

governing body in writing of the error and shall correct the error by testimony before the governing body at the meeting. If the error relates to the calculation of ad valorem property taxes, the budget officer shall immediately notify the county assessor of the error in writing, identifying the correct ad valorem property tax. [Formerly 294.425]

294.453 Hearing by governing body on budget document as approved by budget committee; alternative procedure in certain cases. (1) Except as provided in subsections (2) and (3) of this section, the governing body of a municipal corporation shall meet at the time and place designated in the notice of meeting required under ORS 294.438 for the purpose of holding a public hearing on the budget document as approved by the budget committee. At the meeting any person may appear for or against any item in the approved budget document.

(2) A municipal corporation having a population exceeding 200,000 and located in a county having a tax supervising and conservation commission shall submit its budget document to the tax supervising and conservation commission of the county under ORS 294.431 (2). The governing body of the municipal corporation or its representatives shall meet with the taxpayers of the municipal corporation at a public hearing to be called and conducted by the tax supervising and conservation commission.

(3) A municipal corporation that has a population not exceeding 200,000 and is located in a county having a tax supervising and conservation commission may submit its approved budget document to the tax supervising and conservation commission of the county under ORS 294.431 (1) for a public hearing. The governing body of the municipal corporation or its representatives shall meet with the taxpayers of the municipal corporation at a public hearing to be called and conducted by the tax supervising and conservation commission. [Formerly 294.430]

294.455 [1963 c.576 §27a; 1965 c.451 §10; 1991 c.573 §2; 1997 c.308 §25; 2001 c.135 §22; 2011 c.473 §19; renumbered 294.481 in 2011]

294.456 Governing body to adopt budget, make appropriations, declare and categorize property tax amount or rate; amendment of budget estimates, appropriations and tax amounts or rates limited; requirements for appropriations and tax amounts or rates. (1)(a) After the public hearing required under ORS 294.453 (1) and consideration of matters discussed at the public hearing, the governing body of a municipal corporation shall enact the ordinances or resolutions necessary to adopt the budget, to make the appropriations, to determine, make and declare the ad valorem property tax amount or rate to be certified to the assessor for either the ensuing year or each of the years of the ensuing budget period and to itemize and categorize the ad valorem property tax amount or rate as required under ORS 310.060.

(b) The governing body may amend the budget estimates and proposed ad valorem property tax amount or rate in the budget document before adoption under paragraph (a) of this subsection and after adoption if the post-adoption amendments are adopted prior to the commencement of the fiscal year or budget period to which the budget relates.

(c) Notwithstanding paragraph (b) of this subsection, unless the amended budget document is republished pursuant to ORS 294.438 or 294.448 in the same manner as the original budget and another public hearing is held pursuant to ORS 294.453 (1), or except to the extent ad valorem property taxes may be increased under ORS 294.476:

(A) The amount of estimated expenditures for each fund in an annual budget may not be increased by more than \$5,000 or 10 percent of the estimated expenditures, whichever is greater;

(B) The amount of estimated expenditures for each fund in a biennial budget may not be increased by more than \$10,000 or 10 percent of the estimated expenditures, whichever is greater; and

(C) The amount or rate of the total ad valorem property taxes to be certified by the municipal corporation to the assessor may not exceed the amount approved by the budget committee.

(2)(a) After a public hearing under ORS 294.453 (2) or (3), receipt of the certification of the tax supervising and conservation commission, if required, and consideration of any orders, recommendations or objections made by the tax supervising and conservation commission in accordance with law, the governing body of a municipal corporation shall enact the ordinances or resolutions necessary to adopt the budget, to make the appropriations, to determine, make and declare the ad valorem property tax amount or rate for either the ensuing fiscal year or each of the fiscal years of the ensuing budget period and to itemize and categorize the ad valorem property tax amount or rate as required under ORS 310.060.

(b) The action taken by the governing body under paragraph (a) of this subsection on each order, recommendation or objection made by the commission, with the reasons for the action, must be included in the ordinance or resolution adopting the budget.

(c) The governing body shall send a certified copy of the ordinance or resolution to the commission within 15 days after the date the ordinance or resolution is adopted.

(d) The governing body may amend the budget estimates, appropriations and ad valorem property tax amount or rate in the budget document before adoption under paragraph (a) of this subsection and after adoption if the post-adoption amendments are adopted prior to the commencement of the fiscal year or budget period to which the budget relates.

