Chapter 267

2013 EDITION

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MASS TRANSIT DISTRICTS

(Generally)

267.010 Definitions for ORS 267.010 to 267.390. As used in ORS 267.010 to 267.390, unless the context requires otherwise:

(1) "District" means a mass transit district established under ORS 267.010 to 267.390.

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

(3) "Mass transit system" or "transit system" means the property, equipment and improvements of whatever nature owned, used, constructed, maintained, controlled or operated to provide mass transportation for passengers or to provide for the movement of people, including park-and-ride stations, transfer stations, parking lots, malls and skyways, provided that nothing contained herein shall limit the power of a city to exercise its general powers over or provide such stations, lots, malls or skyways.

(4) "Metropolitan statistical area" means an area designated by the United States Office of Management and Budget as a metropolitan statistical area. [1969 c.643 §1; 1973 c.116 §1; 2009 c.11 §26]

267.020 Transfer of transit system to metropolitan service district; effect of transfer order. When a metropolitan service district organized under ORS chapter 268 functions in a mass transit district organized under ORS 267.010 to 267.390, the governing body of the metropolitan district may at any time order transfer of the transit system of the transit district to the metropolitan district, whereupon:

(1) The governing body of the transit district shall transfer title to, and possession of, the transit system and of all books, records, files, documents, and other property of the transit district to the metropolitan district.

(2) The metropolitan district shall be responsible for all the liabilities and obligations imposed upon or assumed by the transit district.

(3) For purposes of mass transit the metropolitan district shall have all the rights, powers, privileges and immunities, and be subject to all the duties and obligations, of a mass transit district under ORS 267.010 to 267.390, insofar as they are consistent with ORS chapter 268.

(4) The boundaries of the metropolitan district shall, for purposes of mass transit, be extended to encompass all the territory of the transit district.

(5) The transit district shall be dissolved and the offices of its directors terminated. [1969 c.643 §40; 1997 c.833 §26]

267.030 Use of alternative fuels for certain district vehicles; exceptions; annual report; application to all district vehicles. (1) To the maximum extent possible, motor vehicles subject to the control of a district shall use alternative fuel for operation.

(2) To the extent that it is economically and technologically possible, all motor vehicles purchased or leased by the board of the district shall be capable of using alternative fuel. However, this subsection does not apply if the vehicle will be primarily used in an area that does not have and cannot reasonably be expected to establish an alternative fuel refueling station or if the district is unable to secure financing sufficient to cover additional costs resulting from the requirement of this subsection.

(3) Prior to July 1 of each year, the board of the district shall submit an annual report to the Department of Environmental Quality and the State Department of Energy. The report shall contain at a minimum:

(a) The number of purchases and leases of vehicles capable of using alternative fuel;

(b) The number of conversions of vehicles from the use of gasoline or diesel fuel to the use of alternative fuel;

(c) The quantity of each type of alternative fuel used; and

(d) Any other information required by the Department of Environmental Quality and the State Department of Energy to carry out their functions under subsection (4) of this section.

(4) If the Department of Environmental Quality and State Department of Energy determine that the use of alternative fuel required by this section has been effective in reducing total annual motor vehicle emissions in the district, the motor vehicles subject to the control of the board of the district shall be capable of using alternative fuel, to the maximum extent possible.

(5) The board of the district shall comply with all safety standards established by the United States Department of Transportation in the conversion, operation and maintenance of vehicles using alternative fuel.

(6) As used in this section, "alternative fuel" means any fuel determined by the Department of Environmental Quality to be less polluting than conventional gasoline, including but not necessarily limited to reformulated gasoline, low sulfur diesel fuel, natural gas, liquefied petroleum gas, methanol, ethanol, any fuel mixture containing at least 85 percent methanol or ethanol and electricity. [1991 c.730 §2; 2003 c.186 §12]

(Formation)

267.080 Creation of district; district jurisdiction. As provided by ORS 267.010 to 267.390, a mass transit district may be created in any metropolitan statistical area for the purpose of providing a mass transit system for the people of the district. Except as otherwise provided in ORS 267.107 (2)(c), the territorial jurisdiction of the district may include all territory within the geographic boundaries of every Oregon county in that metropolitan statistical area. [Formerly 267.100; 2009 c.11 §27]

(Formation — Procedure Used in Portland and Eugene)

267.085 Resolution to form district; content; filing. (1) In addition to and not in lieu of other actions authorized for the initiation of proceedings to form a mass transit district, the governing body of the most populous city in a metropolitan statistical area may by resolution propose formation of a mass transit district, if that city has a local transit system and if the governing body finds that area-wide mass transit needs cannot be met by local transit operation. The resolution of the governing body shall be addressed to and filed with the county board of the principal county and proceedings conducted as provided by ORS 198.705 to 198.955.

(2) A certified copy of the order forming a mass transit district shall be filed with the Governor. [Formerly 267.105; 2009 c.11 §28]

267.090 Directors; appointment; term; vacancies; Governor to fix time of first meeting. Except as provided in ORS 267.112:

(1) Board members of a mass transit district may not be elected at the time of formation, but if a district is formed, the Governor shall, within 60 days after receiving a certified copy of the formation order, appoint from subdistricts the members of the first board of directors of the district, designate one member as the temporary chairperson and fix the time and place of the organizational meeting.

(2) The board of directors of a mass transit district shall consist of seven members. One director shall be appointed from each of seven subdistricts. The Governor shall appoint as one of the directors a person who regularly uses the services provided by a mass transit system. Directors shall reside in the subdistrict from which they are respectively appointed. The subdistricts shall be as nearly equal in population as possible based on the latest federal census and shall be designed to ensure representation of the most populous city, other cities and unincorporated territory in the proposed district proportionate to their respective populations provided that if less than the entire district is taxed by the district, the subdistricts shall be wholly within the taxed area. The district or, if the taxed area is less than the entire district, the taxed area shall be divided into subdistricts initially, and after each succeeding federal census, by the Secretary of State.

(3) The term of office of a director is four years, but each director shall serve at the pleasure of the Governor. Before the expiration of the term of a director, the director's successor shall be appointed. A director is eligible for reappointment. In case of a vacancy for any cause, the Governor shall appoint a person to serve for the unexpired term. A director whose term has expired shall continue to serve until the appointment of a successor unless discharged by the Governor.

(4) All appointments of members of the board by the Governor are subject to confirmation by the Senate pursuant to section 4, Article III of the Oregon Constitution. [Formerly 267.110; 2007 c.71 §80]

267.095 Terms of directors first appointed. Except as provided in ORS 267.112:

(1) Notwithstanding ORS 267.090, the terms of three of the directors of the first board of a district expire on the first Tuesday in the second January after the date of their appointment.

(2) The terms of four of the directors so appointed expire on the first Tuesday in the fourth January after the date of their appointment.

(3) The respective terms of the directors of the first board shall be determined by the Governor. [Formerly 267.115]

267.097 Governor to solicit recommendations for director in metropolitan statistical area with population over 400,000. Before appointing a director to the board of a district situated in a metropolitan statistical area with a population exceeding 400,000, the Governor shall solicit from each city and county located wholly or partly within the subdistrict for which the appointment will be made recommendations of qualified individuals for the position. [1985 c.678 §2; 2009 c.11 §29]

267.100 [1969 c.643 §2; 1977 c.347 §3; 1979 c.877 §3; renumbered 267.080]

267.105 [1969 c.643 §3; 1971 c.727 §95; renumbered 267.085]

(Formation — Procedure Used in Salem)

267.107 Resolution to create certain districts; contents. Notwithstanding ORS 267.085:

(1) The governing body of the most populous city in a metropolitan statistical area may by resolution propose creation of a mass transit district if the governing body finds that area-wide mass transit needs cannot be met by local transit operation.

(2) The resolution of the governing body shall:

(a) Be considered at a public hearing only after notice as required for regular consideration of other resolutions by city charter or ordinance;

(b) Include findings of the need for creation of a mass transit district in the affected area;

(c) Describe the boundaries of the proposed district, which may be limited to a proposed service area but which may not extend beyond the limits of the city's urban growth boundary; and

(d) If approved, be addressed to and filed with the governing body of the county in which the proposed district is principally situated.

(3) Upon receipt of the resolution under subsection (2) of this section, the county governing body shall commence district formation proceedings as provided in ORS 198.705 to 198.955 and 267.108. [1977 c.347 §2; 1979 c.585 §1; 1999 c.454 §3; 2009 c.11 §30]

267.108 Director election and district formation election under ORS 267.107 held at same time; designation of subdistricts. (1) Notwithstanding the provisions of ORS 198.810 (3), the county governing body shall order an election within the proposed district for approval or disapproval by the electors voting on the question of formation of a district under ORS 267.107 and for election of seven district directors.

(2) In addition to the requirements of ORS 198.815 (2), the order calling an election for creation of a district initiated under ORS 267.107 shall describe the boundaries of the seven subdistricts of the proposed district from each of which a director is to be elected. The subdistricts shall be as nearly equal in population as possible based on the latest federal decennial census, shall, where practicable, follow election precinct boundaries and shall together encompass the entire area of the proposed district. [1979 c.585 §5; 1985 c.678 §4; 2005 c.747 §5]

267.109 Costs of election under ORS 267.107. The expenses incurred for the election held under ORS 267.080, 267.107, 267.112 and this section shall be paid by:

(1) The district, if the resolution is approved by the people.

(2) Each county participating in the election in the proportion of the number of precincts in the county voting on the resolution to the total number of precincts voting on the resolution, if the resolution is rejected by the people. [1977 c.347 §5]

Note: 267.109 was enacted into law by the Legislative Assembly but was not added to or made a part of ORS chapter 267 or any series therein by legislative action. See Preface to Oregon Revised Statutes for further explanation.

267.110 [1969 c.643 §4; 1971 c.727 §96; 1975 c.142 §1; 1975 c.632 §3; 1977 c.728 §1; 1981 c.496 §1; renumbered 267.090]

267.112 Directors for districts formed under ORS 267.107; terms; vacancies; compensation and expenses. (1) If formation of a district is initiated by resolution adopted and filed in accordance with ORS 267.107, upon the submitting of a formation order by the county governing body to the proposed district electors, one district director shall be elected from each of the seven subdistricts described in the order calling an election for district creation. A director shall reside in the subdistrict from which the director is nominated and elected.

(2) The board of directors of the district shall consist of the seven directors elected from subdistricts under subsection (1) of this section.

(3) After the initial formation of a district, the Secretary of State, after each decennial federal census, shall modify the boundaries of the subdistricts so that the subdistricts remain as nearly equal in population as possible based on the latest federal census.

(4) The term of office of a director shall be four years, provided, however, that three of the first elected directors shall initially have a term of office expiring June 30 of the next odd-numbered year following district formation and four of the first elected directors shall initially have a term of office expiring June 30 of the next odd-numbered year not less than two years following district formation. The first elected directors of the district, upon taking office, shall by lot, supervised by the board, determine which three directors shall have the shorter initial terms and which four shall have the longer initial terms. When a vacancy occurs in the office of a director, the remaining members of the board shall appoint a resident of the affected subdistrict to serve until June 30 of the next odd-numbered year, in which year a

director shall be elected to serve the remainder of the unexpired term. A director whose term has expired shall continue to serve until the election of a successor.

