

ORDINANCE NO. 1478

AN ORDINANCE SETTING THE INTEREST RATE AND PROCEDURE FOR CHANGING THE INTEREST RATE FOR BANCROFT BONDS AND LOANS TO FINANCE PUBLIC IMPROVEMENTS; AMENDING S. 3.16.030 C., AMENDING 3.16.040 A., REPEALING S. 3.16.040 B., AND AMENDING S. 13.16.140 A. OF THE HOOD MUNICIPAL CODE; DECLARING AN EMERGENCY.

THE CITY OF HOOD RIVER ORDAINS AS FOLLOWS:

Section 1. Section 3.16.030 C. of the Hood River Municipal Code is amended to read as follows:

"C. The owners against whom liens are assessed under this chapter may make arrangements satisfactory to the city to pay such liens in accordance with the plan of the city herein set out; such owner shall make application for payment of such lien upon a form to be provided by the city recorder for such application; provided, however, that in no case shall the alternate financing herein provided be larger in amount than the owner could have financed under the provisions of the Bancroft Bonding Act; and provided further, that no such lien shall be paid off in more than six semiannual installments. The city may prescribe a smaller number of equal semiannual installments for the retirement of such liens if the council deems such shorter period proper, necessary or convenient in the premises. But nothing herein contained shall prevent the owner from paying off all or any part of such lien at any time together with interest to the date of such payment."

Section 2. Section 3.16.040 A. of the Hood River Municipal Code is amended to read as follows:

"3.16.040 Interest rates on loans. A. The interest rate on funds hereafter loaned by the city to individual property owners for street, sidewalk, and sewer improvements shall be at the rate of ten percent per annum unless the city council, by a majority vote on the date the council determines who the lowest responsible bidder is and approves entering into the contract for the improvement, sets a lower rate of interest, not less than seven percent per annum, based on the "prime interest" rate for that day. For the purpose of this section the "prime interest" rate shall be computed by averaging the prime interest lending rates charged to commercial customers on said day by the First National Bank of Oregon and the United States National Bank of Oregon."

Section 3. Section 3.16.040 B. of the Hood River Municipal Code is hereby repealed.

Section 4. Section 13.16.140 A. is hereby amended to read as follows:

"13.16.140 State Bonding Provisions adopted by reference--"

Procedure for setting interest rates established. A. The provisions of ORS 223.205 to 223.300, as now or hereafter amended, which is known as the Bancroft Bonding Act, are adopted by reference. The bonds shall bear interest at the rate of ten percent per annum, unless the City Council by a majority vote on the date the council determines who the lowest responsible bidder is and approves entering into the contract for the improvement sets a lower rate of interest, not less than seven percent per annum, based on the "prime interest" rate for that day. For the purpose of this section the "prime interest" rate shall be computed by averaging the prime interest lending rates charged commercial customers on said day by the First National Bank of Oregon and the United States National Bank of Oregon."

Section 5. Emergency declared. Whereas, the City of Hood River presently offers "Bancroft Bonds" and financing through the City and overtime at seven percent interest per annum, interest rates up to ten percent per annum may by state statutes to be charged, and similar bonds issued by municipalities have recently been sold amounts in excess of seven percent interest per annum; therefore, in order to protect the saleability of "Bancroft Bonds" and other obligations for public improvements issued by the City, and to preserve the public safety, health and welfare, an emergency is hereby declared to exist, and this ordinance shall take effect immediately upon its passage by the affirmative vote of three-quarters of City Council and Mayor, taken by ayes and noes.

Read for the first time: July 8, 1980.

Read for the second time: July 22, 1980.

PASSED by the Council of the City of Hood River this 22nd day of July, 1980.

B. G. Erickson
Dorothy Swyers, City Recorder, Astoria
B. G. Erickson

22ND APPROVED by the Mayor of the City of Hood River this day of JULY, 1980.

Charles F. Bearsdley
Charles F. Bearsdley, Mayor