

House Bill 3116

Sponsored by Representative BUCKLEY, Senator BATES; Representative ESQUIVEL

SUMMARY

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

Allows Blue Mountain Community College District and Rogue Community College District to incur bonded indebtedness for benefit of districts upon approval of voters in district.

A BILL FOR AN ACT

1
2 Relating to financing for community college districts; amending ORS 341.608, 341.611, 341.613 and
3 341.616.

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

5 **SECTION 1.** ORS 341.608 is amended to read:

6 341.608. (1) Subject to restrictions in the Oregon Constitution and subsection (2) of this section,
7 any of the methods of financing authorized under this chapter or any other provision of law that is
8 available to community college districts organized pursuant to this chapter may, in the discretion
9 of the district board, be implemented [*from time to time*] **in the district**, in a specific service
10 area[,] or in one or more specific service areas simultaneously.

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

19 **SECTION 2.** ORS 341.611 is amended to read:

20 341.611. (1) An election shall be held to determine if a district may contract a bonded indebt-
21 edness for the benefit of **the district or for the benefit of** a specific service area.

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

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

30 **SECTION 3.** ORS 341.613 is amended to read:

31 341.613. (1) Following authorization from the voters of a **district or** service area, the district

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

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

7 (2) The aggregate amount of bonded indebtedness incurred for the benefit of a **district or** ser-
 8 vice area, when added to the aggregate amount of other bonded indebtedness payable from ad
 9 valorem property taxes levied within [such] **the district or** service area, [shall] **may** not exceed one
 10 and one-half percent of the real market value of all taxable property within [such] **the district or**
 11 service area, computed in accordance with ORS 308.207.

12 **SECTION 4.** ORS 341.616 is amended to read:

13 341.616. (1) The district board shall ascertain and levy annually, in addition to all other taxes,
 14 a direct ad valorem tax on all the taxable property within **the district if the district approved**
 15 **bonded indebtedness or within** the territory of a service area **if the service area approved**
 16 **bonded indebtedness. The ad valorem tax shall be** sufficient to pay promptly, when and as such
 17 payments become due, the maturing interest and principal of all bonds outstanding for the [specific
 18 benefit of such] **district or the** service area that [have been] **were** approved at an election held
 19 pursuant to ORS **341.611 or** 341.678 [within such service area]. The amount of the tax may be in-
 20 creased by an amount sufficient to retire any bonds that may be callable.

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

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