(5) Directors shall not be entitled to compensation for their services but shall be entitled to reimbursement for actual and necessary expenses incurred or paid in the performance of their duties as members of the board. [1975 c.632 §2; 1977 c.347 §4; 1977 c.728 §2a; 1979 c.585 §2; 1985 c.678 §5]

267.114 Minimum area of district. The territorial boundaries of a mass transit district whose formation was initiated under ORS 267.107 shall include, as a minimum area, all of the territory within the urban growth boundary, as the urban growth boundary may exist from time to time, of the city that proposed creation of the mass transit district. [1999 c.454 §2]

267.115 [1969 c.643 §5; 1975 c.632 §4; renumbered 267.095]

(Board; Ordinances)

267.120 Officers of board; terms; oath. (1) The board shall choose from among its members, by majority vote of the members, a president, vice president, treasurer and secretary, to serve for terms of two years.

(2) Each director, before entering upon the duties of office, shall take and subscribe to an oath that the director will honestly, faithfully and impartially perform duties as a director and disclose any conflict of interest the director may have in any matter to be acted upon by the board. A copy of the oath shall be filed with the secretary of the board. [1969 c.643 §6; 1971 c.23 §7; 1971 c.403 §4; 1975 c.605 §15]

267.125 Meetings of board; quorum. The district board shall hold regular monthly meetings at a time and place fixed by the rules of the board. Special meetings may be held when called by the president of the board or when called by a majority of the members. However, five days' notice of a special meeting shall be given by the secretary to each member not joining in the call. A majority of the members constitutes a quorum for the transaction of business. [1969 c.643 §7]

267.130 Additional compensation prohibited. No officer or employee of the district shall offer, solicit or accept money or any other thing of value as a consideration, in addition to the salary paid the officer or employee by the district, for services performed within the scope of the official duties of the officer or employee. [1969 c.643 §13; 1971 c.23 §8]

267.135 General manager; qualifications; term; removal. (1) The board shall appoint a general manager on the basis of the qualifications of the general manager with special reference to the actual experience in or knowledge of accepted practices in respect to the duties of the office of the general manager. A general manager shall hold office for an indefinite term and may be removed by the board only by an affirmative vote of a majority of the members.

(2) Before a general manager is removed, the general manager shall upon demand be given a written statement of the reasons for removal. If requested, the general manager shall be given an open hearing at a meeting of the board before the final vote for removal. However, the board may by resolution suspend the general manager from office pending a hearing. The action of the board in suspending or removing a general manager, if approved by a majority of the members of the board, may be reconsidered by the board but is otherwise final and not subject to appeal. [1969 c.643 §14]

267.140 Duties of general manager. A general manager of a district shall:

(1) Have full charge of the acquisition, construction, maintenance and operation of the transit system of the district.

(2) Have full charge of the administration of the business affairs of the district.

(3) Enforce all ordinances adopted by the board.

(4) Administer the personnel system adopted by the board and, except for officers appointed by the board, appoint, discipline or remove all officers and employees, subject to ORS 267.010 to 267.390 and the rules of the board.

(5) Prepare and submit to the board within 30 days after the end of each fiscal year a complete report of the finances and administrative activities of the district for that preceding fiscal year.

(6) Keep the board advised as to the needs of the district.

(7) Prepare all plans and specifications for acquisition of equipment or construction of improvements or facilities for the district.

(8) Cause to be installed and maintained a system of auditing and accounting which shows completely and at all times the financial condition of the district.

(9) Devote the entire working time of the general manager to the business of the district.

(10) Perform such other duties as the board requires by resolution. [1969 c.643 §15]

267.145 General manager's attendance at board meetings; pro tempore manager. (1) The general manager shall attend the meetings of the board and may participate in its deliberations, but has no vote.

(2) The board may appoint a general manager pro tempore during the absence or disability of the general manager. [1969 c.643 §16]

267.150 Ordinances; regulating use of facilities; public hearings; route, schedule changes. (1) The legislative authority of a district board shall be exercised by ordinance.

(2) The board may enact police ordinances relating to the protection, use and enjoyment of district property and facilities. A district may appoint peace officers who shall have the same authority as other peace officers, except that such authority shall be limited to the enforcement of police ordinances of the district and the enforcement, for purposes relating to the protection, use and enjoyment of district property and facilities, of state and local laws.

(3) The board may, by ordinance, provide a procedure for the conduct of public hearings on proposed changes in transit routes and schedules. The board may delegate to the general manager or other administrative officer the authority to conduct such hearings.

(4) An ordinance shall not be required for a mass transit district to adopt temporary or experimental changes in routes and schedules. [1969 c.643 §17; 1973 c.116 §2; 1975 c.392 §1]

267.155 [1969 c.643 §19; repealed by 1971 c.268 §24]

267.160 [1969 c.643 §36; repealed by 1971 c.268 §24]

267.165 [1969 c.643 §18(2), (3); repealed by 1971 c.268 §24]

267.170 Initiative and referendum. (1) The electors of a district may exercise the powers of the initiative and referendum with reference to legislation of the district, in accordance with ORS 255.135 to 255.205.

(2) A district board on its own resolution may call an election for the purpose of referring an ordinance to the electors of a district for their approval before the ordinance takes effect. [1969 c.643 §39; 1977 c.728 §3; 1979 c.190 §411; 1981 c.173 §39; 1983 c.350 §124]

(Powers)

267.200 Existence, status and general powers of districts. A mass transit district shall constitute a municipal corporation of this state, and a public body, corporate and politic, exercising public power. It shall be considered a unit of local government for the purposes of ORS 190.003 to 190.130, a public employer for the purposes of ORS 236.610 to 236.640, and a political subdivision for the purposes of ORS 305.620. A district and its contractors engaged in operating motor vehicles to provide mass transportation on behalf of the district shall be entitled to tax refunds as allowed under ORS 319.831 to incorporated cities. It shall have full power to carry out the objects of its formation and to that end may:

(1) Have and use a seal, have perpetual succession, and sue and be sued in its own name.

(2) Acquire by condemnation, purchase, lease, devise, gift or voluntary grant real and personal property or any interest therein, located inside the boundaries of the district and take, hold, possess and dispose of real and personal property purchased or leased from, or donated by, the United States, or any state, territory, county, city or other public body, nonprofit corporation or person for the purpose of providing or operating a mass transit system in the district and aiding in the objects of the district.

(3) Contract with the United States or with any county, city, state, or public body, or any of their departments or agencies, or a nonprofit corporation, or any person, for the construction, acquisition, purchase, lease, preservation, improvement, operation or maintenance of any mass transit system.

(4) Build, construct, purchase, lease, improve, operate and maintain, subject to other applicable provisions of law, all improvements, facilities or equipment necessary or desirable for the mass transit system of the district.

(5) Enter into contracts and employ agents, engineers, attorneys and other persons and fix their compensation.

(6) Fix and collect charges for the use of the transit system and other district facilities.

(7) Construct, acquire, maintain and operate and lease, rent and dispose of passenger terminal facilities, motor vehicle parking facilities and other facilities for the purpose of encouraging use of the mass transit system within the district.

(8) Enter into contracts or intergovernmental agreements under ORS chapter 190 with units of local government of the State of Oregon, whether within or without the district, or with the State of Washington or with public agencies of the State of Washington, to act jointly or in cooperation with them or to provide mass transit services to areas under their jurisdictions, provided that the party contracting to receive the services shall pay to the mass transit district not less than the proportionate share of the cost of the services that the benefits to the contracting party bear to the total benefits from the service.

(9) Conduct programs and events and take other actions for the purpose of improving or maintaining employee relations.

(10) Improve, construct and maintain bridges over navigable streams.

(11) Do such other acts or things as may be necessary or convenient for the proper exercise of the powers granted to a district by ORS 267.010 to 267.390. [1969 c.643 §8; 1973 c.116 §3; 1975 c.170 §1; 1977 c.550 §1; 1979 c.344 §1; 1979 c.877 §2; 1987 c.689 §1; 2003 c.802 §92; 2007 c.531 §16]

267.203 Authority to enter into transaction for electricity or diesel fuel. (1) A mass transit district may enter into transactions with persons or entities for the supply or delivery of electricity or diesel fuel on an economic, dependable and cost-effective basis, including transactions involving financial products contracts and agreements for exchange of fixed and variable pricing agreements and other service contracts that reduce the risk of economic losses in transactions for the supply or delivery of electricity or diesel fuel.

(2) Notwithstanding subsection (1) of this section, a mass transit district may not enter into a transaction for the supply or delivery of electricity or diesel fuel that:

(a) Constitutes the investment of surplus funds for the purpose of receiving interest or other earnings from the investment; or

(b) Is for any purpose other than the supply or delivery of electricity or diesel fuel on a cost-effective basis. [2007 c.894 §6]

Note: 267.203 was added to and made a part of ORS chapter 267 by legislative action but was not added to any smaller series therein. See Preface to Oregon Revised Statutes for further explanation.

267.205 Classification and designation of service areas; determination of area financing. (1) A district board may by ordinance classify and designate as a service area the territory within the district that is benefited by the mass transit system beyond the general benefit to all territory within the district. The board may by ordinance amend the boundaries of the service area to conform to changes in the mass transit system service.

(2) Subject to restrictions in the Oregon Constitution, any of the methods of financing authorized under ORS 267.300 may, in the discretion of the board, be imposed in the service area rather than in the entire district. [1969 c.643 §24]

267.207 Change of district boundaries; elector approval; withdrawal of service from area; territorial jurisdiction of district; boundary commission exemption. (1) The board of directors of a mass transit district may alter the territorial boundaries of the district by a nonemergency ordinance adopted at any regular meeting.

(2) If an ordinance annexing territory to a district is initiated or referred by, or referred to, the electors of the district, it shall not take effect unless approved by a majority of the electors registered in the territory proposed to be annexed to the district voting on the question and by a majority of the electors of the district voting on the question.

(3)(a) The board of directors of a mass transit district, as a result of the continuing comprehensive transportation planning process required by the Federal Transit Administration, shall determine annually the territory in the district within which the transit system of the district will operate. When the board determines during such planning process for any fiscal year that it will not provide transit service during that fiscal year to an area presently within the district, the board shall by ordinance withdraw from that area on the date specified in the ordinance, and that area shall no longer be part of the district. The board shall by ordinance set forth the criteria to be used in making the determinations described in this subsection.

(b) Subject to paragraph (a) of this subsection, the territorial jurisdiction of a district shall include:

(A) All territory located within the boundaries of a metropolitan service district;

(B) Each census tract within which the transit system of the district operates, or such smaller portion of the tract as determined by the board; and

(C) If so determined by the board of directors, any territory located within two and one-half miles or less of the transit system of the district or any route used by that system for the transportation of passengers.

