

**A-Engrossed**  
**House Bill 4056**

Ordered by the House February 12  
Including House Amendments dated February 12

Introduced and printed pursuant to House Rule 12.00. Pre-session filed (at the request of House Interim Committee on Education 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.

Approves Proposed and Final Order of Higher Education Coordinating Commission dated December 12, 2019, transferring northernmost portion of Lake County from Central Oregon Community College Service District to Klamath Community College Service District. Clarifies that transferred area remains liable for its share of debt of Central Oregon Community College Service District that exists at time of transfer.

Declares emergency, effective on passage.

**A BILL FOR AN ACT**

1  
2 Relating to boundaries of community college districts; creating new provisions; amending ORS  
3 341.573; and declaring an emergency.

4 Whereas the northernmost portion of Lake County (territory) is currently being served by dis-  
5 tance learning technology offered by Klamath Community College Service District (KCC); and

6 Whereas residents who attended required public hearings believed that KCC offers programming  
7 that is more aligned with the educational needs of the territory than that offered by the Central  
8 Oregon Community College Service District (COCC); and

9 Whereas Lake County has a current contractual relationship with KCC and the Lakeview Edu-  
10 cation Service District has a positive relationship with KCC; and

11 Whereas COCC does not have current plans to increase or improve the educational services  
12 provided by COCC to the territory; and

13 Whereas the current community college district boundaries are not aligned with the current  
14 contracts, relationships and interests of the territory; and

15 Whereas the COCC Board of Directors has taken formal action to support the transition; and

16 Whereas the tax liability of residents of the territory will decrease without any loss in educa-  
17 tional services, as the KCC mill rate is currently lower than the COCC mill rate; now, therefore,

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

19 **SECTION 1. (1) Pursuant to ORS 341.565, the Eightieth Legislative Assembly approves**  
20 **the changes to the boundaries of the Central Oregon Community College Service District and**  
21 **Klamath Community College Service District set forth in the Proposed and Final Order of**  
22 **the Higher Education Coordinating Commission dated December 12, 2019.**

23 **(2) Notwithstanding ORS 341.575, the territory that is transferred from the Central**  
24 **Oregon Community College Service District to the Klamath Community College Service Dis-**  
25 **trict under this section remains liable for the transferred territory's share of the debt of the**

**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 **Central Oregon Community College Service District that exists at the time of the transfer.**

2 **SECTION 2.** ORS 341.573 is amended to read:

3 341.573. (1) When changes in district boundaries are made by the detachment of territory or an  
4 annexation of territory and another community college district is affected, the boards of the districts  
5 shall make an equitable division of the then existing assets and liabilities between the districts af-  
6 fected by such change and provide the manner of consummating the division.

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

11 (3) In the event any such board fails to appoint an arbitrator within 30 days, the Higher Edu-  
12 cation Coordinating Commission shall appoint such arbitrator. In the event the arbitrators selected  
13 fail to appoint the additional arbitrator within 30 days after the appointment of the arbitrator last  
14 appointed, the commission shall notify the judge senior in service of the circuit court of the princi-  
15 pal county. Within 10 days after receiving such notice, the judge shall appoint one additional  
16 arbitrator.

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

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

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

32 **(7) State aid distributed under ORS 341.626 and commission rules is not subject to sub-**  
33 **sections (1) to (6) of this section.**

34 **SECTION 3. This 2020 Act being necessary for the immediate preservation of the public**  
35 **peace, health and safety, an emergency is declared to exist, and this 2020 Act takes effect**  
36 **on its passage.**

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