



OREGON  
DEPARTMENT  
OF REVENUE

# Local Budgeting Manual

PROPERTY TAX DIVISION



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## Questions?

**On the internet**.....[www.oregon.gov/dor/ptd/pages/localb.aspx](http://www.oregon.gov/dor/ptd/pages/localb.aspx)  
 By telephone.....503-945-8293  
 By e-mail ..... [finance.taxation@state.or.us](mailto:finance.taxation@state.or.us)

### Asistencia en español:

Salem.....503-378-4988  
 Gratis de prefijo de Oregon..... 1-800-356-4222

### TTY (hearing or speech impaired; machine only):

Salem.....503-945-8617  
 Toll-free from an Oregon prefix..... 1-800-886-7204

**Americans with Disabilities Act (ADA):** Call one of the help numbers for information in alternative formats.

## What's new in this edition?

This edition of the *“Local Budgeting Manual”* has fairly extensive revisions from earlier editions. The last comprehensive update to the Local Budget Laws was in 1963. In 2009 a workgroup convened to address problems of duplication and inconsistencies that had crept into the statutes. The workgroup focused on changes to clarify policy and make the statutes easier to follow. They also recommended reordering existing statutes to make the progression more logical. The result was HB 2425, passed in 2011, which took effect January 1, 2012. Of the 53 current statutes, three were repealed, three were added, 15 retain their existing numbers, and 38 have been renumbered.

### Significant changes

The significant changes adopted in HB2425 are:

#### Appropriations:

- Capital outlay may be a part of an organizational unit or program total;
- Changes caused by reduction of resources moved to statute for supplemental budgets;
- Schools and ESDs appropriate by Oregon Department of Education functions; and
- Community colleges appropriate by ODE functions, CCWD functions, or by program or object.

#### Exceptions to local budget law:

- Appropriation of specific purpose grant money by resolution is no longer restricted to grants received “in the same year;”
- Rewritten to emphasize that non-tax money is required for “unforeseen occurrence” exception to apply;
- No public hearing needed to re-appropriate money received from the return of purchased goods.

#### Appropriation transfers:

- Limit of 15% on contingency that can be transferred by resolution to an expenditure line item is based on the original adopted budget, not the budget as amended since adoption;
- “Pass-through” payments moved to a new statute for clarity.

#### Supplemental budgets:

- Expenditures increased under ORS 294.326 do not require a supplemental budget;
- Supplemental budget required because of reduced resources is subject to same 10% threshold for public hearing;
- Supplemental budget in which no fund changes more than 10% can be adopted at a regular meeting of the governing body (no public hearing required), but meeting notice must state that a supplemental budget will be considered;
- Major supplemental budget changes (where any one fund changes more than 10%) moved into their own statutory section (ORS 294.473);
- Public hearing required, with published notice and summary of funds that change more than 10%.

As a result of these changes, several forms have changed or been made obsolete. The Notice of Budget Hearing Forms (LB-1, ED-1, and UR-1) have been updated to include more information. The Forms LB-2, LB-3, and LB-4 (and the corresponding ED and UR forms) are now obsolete and no longer necessary or available.

When the 2011 Oregon Laws are published, the Local Budget Law statutes will be reordered to more logically flow through the budgeting process. Throughout this manual we have included both the new statute numbers and the old ones. A crosswalk table is included in the Appendix for ease of reference.

## Introduction

Most local governments<sup>1</sup> in Oregon, from the smallest cemetery district to the largest city, must prepare and adopt an annual budget. Schools, education service districts, community colleges, counties, cities, urban renewal agencies, and most special districts are all subject to the same budget provisions.<sup>2</sup>

Oregon's Local Budget Law is found in Oregon Revised Statutes (ORS) 294.305 to 294.565. The full text of these statutes can be found on the Oregon Legislature web site at [www.leg.state.or.us](http://www.leg.state.or.us).

The law sets out several specific steps that must be followed during the budgeting process. The process must begin far enough in advance that it can be followed and the budget adopted before June 30 of the current fiscal year or the last June 30 of the current biennial budget period. Without a budget for the new fiscal period in place, the local government's authority to spend money or incur obligations expires on June 30. A local government's ability to impose a property tax is also contingent on following the budgeting process. Compliance with Local Budget Law is critical for local governments.

### What is a budget?

A budget is a financial plan containing estimates of revenues and expenditures for a single fiscal year or biennial budget period.<sup>3</sup>

Budgeting allows a local government to evaluate its needs in light of the revenue sources available to meet those needs. A complete budget justifies the imposition of property taxes and the making of the appropriations that give the government its authority to spend public money.

### Purpose of local budget law

Budgeting is not simply something a local government does once every year or two. It is a continuous process, taking 12 or 24 months to complete a cycle. The budgeting process has four parts. The budget is: 1) prepared, 2) approved, 3) adopted, and 4) executed. After adopting the budget, the governing body makes the necessary appropriations and certifies to the county assessor the tax to be imposed.

Oregon's Local Budget Law has several important objectives (ORS 294.321):

- To establish standard procedures for the preparation, presentation, administration and appraisal of budgets of municipal corporations;
- To provide for a brief description of the programs of a municipal corporation and the fiscal policy which is to accomplish these programs;
- To provide estimates of revenues, expenditures and proposed taxes;
- To provide specific methods for obtaining public views in the preparation of fiscal policy;
- To provide for the control of revenues and expenditures for the promotion of efficiency and economy in the expenditure of public funds; and
- To enable the public, taxpayers and investors to be apprised of the financial policies and administration of the municipal corporation in which they are interested.

### Citizen involvement

To give the public ample opportunity to participate in the budgeting process, Local Budget Law requires that a budget officer be appointed and that a budget committee be formed that includes voters from the district. The budget officer draws together necessary information and prepares the proposed budget. The budget committee reviews and may revise the proposed budget before it is formally approved. After the budget committee approves the budget, the governing body publishes a summary of the budget and holds a public hearing, at which any person may appear for or against any item in the budget. These requirements encourage public par-

<sup>1</sup>Throughout this manual we use the terms "local government," "municipal corporation," "taxing district," and "district" interchangeably. For most purposes of Local Budget Law the terms have the same meaning.

