds shall bear such rate of interest as the district board shall determine.

(3) The bonds shall be so conditioned that the health district agrees therein to pay to the bearer, at a place named, which may be at the office of the county treasurer of the county in which the proceedings for organization of the district was conducted, the principal sum of the bonds, with interest at the rate named, payable semiannually, in accordance with the tenor and terms of the interest coupons attached. Each bond payable at the office of the county treasurer shall be registered in accordance with ORS 208.200 and signed by the county treasurer. [Formerly 441.345; 1977 c.188 §3; 1981 c.94 §36; 1983 c.347 §27]

**440.385 Pledge of income and revenues to secure payment of bonds.** (1) For the purpose of additionally securing the payment of the principal of and interest on general obligation bonds issued under ORS 440.375, a health district may, by resolution of the district board, which resolution shall constitute part of the contract with the holders of

such general obligation bonds, pledge all or any part of the net income or revenue of its properties.

(2) The district board may adopt such a resolution without submitting the question of such pledge to electors of the health district. [Formerly 441.350]

**440.390 Advertisement and sale of bonds.** All general obligation bonds issued under ORS 440.375 shall be advertised and sold as provided in ORS 287.014 to 287.026 for the sale of city bonds. [Formerly 441.355]

**440.395 Tax levies; use; extension; collection; default.** (1) Any health district may assess, levy and collect taxes not to exceed one-fourth of one percent (.0025) of the real market value of all taxable property within the district, computed in accordance with ORS 308.207. The proceeds of such taxes shall be applied by it in carrying out the objects and purposes provided in ORS 440.320.

(2) A health district, each year, may also assess, levy and collect a special tax upon all such property, real and personal, in an amount sufficient to pay the yearly interest on bonds theretofore issued by the district and then outstanding, together with any portion of the principal of such bonds maturing within such year. The special tax shall be applied only in payment of interest and principal of bonds issued by the health district, but the district may apply any funds it may have toward the payment of principal and interest of any such bonds.

(3) All taxes needed shall be levied and returned to the county officer whose duty it is to extend the tax roll by the time required by law for city taxes to be levied and returned.

(4) All taxes levied by a health district shall become payable at the same time and be collected by the same officer who collects county taxes. The proceeds of the taxes collected under subsection (1) of this section shall be turned over to the health district according to law. The proceeds of the taxes collected under subsection (2) of this section to pay bonds registered with the county treasurer shall be turned over to the county treasurer of the county in which the proceedings for organization of the district were conducted, to pay principal maturing and interest accruing on the district bonds.

(5) The county officer whose duty it is to extend the county levy shall extend the levy of the health district in the same manner as city taxes are extended.

(6) Property is subject to sale for the nonpayment of taxes levied by the health district in like manner and with like effect as in the case of county and state taxes. [Formerly 441.360; 1991 c.459 §400]

**440.400 Expenditure and accounting of district funds.** (1) Except as otherwise provided by subsections (3) and (4) of this section and ORS 440.395 (4), all money of a health district shall be deposited in one or more banks or other financial institutions, as designated by the district board. It shall be withdrawn or paid out only when previously ordered by resolution or vote of the board, and upon checks signed as provided by subsection (2) of this section. Receipts or vouchers, showing clearly the nature and items covered by each check drawn, shall be kept on file.

(2) Except for checks issued in accordance with subsection (3) of this section, checks of a district shall be signed:

(a) By the treasurer and countersigned by the chairperson, or in the absence or inability of the chairperson to act, by the secretary; or

(b) By an administrative employee of the district designated by the board of directors, and countersigned by a director of the district.

(3) The district board may, by resolution:

(a) Set aside specified amounts from money available for operating the district hospital facility; and

(b) Delegate to an administrative officer of the district in charge of the hospital facility the authority to approve specified claims for expenses previously authorized by the board and to issue and sign checks in payment thereof.

(4) Moneys of a health district may be invested as provided by ORS 294.035 and 294.040. [Formerly 441.365; 1983 c.699 §3]

**440.405 District records open to inspection; preservation of records.** (1) All

the proceedings of the district board shall be entered at large in a record book.

(2) All books, maps, plans, documents, correspondence, vouchers, reports and other papers and records pertaining to the business of the health district shall be carefully preserved and shall be open to inspection as public records. [Formerly 441.370]

**440.410 Annual audit.** An annual audit of the district shall be made by an auditor. A true and complete copy of the auditor's report of such audit shall be filed in the office of the county clerk of the principal county, as defined by ORS 198.705, and shall remain a public record therein. [Formerly 441.375]

## PORT HOSPITALS

**440.505 Port hospitals; levy of taxes; property exempt from taxation.** (1) Municipal corporations designated as ports may construct, maintain and operate hospitals within their respective boundaries, subject to the provisions and limitations upon indebtedness of such municipal corporations imposed by law. However, after June 23, 1967, a port may not construct or acquire a hospital if any part of a health district organized pursuant to ORS 440.315 to 440.410 lies within the boundaries of the port.

(2) Should any port district under authority of subsection (1) of this section after August 20, 1957, construct, maintain and operate a hospital or hospital facilities and levy a tax for any indebtedness or other expense incurred therefor, all taxable property in the port district and also within a health district then operating hospital facilities shall be exempt from all taxes levied by a port district for such hospital purposes. [Formerly 441.505]

