

**Enrolled**  
**Senate Bill 181**

Printed pursuant to Senate Interim Rule 213.28 by order of the President of the Senate in conformance with pre-session filing rules, indicating neither advocacy nor opposition on the part of the President (at the request of Governor John A. Kitzhaber, M.D., for Oregon Business Development Department)

CHAPTER .....

AN ACT

Relating to repayment of loans for water projects; amending ORS 285B.581.

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

**SECTION 1.** ORS 285B.581 is amended to read:

285B.581. (1) Any loan of moneys to a municipality by the state shall include a plan for repayment by the municipality of moneys borrowed from the Water Fund for a water project and interest on those moneys at a rate expressly specified. The repayment plan:

(a) Shall provide for evidence of debt assurance of, and security for, repayment by the municipality as is considered necessary by the Oregon Infrastructure Finance Authority.

(b) May set forth the allocation of special assessments or contractual responsibilities among the owners of benefited properties for repayment to the municipality of the amount of the loan.

(c) May not exceed the usable life of the contracted project or [25] **30** years from the year of project completion, whichever is less.

(2) Notwithstanding any other provision of law or any restriction on indebtedness contained in a charter, a municipality may borrow from the fund by entering into a loan contract with the authority. The contract may be repaid from:

- (a) The revenues of any water project, including special assessment revenues;
- (b) Amounts withheld under ORS 285B.599;
- (c) The general fund of the municipality; or
- (d) Any other source.

(3) A loan contract authorized under subsection (2) of this section may provide that a portion of the proceeds of the loan be applied to fund a reserve fund to secure the repayment of the loan or secure the repayment of revenue bonds issued to fund the loan.

(4) A loan contract authorized under subsection (2) of this section shall be authorized by an ordinance, order or resolution adopted by the governing body of the municipality.

**Passed by Senate February 19, 2013**

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Robert Taylor, Secretary of Senate

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Peter Courtney, President of Senate

**Passed by House June 3, 2013**

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Tina Kotek, Speaker of House

**Received by Governor:**

.....M,....., 2013

**Approved:**

.....M,....., 2013

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John Kitzhaber, Governor

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

.....M,....., 2013

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Kate Brown, Secretary of State