<sup>2</sup>A few types of special districts are specifically exempted from Local Budget Law. See Chapter 3 for a list of these types of districts.

<sup>3</sup>Instead of budgeting by fiscal year, the governing body of a municipal corporation may adopt a 24-month, or "biennial" budget. For the differences that biennial budgeting entails, see "*Chapter 14-Biennial Budgets*." Throughout this manual, we refer to the budget period as a "fiscal year" but if a local government adopts a biennial budget, the period referred to is a 24-month period.

ticipation in budget making. They also give public exposure to budgeted programs and fiscal policies before the governing body adopts the budget.

Citizen involvement in the budget cycle varies from one community to another. It is up to each local government to prepare a budget that clearly outlines its fiscal policies for the patrons of the district. If a budget is clear and concise, taxpayers have a better understanding of what services their tax dollars are buying. Local governments may find citizen input informative and rewarding.

The major steps of the budgeting process are outlined in Chapter 3. A more complete outline of the budget process, with cites to specific Oregon Revised Statutes and Oregon Administrative Rules, is in Appendix B.

# Chapter 1—Who is involved in the budget process?

Many state and local agencies and organizations are involved in the budget process. This chapter provides an overview of the duties and responsibilities of each.

## The Oregon Department of Revenue

The authority of the Department of Revenue for its oversight role in the budgeting process is found in ORS 294.485 to ORS 294.510. ORS 294.495 gives to the department sole authority to interpret and administer Local Budget Law and to issue administrative rules for compliance. This statute also gives the department authority to ensure compliance with all other laws relating to the imposition of property taxes. However, ORS 294.490 prohibits the department from interfering with the fiscal policy of any local government. Local Budget Law is complex and ever-changing. It is important that local governments stay informed of law changes and other requirements. Anyone with questions about these laws can contact the Department of Revenue for help at 503-945-8293 or by e-mail at [finance.taxation@dor.state.or.us](mailto:finance.taxation@dor.state.or.us).

### Administrative rules

When a statute is unclear or does not provide sufficient detail for the smooth functioning of the property tax system, the department sometimes adopts an Oregon Administrative Rule (OAR). The process for adopting or amending administrative rules provides for consultation among the department's affected program areas, collaboration with interested persons, both public and private, review by legal counsel, management review, and a public hearing. The general rulemaking procedures are found in ORS 183.325 to 183.355. Once adopted, an OAR has the force of law of a statute adopted by the Oregon Legislature, and the department must follow the terms of the rule. The administrative rules for Local Budget Law can be found at [http://arcweb.sos.state.or.us/rules/OARS\\_100/OAR\\_150/150\\_tofc.html](http://arcweb.sos.state.or.us/rules/OARS_100/OAR_150/150_tofc.html).

### Publications

Publications such as this manual provide detailed budgeting guidelines and statutory interpretations. The *“Basic Budget Book”* is a simpler guideline designed for the first-time budget officer. It walks through the basic steps for preparing a budget. *“Local Budgeting in Oregon,”* an overview of the budgeting process, is especially designed for the public and for budget committee members. Information circulars, distributed through county assessors' offices, provide information on specific issues. All of these publications are also available on the department's web site at <http://www.oregon.gov/dor/ptd/pages/localb.aspx>.

### Forms

The Department of Revenue has the authority to prescribe forms to carry out Local Budget Law or any other law authorizing the imposition of property taxes. The department has developed budget and publication forms that follow the law. Local governments must use these forms or use the same formats for the forms they produce. In addition, school districts, community colleges, councils of governments and hospital or health districts have specific requirements for preparing their estimates of expenditures (ORS 294.393, renumbered from 294.356).

**IMPORTANT:** The Department of Revenue does not mail a paper copy of the annual booklet *“Local Budget Law and Notice of Property Tax Forms and Instructions for Municipal Corporations”* or the corresponding booklets for education districts or urban renewal agencies, unless the local government requests a paper copy. If you want a paper copy of the annual forms booklet, you must request one by November 15th. Otherwise we will assume that you will download your forms from our web site at <http://www.oregon.gov/dor/ptd/pages/localb.aspx>. You may request your paper copy by calling 503-945-8293, or by e-mail at [finance.taxation@state.or.us](mailto:finance.taxation@state.or.us). Be sure to give your district's name and the mailing address where your forms booklet should be sent. You will need to request a paper copy every year that you need one.



The department also prescribes the forms used every year to certify your property taxes to the county assessor. Tax certification forms are revised annually. It is important that you use the current year tax certification forms. Outdated forms should be destroyed or the paper recycled.

Budget publications and forms are available from the department on paper upon request or from our internet site at <http://www.oregon.gov/dor/ptd/pages/localb.aspx>. Most of the forms found on the web site can be filled out online and printed, or downloaded in spreadsheet format and printed or saved on your personal computer.

## Training in local budget law

The department's Finance, Taxation, and Exemptions unit conducts training seminars in Local Budget Law every year, usually in February and March. The sessions are designed for budget officers, governing body members and appointed members of budget committees. The training is free. Training announcements are posted online at [http://www.oregon.gov/dor/ptd/pages/local\\_budget\\_workshop.aspx](http://www.oregon.gov/dor/ptd/pages/local_budget_workshop.aspx) in January. Notices are also e-mailed to individual subscribers of an e-mail mailing list called "*localbudget*." To subscribe to this e-mail list, go to <http://listsmart.osl.state.or.us/mailman/listinfo/localbudget>.

## Secretary of State Audits Division

All Oregon local governments are subject to the Municipal Audit Law, ORS 297.405 to 297.740 and 297.990. The law requires an annual audit of the financial statements of counties and school districts.

A local government, other than a county or school district, with combined expenditures of less than \$150,000, and whose chief fiscal officer is bonded for the total amount of money received during the year may file unaudited financial statements with the Secretary of State within 90 days after its fiscal year ends.

A local government, other than a county or school district, with combined expenditures of more than \$150,000 but less than \$500,000, and whose financial statements have been reviewed by a licensed municipal auditor may file "review reports" with the Secretary of State within 180 days after its fiscal or calendar year ends.