(4) If an ordinance withdrawing territory from a district is initiated or referred by, or referred to, the electors of the district it shall not take effect unless approved by a majority of the electors of the entire district voting on the question.

(5) The alteration of the boundaries of a district under this section is not subject to the jurisdiction or review of a local government boundary commission. [1979 c.877 §5; 1981 c.907 §1; 1983 c.83 §45; 1993 c.741 §22; 2007 c.239 §13]

267.208 Effective date of change of boundaries; filing boundary change with county assessor and Department of Revenue. (1) An alteration of the boundaries of a district under ORS 267.207 or 267.250 to 267.263 shall not become effective during the period:

(a) Beginning after the 90th day before a primary election 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 the district and ending on the day after the election.

(2) If the effective date established for the alteration of the boundaries is a date that is prohibited under this section, the alteration shall become effective on the day after the election.

(3) For the purposes of ORS 308.225 only, the effective date of an alteration of district boundaries shall be the date on which the board adopts the ordinance altering the boundaries or, if such an ordinance is initiated or referred, the date on which the ordinance is approved by the electors as provided in ORS 267.207.

(4) For purposes of ad valorem taxation, a boundary change must be filed in final approved form with the county assessor and the Department of Revenue as provided in ORS 308.225. [1985 c.808 §77; 1987 c.799 §9; 1989 c.923 §26; 1995 c.712 §100; 2001 c.138 §11]

267.210 Preparation of general plan for mass transit system; content; revision. (1) A district shall, within a reasonable time after formation, prepare a broad, general plan for a mass transit system for the district. The plan shall be prepared in cooperation with the Department of Transportation and cities and counties located within and adjacent to the district.

(2) The plan shall show existing and proposed transit systems of the district and of other public and private agencies relating to mass transit. It shall demonstrate a basis for the coordination and planning of future construction, improvement and equipment acquisition of the district, governmental agencies and private interests to assure maximum efficiency and use of mass transit in the district. The plans shall be based on the needs of the district and take into consideration the plans and programs, if any, developed by the Department of Transportation and cities and counties located within the district. The district may have access to all information, statistics, plans and data in the possession of or available to any state agency or public corporation which is pertinent to the preparation of the plan and may reimburse the agency or corporation for any expense incurred in cooperating with the board.

(3) The district board shall revise the plan as necessary for the proper control, utilization, development and improvement of the district transit system. [1969 c.643 §20; 1973 c.116 §4]

267.215 [1969 c.643 §§9,21; repealed by 1975 c.771 §33]

267.218 Feasibility reports and public bidding not required for construction and improvement projects costing less than $50,000. A district may plan and let contracts for and carry through to completion construction and improvement projects costing less than $50,000 without feasibility reports, publication of notice, public hearings, public inspection of plans, advertisement for bids or public bidding, if the district board has approved the expenditure after obtaining plans, cost estimates and bids as it may deem necessary. [1975 c.141 §2]

267.220 [1969 c.643 §22; repealed by 1975 c.771 §33]

267.225 Intergovernmental agreements; condemnation of authority; joint occupancy. (1) A mass transit district may cooperate with or enter into agreements with any city, county, port or state agency having jurisdiction or control over any right of way that is available for public travel for the joint use of such right of way. A city, county, port or state agency may cooperate with or enter agreements with a district for the joint use of any right of way open to public travel located within the district.

(2) For the purpose of providing a mass transit system, a district may commence a condemnation proceeding to acquire land or an interest in land for right of way for the system over any public right of way already located, condemned or occupied or that may be located, condemned or occupied by some other public agency for the purpose of travel by the public. The proceeding shall be conducted as provided by the laws of this state for the condemnation of land or an interest in land for right of way for highway purposes. At the time of rendering judgment for compensation or damages, the court shall enter a judgment authorizing the district to occupy and use the right of way, if necessary, in common with the public agency already occupying or owning the right of way, and defining the terms and conditions upon which the right of way shall be so occupied and used in common. [1969 c.643 §12; 2003 c.576 §410; 2003 c.802 §93]

267.227 Relationship with Oregon Mass Transportation Financing Authority. A mass transit district may enter into contracts, leases, subleases and agreements with the Oregon Mass Transportation Financing Authority. The obligation of a district to pay rentals to the Oregon Mass Transportation Financing Authority shall not be considered to be the incurring of bonded indebtedness by a district. A district shall reimburse the Oregon Mass Transportation Financing Authority for all expenses incurred by the authority in connection with any application by such district for financial

assistance under the Oregon Mass Transportation Financing Act. [1977 c.662 §18]

267.230 Exemption from public utility or railroad regulation. (1) Except as provided in ORS 824.045 and subsection (2) of this section, a transit system operated by a district, including the rates and charges made by a district and the equipment operated by a district, shall not be subject to state laws or ordinances of any political subdivision regulating public utilities or railroads, including those laws administered by the Department of Transportation.

(2) ORS 824.200 to 824.256 apply to the transit system operated by a district except for control and regulation of any crossing at which the light rail transit vehicles of a district's transit system cross a highway at separated grades or any grade crossing at which the light rail transit vehicles operate within and parallel to the right of way of a highway and where all conflicting vehicle movements are controlled by standard highway traffic devices. However, upon written request from the district and the public authority with jurisdiction over the highway at such a grade crossing, the department shall adjudicate any dispute that arises between the district and the public authority with regard to the grade crossing. [1969 c.643 §11; 1973 c.116 §5; 1977 c.420 §1; 1985 c.678 §7; 1995 c.733 §92; 2001 c.522 §10]

267.235 Protection of employees' rights when an operating transportation system is acquired. When the district acquires an operating public transportation system, it shall make fair and equitable arrangements to protect the interests of employees and retired employees of the system. Such protective arrangements shall include, but shall not be limited to:

(1) Preservation of rights, privileges and benefits, including continuation of pension rights and payment of benefits, existing under collective bargaining agreements, or otherwise;

(2) Continuation of collective bargaining rights;

(3) Protection of individual employees against a worsening of their positions with respect to their employment; and

(4) Assurance of employment to persons employed by the mass transportation system acquired and priority of reemployment to persons previously employed. [1969 c.643 §10]

267.237 Criminal records check; fitness determinations; rules regarding dissemination. (1) As used in this section:

(a) "District" means a mass transit district organized under ORS 267.010 to 267.390 or a transportation district organized under ORS 267.510 to 267.650.

(b) "Qualified entity" means an individual or business or organization, whether public, private, for-profit, nonprofit or voluntary, that, under contract with a district, provides individuals to operate motor vehicles for the transportation of passengers in the public transportation system of the district.

(c) "Subject individual" means a person subject to a criminal records check as specified by resolution of a mass transit district or a transportation district.

(2) A mass transit district or a transportation district shall request the Department of State Police to conduct criminal records checks of subject individuals if the checks are required in order to protect vulnerable Oregonians:

(a) To implement a federal or state statute, executive order or rule that expressly refers to criminal conduct and contains requirements or exclusions expressly based on such conduct;

(b) For district employment purposes when hiring individuals to operate motor vehicles of the district; or

(c) For the purposes of employment decisions made by a district for qualified entities that, under contracts with the district, employ individuals to operate motor vehicles for the transportation of passengers in the public transportation system of the district.

(3) A mass transit district that has a population of more than 500,000 may request the Department of State Police to conduct a criminal records check of a subject individual who is:

(a) Seeking employment by the district in a position that provides the individual with access to critical infrastructure or security sensitive facilities or information; or

(b) Seeking to provide services to the district that will result in the individual's having access to critical infrastructure or security sensitive facilities or information.

(4) In order to determine the suitability of the subject individual, a district shall require the subject individual to furnish to the district a full set of fingerprints to enable a criminal records check to be conducted. The district shall submit the completed fingerprint cards to the Department of State Police along with the applicable Oregon and Federal Bureau of Investigation processing fees. If no disqualifying record is identified at the state level, the Department of State Police shall forward the fingerprints to the Federal Bureau of Investigation for a national criminal records check.

(5) The Federal Bureau of Investigation shall either return or destroy the fingerprint

cards used to conduct the criminal records check and shall not keep any record of the fingerprints. However, if the federal bureau policy authorizing return or destruction of the fingerprint cards is changed, a district shall cease to cause the cards to be sent to the federal bureau but shall continue to process the information through other available resources.

(6) If the Federal Bureau of Investigation returns the fingerprint cards to the Department of State Police, the department shall destroy the fingerprint cards and shall retain no facsimiles or other material from which a fingerprint can be reproduced.

(7) If only a state criminal records check is conducted, the Department of State Police shall destroy the fingerprint cards after the criminal records check is completed and the results of the criminal records check provided to the district and shall retain no facsimiles or other material from which a fingerprint can be reproduced.

(8) The district and the Department of State Police shall permit a subject individual to inspect the individual's own Oregon and Federal Bureau of Investigation criminal offender records after positive fingerprint identification has been made.

(9)(a) A district, using guidelines established by a resolution of the district, shall determine under this section whether a subject individual is fit to operate motor vehicles for the transportation of passengers in the public transportation system of the district or to hold a position or provide services that provide the individual with access to critical infrastructure or security sensitive facilities or information, based on the criminal records check obtained pursuant to this section, any false statements made by the individual regarding the criminal history of the individual and any refusal to submit or consent to a criminal records check including fingerprint identification. If a subject individual is determined to be unfit, then that person shall not be allowed to operate motor vehicles for the transportation of passengers in the public transportation system of the district or to hold the position or provide services that provide the individual with access to critical infrastructure or security sensitive facilities or information.

(b) In making the fitness determination, the district shall consider:

(A) The nature of the crime;

(B) The facts that support the conviction or pending indictment or indicate the making of the false statement;

(C) The relevancy, if any, of the crime or the false statement to the specific requirements of the subject individual's present or proposed position or employment; and

(D) Intervening circumstances relevant to the responsibilities and circumstances of the position or employment. Intervening circumstances include but are not limited to the passage of time since the commission of the crime, the age of the person at the time of the crime, the likelihood of a repetition of offenses, the subsequent commission of another relevant crime and a recommendation of an employer.

(c) A district and an employee of the district are immune from any civil liability that might otherwise be incurred or imposed for actions taken in determining pursuant to this subsection that a subject individual is fit or not fit to hold a position or be employed. A district, an employee of the district and an employer or employer's agent who in good faith comply with this section and the decision of the district or employee of the district are not liable for the failure to hire a prospective employee or the decision to discharge an employee on the basis of the district's or employee's decision. A district and an employee of the district are immune from any civil liability for the lawful dissemination of information obtained under this section when the disclosure is:

(A) For the purpose of providing notice to the subject individual or the employer of the subject individual of a determination of fitness under this section;

(B) Required by law; or

(C) Necessary to support a claim or defense related to denying employment to the subject individual.

