

A-Engrossed
House Bill 3488

Ordered by the House June 20
Including House Amendments dated June 20

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.

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*] **authorized by this sec-**
12 **tion using the procedures prescribed in ORS chapter 287A** for the benefit of the district or a
13 [*specific*] service area **or combination of service areas of the district** upon satisfaction of the
14 conditions set forth in ORS 341.611 and 341.613.

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

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

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

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

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

2 341.613. (1) Following authorization from the voters of a district or **a service area or combination of service areas of the district**, the district board may contract a bonded indebtedness to
3 be paid by a tax levy on the taxable property within the district or **the service area or service**
4 **areas** for any one or more of the purposes set forth in ORS 341.675. Any land acquired, college
5 building or buildings or any additions to a building or buildings, and any real or personal property
6 to be paid for with the proceeds of the bonded indebtedness must be located within the boundaries
7 of the district or the service area **or combination of service areas** that approved the bonded
8 indebtedness.
9

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

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

17 341.616. (1) The district board shall ascertain and levy annually, in addition to all other taxes,
18 a direct ad valorem tax on all the taxable property within the district if the district approved
19 bonded indebtedness or within [*the territory of a service area if the service area*] **the affected service**
20 **area or combination of service areas if the service area or combination of service areas** ap-
21 proved bonded indebtedness. The ad valorem tax shall be sufficient to pay promptly, when and as
22 [*such*] payments become due, the maturing interest and principal of all bonds outstanding for the
23 district or the service area **or combination of service areas** that were approved at an election held
24 pursuant to ORS 341.611 or 341.678. The amount of the tax may be increased by an amount sufficient
25 to retire any bonds that may be callable.

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

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

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

33 341.604. (1) The Blue Mountain Community College District and the Rogue Community College
34 District may expand as provided by this section.

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

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

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

44 (3) The district board of the Blue Mountain Community College District or the Rogue Commu-
45 nity College District by resolution may designate as additional service areas any territory or terri-

1 tories within the district that are benefited by the acquisition, construction and installation of
2 community college facilities. Each additional service area designated by the district board shall be
3 located entirely within the territory of a service area designated in subsection (2) of this section.
4 In no event shall the district board designate as a service area any portion of the district incorpo-
5 rating territory located within two or more service areas designated in subsection (2) of this section.

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

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