Local government, including counties and school districts, that must have its financial statements reviewed or audited, must contract with an accountant licensed as a municipal auditor by the **Oregon Board of Accountancy** to do the review or audit. The Board of Accountancy maintains a list of licensed municipal auditors. Write to the Board of Accountancy for a copy of this listing. Their address is 3218 Pringle Road SE, Suite 110, Salem OR 97302-6307. The web site is <http://www.oregon.gov/BOA/index.shtml>.

Audits and reviews must be made as directed by administrative rules adopted by the Secretary of State. The "*Minimum Standards*" are in OAR 162, divisions 10 (audits) and 40 (reviews). These rules prescribe the financial statements that must be included in audit or review reports, the minimum procedures that must be followed, and the standards that must be followed in an audit or review. Copies of these rules may be obtained from the Secretary of State, Division of Audits, 255 Capitol Street NE, Suite 500, Salem OR 97310. The web site is <http://www.sos.state.or.us/audits/>.

Copies of all financial statements, whether unaudited, reviewed, or audited, must be filed with the Secretary of State. They are public records available for inspection by anyone who is interested. Copies are posted online on the Secretary of State's website. You can search for specific audits at this site: <http://www.sos.state.or.us/audits/pages/municipal/index.html>.

A filing fee must accompany all reports filed with the Secretary of State. The amount of the fee is set by law. It is determined by the amount of expenditures of the municipal corporation. The Division of Audits uses the filing fee to administer the Municipal Audit Law. The Division of Audits offers technical help in accounting and financial reporting. Address written inquiries to the Secretary of State, Division of Audits, 255 Capitol Street NE, Suite 500, Salem OR 97310.

## Tax supervising and conservation commissions

Tax supervising and conservation commissions (TSCC) supervise local government budgeting and taxing activities. They are established under ORS 294.605 to 294.705, and are required in counties with a population of 500,000 or more.<sup>4</sup> Currently, only Multnomah County has a tax supervising and conservation commission. The Multnomah County TSCC web site is <http://www.tscmultco.com>.

<sup>4</sup>An alternative to forming a tax supervising and conservation commission for counties reaching 500,000 in population is to have all municipal corporations submit a copy of the financial summary that meets the requirements of ORS 294.438 (renumbered from 294.416).



The commission is directed by five commissioners appointed by the governor for four-year terms. They serve without compensation. The commission appoints administrative employees, and the attorney general serves as legal counsel. Operating expenses are limited by statute and are allocated through the county's general fund. Municipal corporations under the commission's jurisdiction reimburse the county for half of the commission's operating cost, on a pro-rata basis.

The commission's functions are to:

1. Encourage the economical and efficient use of public funds;
2. Oversee compliance with laws governing local budgets, taxes, and public debt;
3. Schedule public hearings where citizens may express views on financial plans and taxes; and
4. Publish for voters, taxpayers, and investors an annual comprehensive report of budgets and other financial information, including indebtedness incurred by municipal corporations in the county.

The commission reviews budgets from all units within its jurisdiction. Municipal corporations with a population of 200,000 or less may opt out of the commission's jurisdiction. For municipal corporations exceeding 200,000, the commission conducts the public hearing under ORS 294.453 (renumbered from 294.430).

Budgets are reviewed:

1. For compliance with local finance laws;
2. To examine program content;
3. To judge whether estimates are reasonable; and
4. To coordinate financial planning among the various local governments.

The commission must certify whether or not it has any objections or recommendations to make with respect to the budget before the local governing bodies can adopt the budget.

The commission must also conduct hearings on local option taxes and bond proposals. It has authority to inquire into the management, accounts, and systems used by local governments. It may call a joint meeting of taxing bodies to discuss financial planning and cooperative ventures. The commission stresses continuing consultation with local officials to improve financial management systems.

## **County assessor**

The county assessor is responsible for determining the value of all taxable real and personal property in the county (ORS 308.232). In more populous counties, the assessor supervises a staff of appraisers. In smaller counties, the assessor may do all of the appraisal work personally. An appraiser analyzes each new real property account and applies standardized appraisal methods to determine the property's real market value (RMV). Usually, existing real property accounts are not physically reappraised every year, but instead their values are trended, based on sales of similar properties. Personal property accounts are valued on the basis of annual returns that must be submitted by the owner of the property or the person in possession.

In addition to a property's RMV, the assessor calculates the property's maximum assessed value (MAV). Article XI, Section 11 of the Oregon Constitution (Measure 50) contains a formula for determining MAV. There are exceptions to the formula for things like building additions and major improvements or subdivided tax lots, which the assessor must consider. The assessor also adjusts the MAV for any exemptions or special assessments that are allowed by law, such as the exemption for the property of disabled veterans and for specially assessed farmland. The lower of RMV or MAV is the property's taxable assessed value (AV). This is the value used to compute the taxes on the property.

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to the county before the date of the first budget committee meeting. The county is then required to post all of the financial summaries on its web site. Washington County has chosen this option. Local governments in Washington County should consult ORS 294.608 and [http://www.co.washington.or.us/Support\\_Services/Finance/FinancialSummaries/index.cfm](http://www.co.washington.or.us/Support_Services/Finance/FinancialSummaries/index.cfm) for instructions on submitting your budget summary to the county.

Local governments must submit their tax certification forms to the assessor by July 15. The assessor is responsible for checking the taxes imposed by local governments to make sure they are legal. If there is a question about whether a taxing district has the authority to impose a particular tax levy, the assessor will consult with the Department of Revenue, which has the authority to prevent an unlawful levy from being placed on the property tax roll.

The assessor is responsible for calculating the taxes for each taxable property within the county. Taxes are extended against individual properties as a tax rate per \$1,000 of assessed value. Some levies are certified to the assessor by the taxing district as a rate per \$1,000 and others are certified as a dollar amount. Levies for exempt bonds and fixed-dollar local option levies, for example, must be certified as dollar amounts. The assessor must convert these tax amounts into tax rates (ORS 310.090). A tax rate is calculated by dividing the levy amount by the assessed value of all of the property in the local government that is imposing the levy.

