

Senate Bill 181

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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**.

Extends term of loans made from Water Fund.

A BILL FOR AN ACT

1
2 Relating to repayment of loans for water projects; amending ORS 285B.581.

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

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

5 285B.581. (1) Any loan of moneys to a municipality by the state shall include a plan for repay-
6 ment by the municipality of moneys borrowed from the Water Fund for a water project and interest
7 on those moneys at a rate expressly specified. The repayment plan:

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

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

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

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

17 (a) The revenues of any water project, including special assessment revenues;

18 (b) Amounts withheld under ORS 285B.599;

19 (c) The general fund of the municipality; or

20 (d) Any other source.

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

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

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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.