

# House Bill 3231

Sponsored by Representatives VIAL, WITT; Representatives CLEM, NOBLE, Senators BOQUIST, HASS

## SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Authorizes governing bodies of cities and counties to jointly form district for purposes of acquisition, design, construction, reconstruction, installation, operation, maintenance and repair of limited-access public highway projects within district boundaries. Specifies powers of district.

Provides civil penalty and collection mechanism for failure to pay toll established by limited-access public highway project district on tollway project.

Requires county that receives application for limited-access public highway project submitted by limited-access public highway district to review and approve application subject only to standards for construction of highways as prescribed by Department of Transportation. Prohibits county from denying application based on finding that project is inconsistent with local intergovernmental agreement or law limiting use or development of land designated rural reserve.

## A BILL FOR AN ACT

1  
2 Relating to public highway projects.

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

4 **SECTION 1. (1) Notwithstanding the formation requirements provided in ORS 198.795,**  
5 **ORS 198.800, 198.810, 198.815, 198.820 and 198.830, the governing bodies of one or more cities**  
6 **or counties may, by resolution or ordinance, propose joint formation of a district for the**  
7 **purposes of financing the acquisition, design, construction, reconstruction, installation, op-**  
8 **eration, maintenance and repair of limited-access public highway projects within the bound-**  
9 **aries of the proposed district.**

10 **(2) The proposal to form the district shall state:**

11 **(a) The name and the proposed boundaries of the district.**

12 **(b) The purpose for which the district is to be formed.**

13 **(c) The time and place of the hearing or hearings on the proposed formation of the dis-**  
14 **trict.**

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

16 **(3)(a) A hearing or hearings on the question of the formation of the district shall be held**  
17 **in the manner provided in this subsection.**

18 **(b) Each city and county proposing formation of a district may hold a separate hearing**  
19 **or all the cities and counties may hold a consolidated hearing in the county seat of the most**  
20 **populous county or in the most populous city proposing formation of the district or in the**  
21 **county seat closest to the geographic center of the proposed district.**

22 **(c) Each city or county proposing formation shall cause notice of the hearing to be posted**  
23 **in at least three public places in the city or county and published on the website of the city**  
24 **or county and by two insertions in a newspaper that is circulated in the city or county.**

25 **(d) The hearing or hearings may not be held less than 30 days or more than 50 days after**  
26 **the date of the postings and publication required under paragraph (c) of this subsection.**

27 **(4)(a) After consideration of the testimony given at the public hearing or hearings, the**

**NOTE:** Matter in **boldfaced** type in an amended section is new; matter *[italic and bracketed]* is existing law to be omitted. New sections are in **boldfaced** type.

1 governing body of each city or county proposing formation of the district shall adopt a re-  
 2 solution or ordinance approving or rejecting the formation.

3 (b) After the initial votes, if any city or county has rejected formation of the district, the  
 4 proposed boundaries of the district shall be amended and resubmitted to the governing bodies  
 5 of the cities and counties that approved formation for approval or rejection.

6 (5) Upon a final vote of all cities and counties approving formation of the district, an  
 7 election shall be ordered for the purpose of electing the first members of the district board  
 8 in accordance with ORS 198.825. All powers of the district shall be exercised and performed  
 9 by and through the board.

10 (6)(a) Upon formation, a district shall not have authority to impose ad valorem property  
 11 taxes.

12 (b) After formation of the district, if the board determines that it is necessary for the  
 13 purposes for which the district was formed to impose ad valorem property taxes, the board  
 14 shall propose a permanent rate limit and all the cities and counties that constitute the dis-  
 15 trict shall hold an election on the same date on the question of the rate limit. The rate limit  
 16 may be approved only by a majority of the voters voting on the question in each of the cities  
 17 and counties that constitute the district.

18 (c) Upon approval of a permanent rate limit for the district, the board shall file a de-  
 19 scription of the boundaries of the district with the Department of Revenue and the assessor  
 20 of each county that contains territory within the district.

21 (7)(a) The board may propose annexation into the district of additional cities and coun-  
 22 ties.

23 (b) Except as provided in paragraph (c) of this subsection, the proposed annexation shall  
 24 be approved if the governing bodies of all the cities and counties currently within the district  
 25 approve the annexation but only with respect to those cities and counties proposed to be  
 26 annexed whose governing bodies approve the annexation.

27 (c) If the proposed annexation occurs after the district has received authority to impose  
 28 ad valorem property taxes, the proposed annexation may be approved only by a majority of  
 29 the voters of each of the cities and counties that will be within the district if the annexation  
 30 is approved.

31 (8) After annexation of additional territory into the district, the board shall order an  
 32 election for the purpose of electing new members of the board to ensure that the member-  
 33 ship is representative of all the territory included within the district.

34 **SECTION 2.** (1) A limited-access public highway project district formed under section 1  
 35 of this 2017 Act may:

36 (a) Accept gifts, grants or donations of money or other property from any public or pri-  
 37 vate source, including but not limited to state or federal funds made available on a matching  
 38 basis.

39 (b) Enter into contracts.

40 (c) Enter into intergovernmental agreements as a unit of local government for purposes  
 41 of ORS 190.003 to 190.130 and as a public agency for purposes of ORS 190.410 to 190.440.

42 (d) Acquire, hold, receive and dispose of real and personal property.

43 (e) Sue and be sued.

44 (f) Exercise the power of eminent domain, regardless of whether the condemned property  
 45 will be owned in fee simple by the district.

1 (g) Upon compliance with section 1 (6) of this 2017 Act, assess, levy and collect taxes on  
2 all taxable real property within the district.

3 (h) Do any other act necessary to carry out the purposes of this section and section 1  
4 of this 2017 Act.

