

Chapter 328

1983 REPLACEMENT PART

Local Financing of Education

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DEFINITIONS

328.001 Definitions. As used in this chapter, unless the context requires otherwise:

(1) "Administrative office for the county" means the administrative office of the county school district, of the education service district, or of the administrative school district which includes an entire county.

(2) "School district" includes common and union high school districts. [1965 c.100 §42; 1971 c.513 §60]

COUNTY SCHOOL FUND

328.005 County school fund. (1) To create a county school fund, the governing body of each county shall provide annually, by levy upon all taxable property of the county, or otherwise, an amount at least equal to the lesser of:

(a) The minimum amount it was required to levy for the purposes of the county school fund in the tax year 1965-66; or

(b) Ten dollars per capita for all children within the county between the ages of 4 and 20 years, as determined pursuant to ORS 190.510 to 190.610.

(2) Federal forest reserve receipts allocated to schools under ORS 294.060, or other revenues specifically earmarked for schools under federal or state law, shall not be used to reduce the levy upon taxable property required by this section.

[Amended by 1965 c.100 §43; 1965 c.491 §1; 1967 c.107 §1; 1971 c.294 §4]

328.010 [Amended by 1963 c.544 §17; 1965 c.100 §44; repealed by 1975 c.64 §1]

328.015 Apportionment to districts. On the first Monday in December the executive officer of the administrative office for the county shall apportion the county school fund among the several districts in the county, in proportion to the resident average daily membership for the preceding fiscal year in each district as reported by the district to the administrative office of the county. In the case of a joint school district, the resident average daily membership reported to the administrative office of the counties comprising the district shall be prorated between the counties as the resident enrollment of the district is prorated between the counties. Any balance accruing to the fund after the December apportionment shall be apportioned in the same manner at such other times during the year as the executive officer of the administrative office may consider advisable. [Amended by 1965 c.100 §45; 1971 c.294 §5; 1975 c.770 §5]

328.020 [Amended by 1963 c.544 §18; 1965 c.100 §46; repealed by 1975 c.770 §49]

328.025 [Amended by 1965 c.100 §47; 1971 c.294 §6; repealed by 1975 c.770 §49]

328.030 Partial apportionments. The executive officer of the administrative office for the county, upon the written request of any district school board, may make a partial apportionment to any district of any money due it at the time of making a regular apportionment under ORS 328.015, and apportion the remainder at the next regular apportionment. The county treasurer shall pay any partial apportionment made under this section. [Amended by 1963 c.544 §19; 1965 c.100 §48]

328.035 Payment of certain special education costs before apportionment of county school fund. Before apportioning funds as provided in ORS 328.015 and 328.030, the executive officer of the administrative office for the county shall direct the county treasurer to pay the billing submitted by the Superintendent of Public Instruction under ORS 343.307. [1971 c.449 §4]

328.045 Apportionment of excess amounts; application as tax offset. Any moneys in the county school fund in excess of the amount required by law may, by order of the county governing body, be apportioned under ORS 328.015 separately from remaining county school fund moneys. Amounts separately apportioned under this section to a school district shall not be considered a budget resource under the Local Budget Law but shall be used as an offset to the school district's tax levy. [1979 c.551 §2]

DOUGLAS COUNTY SCHOOL FUND

328.105 Sources; use of interest. The proceeds of all gifts, devises and bequests made to Douglas County for common school purposes shall be set apart as a separate and irreducible school fund, to be called the Douglas County School Fund, the interest of which shall be applied to the support and maintenance of all common schools in said county.

328.110 Custodian of fund. The county treasurer shall be the custodian of the Douglas County School Fund. His bond as treasurer shall include the honest and faithful performance of his duties as such custodian.

328.115 Loan of fund and rental of lands; disbursement of interest and rents.

(1) The county treasurer shall loan the Douglas County School Fund in the manner provided by law at the best rate obtainable per annum and shall rent all lands owned by the county belonging to the fund.

