

Section 1. State empowered to lend credit to establish Water Development Fund; eligibility; use. Notwithstanding the limits contained in sections 7 and 8, Article XI of this Constitution, the credit of the State of Oregon may be loaned and indebtedness incurred in an amount not to exceed one and one-half percent of the true cash value of all the property in the state for the purpose of creating a fund to be known as the Water Development Fund. The fund shall be used to provide financing for loans for residents of this state for construction of water development projects for irrigation, drainage, fish protection, watershed restoration and municipal uses and for the acquisition of easements and rights of way for water development projects authorized by law. Secured repayment thereof shall be and is a prerequisite to the advancement of money from such fund. As used in this section, "resident" includes both natural persons and any corporation or cooperative, either for profit or nonprofit, whose principal income is from farming in Oregon or municipal or quasi-municipal or other body subject to the laws of the State of Oregon. Not less than 50 percent of the potential amount available from the fund will be reserved for irrigation and drainage projects. For municipal use, only municipalities and communities with populations less than 30,000 are eligible for loans from the fund. [Created through S.J.R. 1, 1977, and adopted by the people Nov. 8, 1977; Amendment proposed by S.J.R. 6, 1981, and adopted by the people May 18, 1982; Amendment proposed by H.J.R. 45, 1987, and adopted by the people May 17, 1988]

Section 2. Bonds. Bonds of the State of Oregon containing a direct promise on behalf of the state to pay the face value thereof, with the interest therein provided for, may

be issued to an amount authorized by section 1 of this Article for the purpose of creating such fund. The bonds shall be a direct obligation of the state and shall be in such form and shall run for such periods of time and bear such rates of interest as provided by statute. [Created through S.J.R. 1, 1977, and adopted by the people Nov. 8, 1977]

Section 3. Refunding bonds. Refunding bonds may be issued and sold to refund any bonds issued under authority of sections 1 and 2 of this Article. There may be issued and outstanding at any time bonds aggregating the amount authorized by section 1 of this Article but at no time shall the total of all bonds outstanding, including refunding bonds, exceed the amount so authorized. [Created through S.J.R. 1, 1977, and adopted by the people Nov. 8, 1977]

Section 4. Sources of revenue. Ad valorem taxes shall be levied annually upon all the taxable property in the State of Oregon in sufficient amount to provide for the payment of principal and interest of the bonds issued pursuant to this Article. The Legislative Assembly may provide other revenues to supplement or replace, in whole or in part, such tax levies. [Created through S.J.R. 1, 1977, and adopted by the people Nov. 8, 1977]

Section 5. Legislation to effectuate Article. The Legislative Assembly shall enact legislation to carry out the provisions of this Article. This Article supersedes any conflicting provision of a county or city charter or act of incorporation. [Created through S.J.R. 1, 1977, and adopted by the people Nov. 8, 1977]

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