(10) A district shall establish by resolution a process by which a subject individual may appeal the determination that the subject individual is disqualified for a position or employment pursuant to this section. Challenges to the accuracy or completeness of information provided by the Department of State Police, the Federal Bureau of Investigation and agencies reporting information to the department or bureau must be made through the department, bureau or agency and not through the appeal process required by this subsection.

(11) A district shall develop a system that maintains information regarding criminal records checks in order to minimize the administrative burden that criminal records check requirements impose upon subject individuals and providers. Records maintained under this subsection for subject individuals are confidential and may not be disseminated except for the purposes of this section and in accordance with the relevant resolutions of the district. Nothing in this subsection per-

mits a district to retain fingerprint cards of subject individuals.

(12) A district, in consultation with the Department of State Police and affected provider groups, shall adopt resolutions to implement this section and other statutes relating to criminal offender information. The resolutions shall include but need not be limited to:

(a) Specifying which employees are authorized to make criminal record inquiries;

(b) Specifying categories of subject individuals who are subject to criminal records checks;

(c) Specifying the information, including fingerprints, that may be required from a subject individual to permit a criminal records check;

(d) Specifying which services or qualified entities are subject to this section;

(e) Specifying which crimes may be considered in reviewing criminal offender information for a subject individual;

(f) Specifying when a nationwide criminal records check shall be conducted on a subject individual through the Department of State Police. The additional cost of obtaining a nationwide criminal records check and the risk to vulnerable Oregonians should be taken into consideration when enacting resolutions under this subsection;

(g) Specifying when a district, in lieu of conducting a completely new criminal records check, may proceed to make a fitness determination under this section using the information maintained by the district under subsection (11) of this section; and

(h) Determining when a subject individual may be hired on a probationary basis pending a criminal records check. At a minimum, if there is any indication of criminal behavior by the subject individual, the resolution must require that, if the individual is hired, the individual can be hired only on a probationary basis and must be actively supervised at all times when the individual is in contact with children, the elderly or persons with disabilities.

(13) Criminal offender information is confidential. The Department of State Police shall adopt rules to restrict dissemination of information received under this section to persons with a demonstrated and legitimate need to know the information. Any district receiving information pursuant to this section is bound by the rules of disclosure adopted by the department.

(14) If a subject individual refuses to consent to the criminal records check or refuses to be fingerprinted, the district or qualified entity shall deny or terminate the employment of the individual, or revoke or deny any applicable position, authority to provide services or employment.

(15) A district shall define by resolution the conditions under which subject individuals may participate in training, orientation and work activities pending completion of a criminal records check through the Law Enforcement Data System or nationwide criminal records check. At a minimum, subject individuals shall be actively supervised at all times that they are in contact with children, the elderly and persons with disabilities during such periods of training, orientation and work. Subject individuals may continue probationary employment while awaiting the nationwide criminal records check as long as the individual's criminal records check through the Law Enforcement Data System did not result in disqualification and there are no other indications of criminal behavior.

(16) If a district or a qualified entity requires a criminal records check of employees or other persons, the application forms of the district or qualified entity must contain a notice that employment is subject to fingerprinting and a criminal records check as required by this section. [1999 c.1057 §3; 2005 c.730 §65]

Note: 267.237 was enacted into law by the Legislative Assembly but was not added to or made a part of ORS chapter 267 or any series therein by legislative action. See Preface to Oregon Revised Statutes for further explanation.

267.240 Accessibility of facilities and equipment to elderly and persons who have disabilities. (1) In carrying out its duties under ORS 267.200, the district shall provide, for persons who are elderly or have disabilities, a program of transportation that:

(a) Is devised in consultation with and after solicitation of the views of persons representative of the communities for which such transportation shall be provided; and

(b) Gives due regard to parity of service.

(2) In carrying out its duties under ORS 267.200 (4), the district shall cause its future facilities and new equipment to be of such types as to make such facilities and equipment accessible to, and usable by, persons who are elderly or have disabilities. However, contracts for equipment are exempt from this requirement until such equipment:

(a) Is available from not less than two manufacturers in mass producible quantities; and

(b) Conforms to designs approved by the Federal Transit Administration of the United States Department of Transportation as providing access to and being usable by persons who are elderly or have disabilities.

(3) Notwithstanding subsection (2) of this section or any other provision of the law of this state, a program for transportation of persons who are elderly or have disabilities shall be deemed to be in compliance with the laws of this state and rules promulgated thereunder if the program satisfies subsection (1) of this section and the federal regulations relating to transportation for persons who are elderly or have disabilities promulgated by the Federal Transit Administration of the United States Department of Transportation. [1974 c.50 §2; 1981 c.621 §1; 1989 c.224 §37; 1993 c.741 §23; 2007 c.70 §59]

267.245 District exempt from right of way fencing requirements. The provisions of ORS 608.310 shall not apply in respect to property operated by a mass transit district as part of a mass transit system. [1977 c.420 §2]

Note: 267.245 was enacted into law by the Legislative Assembly but was not added to or made a part of ORS chapter 267 or any series therein by legislative action. See Preface to Oregon Revised Statutes for further explanation.

267.247 Acquisition of district lands by adverse possession or operation of statute of limitations prohibited. The rights of a mass transit district to lands owned by the district are not extinguished by adverse possession. A person may not acquire title or property rights to lands owned by the district through operation of a statute of limitations. [2009 c.307 §1]

Note: 267.247 was enacted into law by the Legislative Assembly but was not added to or made a part of ORS chapter 267 or any series therein by legislative action. See Preface to Oregon Revised Statutes for further explanation.

(Withdrawal of Territory From District)

267.250 Definitions for ORS 267.250 to 267.263. As used in ORS 267.250 to 267.263:

(1) "Affected area" means a contiguous area of not less than one square mile in which 200 or more district electors reside and which is within the boundaries of a district, but is outside the boundaries of any city with a population exceeding 10,000. However, the term does not include an area if the withdrawal of that area from the district results in the district having two or more noncontiguous parts.

(2) "Direct service," with respect to an affected area described in a petition filed under ORS 267.253, means the location or placement of any of the facilities of the district or of any route used by the transit system of the district within one mile of any boundary of the affected area. [1987 c.799 §2; 1999 c.444 §§1,2]

267.253 Petition for withdrawal from district; filing period; number of signatures; contents of petition. (1) If the electors of an affected area wish to withdraw from a district, they may file a petition for withdrawal with the district board at the times and in the manner provided for in this section. However, if the formation of the district was initiated under ORS 267.107, the petition for withdrawal may not include any area within the urban growth boundary described in ORS 267.114.

(2) A petition for withdrawal under this section may be filed only during the period from January 1 to August 30 in calendar year 2001 and in every fifth calendar year thereafter.

(3) A petition for withdrawal under this section shall be signed by not less than 15 percent of the electors registered in the affected area described in the petition.

(4) A petition filed under this section shall contain substantially the following:

(a) A statement that the petition is filed pursuant to ORS 267.250 to 267.263;

(b) The names of the district and all affected counties; and

(c) A request that proceedings be commenced for the withdrawal of the affected area from the district.

(5) There shall be attached to the petition a map which clearly and precisely shows the exterior boundaries of the affected area by reference to prominent landmarks such as streets, highways, rivers or the boundaries of cities and counties. The map shall be used in lieu of a metes and bounds or legal description of the affected area.

(6) The district board, within five days after receiving a petition filed under this section which conforms to the requirements of this section, shall file the petition with the county clerk of each county in which any part of the affected area is located for signature verification. [1987 c.799 §3; 1999 c.444 §4; 1999 c.454 §4]

267.255 Hearing on petition; notice. (1) When a county clerk to whom a petition is submitted under ORS 267.253 certifies that the petition contains the number of valid signatures required under ORS 267.253, the district board shall schedule a public hearing on the petition. A district board may hold a single public hearing with respect to two or more petitions.

(2) The district board shall schedule the public hearing for a date which is not earlier than the 20th day after the date on which the study of the affected area required under ORS 267.257 is completed, but which is not later than the 90th day after the board re-

ceives certification from the county clerk under subsection (1) of this section.

(3) The district board shall have notice of the hearing printed once in a newspaper in general circulation within the district. The notice shall be published at least five days prior to the hearing. Notice of the published hearing shall also be posted in at least four different locations within the affected area that are customarily used for the purpose of posting public notice. The notice shall be posted not less than 15 days prior to the date specified in the notice for the hearing and shall be posted for not less than five consecutive days. The notice required under this section shall contain the time and place of the hearing, the purpose of the hearing, a description of the affected area, the extent to which taxes imposed by the district will be increased in the remaining portions of the district as a result of the withdrawal of the affected area, the date on which the district board intends to finally dispose of the petition under ORS 267.257 (2), a statement that the study of the affected area required under ORS 267.257 is on file at the district offices and available for copying and public inspection and a statement that the public may appear and be heard on the issue of withdrawal of the affected area from the district. The date of final disposition of the petition that appears in the notice may be subsequently changed to a later date by the district board without publishing another notice as required by this section.

(4) The hearing required under this section may be conducted by a hearings officer appointed by the district board. [1987 c.799 §4]

267.257 Study of area proposed to be withdrawn; approval or denial of withdrawal; judicial review. (1) After receiving certification by a county clerk under ORS 267.255 of a petition for withdrawal filed under ORS 267.253, the district board shall conduct a study of the affected area described in the petition. The district board may also conduct an overall study of several affected areas. The study shall consider:

(a) The extent to which residents of the affected area currently use the mass transit services and facilities of the district;

(b) The amount of district revenues raised within the affected area during the last three completed fiscal years of the district, separately identifying the amount of revenues derived from taxes imposed by the district and the amount of revenues derived from other sources;

(c) The history of the mass transit services provided to the affected area;

(d) Whether or when direct service will be provided to the affected area;

(e) The number of previous petitions filed under ORS 267.253 with respect to the affected area or portions thereof; and

(f) The effect of withdrawal of the affected area on the district, including the extent to which taxes imposed by the district in the remaining portions of the district will be increased under ORS 267.260 as a result of the withdrawal of the affected area.

(2) After completion of the study conducted under subsection (1) of this section and the public hearing required under ORS 267.255, but not later than the December 31 next following the date on which the petition was filed with the district board, the district board shall adopt an ordinance withdrawing the affected area from the district or shall adopt a resolution denying the petition for withdrawal.

(3) Notwithstanding ORS 267.207 (3)(b), the district board shall approve withdrawal if:

(a) The district board finds that the use of the mass transit system of the district by residents of the affected area is less than or equal to 30 percent of the system-wide average weekday boarding rides per vehicle hour;

(b) The district board determines that direct service to the affected area is not planned for at least five years;

(c) The residents and businesses within the affected area have demonstrated that district fees and taxes have adversely affected employment, population or commercial activity within the affected area; and

(d) The district board has not received a petition signed by not less than 15 percent of the electors within the affected area seeking continuation of the district's jurisdiction over the affected area.