(2) The county treasurer shall place the interest and rentals with other moneys the county receives for support of the common schools. The education service district board shall apportion and the county treasurer shall distribute the interest and rentals with, and in the same manner as, such other moneys. [Amended by 1963 c.544 §20]

328.120 Board of Douglas County School Fund commissioners. The chairman of the board of county commissioners, clerk and treasurer of Douglas County are appointed as a board of Douglas County School Fund commissioners. They shall approve all applications for loans as to title and value of security offered. The treasurer shall make no loan or lease any land until such board has given its approval.

[Amended by 1963 c.386 §5]

328.125 Law concerning Common School Fund to apply. The laws governing the loaning of the Common School Fund of this state, so far as applicable and not in conflict with ORS 328.105 to 328.140 shall govern the loaning of the Douglas County School Fund.

328.130 Loans to be made in name of treasurer; collection of sums due. All loans shall be made in the name of the treasurer of Douglas County but for the benefit of the fund. The treasurer shall collect all sums due the fund in the manner provided by law.

328.135 Services of county officers to be without charge; expense of making loan. No officer of Douglas County shall charge or receive fees for any service performed in regard to the fund. All expenses of making a loan shall be paid for by the applicant.

328.140 Sale, rental or lease of property; disposition of proceeds. The board of Douglas County School Fund commissioners may sell and convey by deed, executed by all of said commissioners, any and all real property devised to Douglas County for common school purposes, whenever in the judgment of such board the interest of the school fund will be subserved by such sale, or may rent or lease the same when it deems best. The board may invest the proceeds of such sale as provided in ORS 328.115 to 328.135.

COMMON SCHOOL FUND FOR DISTRICT NO. 1, KLAMATH COUNTY

328.155 Sources; use of interest. The proceeds of all gifts, devises and bequests made to School District No. 1, Klamath County, for common school purposes, for the use and benefit of said district shall be set apart as a separate and irreducible school fund, to be called the Common School Fund for District No. 1, Klamath County. The interest from the fund shall be applied to the support and maintenance of the common schools of said school district.

328.160 Custodian of fund. The clerk of Klamath County School District No. 1 shall be custodian of the Common School Fund for District No. 1, Klamath County. His bond as clerk shall include the honest and faithful performance of his duties as such custodian.

328.165 Investment and loan of fund and rental of lands; disbursement of interest and rents. (1) The board of common school fund commissioners for Klamath County School District No. 1 may invest all or part of the fund in bonds of the United States of America. With regard to any funds not so invested, the district clerk shall loan the fund in the manner provided by law at no less than four percent per annum and rent all lands owned by the district belonging to the fund.

(2) The interest accruing from such investments and loans and the rent of said lands, shall be placed by the clerk with other school district moneys and be distributed by the clerk with such other moneys in the manner provided by law and the order of the directors or trustees of the district.

328.170 Directors as fund commissioners. The directors of School District No. 1 of Klamath County are appointed as a board of common school fund commissioners for the district to approve all applications for loans as to title and value of the security offered. The security shall be real property in Klamath County of at least double the value of the loan. The clerk of the district shall make no loan or release any security without prior board approval.

328.175 Laws governing loans of Common School Fund to apply. The laws governing loaning of the Common School Fund of this state, so far as applicable and not in conflict with ORS 328.155 to 328.190 shall govern the loaning of the Common School Fund for District No. 1, Klamath County.

328.180 Loans to be made in name of clerk; collection of sums due. All loans shall be made in the name of the clerk of School District No. 1 of Klamath County, but for the benefit of the fund. The clerk shall collect all sums due the fund in the manner provided by law. The principal shall be reloaned.

328.185 Services of clerk to be without charge; expense of making loan. The clerk of the district shall not charge or receive fees for any services performed in regard to the fund. All expenses of making a loan shall be paid for by the applicant.

