

Enrolled
House Bill 3435

Sponsored by Representatives SMITH DB, RESCHKE; Representative WILSON

CHAPTER

AN ACT

Relating to county road fund moneys; and prescribing an effective date.

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

SECTION 1. (1) Notwithstanding ORS 294.060, 294.468 and 368.705, moneys from federal sources in the county road fund of Curry County, Klamath County or Yamhill County may be loaned to:

- (a) Any taxing district located within the county;
- (b) Another county; or
- (c) Any taxing district located in another county.

(2) The amount of the loan may not exceed the lesser of:

(a) The amount of operating taxes estimated to be collected by the taxing district or the county to which the moneys are to be loaned, plus interest, for a period of 20 consecutive years; or

(b) The estimated annual debt service amounts that can reasonably be estimated to be available for the term of the loan to the taxing district or the county to which the moneys are to be loaned, after subtracting any other financial or legal obligations of the borrower taxing district or county.

(3)(a) Moneys may be loaned under this section only pursuant to a legally binding inter-governmental agreement or loan agreement entered into by the governing bodies of the borrower taxing district or the county and the lender county.

(b) The intergovernmental agreement or loan agreement must contain provisions that:

(A) Fix the principal amount of the loan and state the method of determining the rate of interest. The rate of interest may not be less than the average rate of return earned over the immediately preceding 12-month period by moneys of the lender county placed in the investment pool as defined in ORS 294.805.

(B) Fix the term of the loan and the schedule of the payments of principal and interest.

(C) Pledge the operating tax revenues of the borrower taxing district or county as security for repayment of the loan, plus interest.

(D) Identify the purpose for which the taxing district or the county is borrowing the moneys.

(E) Establish remedies in favor of the lender county if the borrower taxing district or county is unable to meet the annual debt service obligations.

(4) The governing bodies of the borrower taxing district or county and the lender county shall account for the loan and the repayment obligation, including interest, in their annual budgets for the term of the loan.

(5) A county that makes a loan under this section shall disclose the loan to the Oregon Municipal Debt Advisory Commission.

(6) Moneys from state and local sources that are subject to Article IX, section 3a, of the Oregon Constitution, may not be loaned under this section.

SECTION 2. This 2017 Act takes effect on the 91st day after the date on which the 2017 regular session of the Seventy-ninth Legislative Assembly adjourns sine die.

Passed by House June 21, 2017

Received by Governor:

Repassed by House July 6, 2017

.....M.,....., 2017

Approved:

.....
Timothy G. Sekerak, Chief Clerk of House

.....M.,....., 2017

.....
Tina Kotek, Speaker of House

.....
Kate Brown, Governor

Passed by Senate July 4, 2017

Filed in Office of Secretary of State:

.....M.,....., 2017

.....
Peter Courtney, President of Senate

.....
Dennis Richardson, Secretary of State