(4) Notwithstanding ORS 267.207 (3)(b), the district board may withdraw the affected area from the district when the conditions of subsection (3) of this section are not satisfied if the board considers such withdrawal to be in the best interests of the district and the affected area.

(5) Any decision of the district board relating to withdrawal of an affected area under ORS 267.250 to 267.263 may be reviewed by a circuit court under ORS 34.010 to 34.100. [1987 c.799 §5]

267.260 Withdrawal ordinance; effective date; adjustment in district tax rate as result of withdrawal. (1) As used in this section, "withdrawal date" means the effective date of an ordinance approving withdrawal of an affected area under ORS 267.250 to 267.263.

(2) An ordinance approving the withdrawal of an affected area under ORS 267.250

to 267.263 shall take effect on the first day of January next following the date which is 30 days after the adoption of the ordinance.

(3) Commencing immediately upon the withdrawal date and notwithstanding any other provision of law, the rate of each tax imposed by the district shall automatically be increased to a rate equal to the rate determined by dividing the rate at which such tax was levied immediately prior to the withdrawal date by a fraction, not more than one, which is equal to the total revenue derived from such tax by the district for the calendar year preceding the year in which the withdrawal ordinance is adopted attributable to the area of the district other than the withdrawn affected area divided by the total revenue derived from such tax by the district for the same period.

(4) If the tax rates required under subsection (3) of this section do not produce tax revenues sufficient to enable the district to make the annual or semiannual payments, when due, and otherwise satisfy the requirements of the bonded or other indebtedness of the district incurred prior to the withdrawal, the district may increase the rate of each tax to a rate that produces revenues sufficient to enable the district to make the annual or semiannual payments, when due, and otherwise satisfy the requirements of such indebtedness.

(5) The district board shall determine rates in accordance with the formula prescribed by subsection (3) of this section and adopt the rates as part of the ordinance approving the withdrawal of the affected area. Any such determination and adoption shall be final and conclusive unless it is shown to be arbitrary and capricious.

(6) If a district adopts an ordinance that increases the rate of an excise tax described in ORS 267.385, the increase shall be adjusted as prescribed in subsection (3) of this section to take into account the withdrawal of an affected area that occurred or occurs at any time after the date the district first imposed any taxes pursuant to ORS 267.385. [1987 c.799 §6; 2003 c.739 §10]

267.263 Withdrawal of territory not subject to boundary commission review. The alteration of the boundaries of a district under ORS 267.250 to 267.263 is not subject to the jurisdiction or review of a local government boundary commission. [1987 c.799 §7; 2007 c.239 §14]

267.265 Use of moneys derived from withdrawal of territory from district. The savings derived from the cessation of service under an ordinance adopted under ORS 267.257 shall be used to improve service in the remaining portions of the district. Nothing in this section shall prevent the district from exercising its normal budgetary authority to adjust service levels. [1987 c.799 §8]

Note: 267.265 was enacted into law by the Legislative Assembly but was not added to or made a part of ORS chapter 267 or any series therein by legislative action. See Preface to Oregon Revised Statutes for further explanation.

(Finances)

(Temporary provisions relating to issuance of bonds for mass transit districts)

Note: Sections 13 and 22, chapter 786, Oregon Laws 2013, provide:

Sec. 13. (1) For the biennium beginning July 1, 2013, at the request of the Oregon Department of Administrative Services, after the department consults with Lane Transit District, the State Treasurer is authorized to issue lottery bonds pursuant to ORS 286A.560 to 286A.585 in an amount that produces $12 million in net proceeds and interest earnings for the purpose described in subsection (2) of this section, plus an additional amount estimated by the State Treasurer to be necessary to pay bond-related costs.

(2) Net proceeds of lottery bonds issued under this section in an amount sufficient to provide $12 million in net proceeds and interest earnings for the department to deposit in the West Eugene EmX Extension Fund for disbursement to Lane Transit District for the West Eugene EmX Extension, as defined in section 28, chapter 906, Oregon Laws 2009.

(3) The Legislative Assembly finds that the use of lottery bond proceeds will create jobs, further economic development, finance public education or restore and protect parks, beaches, watersheds and native fish and wildlife, and is authorized based on the findings identified by the Legislative Assembly in section 28, chapter 906, Oregon Laws 2009. [2013 c.786 §13]

Sec. 22. (1) For the biennium beginning July 1, 2013, at the request of the Oregon Department of Administrative Services, after the department consults with the Department of Transportation and Salem-Keizer Transit, the State Treasurer is authorized to issue lottery bonds pursuant to ORS 286A.560 to 286A.585 in an amount that produces $3.5 million in net proceeds and interest earnings for the purpose described in subsection (2) of this section, plus an additional amount estimated by the State Treasurer to be necessary to pay bond-related costs.

(2) Net proceeds of lottery bonds issued under this section in an amount sufficient to provide $3.5 million in net proceeds and interest earnings must be transferred to the Department of Transportation for deposit in the DOT Economic Development Distributions Fund established in section 24 of this 2013 Act [461.557] for distribution to Salem-Keizer Transit for the purpose of acquiring, constructing or improving the Salem-Keizer Transit Center.

(3) The Legislative Assembly finds that the use of lottery bond proceeds will create jobs, further economic development, finance public education or restore and protect parks, beaches, watersheds and native fish and wildlife, and is authorized based on the finding that improvements in public transportation systems are necessary to facilitate the flow of members of the workforce and consumers of all manner of goods and services in an efficient manner. [2013 c.786 §22]

267.300 Authority of district to finance system. (1) Subject to restrictions in the Oregon Constitution, a district board may fi-

nance construction, acquisition, purchase, lease, operation and maintenance of a mass transit system and related facilities for the purposes authorized under ORS 267.010 to 267.390 by:

(a) Levy of ad valorem taxes under ORS 267.305.

(b) Service charges and user fees collected under ORS 267.320.

(c) Use of the revolving fund authorized under ORS 267.310.

(d) Sale of bonds under ORS 267.330 to 267.345.

(e) Levy of business license fees under ORS 267.360.

(f) Levy of a tax measured by net income under ORS 267.370.

(g) Levy of a tax measured by employer payrolls under ORS 267.380, 267.385 and 267.420.

(h) Use of funds accepted under ORS 267.390.

(i) Short-term borrowings under ORS 267.400.

(j) Levy of a tax measured by net earnings from self-employment under ORS 267.380 and 267.385.

(k) Any combination of the provisions of paragraphs (a) to (j) of this subsection.

(2) All or any part of the funds raised or received by the district under subsection (1)(a) to (k) of this section may be expended by the district for the purpose of financing the construction, reconstruction, improvement, repair, maintenance, operation and use of the primary transit supportive system. However, only those funds raised or received by the district that are restricted by the Oregon Constitution for the purpose of financing the construction, reconstruction, operation and use of public highways, roads, streets and roadside rest areas may be expended by the district for the secondary transit supportive system. As used in this subsection:

(a) "Transit supportive system" means those facilities in any county in which a district operates that constitute the surface transportation system in the county, including highways, roads, streets, roadside rest areas, park-and-ride stations, transfer stations, parking lots, malls and skyways.

(b) "Primary transit supportive system" means those facilities upon which or adjacent to which the district physically operates.

(c) "Secondary transit supportive system" means the remainder of those facilities that constitute the surface transportation system, but over which the district's operation or facilities are not physically present. [1969 c.643 §23; 1975 c.752 §1; 1983 c.323 §1; 1983 c.749 §1; 1987 c.825 §1; 1989 c.869 §1]

267.302 Restrictions on financing for districts formed under ORS 267.107. If a mass transit district was initiated by a resolution pursuant to ORS 267.107, the district shall not use any method of financing under ORS 267.300 other than a method of financing authorized to be used under ORS 267.300 (1)(b), (h) to (j) without first obtaining authorization at a properly called election held for that purpose. [1975 c.632 §2a; 1979 c.585 §3; 1983 c.323 §2; 1983 c.749 §2; 1987 c.825 §2]

267.305 Levy, collection, enforcement of ad valorem taxes. (1) A district may assess, levy and collect taxes each year on the assessed value of all taxable property within the limits of the district or the service area of the district. The proceeds of the tax shall be applied in carrying out the purposes of ORS 267.010 to 267.390.

(2) The district may annually also assess, levy and collect a tax without limitation upon all such property 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 the bonds maturing within the year. The tax shall be applied only in payment of interest and principal of bonds issued by the district, but the district may apply any funds it may have toward payment of principal and interest of bonds.

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

(4) All taxes levied by a district shall become payable at the same time and be collected by the same officer who collects county taxes, and shall be turned over to the district according to law. The county officer whose duty it is to extend the county levy shall extend the levy of the district in the same manner as city taxes are extended.

(5) Property shall be subject to sale for nonpayment of taxes levied by a district in like manner and with like effect as in the case of county and state taxes. [1969 c.643 §25; 1981 c.804 §77]

267.310 Revolving fund; authority to levy ad valorem taxes for fund. For the purpose of establishing a revolving fund to provide money to finance the planning and construction, acquisition, purchase or lease of a mass transit system, a district board may levy an ad valorem tax of not to exceed in any one year three-twentieth of one percent (0.0015) of real market value of all taxable property within the district. The

revenue derived from such taxes shall be credited to a revolving fund, and shall be disbursed by the district board and used only for the purpose for which levied. [1969 c.643 §27; 1991 c.459 §364]

267.320 User charges, fees and tolls; persons over 65. (1) Except as otherwise provided in this section, to carry out the powers granted by ORS 267.010 to 267.390, the district board may by ordinance impose and may collect user charges, fees and tolls from those who are served by or use the transit system and other facilities and services of the district.

(2) The district shall not charge a person over 65 years of age a fee of more than 50 percent of the regular fee for transportation provided by the district. The maximum fee established by this subsection does not apply on any weekday, Monday through Friday, between the hours of 5 a.m. and 9 a.m. or between the hours of 3 p.m. and 7 p.m. [1969 c.643 §26; 1973 c.474 §1; 1975 c.124 §1; 1975 c.169 §1; 1981 c.634 §1; 2003 c.14 §131]

267.325 Lease purchase agreements. For the purpose of financing the design, engineering, acquisition, construction and installation of any mass transit system, a district may enter into lease purchase agreements for such term of years as the board may determine. The lease purchase payments payable by a district under any such lease purchase agreement may be payable out of any funds of the district, including without limitation any operating revenues, tax revenues or grants. [1989 c.899 §2]

267.330 General obligation bonds; conditions; interest rate; payment of principal and interest; pledge of net revenue. (1) To carry out any of the powers granted by ORS 267.010 to 267.390, a district, when authorized at any properly called election held for the purpose, may borrow money, and sell and dispose of general obligation bonds. Outstanding bonds shall never exceed in the aggregate two and one-half percent of the real market value of all taxable property within the district.