328.190 Sale and conveyance of property; disposition of proceeds. The board of directors of School District No. 1, Klamath County, may sell and convey by deed, executed by all the members of said board of directors, any and all real property devised to the district for common school purposes, or any and all real property acquired by the district in connection with the administration of said fund, whenever in the board's judgment the interests of the school fund will be subserved by such sale. The board shall pay over the proceeds of such sale to the clerk of the district to be invested the same as other moneys belonging to the fund.

BONDS

328.205 Power to contract bonded indebtedness; use of proceeds to pay expenses of issue. (1) Common and union high school districts may contract a bonded indebtedness for any one or more of the following purposes in and for the district:

(a) To acquire, construct, reconstruct, improve, repair, equip or furnish a school building or school buildings or additions thereto;

(b) To acquire or to improve all property, real and personal, appurtenant thereto or connected therewith, including school busses;

(c) To fund or refund outstanding indebtedness; and

(d) To provide for the payment of the debt.

(2) However, when a common or union high school district is found under ORS 327.103 not to be a standard school or when a school district is operating a conditionally standard school under ORS 327.103 (3), the school district may contract a bonded indebtedness only for the purposes enumerated in subsection (1) of this section that are approved by the Superintendent of Public Instruction.

(3) The school district may use the proceeds received from the sale of school district bonds to pay for any costs incurred by such school district in issuing and selling such bonds including, but not limited to, attorney fees and the cost of publishing notices of bond elections, printing such bonds and advertising such bonds for sale.

[Amended by 1957 c.658 §1; 1959 c.447 §1; 1965 c.100 §49; 1971 c.513 §61]

328.210 Bond elections. (1) The board of directors of a common or union high school district shall call an election on a date specified in ORS 255.345 for the purpose of submitting to the electors of the district a question of contracting bonded indebtedness under ORS 328.205 when:

(a) A majority of the board of directors decides to call such an election; or

(b) A petition requesting such an election is filed with the board of directors as provided in this section.

(2) The requirements for preparing, circulating and filing a petition under this section shall be as provided for an initiative petition in ORS 255.135 to 255.205. The petition shall specify the proposed amount of bonded indebtedness.

[Amended by 1957 c.658 §2; 1965 c.100 §50; 1971 c.513 §62; 1973 c.57 §1; 1973 c.796 §25; 1979 c.424 §1; 1983 c.83 §46; 1983 c.350 §138]

328.213 Issuance of negotiable interest-bearing warrants. (1) When authorized by a majority of the electors of the district, the board of a common or union high school district may contract a district debt for an amount which together with outstanding bonded indebtedness shall not exceed the bonding limit of the district as provided by ORS 328.245, for the purposes specified in ORS 328.205 and issue negotiable interest-bearing warrants of the district, evidencing such debt, and fix the time of payment of the warrants. Such warrants shall be considered a type of bond.

(2) The school district, not oftener than once a year, may levy a tax on the taxable property of the district to pay the warrant interest or principal when due. The taxes shall be collected in the same manner as other school taxes. These warrants shall be sold, and the principal and interest provided for and paid when due in the manner provided by law for bonds issued under this chapter. [Formerly 328.285; 1971 c.513 §63; 1983 c.83 §47]

328.215 [Amended by 1957 c.310 §3; 1965 c.100 §52; 1973 c.796 §26; repealed by 1983 c.350 §331a]

328.220 [Repealed by 1963 c.132 §1]

328.225 [Repealed by 1961 c.361 §4]

328.230 Issue of bonds upon favorable vote. If the electors of the district approve the contracting of bonded indebtedness, the board of directors, without further vote of the electors, shall issue negotiable coupon bonds of the district, at such time or times as the board directs. [Amended by 1965 c.100 §53; 1971 c.140 §1; 1983 c.350 §139]

328.235 Interest rate; signature; signed interest coupons. The bonds shall:

(1) Bear interest, not exceeding the rate established pursuant to ORS 288.515 to 288.590, payable semiannually.