The tax rate for each district levy is combined with all other levy rates in the same tax code area, and this combined billing rate is multiplied by the assessed value of each property in the code area. During this process of extending taxes, the assessor must test to ensure that the tax calculated for a property is within the limits set by Article XI, Section 11b of the Oregon Constitution (Measure 5, 1990). Taxes are separated into two categories: for education and for all other government services. If the amount of tax calculated for a property is more than \$5 per \$1,000 of real market value for education, or \$10 per \$1,000 of RMV for all other government purposes, the taxes in the category are reduced (“compressed”) to fall within the limit.

After calculating the taxes to be imposed on all taxable property in the county, the assessor certifies the assessment and tax roll to the county clerk. The clerk issues a warrant to collect the taxes. The tax roll is then turned over to the tax collector.

## **County tax collector**

The county tax collector is responsible for collecting all property taxes. The tax collector mails the property tax statements and receives the payments. If a taxpayer fails to pay on time, the tax collector computes the delinquent interest they owe and mails a notice of delinquency. After taxes on real property have been delinquent for three years, the tax collector begins foreclosure proceedings on the property. At the end of the foreclosure process, the property is sold to satisfy the tax lien. For personal property with delinquent taxes the tax collector issues a distraint warrant and records the warrant with the county clerk. The property can be seized and sold at auction to satisfy the tax lien. The tax collector can also seize or garnish other assets of a person owing taxes on personal property.

The tax collector prepares a tax percentage distribution schedule from the tax roll information provided by the assessor (ORS 311.390). The amount of tax imposed for each taxing district is divided by the total tax imposed in the county to determine each districts’ distribution percentage. The percentage distribution schedule is given to the county treasurer. When taxes are paid, the treasurer distributes a proportionate share to each taxing district according to the schedule. All districts also share the loss when refunds are made.

A county court may opt to make an advance distribution to a taxing district from the county general fund of the entire amount anticipated to be collected from that district’s taxes (ORS 311.392). If a county chooses this option, the tax collector revises the percentage distribution schedule so that collections that otherwise would have been distributed to the district go instead to the county. If a county makes the advance payment before December 1, the tax collector deducts a three percent discount from the amount distributed to the district.

## **County treasurer**

The treasurer distributes the tax money and the interest earned on it to the taxing districts using the percentage distribution schedule (ORS 311.390).

When disbursing tax moneys, the treasurer sends each district a statement showing the amount of taxes being distributed. The statement is broken down to show the amount of taxes collected for the current year and each previous year. Percentage distribution schedules differ from year to year and all distributions must be made according to the schedule for the year to which the tax applies.

A local government may designate the county treasurer as the paying agent for its bonded debt. Any tax collected for the local government to pay bonded debt is then transferred to the treasurer. The tax revenue is placed in a special account for paying principal and interest on the bonds. Interest earned in the account

through investments is credited to the account. The treasurer must send financial statements on the bond account to the local government. If the account is short of funds to make payments, the local government must transfer the needed funds to the treasurer to make up the shortfall.

## County clerk

The county clerk is the official keeper of all public records for the county. Tax liens on real property and distraint warrants on personal property are recorded with the clerk. The county clerk is also the chief elections official of the county. In this capacity, the clerk's office provides the forms and instruction for submitting ballot measures for new property taxing authority.

The names, telephone numbers, and addresses of county officials for most Oregon counties can be found through the individual county Internet web sites. Links to county web sites can be found at <http://bluebook.state.or.us/local/counties/counties.htm>.

## The Municipal Debt Advisory Commission and bonds

The Oregon Municipal Debt Advisory Commission (MDAC) was initially established to assist local governments by providing technical assistance in the marketing and sale of their bond issues in Oregon, as well as to provide guidance on a wide range of bonding topics, such as secondary market disclosure responsibilities.

Local governments must give prior notice of proposed issuance of new bonds to the MDAC (ORS 287A.640). MDAC also maintains the "*Oregon Bond Education Center*" at <http://www.ost.state.or.us/bonds/> which offers advice to issuers who wish to prepare for their own bond sale.

The Commission consists of seven members: the State Treasurer; representatives from cities, counties, school districts, and special districts; and two public members. Staffing of the Commission is provided by the **Debt Management Division** of the Oregon State Treasurer. Please contact the Debt Management Division at 503-378-4930 if you wish to receive notice of upcoming MDAC meetings.

## Department of Administrative Services and revenue sharing

Counties and cities that levy property taxes are eligible for periodic distributions from monies raised from state taxes on motor vehicle fuels, tobacco products and alcoholic beverages. The **Oregon Department of Administrative Services** (DAS) makes these distributions based on apportionment formulas found in statute that consider population, property taxes per capita and income per capita. Before a city can share in this money, the governing body must adopt a resolution or ordinance in which they elect to do so, publish notice, and hold at least two public hearings. At these hearings, citizens must be given the opportunity to provide written or oral comment on the possible uses of the money, including offset against property taxes. One of the two hearings is held by the budget committee, and the other is held by the governing body. The local government must certify its compliance with these requirements to DAS (for an example, see ORS 211.770).

Because the two hearings are held by the budget committee and the governing body, many cities combine these hearings with the first meeting of the budget committee and with the budget hearing. The ordinance electing to receive these distributions is often adopted at the same meeting of the governing body in which the budget is adopted.

# Chapter 2—Formation, dissolution, and boundary changes

Before it can impose a property tax, a local government must be officially “formed” and have approved boundaries and a legal description that defines its territory. General requirements affecting formation of special districts (all local governments except cities, counties, school districts, community college districts and education service districts) are found in ORS Chapter 198. ORS 198.705 to 198.955 provide general requirements for formation of new special districts, dissolution procedures, and other boundary changes resulting from annexations, withdrawal of property, mergers, and consolidations. The definitions for each of these terms are provided in ORS 198.705. Specific requirements for each type of special district are found in the different “*principal acts*”—the enabling statutes for each type of district. Most types of special districts and their corresponding principal acts are listed in ORS 198.010, 198.180, 198.210, 198.335 or 198.710.