(2) The bonds shall be issued from time to time by the district board in behalf of the district as authorized by the electors thereof. The bonds shall mature serially within not to exceed 30 years from issue date. However, for an indebtedness to the federal government or this state, the district may issue one or more bonds of the denominations agreed upon. Bonds shall bear interest at a rate, payable semiannually, as the board shall determine. The bonds shall be so conditioned that the district shall promise and agree therein to pay to the bearer at a place named therein, the principal sum, with interest at the rate named therein, payable semiannually, in accordance with the tenor and terms of the interest coupons attached.

(3) For the purpose of additionally securing the payment of the principal and interest on general obligation bonds issued under this section, the district may by resolution of the board, which resolution shall constitute part of the contract with the holders of the bonds, pledge all or any part of the net revenue of the district. The district board may adopt such a resolution without submitting the question of the pledge to the electors of the district. [1969 c.643 §28; 1983 c.347 §19; 1991 c.459 §365]

267.334 Electoral approval for issuance of general obligation bonds by Tri-Met to fund extension of light rail. (1) If the line extending Tri-Met's regional light rail system north from Clackamas County, Oregon, is not part of a phased project that will serve both the Portland metropolitan region and Clark County, Washington, then prior to the issuance by Tri-Met of any general obligation bonds to fund its share of the line extending Tri-Met's regional light rail system north from Clackamas County, Oregon, Tri-Met shall submit to its electors the question of the issuance of such general obligation bonds.

(2) As used in this section:

(a) "Portland metropolitan region" means the area within the urban growth boundary established by Metro as that boundary existed on July 1, 1995.

(b) "Metro" means the metropolitan service district created under ORS chapter 268 and exercising home rule charter powers.

(c) "Tri-Met" means the Tri-County Metropolitan Transportation District of Oregon, a mass transit district created under ORS chapter 267. [Formerly 197.587]

Note: 267.334 was enacted into law by the Legislative Assembly but was not added to or made a part of ORS chapter 267 or any series therein by legislative action. See Preface to Oregon Revised Statutes for further explanation.

267.335 Authority to issue revenue bonds; interest-bearing warrants. (1) In addition to the authority to issue general obligation bonds, after a vote of the people, a district may issue and sell revenue bonds and pledge as security therefor all or any part of the unobligated net revenue of the district. Revenue bonds shall be issued in the same manner and form as are general obligation bonds of the district but they shall not be subject to the percentage limitation provided by ORS 267.330 applicable to issuance of general obligation bonds and shall not be a lien upon any property within the limits of the district. Such bonds shall be payable, both as to principal and interest, solely from the net revenues of the district remaining after payment of obligations having a priority

and payment of all expenses of operation and maintenance of the district, including any taxes levied thereafter against the district. All revenue bonds shall contain a clause reciting that both the principal and interest are payable solely from net revenues of the district remaining after paying such obligations and expenses.

(2) In lieu of issuing bonds secured by unobligated net revenue under subsection (1) of this section, the treasurer, when authorized by the board, may execute and issue interest-bearing warrants drawn against funds created by and for operation and maintenance of the mass transit system in excess of current cash on hand, but not in an amount exceeding one-half of the estimated annual gross revenue for operation of the mass transit system for the next ensuing year. [1969 c.643 §29]

267.340 Refunding bonds. Refunding bonds of the same character and tenor as those replaced thereby may be issued pursuant to a resolution adopted by the district board without submitting to the electors the question of authorizing the issuance of the bonds. [1969 c.643 §30]

267.345 Issuance of bonds. All general obligation and revenue bonds, including refunding bonds, issued under ORS 267.330 to 267.345 shall be issued as prescribed in ORS chapter 287A. [1969 c.643 §31; 2007 c.783 §84]

267.360 Business, trade, occupational and professional licenses and fees; exceptions. To carry out any of the powers granted by ORS 267.010 to 267.390, a district may by ordinance raise revenue by licensing and imposing a fee on any business, trade, occupation and profession carried on or practiced in the district. This section does not empower a district to require licenses of or impose fees on companies that are licensed by the state under ORS 731.358 or 731.362 to transact insurance, as defined in ORS 731.146, or to require licenses of or impose fees upon the representatives of such companies who are not residents of the district. [1969 c.643 §32]

267.370 District taxing authority. (1) To carry out any of the powers granted by ORS 267.010 to 267.390, a district may by ordinance impose a tax:

(a) Upon the entire taxable income of every resident of the district subject to tax under ORS chapter 316 and upon the taxable income of every nonresident that is derived from sources within the district which income is subject to tax under ORS chapter 316; and

(b) On or measured by the net income of a mercantile, manufacturing, business, financial, centrally assessed, investment, insurance or other corporation or entity taxable as a corporation doing business, located, or having a place of business or office within or having income derived from sources within the district which income is subject to tax under ORS chapter 317 or 318.

(2) The rate of the tax imposed by ordinance adopted under authority of subsection (1) of this section shall not exceed one percent. The tax may be imposed and collected as a surtax upon the state income or excise tax.

(3) Any ordinance adopted pursuant to subsection (1) of this section shall require a nonresident, corporation or other entity taxable as a corporation having income from activity both within and without the district taxable by the State of Oregon to allocate and apportion such net income to the district in the manner required for allocation and apportionment of income under ORS 314.280 and 314.605 to 314.675.

(4) The district shall allow a credit against the tax imposed pursuant to this section, in an amount equal to the employer's payroll tax paid to the district by the taxpayer.

(5) If a district adopts an ordinance under this section, the ordinance shall be consistent with any state law relating to the same subject, and with rules and regulations of the Department of Revenue prescribed under ORS 305.620.

(6) An ordinance adopted under this section shall not declare an emergency. [1969 c.643 §33; 1971 c.600 §1; 1975 c.752 §2]

267.380 Definitions for ORS 267.380 and 267.385. (1) As used in ORS 267.380 and 267.385, unless the context requires otherwise:

(a) "Employer" means:

(A) A person who is in such relation to another person that the person may control the work of that other person and direct the manner in which it is to be done;

(B) An officer or employee of a corporation, or a member or employee of a partnership, who as such officer, employee or member is under a duty to perform the acts required of employers by ORS 316.162 to 316.221; or

(C) The State of Oregon or any political subdivision in this state, except for a school district as defined in ORS 255.005 (9), with respect to work performed within the district by an employee of the State of Oregon or of the political subdivision.

(b) "Employer" does not include an organization exempt from taxation under section 501(c)(3) of the Internal Revenue Code, as amended and in effect on December 31,

1996, except that "employer" does include hospitals.

(c) "Wages" means remuneration for services performed by an employee for the employer, including the cash value of all remuneration paid in any medium other than cash.

(d) "Net earnings from self-employment" has the same meaning as in section 1402 of the Internal Revenue Code of 1986, as that section was in effect and operative on December 31, 1988. For the purposes of computing net earnings from self-employment, a district may by ordinance from time to time adopt definitions of the terms used in section 1402.

(e) "Individual" means any natural person.

(2) As used in this section and ORS 267.385, "wages" does not include remuneration paid:

(a) For services performed in the employ of the United States of America and institutions (excluding hospitals) exempt from taxation under section 501(c)(3) of the Internal Revenue Code, as amended and in effect on December 31, 1996.

(b) For domestic service in a private home if the total amount paid to such employee is less than $1,000 a year.

(c) For casual labor not in the course of the employer's trade or business.

(d) For services performed wholly outside of the district.

(e) To an employee whose services to the employer consist solely of seasonal labor in connection with the planting, cultivating or harvesting of agricultural crops.

(f) To seamen who are exempt from garnishment, attachment or execution under title 46, United States Code.

(g) To individuals temporarily employed as emergency firefighters.

(h) If the remuneration is not subject to withholding under ORS chapter 316.

(i) To employees' trusts exempt from taxation under section 401 of the Internal Revenue Code, as amended and in effect on December 31, 1996.

(j) If the remuneration is not wages under section 3121(a)(5)(I) of the Internal Revenue Code, as amended and in effect on December 31, 1996.

(3) "Net earnings from self-employment" does not include income:

(a)(A) From activities wholly outside of the district.

(B) That is wages.

(C) That would be wages under section 3121 of the Internal Revenue Code, as amended and in effect on December 31, 1990, but for the provisions of section 3121(b)(8)(A) of the Internal Revenue Code.

(b) That is not net earnings from self-employment under section 1402(a)(8) of the Internal Revenue Code by reason of the amendments to section 1402 by section 1456 of the Small Business Job Protection Act of 1996 (P.L. 104-188).

(4) Notwithstanding any other provision of this section, "wages" includes:

(a) Any amount included in the definition of "wages" under section 3121 of the Internal Revenue Code, as defined in ORS 316.012, by reason of the provisions of section 3121(a)(5)(C), 3121(a)(5)(D), 3121(v)(1)(A), 3121(v)(1)(B), 3121(v)(3)(A), 3121(a)(5)(E) or 3121(a)(5)(H) of the Internal Revenue Code; or

(b) Any amount deferred under a nonqualified deferred compensation plan.

(5) Any amount taken into account as wages by reason of subsection (4) of this section and the income attributable thereto shall not afterwards be treated as wages under this section. [1969 c.643 §34; 1971 c.600 §2; 1973 c.573 §2; 1979 c.766 §1; 1981 c.907 §2; 1987 c.293 §69; 1989 c.869 §2; 1991 c.457 §23a; 1993 c.18 §47; 1997 c.839 §39]

267.385 Employer payroll tax; collection; enforcement. (1) To carry out the powers granted by ORS 267.010 to 267.390, a district may by ordinance impose an excise tax on every employer equal to not more than eight-tenths of one percent of the wages paid with respect to the employment of individuals. For the same purposes, a district may by ordinance impose a tax on each individual equal to not more than eight-tenths of one percent of the individual's net earnings from self-employment.

(2) No employer shall make a deduction from the wages of an employee to pay all or any portion of a tax imposed under this section.

(3) The provisions of ORS 305.620 are applicable to collection, enforcement, administration and distribution of a tax imposed under this section.

(4) At any time an employer or individual fails to remit the amount of taxes when due under an ordinance of the district board imposing a tax under this section, the Department of Revenue may enforce collection by the issuance of a distraint warrant for the collection of the delinquent amount and all penalties, interest and collection charges accrued thereon. Such warrant shall be issued and may be enforced in the same manner and have the same force and effect as prescribed

with respect to warrants for the collection of delinquent state income taxes.

(5) Any ordinance adopted under subsection (1) of this section shall require an individual having net earnings from self-employment from activity both within and without the district taxable by the State of Oregon to allocate and apportion such net earnings to the district in the manner required for allocation and apportionment of income under ORS 314.280 and 314.605 to 314.675. Such ordinance shall give the individual the option of apportioning income based on a single factor designated by the ordinance.

(6) Any ordinance adopted under subsection (1) of this section with respect to net earnings from self-employment may impose a tax for a taxable year measured by each individual's net earnings from self-employment for the prior taxable year, whether such prior taxable year begins before or after November 1, 1981, or such ordinance.

(7) Any ordinance imposing a tax authorized by subsection (1) of this section shall not apply to any business, trade, occupation or profession upon which a tax is imposed under ORS 267.360.

