

House Bill 2090

Introduced and printed pursuant to House Rule 12.00. Pre-session filed (at the request of Governor Kate Brown for Higher Education Coordinating Commission)

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**.

Establishes timeline for petition to make changes in boundary of community college district.

Enhances procedures to be followed by Higher Education Coordinating Commission when holding public hearings on potential change in boundary of community college district.

Requires commission to hold election on revising community college district boundaries only when Legislative Assembly has appropriated money to commission for purposes of holding election.

Revises provisions relating to allocation of assets and liabilities when territory leaves community college district.

A BILL FOR AN ACT

1
2 Relating to community college districts; amending ORS 341.565, 341.569, 341.573 and 341.575.

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

4 **SECTION 1.** ORS 341.565 is amended to read:

5 341.565. (1) The Higher Education Coordinating Commission shall constitute the boundary board
6 for making any changes in the boundaries of community college districts. The commission on its own
7 motion or on petition from a petitioning territory may propose changes in the boundaries of a com-
8 munity college district. The commission must find that the proposed change will have no substan-
9 tially adverse effect upon the ability of the affected districts to provide and continue their programs
10 and is not made solely for tax advantages to property owners in the district or area affected by the
11 proposed change. The commission may submit the question of a boundary change to a vote of the
12 electors of the territories affected by the boundary change. The election must be held on the same
13 day in *[both]* **each** of the affected territories.

14 (2) A petition shall be in a form prescribed by the commission and must contain the information
15 that the commission requires. The petition shall:

16 (a) Contain a minimum number of signatures as fixed by the commission; **and**

17 (b) **Be either received by the commission, or mailed to the commission as evidenced by**
18 **a postmark date, no later than 90 days after the date the first signature on the petition is**
19 **recorded.**

20 (3)(a) Before any order changing boundaries of an existing district is entered, the commission
21 shall set dates for a public hearing in the area to be included in the district or excluded from the
22 district by the proposed boundary change and, in the case of annexation of new territory, in the
23 principal town of the existing district **that annexes the new territory. [and] The commission**
24 shall give notice **of the public hearing** in the manner required in ORS 341.357.

25 (b) At the time set in the notice, the commission or its authorized representative shall conduct
26 a public hearing on the motion or petition and may adjourn the hearing from time to time.

27 (c) **If the commission determines that it is unable to locate a suitable venue to hold a**
28 **public hearing in an area described in paragraph (a) of this subsection, the commission shall**

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 **hold the public hearing at a suitable venue that is as close to the area described in paragraph**
 2 **(a) of this subsection as the commission can reasonably locate.**

3 (4)(a) If, upon final hearing, the commission approves the motion or petition or affirms the vote
 4 of the electors of the affected territories, the commission shall:

5 (A) Make an order describing the revised boundaries of the district; **and**

6 **(B) Not sooner than 20 days after making the order, submit a copy of the order to the**
 7 **Legislative Assembly for approval.**

8 (b) The order becomes final when the order is approved by the Legislative Assembly.

9 (A) If the order is not approved, the commission may revise the order and resubmit the order
 10 to the Legislative Assembly but not sooner than 60 days after the action of disapproval was taken.

11 **(B) If the Legislative Assembly fails to take any action on an order submitted under this**
 12 **subsection, the commission may resubmit an unrevised order to the Legislative Assembly**
 13 **without holding the public hearings described in subsection (3) of this section.**

14 (5) Any division of assets and liabilities required by a change in the boundaries of a district
 15 shall be made pursuant to ORS 341.573.

16 (6) When the boundaries of a district are changed, if the final order of the commission or an
 17 election held under ORS 341.569:

18 (a) Occurs between July 1 and March 31, inclusive, the change takes effect on the June 30 fol-
 19 lowing the final order or election favoring the change.

20 (b) Occurs between April 1 and June 30, inclusive, the change takes effect on the June 30 of the
 21 following year.

22 (7) For purposes of ad valorem taxation, a boundary change must be filed in final approved form
 23 with the county assessor and the Department of Revenue as provided in ORS 308.225.