(e) Notwithstanding paragraph (d) of this subsection, unless the amended budget document is resubmitted to the tax supervising and conservation commission for another public hearing and for recommendations or objections of the commission,

or except to the extent ad valorem property taxes may be increased under ORS 294.476:

(A) The amount of estimated expenditures for each fund in an annual budget may not be increased by more than \$5,000 or 10 percent of the estimated expenditures, whichever is greater;

(B) The amount of estimated expenditures for each fund in a biennial budget may not be increased by more than \$10,000 or 10 percent of the estimated expenditures, whichever is greater; and

(C) The amount or rate of the total ad valorem property taxes to be certified by the municipal corporation to the assessor may not exceed the amount approved by the budget committee.

(3)(a) Except as provided in subsections (4) and (5) of this section, the appropriations required under subsections (1) and (2) of this section must contain:

(A) One amount for each organizational unit or program of each fund that is the total of all amounts for personnel services, materials and services and capital outlay attributable to the organizational unit or program; and

(B) Separate amounts in each fund for operating expenses for personnel services, materials and services and capital outlay that cannot be allocated to a particular organizational unit or program and for debt service, special payments, interfund revenue transfers and operating contingencies.

(b) Separate amounts for activities within an organizational unit or program may be appropriated separately.

(c) For a municipal corporation to which the terms "organizational unit" and "program" do not apply, the appropriations must contain separate amounts for personnel services, materials and services, capital outlay, debt service, special payments, interfund revenue transfers and operating contingencies for each fund.

(4) For a school district or an education service district, the appropriations required under subsections (1) and (2) of this section must contain separate amounts in each major fund for each major function, as prescribed by the Department of Education in consultation with the Department of Revenue, including instruction, support services, enterprise and community services, facilities acquisition and construction, interfund revenue transfers, debt service and operating contingencies.

(5) For a community college district, the appropriations required under subsections (1) and (2) of this section must contain separate amounts in each fund for:

(a) Each major function, as prescribed by the Office of Community Colleges and Workforce Development in consultation with the Department of Revenue, including instruction, instructional support, student services, community services, college support services, interfund transfers, debt service and operating contingencies;

(b) Each major function as required under subsection (4) of this section; or

(c) Each organizational unit or program and each object classification required under subsection (3) of this section.

(6) Except as provided in ORS 294.338, 294.463, 294.466, 294.471, 294.473 and 294.478, after the governing body has enacted the ordinances or resolutions necessary to adopt the budget as required under this section, an expenditure, or encumbrance if encumbrance accounting is used, of public money may not be made for any purpose in an amount greater than the amount appropriated.

(7) The governing body of a municipal corporation shall record the amount or rate of ad valorem property taxes to be certified and the purposes for which the taxes will be used. Except as provided in ORS 294.476, the municipal corporation may not certify ad valorem property taxes in an amount or rate greater than the amount or rate recorded for the purposes indicated.

(8)(a) The governing body of a municipal corporation shall determine, make and declare ad valorem property taxes under subsections (1) and (2) of this section as a rate per \$1,000 of assessed value if the taxes are operating taxes as defined in ORS 310.055 (1) or rate-based local option taxes.

(b) The governing body shall determine, make and declare ad valorem property taxes under subsections (1) and (2) of this section as an amount if the taxes are certified as amount-based local option taxes, to pay principal and interest on exempt bonded indebtedness or to pay other government obligations described in Article XI, section 11 (5), of the Oregon Constitution.

(c) Notwithstanding paragraph (a) of this subsection, the governing body may certify operating taxes as defined in ORS 310.055 (1) as a rate or an amount if less than the full authority is needed to balance the fund that will receive the taxes.

[Formerly 294.435; 2013 c.420 §3; 2015 c.366 §73; 2017 c.26 §5]

294.458 Filing copy of budget and certain documents with county assessor and Department of Revenue; records. (1) On or before July 15 of each year, or upon such other date as the Department of Revenue shall designate, each civil subdivision in the state that does not levy an ad valorem property tax, that is subject to the Local Budget Law and that prepares an annual budget shall file with the Department of Revenue a copy of the resolution adopting the budget and of the resolution making appropriations.

(2) On or before July 15 of the first fiscal year of the budget period, or upon such other date as the Department of Revenue designates, each civil subdivision in the state that does not levy an ad valorem property tax, that is subject to the Local Budget Law and that prepares a biennial budget shall file with the Department of Revenue a copy of the resolution adopting the budget and of the resolution making appropriations.

(3) Each municipal corporation subject to the Local Budget Law that certifies an ad valorem property tax shall file with the county assessor as provided in ORS 310.060: