

HOUSE AMENDMENTS TO HOUSE BILL 3435

By COMMITTEE ON REVENUE

June 19

1 Delete lines 4 through 21 of the printed bill and insert:

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

4 **“(a) Any taxing district located within the county;**

5 **“(b) Another county; or**

6 **“(c) Any taxing district located in another county.**

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

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

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

15 **“(3)(a) Moneys may be loaned under this section only pursuant to a legally binding**
16 **intergovernmental agreement or loan agreement entered into by the governing bodies of the**
17 **borrower taxing district or the county and the lender county.**

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

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

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

24 **“(C) Pledge the operating tax revenues of the borrower taxing district or county as se-**
25 **curity for repayment of the loan, plus interest.**

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

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

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

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

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