(2) Be signed by the chairman of the district school board and attested by the district clerk or deputy clerk. Bonds of issues of \$1 million or more may be executed with the facsimile signature of the chairman of the district school board and attested by the original signature of the district clerk or deputy clerk.

(3) Have annexed interest coupons bearing the original or facsimile signatures of the chairman of the district school board and district clerk or deputy clerk. [Amended by 1971 c.140 §2; 1977 c.311 §1; 1981 c.94 §27]

328.240 Place of payment. The principal and interest on district bonds are payable in lawful money of the United States of America at the office of the treasurer or fiscal officer of the county in which the major portion of the assessed valuation of the district is located at the time the bonds are issued. [Amended by 1965 c.100 §54; 1983 c.347 §22]

328.245 Limitation on bonded debt of districts generally. The aggregate amount of such district bonded indebtedness, including indebtedness authorized under ORS 328.213, shall not exceed the following percentages of true cash value of all taxable property within the district, computed in accordance with ORS 308.207:

(1) For each grade from kindergarten to eighth for which the district operates schools, fifty-five one-hundredths of one percent (.0055) of the true cash value.

(2) For each grade from the 9th to 12th for which the district operates schools, seventy-five one-hundredths of one percent (.0075) of the true cash value. [Amended by 1953 c.697 §2; 1955 c.325 §1; 1957 c.639 §1; 1959 c.641 §34; 1963 c.9 §16; 1965 c.100 §55; 1971 c.513 §64; 1975 c.770 §5a]

328.250 Limitation on bonded indebtedness of enlarged or reorganized school districts. In any school district created by

merger or reorganization, the amount of bonded indebtedness and negotiable interest-bearing warrant indebtedness which may be incurred under ORS 328.245 shall be reduced by the amount of premerger, prereorganization, bonded indebtedness and negotiable interest-bearing warrant indebtedness for which any school district included in an enlarged or reorganized school district remains liable. [Amended by 1965 c.100 §56]

328.255 Registration of bonds and negotiable interest-bearing warrants; delivery; disposition of proceeds; noncontestability. (1) The county treasurer or county fiscal officer shall register each school district bond, including refunding bonds, and negotiable interest-bearing warrants in a book kept for that purpose, noting the school district, amount, date, time and place of payment, rate of interest and such other facts as may be deemed proper. The county treasurer or fiscal officer shall cause the bonds or warrants to be delivered promptly to the purchasers thereof upon payment therefor, and if the place of delivery is outside the city in which the county treasurer or county fiscal officer's office is situated the cost of delivery of the bonds or warrants shall be paid by the issuing school district.

(2) The county treasurer or county fiscal officer or a custodial officer as defined in ORS 294.004 may hold the proceeds of the sale of the bonds or warrants for all school districts except county school districts subject to the order of the district school board to be used solely for the purpose for which the bonds or warrants were issued. If the treasurer or fiscal officer holds the proceeds initially, then the treasurer or fiscal officer, as soon as practicable, shall deliver the proceeds of the sale of the bonds and warrants to the person designated as custodian of the school district funds under ORS 328.441.

(3) When the bonds or warrants have been so executed, registered and delivered, their legality shall not be open to contest by the school district, or by any person for or on its behalf, for any reason whatever. [Amended by 1953 c.236 §2; 1955 c.312 §1; 1965 c.100 §57; 1981 c.441 §1]

328.260 Tax levy to pay interest and principal of bonds; use of funds derived from tax. (1) The district school board shall ascertain and levy annually, in addition to all other taxes, a direct ad valorem tax on all the taxable property in the school district, sufficient to pay the maturing interest and principal of all serial school district bonds promptly when and as such payments become due. The amount of the tax may be increased by an amount sufficient

to retire any bonds which may be callable. The board shall in each year include such taxes in the school district budget for such year. Such taxes shall in each year be certified, extended upon the tax rolls and collected by the same officers in the same manner and at the same time as the taxes for general county purposes.

