

# Special Service Districts and County Service Districts

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# Talking Points

- ▶ Special Service Districts Generally
- ▶ Terms
- ▶ How are Special Service Districts Formed?
- ▶ County Service Districts

# What is the difference?

Special Service District	County Service District
Self governing by landowners within the district	Governed directly by the County
Finances are managed internally	Finances are managed by the County
Creation is normally initiated by filing a Petition and holding a subsequent vote	Created by an Order from the County Commission and holding a subsequent vote

# What is a Special Service District?

- ▶ Governed by ORS Chapter 198
- ▶ A Quasi-Government organization designed to provide services to the citizens of a geographical area
- ▶ Many different kinds of Special Service Districts
  - ▶ Rural Fire Service Districts
  - ▶ Water Supply Districts
  - ▶ Sanitary Districts

# How are special service districts governed?

- ▶ Special service districts are self-governing
- ▶ Most are formed as a municipal corporation
- ▶ A board is elected by the residents residing within the special service district
- ▶ Special service districts manage their finances
- ▶ Special service districts can hold referendum bonds to generate money for local improvements

# Petition

- ▶ The first step for forming a special district
- ▶ Requirements for the filing a petition are found under ORS 198.750
  - ▶ Petitions must include a legal description of the boundaries of the proposed district
- ▶ Prior to circulating the petition, the petitioners must file a prospective petition with the County Clerk
  - ▶ The petition must include an economic feasibility statement,
  - ▶ a security deposit or bond, as required by ORS 198.775, and
  - ▶ An endorsement for any agency required by law
- ▶ Both petition and economic feasibility study must be circulated among the landowners
- ▶ Requires the signature of not less than fifteen percent (15%) or 100 electors (registered voters), **whichever is greater**

# Hearing on the Petition

- ▶ Scheduled following the circulation and filing of a petition
- ▶ Hearing is held by the County Commission thirty (30) to fifty (50) days after the petition is filed
- ▶ Notice of the hearing must be posted in county offices and published two (2) times in the County paper of record
- ▶ Notice must include
  - ▶ Purpose for which the special service district is to be formed
  - ▶ The name and boundaries of the proposed special service district
  - ▶ The time and place of the hearing
  - ▶ A statement that all interested persons may appear and be heard

# Hearing on the Petition - Continued

- ▶ The County Commission must evaluate the petition by applying the criteria set forth in ORS 199.462
- ▶ Including
  - ▶ Local comprehensive plans
  - ▶ Economic, demographic, and sociological trends and projections
  - ▶ Physical development of the land which would be affected by the proposed district
  - ▶ Statewide goals
- ▶ The County Commission may modify the boundaries of the land in the proposed special service district
- ▶ Following a hearing in which the County Commission votes in favor of a proposed special service district, will hold a second hearing finalizing the creation of a district

# Economic Feasibility Statement

- ▶ A description of services and functions to be performed or provided by the proposed special service district
- ▶ An analysis of the relationships between the described services and functions and other existing or needed services
- ▶ A proposed first-year line item operating budget and projected third-year line item operating budget that demonstrates the economic feasibility of the proposed special service district

# How are Special Service Districts Formed?

- ▶ Consent of all landowners in the proposed special service district's boundaries
- ▶ Election following a petition of landowners
- ▶ Resolution/Order of the County Commission

# Consent by all landowners

- ▶ Requires consent of all landowners in the area of the proposed district
- ▶ All landowners must sign the Petition
  - ▶ The Petition must include an economic feasibility statement
  - ▶ The Petition must include nominations for the first governing board
- ▶ Request is brought via a Petition to the County Commission for approval
- ▶ County Commission holds a public meeting on the Petition
  - ▶ The County Commission must find that all the landowners of the proposed district have joined the petition and that the area could benefit from the formation of a district
- ▶ If the County Commission makes a finding in favor of the Petition, the County Commission then adopts an order approving the formation of the district

# Formation by Election

- ▶ Most common method to form a special service district
- ▶ Follows a successful petition with the signatures of not less than fifteen percent (15%) of all electors or 100 electors, whichever is the greater number
- ▶ The County Commission orders election after an initial hearing on the petition
- ▶ The County Commission must count all votes within thirty (30) days of the election and adopt an order creating the district if the ballot is successful
- ▶ Requires a majority of voters to pass
- ▶ Following the entry of the order from the County Commission, the special service district is formed as a municipal corporation

# Formation by Order of the County Court

- ▶ A County Commission may form a special service district located entirely within the county by entering an order declaring its intent to form a district
- ▶ An initial hearing is set on the order after public notice is provided
- ▶ Following the initial hearing, dates for the election on the proposal are set, and the special service district formation process with a vote of the electors in the proposed district

# County Service Districts

- ▶ How are they different than a special service district?
  - ▶ **Managed directly by the County it is located in**
- ▶ County Commission manages the district
- ▶ The county manages the finances of the district
- ▶ Normally, they are organized as a department within the County

# Creation of County Service District

- ▶ County Commission issues an order at a public hearing declaring their intent to form a county service district
- ▶ Referendum is held on the order of the county commission, similar to special service districts
- ▶ Following a successful referendum, the County Commission enters an order creating the county service district

# What services can the County provide?

- ▶ Sewage Works
- ▶ Water Supply
- ▶ Vector Control
- ▶ Solid Waste Disposal

# Things to think about

- ▶ How many residences are necessary to fund the ongoing maintenance required for a special service district?
- ▶ Community engagement in either scenario is key
  - ▶ A vote will occur to create a special service district or a county service district regardless of entity choice
- ▶ Cost
  - ▶ How is this being paid for?
  - ▶ How will ongoing maintenance be funded?
- ▶ Where will the water come from?
  - ▶ Water rights can be secured from municipalities if available

Questions?