5 (2) In addition to the general powers granted to a limited-access public highway project  
6 district under subsection (1) of this section, for the purposes of financing the acquisition,  
7 design, construction, reconstruction, installation, operation, maintenance and repair of  
8 limited-access public highway projects, and funding the operating expenses of the district,  
9 the district may:

10 (a) Enter into any combination of contracts, agreements and other arrangements with  
11 one or more private entities or units of government in any combination, including but not  
12 limited to:

13 (A) Design-build contracts with private entities pursuant to which all or any portion of  
14 the design, construction and installation of a tollway project are performed by the private  
15 entity.

16 (B) Lease agreements, lease-purchase agreements and installment sale arrangements for  
17 the lease, sale or purchase of real and personal property for tollway projects by the district  
18 from private entities or units of government or by private entities or units of government  
19 from the district.

20 (C) Licenses, franchises or other agreements for the periodic or long-term operation or  
21 maintenance of a tollway project.

22 (D) Financing agreements for a tollway project pursuant to which the district borrows  
23 from, or makes any loan, grant, guaranty or other financing arrangement to, with or for the  
24 benefit of, a private entity or unit of government.

25 (E) Agreements for purchase or acquisition of fee ownership, easements, rights of way  
26 or any other interests in land upon which a tollway project is to be built.

27 (b) Establish, collect and increase and decrease tolls charged for the use of a limited-  
28 access public highway project financed, constructed, operated or maintained by the district.

29 (c) Enter into public-private partnerships.

30 (d) Issue and sell revenue bonds in accordance with ORS chapter 287A to be paid from  
31 revenue from any source to which the district is entitled by law, including but not limited  
32 to the revenues derived from the tolls collected from the users of a limited-access public  
33 highway project. The provisions contained in ORS 287A.150 (2) to (6) do not apply to revenue  
34 bonds issued by the district. Such bonds are not a general obligation of the district or a  
35 charge upon any revenues or property of the district not specifically pledged to repayment  
36 of the bonds. An obligation described in this paragraph is not an indebtedness of the State  
37 of Oregon.

38 **SECTION 3.** Every contract, agreement or other arrangement entered into between a  
39 limited-access public highway project district formed under section 1 of this 2017 Act and any  
40 private entity pursuant to which a private entity owns, leases or operates a tollway shall  
41 provide that, if an event occurs that jeopardizes or impairs the continued availability and  
42 operation of the tollway, the district shall be entitled to enter into and take possession of the  
43 tollway and to exercise all of the rights attendant to such possession, including the right to  
44 receive all tolls and other revenues of the tollway, subject to any obligations incurred for the  
45 tollway, and the right to operate, maintain, reconstruct and repair the tollway.

1       **SECTION 4.** ORS 383.001 to 383.075 do not apply to the acquisition, design, construction,  
 2 reconstruction, installation, operation, maintenance or repair of a tollway project by a  
 3 limited-access public highway project district formed under section 1 of this 2017 Act.

4       **SECTION 5.** (1) A person that fails to pay a toll established by a limited-access public  
 5 highway project district formed under section 1 of this 2017 Act, shall pay to the district the  
 6 amount of the toll, a civil penalty of not more than \$25 and an administrative fee established  
 7 by the tollway operator not to exceed the actual cost of collecting the unpaid toll.

8       (2)(a) Upon receiving a request from a limited-access public highway project district, the  
 9 Department of Transportation shall provide information to identify registered owners of ve-  
 10 hicles that fail to pay a toll established by the district.

11       (b) If the limited-access public highway project district gives notice to the department  
 12 that a person has not paid a toll established by the district, or a civil penalty or adminis-  
 13 trative fee imposed by reason of failure to pay the toll, the department shall refuse to renew  
 14 the Oregon motor vehicle registration of the motor vehicle operated by the person at the  
 15 time of the violation.

16       (c) The department may renew an Oregon motor vehicle registration of a person de-  
 17 scribed in paragraph (b) of this subsection upon receipt of a notice from the district indi-  
 18 cating that all tolls, civil penalties and other administrative fees owed by the person have  
 19 been paid.

20       **SECTION 6.** Section 7 of this 2017 Act is added to and made a part of ORS chapter 215.

21       **SECTION 7.** (1) A county that receives an application for a limited-access public highway  
 22 project submitted by a limited-access public highway district formed under section 1 of this  
 23 2017 Act shall review and approve the application subject only to standards for construction  
 24 of highways as prescribed by the Department of Transportation.

25       (2) A county may not deny an application described in subsection (1) of this section based  
 26 on a finding that the project is inconsistent with:

27       (a) A provision of an intergovernmental agreement limiting development of land desig-  
 28 nated rural reserve;

29       (b) A provision of a comprehensive plan, zoning ordinance or land division ordinance that  
 30 restricts development of land designated rural reserve; or

31       (c) A local law, ordinance, regulation or rule limiting use or development of land desig-  
 32 nated rural reserve.

33       (3) A county that approves an application under this section may amend its comprehen-  
 34 sive plan or zoning designations to reflect the approval.

35       (4) Within 30 days of approving an application described in subsection (1) of this section,  
 36 the county shall give written notice of the approval to a metropolitan service district with  
 37 which the county is party to an intergovernmental agreement under ORS 195.141.

38       (5) A city or a county shall take final action within the time allowed under ORS 215.435  
 39 or 227.178 on any application for a permit, limited land use decision or zone change for a  
 40 limited-access public highway project, including resolution of all appeals under ORS 215.422,  
 41 as provided by ORS 215.427, 215.435, 227.178 and 227.181.

42       (6) County approval of an application for a limited-access public highway project under  
 43 this section is not subject to review or approval of the application or decision by a metro-  
 44 politan service district with which the county is party to an intergovernmental agreement  
 45 under ORS 195.141.

