

House Bill 3215

Sponsored by Representative WHISNANT

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 school district to obtain approval from Department of Education before entering into funds diversion agreement for payment of debt service on pension obligation bonds.

Provides that department may not approve funds diversion agreement unless aggregate debt service on bonds subject to funds diversion or debt guaranty agreements of district is no greater than 80 percent of state school moneys available to district.

Requires State Treasurer to provide relevant data to department.

A BILL FOR AN ACT

1
2 Relating to bonds.

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

4 **SECTION 1. (1) As used in this section:**

5 (a) "School district" means a common or union high school district, an education service
6 district or a community college district.

7 (b) "State-related debt agreements" means:

8 (A) Funds diversion agreements under ORS 238.698 or 328.284;

9 (B) Guarantees of school bonds under ORS 328.321 to 328.356; and

10 (C) Any other agreements under which moneys payable from the State of Oregon may
11 be diverted to repay moneys borrowed by a school district.

12 (2) Before a school district may enter into a funds diversion agreement under ORS
13 238.698 for bonds issued to finance pension liabilities, the school district must:

14 (a) Submit to the Department of Education information regarding all state-related debt
15 agreements of the school district;

16 (b) Certify to the department that, on an annual basis, anticipated moneys payable from
17 the State of Oregon are sufficient to pay debt service on all bonds subject to state-related
18 debt agreements and the bonds for which a new funds diversion agreement is proposed; and

19 (c) Receive approval from the department to enter into the funds diversion agreement.

20 (3) The department may approve a proposed funds diversion agreement of a school dis-
21 trict under ORS 238.698 only if the department determines that the annual debt service on
22 bonds of the school district described in subsection (2)(b) of this section, averaged over the
23 remaining life of the bonds, is no greater than 80 percent of the total amount of state school
24 moneys that the department anticipates will be available to the school district in the current
25 fiscal year.

26 (4) The State Treasurer shall provide to the department any data that is necessary or
27 useful in making the determination described in subsection (3) of this section.

28 (5) The department may adopt rules necessary to carry out the provisions of this section.

29 **SECTION 2. (1) Section 1 of this 2017 Act becomes operative on July 1, 2019.**

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 **(2) The Department of Education may take any action before the operative date specified**
2 **in subsection (1) of this section that is necessary to enable the department to exercise, on**
3 **and after the operative date specified in subsection (1) of this section, all the duties, func-**
4 **tions and powers conferred on the department by section 1 of this 2017 Act.**

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