

**77th OREGON LEGISLATIVE ASSEMBLY – 2013 Regular Session
STAFF MEASURE SUMMARY
House Committee on Higher Education & Workforce Development**

**MEASURE: HB 3488
CARRIER:**

REVENUE: Revenue statement issued

FISCAL: No fiscal impact

Action:	Do Pass and Be Referred to the Committee on Ways and Means by Prior Reference
Vote:	9 - 0 - 0
Yeas:	Gallegos, Gilliam, Gorsek, Greenlick, Harker, Huffman, Johnson, Whisnant, Dembrow
Nays:	0
Exc.:	0
Prepared By:	Victoria Cox, Administrator
Meeting Dates:	4/17

WHAT THE MEASURE DOES: Modifies provisions authorizing borrowing by community college districts to clarify that bonds may be issued for entire district, for single service area or for one or more service areas of district simultaneously. Declares emergency, effective on passage.

ISSUES DISCUSSED:

- Technical fix requested by Blue Mountain Community College
- Desire to seek bond approval in two of three counties included in district

EFFECT OF COMMITTEE AMENDMENT: No amendment.

BACKGROUND: ORS 341.604 through 341.616 contain provisions relating to community college districts incurring bond indebtedness. House Bill 3488 clarifies that bonds may be issued not only for an entire district, but also for one or a combination of service areas within a district.

4/18/2013 11:22:00 AM

This summary has not been adopted or officially endorsed by action of the committee.

Committee Services Form – 2013 Regular Session

FISCAL IMPACT OF PROPOSED LEGISLATION

Seventy-Seventh Oregon Legislative Assembly – 2013 Regular Session
Legislative Fiscal Office

Measure: HB 3488

*Only Impacts on Original or Engrossed
Versions are Considered Official*

Prepared by: Tim Walker
Reviewed by: Doug Wilson
Date: 04/15/2013

Measure Description:

Modifies provisions authorizing borrowing by community college districts to clarify that bonds may be issued for whole district, for single service area or for one or more service areas of district simultaneously.

Government Unit(s) Affected:

Department of Community Colleges and Workforce Development

Analysis:

The proposed legislation has been determined to have

NO EXPENDITURE IMPACT

on state or local government.

House Bill 3488

Sponsored by Representative JENSON, Senator HANSELL

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**.

Modifies provisions authorizing borrowing by community college districts to clarify that bonds may be issued for whole district, for single service area or for one or more service areas of district simultaneously.

Declares emergency, effective on passage.

A BILL FOR AN ACT

1
2 Relating to borrowing by community college districts; amending ORS 341.604, 341.608, 341.611,
3 341.613 and 341.616; and declaring an emergency.

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 in the district[, *in a specific service area*] or in one or more
10 [*specific*] service areas simultaneously.

11 (2) The district may incur bonded indebtedness [*or other indebtedness*] **as prescribed in ORS**
12 **chapter 287A** for the benefit of the district or a [*specific*] service area **or combination of service**
13 **areas of the district** upon satisfaction of the conditions set forth in ORS 341.611 and 341.613.

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

15 341.611. (1) An election shall be held to determine if a district may contract a bonded indebt-
16 edness for the benefit of the district or [*for the benefit of a specific service area*] **a service area or**
17 **combination of service areas of the district.**

18 (2) If the bonded indebtedness is for the benefit of the district, all district voters residing within
19 the boundaries of the district are entitled to vote in the election. If the bonded indebtedness is for
20 the benefit of a [*specific*] service area **or combination of service areas of the district**, only the
21 district voters residing within the boundaries of the affected service area **or service areas** are en-
22 titled to vote in the election.

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

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

28 341.613. (1) Following authorization from the voters of a district or **a service area or combi-**
29 **nation of service areas of the district**, the district board may contract a bonded indebtedness to
30 be paid by a tax levy on the taxable property within the district or **the service area or service**

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 **areas** for any one or more of the purposes set forth in ORS 341.675. Any land acquired, college
 2 building or buildings or any additions to a building or buildings, and any real or personal property
 3 to be paid for with the proceeds of the bonded indebtedness must be located within the boundaries
 4 of the district or the service area **or combination of service areas** that approved the bonded
 5 indebtedness.

6 (2) The aggregate amount of bonded indebtedness incurred for the benefit of a district or a
 7 service area **or combination of service areas**, when added to the aggregate amount of other
 8 bonded indebtedness payable from ad valorem property taxes levied within the district or **the ser-**
 9 **vice area or combination of service areas**, may not exceed one and one-half percent of the real
 10 market value of all taxable property within the district or **the affected** service area **or service**
 11 **areas**, 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*] **the affected service**
 16 **area or combination of service areas if the service area or combination of service areas ap-**
 17 **proved bonded indebtedness.** The ad valorem tax shall be sufficient to pay promptly, when and as
 18 [*such*] payments become due, the maturing interest and principal of all bonds outstanding for the
 19 district or the service area **or combination of service areas** that were approved at an election held
 20 pursuant to ORS 341.611 or 341.678. The amount of the tax may be increased by an amount sufficient
 21 to retire any bonds that may be callable.

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

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

28 **SECTION 5.** ORS 341.604 is amended to read:

29 341.604. (1) The Blue Mountain Community College District and the Rogue Community College
 30 District may expand as provided by this section.

31 (2) If expansion of the Blue Mountain Community College District or the Rogue Community
 32 College District is approved by the voters, the Legislative Assembly shall:

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

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

40 (3) The district board of the Blue Mountain Community College District or the Rogue Commu-
 41 nity College District by resolution may designate as additional service areas any territory or terri-
 42 tories within the district that are benefited by the acquisition, construction and installation of
 43 community college facilities. Each additional service area designated by the district board shall be
 44 located entirely within the territory of a service area designated in subsection (2) of this section.
 45 In no event shall the district board designate as a service area any portion of the district incorpo-

1 rating territory located within two or more service areas designated in subsection (2) of this section.

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

8 **SECTION 6. This 2013 Act being necessary for the immediate preservation of the public**
9 **peace, health and safety, an emergency is declared to exist, and this 2013 Act takes effect**
10 **on its passage.**

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