

# Enrolled House Bill 3116

Sponsored by Representative BUCKLEY, Senator BATES; Representative ESQUIVEL

CHAPTER .....

AN ACT

Relating to financing for community college districts; amending ORS 341.601, 341.604, 341.608, 341.611, 341.613 and 341.616.

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

**SECTION 1.** ORS 341.601 is amended to read:

341.601. As used in ORS 341.604 to 341.618[.];

(1) "District" means the:

[(1)] (a) Blue Mountain Community College District, a political subdivision and municipal corporation of the state organized pursuant to this chapter; *and*

(b) **Columbia Gorge Community College District, a political subdivision and municipal corporation of the state organized pursuant to this chapter;**

[(2)] (c) Rogue Community College District, a political subdivision and municipal corporation of the state organized pursuant to this chapter[.]; **and**

(d) **Southwestern Oregon Community College District, a political subdivision and municipal corporation of the state organized pursuant to this chapter.**

(2) "Service area" means:

(a) **For the Blue Mountain Community College District and the Rogue Community College District, a service area established as provided by ORS 341.604.**

(b) **For the Columbia Gorge Community College District and the Southwestern Oregon Community College District:**

(A) **The area served by the district when the district first was formed; and**

(B) **The territory within a county annexed by the district.**

**SECTION 2.** ORS 341.604 is amended to read:

341.604. (1) **The Blue Mountain Community College District and the Rogue Community College District may expand as provided by this section.**

[(1)] (2) If expansion of [*a district*] **the Blue Mountain Community College District or the Rogue Community College District** is approved by the voters, the Legislative Assembly shall:

(a) **For the Blue Mountain Community College District, classify and designate service areas within the district. The boundaries of the service areas shall be coterminous with the boundaries of the counties within the district.**

[(a)] (b) For the Rogue Community College District, initially classify and designate two service areas within the district. The first service area shall be coterminous with the boundaries of Jackson County or such portion thereof as is included in the expanded district approved by the voters. The second service area shall be coterminous with the boundaries of Josephine County.

*[(b) For the Blue Mountain Community College District, classify and designate service areas within the district. The boundaries of the service areas shall be coterminous with the boundaries of the counties within the district.]*

[(2)] **(3)** *[Thereafter,]* The district board **of the Blue Mountain Community College District or the Rogue Community College District** by resolution may designate as additional service areas any territory or territories within the district that are benefited by the acquisition, construction and installation of community college facilities. Each additional service area designated by the district board shall be located entirely within the territory of a service area designated in subsection [(1)] **(2)** of this section. In no event shall the district board designate as a service area any portion of the district incorporating territory located within two or more service areas designated in subsection [(1)] **(2)** of this section.

[(3)] **(4)** The district board may not amend the boundaries of the service areas designated in subsection [(1)] **(2)** of this section. The district board may by resolution amend the boundaries of any additional service area designated pursuant to subsection [(2)] **(3)** of this section to conform to changes in the community college services provided by the district. However, the boundaries of a service area may not be amended if bonded indebtedness issued pursuant to ORS 341.611 or any other indebtedness for the benefit of such service area is then outstanding.

**SECTION 3.** ORS 341.608 is amended to read:

341.608. (1) Subject to restrictions in the Oregon Constitution and subsection (2) of this section, any of the methods of financing authorized under this chapter or any other provision of law that is available to community college districts organized pursuant to this chapter may, in the discretion of the district board, be implemented *[from time to time]* **in the district**, in a specific service area[,] or in one or more specific service areas simultaneously.

(2) *[If expansion of the district is approved by the voters, no bonded indebtedness or other indebtedness may be incurred for the general benefit of the district as a whole. Any bonded indebtedness designated to be for the benefit of service areas constituting substantially all of the territory within the boundaries of the service areas created or designated in ORS 341.604 shall be deemed to be incurred for the general benefit of the district as a whole, and shall be outside the authority conferred by this section. In place of such authority]* The district may incur bonded indebtedness or other indebtedness for the benefit of **the district or** a specific service area upon satisfaction of the conditions set forth in ORS 341.611 and 341.613.

**SECTION 4.** ORS 341.611 is amended to read:

341.611. (1) An election shall be held to determine if a district may contract a bonded indebtedness for the benefit of **the district or for the benefit of** a specific service area.

**(2) If the bonded indebtedness is for the benefit of the district, all district voters residing within the boundaries of the district are entitled to vote in the election. If the bonded indebtedness is for the benefit of a specific service area,** only the district voters residing *[in the territory]* **within the boundaries** of the affected service area *[shall be]* **are** entitled to vote *[at such]* **in the** election.

**(3)** The district board may order the election on its own motion, or shall order the election if a petition is filed as provided in ORS 341.678 on behalf of the voters of *[such]* **the district or the** service area. The election shall be held in accordance with the provisions of ORS 341.356 to 341.379.

**SECTION 5.** ORS 341.613 is amended to read:

341.613. (1) Following authorization from the voters of a **district or** service area, the district board may contract a bonded indebtedness to be paid by a tax levy on the taxable property within *[such]* **the district or** service area for any one or more of the purposes set forth in ORS 341.675. Any land acquired, college building or buildings or any additions *[thereto]* **to a building or buildings**, and any real or personal property to be paid for with the proceeds of *[such]* **the** bonded indebtedness must be located within the boundaries of *[such]* **the district or the** service area **that approved the bonded indebtedness.**

(2) The aggregate amount of bonded indebtedness incurred for the benefit of a **district or** service area, when added to the aggregate amount of other bonded indebtedness payable from ad

valorem property taxes levied within [such] **the district or** service area, [shall] **may** not exceed one and one-half percent of the real market value of all taxable property within [such] **the district or** service area, computed in accordance with ORS 308.207.

**SECTION 6.** ORS 341.616 is amended to read:

341.616. (1) The district board shall ascertain and levy annually, in addition to all other taxes, a direct ad valorem tax on all the taxable property within **the district if the district approved bonded indebtedness or within** the territory of a service area **if the service area approved bonded indebtedness. The ad valorem tax shall be** sufficient to pay promptly, when and as such payments become due, the maturing interest and principal of all bonds outstanding for the [specific benefit of such] **district or the** service area that [have been] **were** approved at an election held pursuant to ORS **341.611 or** 341.678 [within such service area]. The amount of the tax may be increased by an amount sufficient to retire any bonds that may be callable.

(2) Funds derived from a tax levy within **the district or** a service area specifically for the purpose of paying bonded indebtedness shall be applied solely to the payment of the bonds for which [such] **the** taxes were levied and [shall] **may** not be applied to the payment of any other indebtedness [of the district].

(3) Bonds authorized pursuant to the terms of this section, and any bonds refunding [such] **the** bonds, shall be issued as prescribed in ORS chapter 287A.

**Passed by House May 4, 2009**

**Received by Governor:**

**Repassed by House June 4, 2009**

.....M.,....., 2009

**Approved:**

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Chief Clerk of House

.....M.,....., 2009

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Speaker of House

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Governor

**Passed by Senate June 3, 2009**

**Filed in Office of Secretary of State:**

.....M.,....., 2009

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President of Senate

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Secretary of State