(2) The funds derived from such tax levies may be retained by the county treasurer or county fiscal officer without being paid to the school district or may be held in trust by a financial institution as defined in ORS 706.005 or savings association or federal association as defined in ORS 722.004 designated by the district to hold the funds. The funds shall be kept in a separate fund to be known as and designated "School District No. — Bond Interest and Sinking Fund," which shall be irrevocably pledged to and used solely for the payment of the interest accruing on and the principal of the bonds when due, so long as any of the bonds or the coupons there-to appertaining remain outstanding and unpaid. The interest earnings of such fund shall be credited thereto and become a part thereof. For failure to retain and account for such funds, as provided in this section, the county treasurer, county fiscal officer or bank, savings bank, savings and loan association or trust company designated by the district shall be liable upon the official bond of the treasurer, other officer or institution, respectively.

(3) The fund shall not be diverted or used for any other purpose; but if a surplus remains after all interest and principal have been paid on all serial school district bonds then outstanding and unpaid, the surplus may be transferred to such other fund as the district school board may direct. [Amended by 1955 c.467 §1; 1965 c.100 §57a; 1981 c.441 §2]

328.265 School district bond tax to be levied by governing body upon failure of district school board. (1) The district school board of each school district having an outstanding bond issue shall file annually with the county treasurer or county fiscal officer a copy of the school district budget and tax levy.

(2) If the tax required by ORS 328.260 is not levied by the district school board, the county treasurer shall certify the amount necessary to the governing body of the county which shall then levy a tax on all taxable property in the appropriate school district sufficient to raise the required amount.

(3) The county assessor shall extend the tax so levied upon the county tax rolls for such school district. The tax collector shall collect the tax and pay the sums collected into the county

treasury to the credit of the fund established by ORS 328.260. [Amended by 1965 c.100 §58; 1973 c.305 §14]

328.270 Payment of principal and interest; collection commission prohibited.

(1) The county treasurer or county fiscal officer must cause to be paid out of any money in his hands belonging to the school district, the interest on or principal of, as the case may be, any bond issued by the district promptly when and as the same becomes due at the place of payment designated in such coupons or bonds. All coupons or bonds so paid must be immediately reported to the district school board.

(2) No county treasurer, county fiscal officer or district school board shall pay to the purchaser of any bond issued by a school district, or to any agency representing such purchaser, any commission whatsoever for the collection of the interest on or principal of any such bond. The county treasurer or county fiscal officer shall not be required to remit to the purchaser of any bonds or coupons the amount necessary to redeem them until the day such bonds or coupons are due. [Amended by 1965 c.100 §58a]

328.275 Redemption and payment of bonds. (1) Whenever the sinking fund mentioned in ORS 328.260 is sufficient to permit the redemption of any bond then subject to redemption at the option of the school district, the county treasurer or fiscal officer of the county having custody of such fund, when authorized by the district school board, shall call such bond for redemption in accordance with the terms of the bond. If any holder of such bond fails to present it at the time mentioned in the published notice of redemption, the interest thereon shall cease, and the treasurer shall thereafter pay only the amount of such bond and the interest accrued thereon up to the date of redemption.

(2) When any bonds are so redeemed, the county treasurer or county fiscal officer shall cause the same to be canceled and write across or stamp upon the face thereof "Redeemed" and the date of redemption, and shall deliver them to the district school board of such school district and take its receipt therefor.

(3) Each county treasurer or county fiscal officer and the sureties on the official bond of the county treasurer or fiscal officer as such, shall be liable to any school district in the county for any funds placed in the hands of such treasurer or county fiscal officer in connection with the school district's bond issues. [Amended by 1965 c.100 §59; 1973 c.57 §2; 1983 c.347 §23]

328.280 Funding or refunding district indebtedness. (1) Whenever any school district has any outstanding negotiable interest-bearing warrant indebtedness or bonded indebtedness incurred in building or furnishing any schoolhouse, or for the purchase of any schoolhouse site, or in refunding bonded indebtedness, or in funding warrant indebtedness, which is due or subject at the option of the school district to be paid or redeemed, the school district, by and through its district school board, may:

(a) Issue and exchange, for any such indebtedness, its bonds bearing interest at a rate determined by the district school board; or

(b) Issue and sell such bonds and apply the proceeds of such sale in payment of the indebtedness for the payment of which the refunding bonds are proposed to be issued.