The responsibility for preparing documents for formation and changes of organization is outlined in ORS 198.780. This statute also requires copies of the documents to be filed with the Department of Revenue, the Secretary of State, and the clerk and assessor of each county in which a district is located.

ORS Chapter 202 describes boundary changes, formations, and dissolutions for counties. Counties under the jurisdiction of local government boundary commissions are covered in ORS Chapter 199.

ORS Chapter 222 describes boundary changes, mergers, and consolidations for cities.

ORS Chapter 330 describes boundary changes and mergers for school districts.

ORS Chapter 334 describes boundary changes for education service districts.

ORS Chapter 341 describes boundary changes for community colleges.

**Important:** To have boundary changes reflected on the property tax roll, the **Department of Revenue Cadastral Information Systems Unit** must approve all taxing district boundary changes as provided in ORS 308.225. A local government seeking approval for a boundary change must file the legal description and map of its boundaries (in final approved form) with the county assessor and the department by March 31. This filing is in addition to the requirements in ORS 198.780. If a local government fails to file for department approval by the deadline, the county assessor shall not reflect the boundary changes on the tax roll for the following fiscal year. If a boundary change is filed after March 31, no taxes can be collected for a new district or from new territory until the second following tax year.

Map and legal description need to be filed by March 31 even if the boundary change will be effective between April 1 and June 30. These are called “*proposed boundary changes*.” If the map and description are approved and the change becomes final on or before June 30, the assessor will be able to reflect the changes on the upcoming tax roll. Proposed boundary changes often result when the proposal is made in a May election.

To meet all of the requirements, a new district or a district with a major boundary change should check with the county assessor and the Department of Revenue’s Cadastral Information Systems Unit at [boundary.changes@dor.state.or.us](mailto:boundary.changes@dor.state.or.us) or 503-945-8297 **well before March 31**.

For more information on this subject visit the boundary change frequently asked questions website at <http://www.oregon.gov/dor/ptd/pages/boundary-change-frequently-asked-questions.aspx>.

Also see the Department of Revenue publication “Boundary Change Information,” publication number 150-504-405.

# Chapter 3—The budget process

## Budget basics

A budget is a financial plan that includes estimates of expenditures and revenues for a single fiscal year or biennium. The local budgeting process provides procedures for evaluating a local government's needs and identifying revenue sources to meet those needs. A completed budget provides a means of controlling expenditures and a justification for imposing property taxes.

A local government's budget is a public document. Anything connected with the budget is subject to public inspection. The budget is a guide to the financial management of the local government. It provides information that encourages public participation in government. Temper the detail of the budget with common sense to make the document as informative and uncomplicated as possible.

## Budget period

The governing body of a local government may select one of two fiscal periods for its budget. A **fiscal year** begins July 1 and ends June 30 [ORS 294.311(17)]. A **biennial** budget period begins on July 1 and ends June 30 of the second calendar year next following [ORS 294.311(7)]. For a discussion of how a biennial budget differs from a fiscal year budget, see Chapter 14.

## Basis of accounting

Local governments are required by ORS 294.333 (renumbered from 294.445) to maintain accounting records by fund, using a cash, modified accrual, or accrual basis of accounting. The selection of the basis of accounting is up to each local government.

Any change in the basis of accounting must be explained in the budget message for the year in which the change is planned. You must explain the reasons for the change and its effect on the fiscal operations of the district. Once a basis of accounting is adopted, that basis must be used throughout the fiscal year or biennium for which the budget was prepared [ORS 294.333(2), renumbered from 294.445(2)].

## Budget officer

Each local government must have a budget officer, either appointed by the governing body or designated by the local government's charter. The budget officer is under the supervision of either the executive officer or the governing body. The budget officer prepares the proposed budget for the coming fiscal year. As ORS 294.331 states:

*"The governing body of each municipal corporation shall, unless otherwise provided by county or city charter, designate one person to serve as budget officer. The budget officer, or the person or department designated by charter and acting as budget officer, shall prepare or supervise the preparation of the budget document. The budget officer shall act under the direction of the executive officer of the municipal corporation, or where no executive officer exists, under the direction of the governing body."*

The budget officer does not have to live within the boundaries of the local government, unless required to do so by the local government's charter or ordinance. The budget officer cannot be an appointed member of the budget committee because appointed members of the budget committee cannot be officers, agents, or employees of the local government [ORS 294.414(4), renumbered from 294.336(4)]. See Chapter 8 for more detail on the budget committee.

The budget officer must present a balanced budget to the budget committee. To be in balance, the resources in each fund must be equal to the expenditures and other requirements in that fund. The estimates of resources and expenditures must be made in "good faith." That is, they should be reasonable and reasonably likely to prove correct, based on the known facts at the time.

The budget officer is responsible for publishing all of the notices required by Local Budget Law. Most budget officers are also responsible for monitoring budget expenditures during the budget year and notifying the governing body of the need to make any budget changes required after adoption.



## Budget message

A budget message is prepared annually by the executive officer of the district. If there is no executive officer, the budget message is prepared by the presiding officer of the governing body (ORS 294.403, renumbered from 294.391). The executive officer or presiding officer may delegate the preparation of the budget message to the budget officer. The extent of the budget message depends upon the size and complexity of the budget, and any changes in fiscal policy or financial position since the preceding year.

The budget message must:

- Explain the budget document.
- Include a brief description of the proposed financial policies for the coming fiscal year.
- Describe the important features of the budget document in connection with the financial policies of the local government.
- Explain the reason for changes from the previous year in appropriation and revenue items.
- Explain the major changes in financial policy.

Any change in the basis of accounting must be explained in the budget message for the year in which the change is planned [ORS 294.333(2), renumbered from 294.445(2)].

The budget message is delivered to the budget committee at its first meeting. The budget message must be in writing, since it is a part of the complete budget document. The message can be delivered by anyone the executive officer or presiding officer appoints.

