

Senate Bill 1043

Sponsored by Senator VERGER; Senators GEORGE, C STARR, Representatives BROWN, HANSEN, JENSON, ROBLAN, TOMEI

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**.

Allows county to distribute amounts received from federal forest reserve receipts not required for county road fund to school fund of county.

Declares emergency, effective July 1, 2005.

A BILL FOR AN ACT

1
2 Relating to school finance; amending ORS 294.060 and 328.005 and section 1, chapter 958, Oregon
3 Laws 2001; and declaring an emergency.

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

5 **SECTION 1.** ORS 294.060 is amended to read:

6 294.060. (1) The moneys received by each county under ORS 293.560 shall be divided 75 percent
7 to the road fund and 25 percent to the school fund of the county and, subject to subsection (2) of
8 this section, the moneys shall be expended as other moneys in those funds are expended.

9 (2) The moneys apportioned to the county road fund may be applied in payment of any out-
10 standing road bonds or may be placed in any county road bond sinking fund for the purpose of being
11 so applied.

12 [(3) *Notwithstanding the division of receipts specified in subsection (1) of this section, in any county*
13 *east of the summit of the Cascade Mountains with a population of less than 9,000 and more than 6,500,*
14 *according to the 1990 federal decennial census, moneys from the road fund in excess of \$2 million may*
15 *be transferred to the school fund when the amount of money credited to the road fund under subsection*
16 *(1) of this section exceeds the amount needed for county roads, as determined by the board of county*
17 *commissioners. Any amount received by a school district from the school fund of the county that is in*
18 *excess of the 25 percent required under subsection (1) of this section may not be considered as a receipt*
19 *that would reduce the district's apportionments from the State School Fund.]*

20 [(4) *Notwithstanding the division of receipts specified in subsection (1) of this section, in any county*
21 *east of the summit of the Cascade Mountains with a population of less than 58,000 and more than*
22 *55,000, according to the 1990 federal decennial census, if the moneys credited to the road fund under*
23 *subsection (1) of this section exceed the amount needed for county roads, as determined by the county*
24 *governing body, the portion of such moneys in excess of an amount specified by the county governing*
25 *body may be transferred to the school fund of the county or may be transferred directly to the school*
26 *districts of the county in accordance with procedures established by the county governing body. The*
27 *county governing body may distribute moneys under this subsection among the several school districts*
28 *without regard to the percentage of the resident average daily membership in each school district.*
29 *Moneys transferred under this subsection may be transferred upon the condition that any school district*
30 *receiving a share of such moneys must use the moneys only for a purpose described in ORS 328.205*

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 (1)(a) or (c). Any amount received by a school district from the county under this subsection that is in
 2 excess of the 25 percent required under subsection (1) of this section may not be considered as a receipt
 3 that would reduce the district's apportionments from the State School Fund.]

4 [(5) Notwithstanding the division of receipts specified in subsection (1) of this section, in any county
 5 east of the summit of the Cascade Mountains with a population of less than 6,500, according to the 1990
 6 federal decennial census, moneys received by the county under ORS 293.560 may be divided between
 7 the road fund and the school fund of the county as specified under an agreement between the county
 8 governing body and the education service district board of the county that provides for a different ap-
 9 portionment of those moneys. Any amount received by a school district from the school fund of the
 10 county that is in excess of the 25 percent required under subsection (1) of this section may not be con-
 11 sidered as a receipt that would reduce the district's apportionments from the State School Fund.]

12 [(6) Notwithstanding the division of receipts specified in subsection (1) of this section, in any county
 13 west of the summit of the Cascade Mountains with a population of less than 19,500 and more than
 14 6,500, according to the 1990 federal decennial census, moneys from the road fund in excess of \$1 million
 15 may be transferred to the school fund when the amount of money credited to the road fund under
 16 subsection (1) of this section exceeds the amount needed for county roads, as determined by the board
 17 of county commissioners. Any amount received by a school district from the school fund of the county
 18 that is in excess of the 25 percent required under subsection (1) of this section may not be considered
 19 as a receipt that would reduce the district's apportionments from the State School Fund.]

20 [(7) As used in subsections (3) to (6) of this section, "summit of the Cascade Mountains" has the
 21 meaning for that term provided in ORS 477.001.]

22 **(3) Notwithstanding the division of receipts specified in subsection (1) of this section, a**
 23 **county may transfer any amount not needed for the county road fund, as determined by the**
 24 **county, to the school fund of the county. Any amount received by a school district from a**
 25 **county under this subsection that is in excess of the 25 percent required under subsection**
 26 **(1) of this section may not be considered as a receipt that would reduce the district's ap-**
 27 **portionments from the State School Fund.**

28 **SECTION 2.** Section 1, chapter 958, Oregon Laws 2001, as amended by section 19, chapter 226,
 29 Oregon Laws 2003, is amended to read:

30 **Sec. 1.** (1) The purpose of this section is to ensure that school districts receive a percentage
 31 of amounts received by the state under the Secure Rural Schools and Community Self-Determination
 32 Act of 2000 (P.L. 106-393).

33 (2) The Oregon Department of Administrative Services shall distribute all sums received by the
 34 state pursuant to section 102(a)(2), (c)(1) and (d)(1)(A), P.L. 106-393, to counties in the same manner
 35 as are sums derived from forest reserve rentals, sales of timber and other sources from forest re-
 36 serves under ORS 293.560. The department shall ensure that, of the total amount distributed to all
 37 counties in any fiscal year, the percentage distributed to each county in any fiscal year is the same
 38 as the county's percentage share of all payments received by the state during the eligibility period
 39 described in section 3(2), P.L. 106-393.

40 (3) A county that receives funds from the department pursuant to subsection (2) of this section
 41 as the county's share of federal funds distributed under P.L. 106-393 shall deposit 25 percent of those
 42 funds in the county school fund or shall deposit an amount as [specified in] **allowed under** ORS
 43 294.060 (3) [to (6)].

44 (4) Pursuant to ORS 328.015, amounts in the county school fund shall be distributed to the
 45 school districts in the county based on the resident average daily membership of the school districts.

1 **SECTION 3.** ORS 328.005 is amended to read:

2 328.005. (1) The governing body of each county shall create a county school fund.

3 (2) When a county governing body transfers federal forest reserve receipts under ORS 294.060
4 [~~4~~] **(3)** subject to a condition that such moneys be used only for a purpose described in ORS 328.205
5 (1)(a) or (c), a school district receiving a share of such moneys may not use the moneys for any other
6 purpose.

7 **SECTION 4. This 2005 Act being necessary for the immediate preservation of the public**
8 **peace, health and safety, an emergency is declared to exist, and this 2005 Act takes effect**
9 **July 1, 2005.**

10