(2) Refunding bonds issued under subsection (1) of this section shall in all respects conform to, and be governed, as to their issue, by the provisions of ORS 287.008, 328.210 and 328.215 to 328.250.

(3) The refunding of indebtedness and issuing of bonds for such purpose shall not require an election, but may be done by resolution of the district school board at any legally called board meeting. The debt limitations imposed by law shall not affect the right of any school district to issue refunding bonds under authority of this section. The validity of any bonds so issued, or of the indebtedness thereby refunded, shall not thereafter be open to contest by the school district or by any person for any reason whatever. [Amended by 1965 c.100 §60; 1965 c.315 §1; 1981 c.94 §28; 1983 c.347 §24]

328.285 [Amended by 1961 c.260 §1; 1965 c.100 §51; renumbered 328.213]

328.290 [Repealed by 1983 c.350 §331a]

328.295 Sale of bonds and interest-bearing warrants. All school bonds, including funding and refunding bonds, notes and negotiable interest-bearing warrants which have been specifically authorized by vote of the electors, shall be advertised for sale and sold in the manner prescribed in ORS 287.014 to 287.026. [Amended by 1965 c.100 §61; 1975 c.642 §21]

328.305 [Repealed by 1957 c.53 §3]

328.310 [Repealed by 1957 c.53 §3]

328.315 [Repealed by 1957 c.53 §3]

328.320 [Repealed by 1957 c.53 §3]

328.325 [Repealed by 1957 c.53 §3]

328.330 [Repealed by 1957 c.53 §3]

328.335 [Repealed by 1957 c.53 §3]

328.340 [Repealed by 1957 c.53 §3]

328.345 [Repealed by 1957 c.53 §3]

328.350 [Repealed by 1957 c.53 §3]

328.355 [Repealed by 1957 c.53 §3]

328.360 [Repealed by 1957 c.53 §3]

328.365 [Repealed by 1957 c.53 §3]

328.370 [Repealed by 1957 c.53 §3]

328.380 [1953 c.72 §1; repealed by 1957 c.53 §3]

DISBURSEMENTS; AUDITS

328.405 [Repealed by 1963 c.544 §52]

328.410 [Repealed by 1963 c.544 §52]

328.415 [Repealed by 1965 c.100 §456]

328.420 [Amended by 1963 c.544 §21; repealed by 1965 c.100 §456]

328.425 [Repealed by 1963 c.544 §52]

328.430 [Amended by 1957 c.110 §1; 1963 c.544 §22; repealed by 1965 c.100 §456]

328.435 [Repealed by 1965 c.100 §456]

328.440 [Repealed by 1953 c.89 §6]

328.441 Custody and disbursement of school district funds. (1) Common school district boards and union high school district boards shall designate the persons to be custodians of school funds of their respective districts. Such funds shall be disbursed only in the manner provided by ORS 328.445 (1).

(2) A county school board, by resolution entered in its record of board proceedings, may designate the person to be the custodian of the school district funds. In such case, subsections (1), (2) and (3) of this section shall apply to the county school district and subsection (4) of this section shall not apply.

(3) For the purpose of receiving deposits of school funds, the district school board of each district described in subsections (1) and (2) of this section shall designate such bank or banks within the county or counties in which the district is located, as the board deems safe and proper depositories for school district funds. The custodian designated under subsection (1) or (2) of this section shall not be liable personally or upon official bond of the custodian for moneys lost by reason of failure or insolvency of any bank which becomes a depository under this subsection.