## Budget calendar

A budget calendar is not required by law, but is highly recommended. If you schedule the steps of budget preparation, you can be more certain to allow sufficient time to complete the entire budget process before June 30, as is required by ORS 294.408, renumbered from 294.396. Since budget calendars are built around mandated requirements, review and revise them if the laws change. An example of a budget calendar appears at the end of this chapter.

Base the calendar on the sequence of events that influence budget-making. Schedule appointment of budget committee members, budget committee meetings, hearings, and publication of notices. Schedule audit review and financial reporting. Tax elections need not fit into the sequence, but a financial plan should be considered before a ballot measure is scheduled. The success or failure of a local option tax or a bond issue can determine the direction a governing body will take in planning its budget.

The Department of Education provides a suggested budget calendar to guide school districts.

## Outline of the budget process

1. **Appoint budget officer** (ORS 294.331).
2. **Appoint electors to the budget committee** (ORS 294.414, renumbered from 294.336). The budget committee consists of the governing body of the local government and an equal number of electors appointed by the governing body.
3. **Prepare proposed budget** (ORS 294.426, renumbered from 294.331). The budget officer prepares or supervises the preparation of a proposed budget to present to the budget committee.
4. **Publish notice of budget committee meeting** (ORS 294.401). After the proposed budget is prepared, the budget officer publishes a *“Notice of Budget Committee Meeting.”* The notice must contain the date, place and time of the budget committee’s first formal meeting, and of the meeting in which public comment will be heard. It may contain notice of several meetings, if the budget officer anticipates that more than one meeting will be needed.
  - If the sole form of notice is publication in a newspaper, it must be published at least twice, five to 30 days before the scheduled budget committee meeting date.

- If the notice is published both in a newspaper and online, it need only be published once in the newspaper, but the publication must include the website address for the online publication, and it must be published online for at least 10 days before the meeting.
- If the notice is hand delivered or mailed, only one notice is required, not later than 10 days before the meeting.

See Chapter 9 for more detail on publication requirements.

5. **Budget committee meets** (ORS 294.426, renumbered from 294.401). The budget message is delivered at the first budget committee meeting. The budget message explains the proposed budget and any significant changes in the local government’s fiscal policy or financial position. After the initial meeting, the budget committee may meet as many times as needed to revise and complete the budget. At least one meeting must provide the opportunity for questions and comments from any interested person. The budget committee is allowed to meet for training and advisory reviews throughout the year, but the budget may not be deliberated before the first meeting for which notice is published. All meetings are subject to Oregon’s Public Meetings Law (ORS Chapter 192).

The budget officer may make the proposed budget available to the members of the budget committee at any time before the first meeting, or may distribute the budget at the first meeting. At the time the budget is given to the committee, a copy must be filed in the office of the district. The budget becomes a public record at this point and must be made available to anyone who is interested in viewing it.

6. **Budget committee approves budget** (ORS 294.428, renumbered from 294.406). The budget committee considers the budget proposed by the budget officer and comments made by the public and may make additions or deletions. When the budget committee is satisfied, it approves the budget. The budget approved by the committee specifies the amount or rate of each ad valorem tax levy. Approval of the budget and of the amount or rate of tax should be by motion and be recorded in the minutes of the meeting.
7. **Publish budget summary and notice of budget hearing** (ORS 294.448, renumbered from 294.421). After the budget is approved, the governing body of the local government must hold a budget hearing. The governing body must publish a “*Notice of Budget Hearing and Financial Summary*” five to 30 days before the scheduled hearing. This information must either appear in a newspaper of general circulation, be mailed or hand delivered. See Chapter 9 for more detail on publication requirements.
8. **Hold budget hearing** (ORS 294.453, renumbered from 294.430). The governing body must hold the budget hearing on the date specified in the public notice. The purpose of the hearing is to listen to citizens’ testimony on the approved budget. Additional hearings may be held. All hearings must be open to the public.
9. **Adopt budget, make appropriations, impose taxes, and categorize taxes** (ORS 294.456, renumbered from 294.435). The governing body may make changes in the approved budget before it is adopted. Before the beginning of the fiscal year to which the budget relates, the governing body can also make changes to the adopted budget. However, if the governing body wants to make any of the following changes, they must first publish a revised “*Notice of Budget Hearing and Financial Summary*” and hold another public hearing:
  - If the governing body increases taxes over the amount approved by the budget committee.
  - If the governing body increases estimated expenditures in a fund over the amount approved by the budget committee by more than \$5,000 or 10 percent, whichever is greater.
  - If the governing body increases estimated expenditures in a fund in a biennial budget over the amount approved by the budget committee by more than \$10,000 or 10 percent, whichever is greater.

After the budget hearing, and after considering public testimony, the governing body prepares a resolution or ordinance that formally adopts the budget, makes appropriations and, if property taxes are needed, levies and categorizes each tax. The budget is the basis for making appropriations and certifying the taxes. The resolutions or ordinances adopting the budget and making appropriations must be adopted no later than June 30 [OAR 150-294.435(4)]. See Chapter 11 for more information on making appropriations.



10. **Certify taxes** (ORS 294.458, renumbered from 294.555). The next step in the budget cycle is to certify any property taxes to the county assessor. Taxes must be certified every year, even if the local government operates on a biennial budget.

The documents submitted to the assessor's office by a taxing district subject to Local Budget Law are:

- Two copies of the notice of levy and the categorization certification (Form LB-50, ED-50 or UR-50). This form authorizes the assessor to place the district's taxes on the property tax roll.
- Two copies of the resolution statements that adopt the budget, make appropriations, and impose and categorize taxes; and
- Two copies of any successful tax ballot measures for new taxes being imposed for the first time.

School districts also submit a copy of the budget and tax certification forms to their education service district and to the Oregon Department of Education. See Chapter 12 for more information on certifying taxes.