(8) The district board may not adopt an ordinance increasing a tax authorized by subsection (1) of this section unless the board makes a finding that the economy in the district has recovered to an extent sufficient to warrant the increase in tax. In making the finding, the board shall consider regional employment and income growth. [1969 c.643 §35; 1981 c.907 §3; 2003 c.576 §197; 2003 c.739 §7; 2009 c.253 §1]

267.387 Restrictions on increase in payroll tax. Notwithstanding ORS 267.385 (1) and subject to ORS 267.260 (3) and (6), an increase in any tax imposed on wages or on net earnings from self-employment that is authorized by a mass transit district under ORS 267.385 (1) on or after January 1, 2010, must be phased in over a 10-year period. The district shall by ordinance set forth the increments by which the increase in tax is phased in. Subject to ORS 267.260 (3) and (6), each annual increment may not increase the rate of tax by more than 0.02 percent of the wages or net earnings from self-employment. [2009 c.253 §2]

Note: 267.387 was enacted into law by the Legislative Assembly but was not added to or made a part of ORS chapter 267 or any series therein by legislative action. See Preface to Oregon Revised Statutes for further explanation.

267.390 Acceptance of funds from United States. The district may:

(1) Accept, without limitation by any other provision of ORS 267.010 to 267.390 requiring approval of indebtedness, any contributions or loans from the United States for the purpose of carrying out any provision of ORS 267.010 to 267.390; and

(2) Do anything that the board considers necessary in order to avail itself of aid, assistance or cooperation under this section under any federal law. [1969 c.643 §37]

267.395 [1969 c.643 §38; repealed by 1971 c.647 §149]

267.400 Authority to issue short-term obligations; conditions. (1) A district may borrow moneys by issuing notes, warrants or other obligations:

(a) In anticipation of taxes or other revenues, including but not limited to grants awarded by the state or federal government; or

(b) To refund obligations authorized under this section.

(2) To secure obligations authorized under this section a district may:

(a) Pledge as primary security for the obligations the taxes and other revenues in anticipation of which the obligations are issued, including but not limited to grants from the state or federal government;

(b) Pledge as secondary security for the obligations the taxes and other revenues of the district other than those in anticipation of which the obligations are issued;

(c) Segregate any pledged funds in separate accounts which may be held by the district or third parties;

(d) Establish any reserves deemed necessary by the district for the payment of the obligations; and

(e) Adopt resolutions containing covenants and provisions for protection and security of the holders of obligations, which shall constitute enforceable contracts with such holders.

(3) Each issue of obligations authorized by this section:

(a) If issued in anticipation of taxes, shall not be issued prior to, and shall mature not later than the end of, the fiscal year in which the taxes are expected to be received;

(b) If issued in anticipation of other revenues, including grants for operating purposes from the state or federal government, shall not be issued more than one year prior to the time at which the district expects to receive the last installment of the revenues or grants in anticipation of which the obligations are issued, and shall mature not more than one year after the date of issue;

(c) If issued in anticipation of capital improvement grants from the state or federal government, shall not be issued more than 30 months prior to the time at which the

district expects to receive the last installment of the capital improvement grant in anticipation of which the obligations are issued, and shall mature no later than 30 months after the date of issue or six months after the time at which the district expects to receive the last installment of the capital improvement grant in anticipation of which the obligations are issued, whichever is earlier;

(d) If issued in anticipation of taxes or revenues other than grants from the state or federal government, shall not be issued in an amount greater than 80 percent of the amount of taxes or such other revenues budgeted to be received by the district and in anticipation of which such obligations are issued; and

(e) If issued in anticipation of grants from the state or federal government, shall not be issued in an amount greater than 80 percent of the amount of such grants.

(4) Except as this section otherwise specifically provides, obligations authorized by this section may be in any form and contain any terms, including provisions for the varying of interest rates in accordance with any index, bankers' loan rate or other standard. A district may issue and sell as part of a single offering obligations in anticipation of two or more grants from the state or federal government, in which event the obligations constituting a part of the offering shall be issued as separate series with one series corresponding to each grant in anticipation of which the obligations are issued. A district may only pledge as primary security for a series of obligations constituting part of a single offering the grant in anticipation of which such series is issued. For purposes of subsection (3) of this section, each series of obligations constituting part of a single offering shall be a separate issue of obligations.

(5) When the taxes or other revenues, including grants from the state or federal government, in anticipation of which the obligations authorized by this section are issued are not received by the district at such time or in such amounts as will enable the district to pay the obligations at maturity, the district shall, to the extent available, first apply to the payment of the obligations the taxes or other revenues in anticipation of which such obligations were issued, and the district may pay the balance owing under such obligations out of any other taxes or revenues available for such purpose.

(6) The district may contract with third parties to serve as issuing, paying and authenticating agents for any obligations authorized by this section.

(7) Obligations authorized by this section shall be issued as prescribed in ORS chapter 287A.

(8) Any pledge made pursuant to subsection (2) of this section shall be valid and binding from and after the date of issue of the obligations secured by such pledge and the taxes or other revenues pledged shall be immediately subject to the lien of such pledge without the physical delivery thereof, the filing of any notice or any further act. The lien of any pledge made pursuant to subsection (2) of this section shall be valid and binding against all persons having claims of any kind against the district whether in tort, contract or otherwise, irrespective of whether such persons have notice thereof.

(9) The district shall deposit, when received, a portion of the taxes or other revenues in anticipation of which the obligations authorized by this section are issued in a separate account. Deposits to the account shall be made according to a schedule which requires that not less than 100 percent of such taxes or other revenues received by the district after the estimated date of the district's maximum cumulative cash flow deficit be placed in the account until sufficient amounts are in the account to pay principal and interest due on the obligations at maturity. The schedule shall be established by the district in its proceedings to issue the obligations. Moneys in the account shall be used only to pay principal and interest on the obligations, and may be pledged by the district for such purpose. [1983 c.323 §4; 1985 c.433 §1; 2007 c.783 §85]

267.410 Certain districts authorized to impose employer payroll tax on state agencies and political subdivisions. ORS 267.300, 267.380 and 267.410 to 267.430 apply only to a mass transit district situated in a metropolitan statistical area with a population exceeding 400,000. [1989 c.869 §7; 2009 c.11 §31]

267.420 Employer payroll tax on State of Oregon and political subdivisions; requirements for tax ordinance. (1) Any ordinance imposing an employer payroll tax on an entity described in ORS 267.380 (1)(a)(C) shall be adopted not less than six months prior to the beginning of the fiscal year of the mass transit district within which the employer payroll tax becomes effective.

(2)(a) Any ordinance imposing an employer payroll tax on an entity described in ORS 267.380 (1)(a)(C) shall provide that for each of the four fiscal years after the fiscal year in which the employer payroll tax was first imposed, the entity shall pay the applicable percentage of the amount of employer payroll tax which, without regard to this

section, it would have been required to pay under the law.

(b) The applicable percentage shall be determined in accordance with the following table:

Number of fiscal years after the fiscal year in which the employer payroll tax is first imposed:	The applicable percentage is:
One	20
Two	40
Three	60
Four	80

(c) In the fifth fiscal year after the fiscal year in which the employer payroll tax is first imposed on an entity described in ORS 267.380 (1)(a)(C) and in any subsequent fiscal year, the applicable percentage shall be 100 percent. [1989 c.869 §4]

267.430 Certain state agencies exempt from employer payroll tax. ORS 267.300, 267.380, 267.410 to 267.430 do not apply to entities described in ORS 267.380 (1)(a)(C) that made, and that continue to make, payments under the provisions of ORS 291.405 and 291.407 equivalent to the rate in effect on January 1, 1989. If a mass transit district or transportation district does not collect a tax under ORS 267.300 (1)(g) or 267.615 (1)(g), ORS 267.300, 267.380 and 267.410 to 267.430 do not affect payment under ORS 291.405 and 291.407. [1989 c.869 §6]

TRANSPORTATION DISTRICTS

(Generally)

267.510 Definitions for ORS 267.510 to 267.650. As used in ORS 267.510 to 267.650:

(1) "District" means a transportation district established under ORS 267.510 to 267.650.

(2) "System" means the equipment, facilities and other property constructed, erected or acquired by the district and to be used in the transport of passengers. [1974 c.9 §1]

267.515 Application of ORS chapter 255 to district. (1) ORS chapter 255 governs the following:

(a) The nomination and election of board members.

(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. [Amended by 1983 c.350 §128]

267.517 Use of alternative fuels for certain district vehicles; exceptions; annual report; application to all district vehicles. (1) To the maximum extent possible, motor vehicles subject to the control of a transportation district established under ORS 267.510 to 267.650 having a city within the district with a population exceeding 30,000 shall use alternative fuel for operation.

(2) To the extent that it is economically and technologically possible, all motor vehicles purchased or leased by the board of the district shall be capable of using alternative fuel. However, this subsection does not apply if the vehicle will be primarily used in an area that does not have and cannot reasonably be expected to establish an alternative fuel refueling station or if the district is unable to secure financing sufficient to cover additional costs resulting from the requirement of this subsection.

(3) Prior to July 1 of each year, the board of the district shall submit an annual report to the Department of Environmental Quality and the State Department of Energy. The report shall contain at a minimum:

(a) The number of purchases and leases of vehicles capable of using alternative fuel;

(b) The number of conversions of vehicles from the use of gasoline or diesel fuel to the use of alternative fuel;

(c) The quantity of each type of alternative fuel used; and

(d) Any other information required by the Department of Environmental Quality and the State Department of Energy to carry out their functions under subsection (4) of this section.

(4) If the Department of Environmental Quality and State Department of Energy determine that the use of alternative fuel required by this section has been effective in reducing total annual motor vehicle emissions in the district, the motor vehicles subject to the control of the board of the district shall be capable of using alternative fuel, to the maximum extent possible.

(5) The board of the district shall comply with all safety standards established by the United States Department of Transportation in the conversion, operation and maintenance of vehicles using alternative fuel.

(6) As used in this section, "alternative fuel" means any fuel determined by the Department of Environmental Quality to be less polluting than conventional gasoline, including but not necessarily limited to reformulated gasoline, low sulfur diesel fuel, natural gas, liquefied petroleum gas, methanol, ethanol, any fuel mixture containing at least 85 percent methanol or ethanol and electricity. [1991 c.730 §4; 2003 c.186 §13]

(Formation)

267.520 Method of forming district. (1) In addition to initiatory action authorized by ORS 198.705 to 198.955, proceedings to establish a district may be initiated by a resolution adopted by the governing body of the most populous city in the proposed district and filed with the county governing body, petitioning that body to call the election; or

(2) The petition or resolution initiating formation shall request, if the district is to impose operating taxes, that the election to establish the district include a proposed permanent rate limit for operating taxes for the district within the meaning of section 11 (3), Article XI of the Oregon Constitution. If the petition or resolution does so, the proposition to be voted on at the election shall include a proposed permanent rate limit for the district, in accordance with the petition or resolution. [1974 c.9 §4; 1997 c.541 §360]

267.530 Establishment of permanent tax rate limit at time of formation. If a district is to impose operating taxes, a permanent rate limit on operating taxes within the meaning of section 11 (3), Article XI of the Oregon Constitution, shall be established for a district at the same election at which the district is established. If the petition or resolution for initiating proceedings to establish the district contains a proposed permanent rate limit, the county governing body that calls the election shall confer about the rate limit with the governing bodies of all counties and cities having territory in the proposed district and shall then determine the rate limit to be proposed for the district. The proposition submitted to the electors of the district for the purpose of establishing the district shall propose the rate limit specified by the county governing body. The rate limit so proposed shall be the permanent rate limit for operating taxes for the district within the meaning of section 11 (3), Article XI of the Oregon Constitution, if the district is established in an election that is in compliance with section 11 (8), Article XI of the Oregon Constitution. [1974 c.9 §5; 1997 c.541 §361]

(Board)

267.540 Governing body; term; vacancies; chairperson; rules of procedure; report to legislature. (1) The governing body of a district shall consist of seven members elected from the district at large for four-year terms. Vacancies shall be filled by the governing body under ORS 198.320.

(2) The chairperson of the county governing body that calls the election on establishing the district shall convene the first meeting of the district governing body and shall serve as chairperson of the first meeting until the members choose a permanent chairperson.

(3) At its first meeting after July 1 each year the district governing body shall choose a chairperson for the ensuing year. The chairperson shall be the presiding officer of the governing body and have whatever additional functions the governing body prescribes.

(4) The governing body may adopt and enforce rules of procedure governing its proceedings.

(5) The district board shall report biennially to the Legislative Assembly the activities of the district. [1974 c.9 §6; 1975 c.737 §4; 1983 c.350 §125]

(Powers)

267.550 Status of district. (1) A transportation district has full power to carry out the objectives of its formation and to that end may have and use a seal, have perpetual succession, sue and be sued in its own name, and enter into contracts.

(2) Except as ORS 267.510 to 267.650 provide to the contrary, the powers of the district shall be vested in the governing body of the district.

(3) A transportation district formed under ORS 267.510 to 267.650 shall be considered a district for all purposes in ORS chapter 198. [1974 c.9 §8; 1975 c.737 §5; 1983 c.350 §126; 2003 c.802 §95]

267.560 General powers. A transportation district may provide public transportation and terminal facilities for public transportation including local aspects thereof transferred to the district by one or more other public bodies as defined in ORS 174.109, through agreements in accordance with ORS 267.510 to 267.650. [1974 c.9 §9; 2003 c.802 §96]

267.570 Powers relating to public transportation. (1) For purposes of public transportation, a district may:

(a) Contract with the United States or with any county, city or state, or any of their departments or agencies, for the construction, preservation, improvement, operation or maintenance of any system.

(b) Build, construct, purchase, improve, operate and maintain, subject to other applicable provisions of law, all improvements, facilities or equipment necessary or desirable for the system of the district.

(c) Enter into contracts and employ agents, engineers, attorneys and other persons and fix their compensation.

(d) Fix and collect charges for the use of the system.

(e) Construct, acquire, maintain and operate passenger terminal facilities and motor

vehicle parking facilities in connection with the system within or outside the district.

(f) Use a public thoroughfare in a manner mutually agreed to by the governing bodies of the district and of the thoroughfare or, if they cannot so agree upon how the district may use the thoroughfare, in a manner determined by an arbitrator appointed by the Governor.

(g) Do such other acts or things as may be necessary or convenient for the proper exercise of the powers granted to a district by ORS 267.510 to 267.650.

(2) A district shall be entitled to tax refunds under ORS 319.831, as if the district were a city. [1974 c.9 §10; 1979 c.344 §2]

267.575 Preparation of public transit system plan; contents; revision. (1) A district shall, within a reasonable time after formation, prepare a broad, general plan for a public transit system for the district. The plan shall be prepared in cooperation with the Department of Transportation and cities and counties located within and adjacent to the district.

(2) The plan shall show existing and proposed transit systems of the district and of other public and private agencies relating to public transit. It shall demonstrate a basis for the coordination and planning of future construction, improvement and equipment acquisition of the district, governmental agencies and private interests to assure maximum efficiency and use of public transit in the district. The plans shall be based on the needs of the district and take into consideration the plans and programs, if any, developed by the Department of Transportation and cities and counties located within and adjacent to the district. The district may have access to all information, statistics, plans and data in the possession of or available to any state agency or public corporation which is pertinent to the preparation of the plan and may reimburse the agency or corporation for any expense incurred in cooperating with the board.

(3) The district board shall revise the plan as necessary for the proper control, utilization, development and improvement of the district transit system. [1975 c.737 §3]

267.580 Employees. The governing body of a district may employ whatever administrative, clerical, technical and other assistance is necessary for the proper functioning of the district, on whatever terms the governing body considers in the best interests of the district. [1974 c.9 §7]

267.590 Interagency agreements. A district may contract with any public or private agency for the agency to operate any facility or perform any function that the district is authorized to operate or perform. By contract the district may assume any function of any public corporation, city or county in the district that the district has power to assume under ORS 267.510 to 267.650. [1974 c.9 §11]

267.600 [1974 c.9 §3; repealed by 1983 c.350 §331a]

267.610 Exemption from public utility regulation. Transportation facilities operated by a district, including the rates and charges made by the district and the equipment operated by the district, and transportation facilities operated for a district by a private operator pursuant to a contract between the operator and the district, including the rates and charges made by the operator pursuant to the contract, and the equipment operated pursuant to the contract, shall not be subject to the laws of this state regulating public utilities, including those laws administered by the Public Utility Commission of Oregon. [1974 c.9 §2]

267.612 Acquisition of district lands by adverse possession or operation of statute of limitations prohibited. The rights of a transportation district to lands owned by the district are not extinguished by adverse possession. A person may not acquire title or property rights to lands owned by the district through operation of a statute of limitations. [2009 c.307 §2]

Note: 267.612 was enacted into law by the Legislative Assembly but was not added to or made a part of ORS chapter 267 or any series therein by legislative action. See Preface to Oregon Revised Statutes for further explanation.

(Finances)

267.615 Financing methods. (1) For the purpose of performing any of the powers conferred by ORS 267.510 to 267.650, a transportation district may use any of the following methods of financing:

(a) Service charges and user fees collected under ORS 267.570 (1)(d).

(b) Levy ad valorem taxes under ORS 267.620.

(c) Use of a revolving fund as authorized for mass transit districts under ORS 267.310.

(d) Sale of bonds under ORS 267.630 and 267.640.

(e) Levy of business license fees as authorized for mass transit districts under ORS 267.360.

(f) Levy of a tax measured by net income as authorized for mass transit districts under ORS 267.370.

(g) Levy of a tax measured by employer payrolls as authorized for mass transit districts under ORS 267.380 and 267.385.

(h) Acceptance and use of any contributions or loans from the United States, without limitation by any other provision of ORS 267.510 to 267.650 requiring approval of indebtedness.

(i) Any combination of the provisions of paragraphs (a) to (h) of this subsection.

(2) A district shall not use any method of financing authorized under subsection (1)(c) to (g) of this section without first obtaining authorization at a properly called election held for that purpose. [1975 c.737 §2; 1981 c.512 §1]

267.620 Power to levy taxes. (1) A district may levy annually an ad valorem tax on all taxable property within its boundaries not to exceed in any one year one-half percent (0.005) of the real market value of all taxable property within the boundaries of such district, computed in accordance with ORS 308.207. The district may also annually assess, levy and collect a special tax upon all such property in an amount sufficient to pay the yearly interest on bonds previously issued by the district and then outstanding, together with any portion of the principal of such bonds maturing within the year. The special tax shall be applied only in payment of the interest and principal of bonds issued by the corporation, but the corporation may apply any funds it may have toward the payment of principal and interest of any such bonds.

(2) Such taxes shall be levied in each year and returned to the county officer whose duty it is to extend the tax levy by the time required by law for city taxes to be levied and returned. All taxes levied by the district shall become payable at the same time and be collected by the same officer who collects county taxes and shall be turned over to the district according to law. The county officer whose duty it is to extend the county levy shall extend the levy of the district in the same manner as city taxes are extended. Property shall be subject to sale for nonpayment of taxes levied by the corporation in like manner and with like effect as in the case of county and state taxes.

(3) In taxation a district may classify property on the basis of services received from the district and prescribe different tax rates for the different classes of property. [1974 c.9 §12; 1991 c.459 §366]

267.622 Filing boundary change with county assessor and Department of Revenue. For purposes of ad valorem taxation, a boundary change must be filed in final approved form with the county assessor and the Department of Revenue as provided in ORS 308.225. [2001 c.138 §13]

267.630 Issuance and sale of bonds. (1) For the purpose of performing any service that the district has power to perform, the district, when authorized at any properly called election held for such purpose, shall have the power to borrow money by the issuance and sale of general obligation bonds. Such bonds shall never exceed in the aggregate 10 percent of the real market value of all taxable property within the district computed in accordance with ORS 308.207. The bonds shall be so conditioned that the district shall promise and agree therein to pay the bearer at a place named therein payable semiannually in accordance with the tenor and terms of the interest coupons attached. The bonds shall mature serially not to exceed 30 years from the date of issue.

(2) For the purpose of performing any of the powers conferred by ORS 267.510 to 267.650 a district, when authorized at any properly called election held for such purpose, shall have the power to borrow money by the issuance and sale also of revenue bonds and to pledge as security therefor, all or any part of the unobligated net income or revenue of the district. The revenue bonds shall be issued in the same manner and form as are general obligation bonds of the district but they shall be payable both as to principal and interest from revenues only. The revenue bonds shall not be subject to the percentage limitation applicable to general obligation bonds and shall not be a lien on any of the taxable property within the corporate limits of the district and shall be payable solely from such part of revenues of the corporation as remains after the payment of obligations having a priority and of all expenses of operation and maintenance of the corporation. All revenue bonds shall contain a provision that both the principal and interest are payable solely from the operating revenues of the district remaining after paying such obligations and expenses.

(3) All general obligation bonds and revenue bonds shall be issued as prescribed in ORS chapter 287A. [1974 c.9 §13; 1983 c.347 §20; 1991 c.459 §367; 2007 c.783 §86]

267.640 Refunding bonds. Refunding bonds of the same character and tenor as those replaced thereby may be issued pursuant to a resolution adopted by the district governing body without submitting to the electors the question of authorizing the issuance of the bonds. [1974 c.9 §14]

267.650 Finance elections. Elections for the purpose of voting on the question of borrowing funds by issuance and sale of general obligation bonds or revenue bonds shall be called by the governing body. [1974 c.9 §15]

PENALTIES

267.990 Penalties. Any person violating a police ordinance of a mass transit district commits a Class A misdemeanor. [1969 c.643 §18(1); 2011 c.597 §174]