24 **SECTION 2.** ORS 341.569 is amended to read:

25 341.569. (1) The Higher Education Coordinating Commission shall submit the question of a pro-
 26 posed boundary change to a vote if:

27 (a) The commission enters the order to revise the boundaries of a community college district;

28 (b) A remonstrance is filed with the commission within 20 days after the date on which the
 29 **commission enters the order** [*hearing under ORS 341.565 is adjourned finally*];

30 (c) The remonstrance is signed by at least five percent of the electors or at least 500 of the
 31 electors, whichever is less, in:

32 (A) An area to be included in the district or excluded from the district by the proposed boundary
 33 change; or

34 (B) The existing community college district; [*and*]

35 (d) The area to be included in the district is not surrounded by the territory of a single com-
 36 munity college district; **and**

37 **(e) The Legislative Assembly appropriates to the commission moneys to conduct the**
 38 **election.**

39 (2) When necessary under subsection (1) of this section, the question shall be submitted to the
 40 electors of [*the*] **each** area or district [*filing a remonstrance or in both if remonstrances*] **that files**
 41 **a remonstrance** meeting the requirements of subsection (1) of this section [*are filed from both*].

42 (3) If the proposed boundary change is defeated, the same or a substantially similar change may
 43 not be considered until at least 12 months have elapsed from the date of the election at which the
 44 change was defeated. If the vote is favorable in the area or district from which a remonstrance was
 45 filed, the commission shall declare the change effective on the date determined under ORS 341.565.

SECTION 3. ORS 341.573 is amended to read:

341.573. (1) When changes in district boundaries are made by the detachment of territory or an annexation of territory and another community college district is affected, the boards of the districts shall make an equitable division of the then existing assets and liabilities between the districts affected by such change and provide the manner of consummating the division.

(2) In case of failure to agree within 20 days from the time of such change, the matter shall be decided by a board of arbitrators. The board of arbitrators shall consist of one member appointed by each of the boards of the affected districts and an additional member appointed by the other appointees.

(3) In the event any such board fails to appoint an arbitrator within 30 days, the Higher Education Coordinating Commission shall appoint such arbitrator. In the event the arbitrators selected fail to appoint the additional arbitrator within 30 days after the appointment of the arbitrator last appointed, the commission shall notify the judge senior in service of the circuit court of the principal county. Within 10 days after receiving such notice, the judge shall appoint one additional arbitrator.

(4) Each member of the board of arbitrators shall be entitled to the sum of \$100 per day for each day's service, and necessary expenses, while serving in the official capacity of the member. Expenses thus incurred shall be equally apportioned among the districts concerned.

(5) A party to an arbitration under this section may seek confirmation, vacation, modification or correction of the arbitrator's decision as provided in ORS 36.700, 36.705 and 36.710. A court may vacate an award only if there is a basis to vacate the award described in ORS 36.705 (1)(a) to (d). The court may modify or correct an award only for the grounds given in ORS 36.710.

(6) Assets include all property and moneys belonging to the district at the time of division. Liabilities include all debts for which the respective districts in their corporate capacities are liable at the time of division. In determining the assets, property shall be estimated at its fair value. The assets and liabilities shall be divided between the districts in proportion to the last assessed value of the real and personal property. The district retaining the real property shall pay the other districts concerned such sums as are determined in accordance with the provisions of this section. All funds to be apportioned during the current fiscal year, after such division, shall be made in proportion to the number of persons in each district according to the latest federal census.

(7) This section does not apply to state aid distributed by the commission under ORS 341.626.

(8) When changes in district boundaries arise by detaching a territory that will not be incorporated into an existing or new community college district:

(a) The existing district from which the territory is detached shall retain the rights to all assets belonging to the district at the time of the change in district boundaries; and

(b) Except as provided in ORS 341.575, the existing district shall also retain responsibility for all liabilities of the district.

SECTION 4. ORS 341.575 is amended to read:

341.575. (1) When territory is annexed to or merged with a community college district, the new territory shall become liable for its share of the existing debt of the community college district.

(2) When territory is detached from a community college district, the detached territory shall remain liable for its share of the bonded indebtedness assumed by the community college district during the period of time the detached territory was included in the district.