11. **Post-adoption.** After the preceding steps have been completed, changes to the budget are restricted by statute:

- ORS 294.338, renumbered from 294.326, authorizes certain appropriations as an exception to the budget process.
- ORS 294.463, renumbered from 294.450, governs the transfer of appropriations within a fund or from the general fund to another fund.
- ORS 294.481, renumbered from 294.455, provides for the expenditure of funds to repair or replace property that has been damaged or destroyed. It also allows funds to be expended because of a civil disturbance or natural disaster.
- ORS 294.468, renumbered from 294.460, authorizes loans from one fund to another.
- ORS 294.471 and 294.473, renumbered from 294.480, specifies the conditions under which a local government may adopt a supplemental budget, and explains the process.
- ORS 294.338, renumbered from 294.483, provides exceptions to the budget process for certain debt service expenditures.

See Chapter 13 for more information on budget changes after adoption.

This is an overview of the budget cycle. For more detailed information on each stage of the budget process, refer to the section of this manual that is devoted to each specific stage and to Appendix B.

## Local governments not subject to local budget law

Most local governments and other municipal corporations in Oregon are subject to Local Budget Law and must prepare and adopt a budget according to that law. There are a few exceptions. The following districts are totally or partially exempt from Local Budget Law requirements (ORS 294.316):

1. Drainage districts organized under ORS 547.
2. District improvement companies organized under ORS 554.
3. Highway lighting districts organized under ORS 372.
4. Irrigation districts organized under ORS 545.
5. Road districts organized under ORS 371.

**Note:** Road districts that impose a property tax must submit tax certification documents. County road districts organized under ORS 371.097 *are* subject to local budget law.

6. Soil and water conservation districts organized under ORS Chapter 568 that will not impose an ad valorem tax during the ensuing year. Those that do impose a property tax during the ensuing year or biennium are subject to Local Budget Law.
7. Municipal public utilities operating under separate boards or commissions, authorized under ORS Chapter 225 and city charters, and people's utility districts organized under ORS Chapter 261, both operating without ad valorem tax support during the ensuing year.
8. Housing authorities organized under ORS Chapter 456 that are not carrying out urban renewal activities using tax increment financing under ORS 457.440 during the ensuing year.
9. Water control districts, organized under ORS 553 that will not impose taxes during the ensuing year.
10. Hospital financing authorities organized under ORS 441.525 to 441.595.
11. Export trading corporations organized under ORS 777.755 to 777.800.
12. Diking districts organized under Chapter 551.
13. Health districts organized under ORS 440.315 to 440.410. Health districts may not adopt a biennial budget. Their budget process is outlined in ORS Chapter 440.
14. Intergovernmental entities or councils of governments formed under the provisions of ORS 190.010, unless they levy property tax. These organizations are subject to separate budget requirements found in ORS 294.900 to 294.930. Those that impose a property tax during the ensuing year or biennium are subject to Local Budget Law, ORS 294.305 to 294.565.

In addition to the local governments listed, a newly formed local government is not required to prepare a budget during the first fiscal year it is formed. If a local government is formed between March 1 and June 30, it does not have to prepare a budget for the upcoming fiscal year either [ORS 294.338(10), renumbered from 294.326(11)].

Local governments that are not required to follow Local Budget Law may choose to follow the process in preparing their budgets anyway. Local Budget Law provides a framework of sound budgeting practices.

### **Urban renewal agencies**

Urban renewal agencies are subject to the Local Budget Law and must complete the process separately from the parent municipality (county or city).

### **Public meeting law: ORS 192.610 to 192.690**

The Public Meeting Law policy statement (ORS 192.620) states:

*"The Oregon form of government requires an informed public aware of the deliberations and decisions of the governing bodies and the information upon which such decisions were made. It is the intent of ORS 192.610 to 192.690 that decisions of governing bodies be arrived at openly."*

Local Budget Law meetings fall within the Public Meeting Law. Take a few moments to review these statutes. Follow the Public Meeting Law for all budget meetings where deliberations toward a decision are made. The *"Attorney General's Public Records and Meetings Manual"* is available for a fee from the Oregon Department of Justice, 1162 Court Street NE, Salem OR 97301 or online at [http://www.doj.state.or.us/pdf/public\\_records\\_and\\_meetings\\_manual.pdf](http://www.doj.state.or.us/pdf/public_records_and_meetings_manual.pdf). This manual summarizes the requirements for regular, special, and emergency meetings, and for executive sessions. A section is included on the requirements for taking minutes and on enforcement provisions.

# Public inspection of the budget document

ORS 294.426(7), renumbered from 294.401(8), provides:

*“The budget officer shall file a copy of the budget document in the office of the governing body of the municipal corporation immediately following presentation of the budget document to members of the budget committee under subsection (6) of this section. The copy is a public record of the municipal corporation.”*

ORS 294.426(8), renumbered from 294.401(9) states:

*“The governing body of the municipal corporation must provide to individuals upon request a copy of the budget document or the means of readily obtaining a copy of the budget document.”*

A local government may charge a reasonable fee for photocopying the budget document [ORS 192.440(3) and OAR 150-294.401(7)].

In addition, every local government is subject to the Public Records Law. The basic premise of this law is stated in ORS 192.420:

*“Every person has a right to inspect any public record of a public body in this state, except as otherwise expressly provided by ORS 192.501 to 192.505.”*

Anyone may examine all or any portion of the budget document. While disclosure is the prescribed policy, the Public Records Law makes it clear that agencies can *“adopt reasonable rules necessary for the protection of records and to prevent interference with the regular discharge of duties...”* ORS 192.430.

A good source of information on this subject is the *“Attorney General’s Public Records and Meetings Manual.”*

## Sample budget calendar

1. Appoint budget officer and budget committee .....December 8
2. Prepare proposed budget .....February 28
3. Publish 1st notice of budget committee meeting no more than 30 days before the meeting..... March 10
4. Publish 2nd newspaper notice of budget committee meeting at least 5 days before the meeting, or post online at least 10 days before the meeting.  
Note: If publishing by mail or hand-delivery, only one notice is required, at least 10 days before the meeting ..... March 20
5. Budget committee meeting ..... March 30
6. Second budget committee meeting (if needed) ..... April 6
7. Publish notice of budget hearing 5 to 30 days before the hearing..... April 19
8. Hold budget hearing ..... May 4
9. Board meeting to enact resolutions to adopt budget, make appropriations, impose and categorize taxes..... June 15
10. Submit tax certification documents to the assessor by July 15 ..... July 12
11. Submit copy of complete budget document to county clerk ..... September 30

# Chapter 4—Types of funds

A budgetary fund, as defined by Oregon Administrative Rule 150-294.352(1)-(A) (implementing ORS 294.388, renumbered from 294.352), is a fiscal and accounting entity of self-balancing accounts to record cash and other financial resources, related liabilities, balances and changes, all segregated for specific, regulated activities and objectives.