(4) If the district does not designate a custodian of school funds, the county treasurer or county fiscal officer shall be custodian of funds of all school districts. School district funds in the

county treasurer's or county fiscal officer's custody shall be disbursed only upon warrants drawn on the county treasurer or county fiscal officer by the district school board in the manner provided by law.

(5) The proceeds of the sale of school district bonds or warrants shall be used solely for the purpose for which the bonds or warrants were issued, including reduction of existing bond or warrant indebtedness. [1953 c.89 §§2, 3, 4; 1955 c.312 §2; 1965 c.100 §66; 1975 c.770 §6; 1981 c.441 §3]

328.445 Disbursement of school funds by check or warrant. (1) When funds are available for payment, school district obligations shall be paid by check bearing the original signature of the custodian of the district school funds; or if authorized by the district school board, the custodian's facsimile signature.

(2) Where a statute specifies a warrant as the means by which school district obligations shall be paid, warrant means "check" if funds are available for payment. [Amended by 1965 c.100 §67; 1971 c.98 §1]

328.450 School warrant procedure. (1) As used in this section, "school district obligation" includes salaries of district employes and other regularly contracted services.

(2) Except as provided in ORS 328.445 (2), warrants in payment of school district obligations shall be issued only when there are insufficient funds to pay the warrant and shall be indorsed "not paid for want of funds". Warrants may be issued at the end of each school month, if necessary. School warrants shall not be issued without a vote of the district school board. They must be signed by the chairman of the board and countersigned by the district clerk. If the chairman is absent or unable to execute the warrants, the board may authorize any member of the board to act as chairman in executing the warrants.

(3) Unless the district school board has designated a lower rate of interest, which rate must appear on the face of the warrants, warrants indorsed "not paid for want of funds" shall draw the legal rate of interest from date of indorsement until paid.

(4) Funds becoming available for payment of warrants indorsed "not paid for want of funds" shall be applied in payment in the order in which the warrants were so indorsed. [Amended by 1965 c.100 §68]

328.455 [Repealed by 1965 c.100 §456]

328.460 Cancellation of school warrants not presented for payment within seven years. (1) At the last regular district school board meeting preceding July 1 in each year, the district clerk shall certify to the board a list of all school district warrants which were called for payment more than seven years prior to July 1 next following the meeting, and which have not been paid. The certification shall state the amount of each of such warrants, to whom issued, and date of issuance. The district school board shall cause notice to be published. Publication shall be in some newspaper published in the district and having a general circulation therein, or if no newspaper is published in the district, then in some paper published in the county in which the school district is located having a general circulation in the district. The notice shall contain a statement that if such warrants are not presented for payment within 60 days from July 1, they will be canceled, and payment thereof will be refused.

(2) At the first regular meeting of the district school board in each school district after the expiration of 60 days from July 1 in each year, the board shall make an order that all such warrants which have not been so presented for payment, describing them, shall be canceled. The board shall cancel all such warrants which were called for payment more than seven years prior to July 1 of that year.

(3) This section shall not prohibit the district school board, in its discretion, from paying, upon any claim arising from the canceling of any such warrant, the principal of the warrant when presented without interest if not indorsed for want of funds and, if indorsed for want of funds, with interest to the date such warrant was called. [Amended by 1965 c.100 §69]

328.465 Annual audit procedure. (1) All common and union high school district boards shall cause to have prepared an annual audit of the books and accounts of the district in the manner set forth in subsection (2) or (3) of this section. County school districts shall cause the audit to be prepared as provided in subsection (3) of this section. The audit statements must be filed with the administrative office for the county on or before November 1 of the year in which the audit is conducted.

(2) The district school board may contract for its audit with the administrative office for the county in which the administrative office of the school district is located. The administrative office for the county shall secure the services of accountants who shall audit the books and accounts of the districts and file with the adminis-

trative office for the county a statement setting forth the financial condition of each district. A copy of the audit report of the district shall be sent to the appropriate district board. Each district, upon receipt of billing from the administrative office for the county, shall pay its share of the audit costs.

