

House Bill 3618

Sponsored by Representatives SHEEHAN, WAND; Representatives BERGER, BREWER, CAMERON, CONGER, FREEMAN, GILLIAM, HANNA, HUFFMAN, LINDSAY, PARRISH, RICHARDSON, SPRENGER, THOMPSON, WEIDNER, WHISNANT, WINGARD

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**.

Requires mass transit district to obtain elector approval for issuance of revenue bonds secured by moneys from specified sources, including payroll taxes and federal flexible funds.

A BILL FOR AN ACT

1
2 Relating to borrowing by mass transit districts; creating new provisions; and amending ORS 267.335.

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

4 **SECTION 1.** ORS 267.335 is amended to read:

5 267.335. (1) In addition to the authority to issue general obligation bonds, *[after a vote of the*
6 *people,]* a district may issue and sell revenue bonds and pledge as security therefor all or any part
7 of the unobligated net revenue of the district. **Issuance of revenue bonds must be approved by**
8 **the electors of the district if the district intends to pledge moneys from one of the following**
9 **sources to secure the revenue bonds:**

10 (a) **A tax measured by employer payrolls under ORS 267.380, 267.385 and 267.420.**

11 (b) **Federal flexible funds provided to state and local governments by the Federal Transit**
12 **Administration from Federal Highway Administration funds, including Surface Transporta-**
13 **tion Program funds, Congestion Mitigation and Air Quality Improvement Program funds,**
14 **Interstate Substitute Program funds and earmarked funds.**

15 (c) **Funds provided by a metropolitan service district through a metropolitan transpor-**
16 **tation improvement program that documents transportation investments in the Portland**
17 **metropolitan area.**

18 (2) Revenue bonds *[shall]* **must** be issued in the same manner and form as are general obligation
19 bonds of the district but *[they shall not be]* **revenue bonds are not** subject to the percentage limi-
20 tation provided by ORS 267.330 applicable to issuance of general obligation bonds and *[shall not*
21 *be]* **are not** a lien upon any property within the limits of the district. *[Such bonds shall be payable,*
22 *both as to principal and interest,]* **The principal, interest and premium, if any, of revenue bonds**
23 **are payable** solely from the net revenues of the district remaining after payment of obligations
24 having a priority and payment of all expenses of operation and maintenance of the district, including
25 any taxes levied thereafter against the district. All revenue bonds *[shall]* **must** contain a clause
26 reciting that *[both the principal and interest]* **the principal, interest and premium, if any,** are
27 payable solely from net revenues of the district remaining after paying such obligations and ex-
28 penses.

29 [(2)] (3) In lieu of issuing **revenue** bonds secured by unobligated net revenue under subsection
30 (1) of this section, the treasurer, when authorized by the board, may execute and issue interest-

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 bearing warrants drawn against funds created by and for operation and maintenance of the mass
2 transit system in excess of current cash on hand, but not in an amount exceeding one-half of the
3 estimated annual gross revenue for operation of the mass transit system for the next ensuing year.

4 **SECTION 2. The amendments to ORS 267.335 by section 1 of this 2011 Act apply to re-**
5 **venue bonds issued on or after the effective date of this 2011 Act.**

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