

# House Bill 4017

Sponsored by Representative WHISNANT (Pre-session filed.)

## 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 annual debt service on pension obligation bonds of school district is no greater than 25 percent of state school moneys available to school district in current fiscal year, or if state school moneys available to school district constitute less than 25 percent of funding for school district in current fiscal year.

Requires State Treasurer to provide relevant data to department.

Becomes operative July 1, 2020.

## 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) **"Pension obligation bond" means a bond issued under ORS 238.692 to 238.698.**

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

8 (2) **Before a school district may enter into a funds diversion agreement under ORS  
9 238.698, the school district must:**

10 (a) **Submit to the Department of Education information regarding all pension obligation  
11 bonds of the school district;**

12 (b) **Certify to the department that, on an annual basis, anticipated moneys payable from  
13 the State of Oregon are sufficient to pay debt service on all pension obligation bonds of the  
14 school district, including bonds for which the funds diversion agreement is proposed; and**

15 (c) **Receive approval from the department to enter into the proposed funds diversion  
16 agreement.**

17 (3) **The department may approve the proposed funds diversion agreement only if:**

18 (a) **The department determines that the annual debt service on all pension obligation  
19 bonds of the school district, including bonds for which the funds diversion agreement is  
20 proposed, averaged over the remaining life of the bonds, is no greater than 25 percent of the  
21 total amount of state school moneys that the department anticipates will be available to the  
22 school district in the current fiscal year; or**

23 (b) **The department determines that state school moneys anticipated to be available to  
24 the school district constitute less than 25 percent of the total anticipated funding for the  
25 school district in the current fiscal year.**

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

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

**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        **SECTION 2.** (1) Section 1 of this 2018 Act becomes operative on July 1, 2020.

2        (2) The Department of Education may take any action before the operative date specified  
3 in subsection (1) of this section that is necessary to enable the department to exercise, on  
4 and after the operative date specified in subsection (1) of this section, all the duties, func-  
5 tions and powers conferred on the department by section 1 of this 2018 Act.

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