(3) The district board may employ accountants to audit the books and accounts of the district.

(4) Accountants employed under subsection (2) or (3) of this section must be selected from the roster of authorized municipal accountants maintained by the State Board of Accountancy under ORS 297.670. [1965 c.100 §64; 1975 c.770 §7]

328.470 Purchase of automotive equipment; fund transfers. Notwithstanding ORS 280.040 to 280.140 and any other provision of law, any school district board by resolution may provide for the replacement or acquisition of automotive equipment by making transfers from the district's general fund to a fund established for that purpose. Transfers to the fund shall be included in the school district budget prepared and published in accordance with ORS 294.305 to 294.520. If at any time conditions arise which dispense with the necessity for further transfers to or expenditures from a fund established pursuant to this section, the district school board shall so declare by resolution. The resolution shall order the balance remaining in such fund to be transferred to the general fund of the district and shall declare the fund closed. [1969 c.375 §2]

TAXES AND INDEBTEDNESS

328.505 [Amended by 1953 c.146 §1; repealed by 1959 c.262 §4]

328.510 [Repealed by 1953 c.146 §2]

328.515 [Amended by 1957 c.310 §4; repealed by 1959 c.262 §4]

328.520 [Amended by 1955 c.486 §1; repealed by 1965 c.100 §456]

328.525 [Repealed by 1963 c.544 §52]

328.530 [Repealed by 1965 c.100 §456]

328.535 [Repealed by 1965 c.100 §456]

328.540 [Repealed by 1965 c.100 §456]

328.542 Preparation of district budget; levy of taxes and submission of tax base proposal by school board. Except as otherwise provided by law the school board of each school district shall prepare the district's budget, levy its taxes, and, in any even-numbered year following July 1 of a fiscal year

for which a levy for a single year outside the tax base is approved by the electors of the district, submit to the electors of the district the proposal to establish a new tax base. [1977 c.840 §16; 1979 c.241 §57]

328.545 [Repealed by 1963 c.544 §52]

328.550 [Amended by 1965 c.100 §70; 1967 c.605 §1; 1975 c.770 §8; repealed by 1981 c.834 §1]

328.555 Property liable for district indebtedness; tax levy. (1) All taxable property in a school district at the time any indebtedness is incurred by such district and all taxable property subsequently located in the area comprising such district shall be liable to taxation for the payment of such indebtedness until paid.

(2) No taxable property in territory included in a school district whose boundaries change as a result of creation, annexation, abolition and other alteration of the school district shall be relieved from liability for any indebtedness incurred prior to a boundary change. The district school board of the district in which are located the school facilities for which the indebtedness was incurred shall levy an annual tax on all taxable property in such territory sufficient to meet the interest payments and retire the indebtedness, but no tax levy shall be necessary as long as other provisions are made for the payment of the indebtedness.

328.560 [1953 c.286 §1; 1957 c.310 §5; 1957 c.426 §2; repealed by 1965 c.100 §456]

328.565 Power to create indebtedness for current expenses and bond retirement; limitation. (1) Any district school board may contract indebtedness by the issuance of warrants or short-term promissory notes for the purpose of meeting current expenses, retiring outstanding bonds or warrants, or paying the interest thereon, whenever provision therefor has been made in its duly adopted budget. In the exercise of the authority given in this subsection, the district school board may contract or refund short-term loans which shall at no time exceed in the aggregate 80 percent of the ad valorem taxes upon real and personal property theretofore levied and remaining uncollected for such school district for the tax year in which the warrants or notes are issued and 80 percent of other budgeted and unpledged revenues which the district school board estimates will be received from other sources during such tax year.

(2) A district school board may, at its option, borrow moneys pursuant to this section or ORS 287.442. [Formerly 332.085 and then 332.125; 1983 c.124 §9]

328.990 [Repealed by 1965 c.100 §456]