

Requested by Representative SMITH DB

**PROPOSED AMENDMENTS TO
HOUSE BILL 3435**

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,**
3 **moneys in the county road fund of Curry County, Klamath County or**
4 **Yamhill County may be loaned to:**

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

6 **“(b) Another county; or**

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

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

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

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

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

21 **“(b) The intergovernmental agreement or loan agreement must**

1 **contain provisions that:**

2 **“(A) Fix the principal amount of the loan and state the method of**
3 **determining the rate of interest. The rate of interest may not be less**
4 **than the average rate of return earned over the immediately preceding**
5 **12-month period by moneys of the lender county placed in the invest-**
6 **ment pool as defined in ORS 294.805.**

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

9 **“(C) Pledge the operating tax revenues of the borrower taxing dis-**
10 **trict or county as security for repayment of the loan, plus interest.**

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

13 **“(E) Establish remedies in favor of the lender county if the bor-**
14 **rower taxing district or county is unable to meet the annual debt**
15 **service obligations.**

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

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

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