The use of funds for budgeting is required by state and federal laws and rules, and possibly by local government charters, resolutions and ordinances. The use of funds is a principle of sound budgeting and accounting practice.

New funds can be included in the budget being prepared for the ensuing year or added by supplemental budget during the year. A new reserve fund requires a resolution that specifies the purpose for which the reserve moneys can be spent.

The governing body may create whatever funds it feels are necessary to control the use of restricted or dedicated revenues. However, good budgeting practice is to maintain only those funds required to meet legal and operating requirements. Unnecessary funds complicate a budget, making it more difficult to understand and work with.

Several statutes which authorize local governments to impose taxes or to provide special services require that separate funds be created. Examples of such funds are: The Bancroft Bond Fund (ORS 223.285), County School Fund (ORS 328.005), and a reserve fund (ORS 294.346, renumbered from 294.525).

Major types of funds used in setting up budget and accounting records are:

- General fund
- Special revenue fund,
- Capital project fund,
- Debt service fund,
- Internal service fund,
- Enterprise fund,
- Trust and agency fund, and
- Reserve fund.

Any of these fund types may be used, depending upon the complexity and type of activity of a local government. The choice of fund structure is a fiscal policy decision of the governing body.

## General fund

The purpose of a general fund is to record financial transactions relating to all activities for which specific types of funds are not required. It is the general operating fund for the local government. Most local governments have a general fund. Many small districts have only a general fund.

## Special revenue fund

Special revenue funds should be set up for dedicated local option tax levies, specific purpose grants and other revenues when required by statute, charter provision, or the terms of a grant. The number of such funds depends upon the activities of the local government and how it is funded. Some city home rule charters provide for a general fund and several other special funds. The general requirement is that dedicated revenues must be used for the specific purpose authorized, and separate funds should be established for them (ORS 311.350). Try to keep the number of special revenue funds to a minimum.

## Separate special revenue funds for local option taxes

The Oregon Constitution, Article IX, Section 3, states: *“No tax shall be levied except in accordance with law. Every law imposing a tax shall state distinctly the purpose to which the revenue shall be applied.”*

Establish a separate special revenue fund for each local option tax providing money for a capital project or other specific purpose. The money received must be retained in such a fund and spent only for the purpose for which the tax was approved (ORS 280.040). This provides fiscal integrity for the local option tax and ensures that it is used to carry out the purpose described in its ballot measure. If expenditures from a specific purpose local option tax fund are no longer needed, the governing body may abolish the fund and transfer the balance and any future proceeds to the general fund (ORS 294.475). The tax imposed for the special fund must then be discontinued.

Revenue from local option levies for operations may be budgeted in the general fund.

## Capital project fund

A capital project fund is a type of special revenue fund that is used to record the resources and expenditures needed to finance the building or acquisition of capital facilities that are nonrecurring major expenditure items. Resources can include the proceeds from the sale of general obligation bonds, tax revenue from specific purpose local option taxes, grants, transfers from other funds, or other revenues authorized for financing capital projects. A capital project fund is normally established when a capital project or series of projects is authorized. It is dissolved when the project is completed. Several related projects financed from one bond issue may be accounted for in one fund if there are no provisions to the contrary in the bond contract.

Establish a capital project fund for the expenditure of bond sale proceeds. If voter approval is received after the regular budget is adopted and bonds are sold during the fiscal year, a supplemental budget is not required to expend the proceeds [ORS 294.338(4), renumbered from 294.326(4)]. However, it is good fiscal budgeting for the governing body to establish a capital project fund to account for the proceeds and to adopt a resolution or ordinance appropriating the expenditures.

If the bond sale receives voter approval before the adoption of the regular budget, then the capital project fund and the expenditure of the proceeds must be included in the regular budget. Also, if the bonds were sold in a preceding year and the proceeds carried forward to the current year, then the capital project fund and the expenditure of the proceeds must be budgeted in the regular budget.

Bond proceeds may be used to pay attorneys' fees and other expenses related to the preparation, authorization, issuance and sale of the bonds [ORS 287A.300(2)]. These expenses can be budgeted in the capital project fund or the general fund. These expenses cannot be paid from a debt service fund if the fund includes a property tax levy that is categorized as "excluded from limitation."

## Debt service fund

Debt service funds are used to budget for the payment of principal and interest on all long-term debt, including that payable exclusively from revenue-producing enterprises [ORS 294.388 (renumbered from 294.352), and OAR 150-294.352(1)-(A)]. There may be several bond issues accounted for in one debt service fund, but you must establish separate funds for general obligation bonds and revenue bonds. Transactions to record the redemption of existing bonds with proceeds of refunding bonds are also recorded in debt service funds.

Taxes dedicated to repay bonds cannot be diverted or used for any other purpose [ORS 287A.140, 328.260(3), etc.].

**Transfers from a debt service fund that levies taxes that are categorized as excluded from Measure 5 limitation are not allowed in most cases.** There are two conditions under which a transfer may be made:

1. To repay an interfund loan that was made to the debt service fund from other moneys when collections of taxes levied for exempt bonded indebtedness were not sufficient (ORS 294.368, renumbered from 294.381). Such a transfer should be budgeted as a requirement in the debt service fund called "Loan repayment to \_\_\_\_\_ Fund."
2. If a surplus remains after all interest and principal of the bond are paid. The fund may be dissolved and the balance transferred to the general fund, unless other provision was made when the fund was created (ORS 294.353, renumbered from 294.475).

As stated above, attorneys' fees and other expenses related to the preparation, authorization, issuance and sale of the bonds cannot be paid from a debt service fund if the fund includes a property tax levy that is categorized as excluded from limitation.

Debt service funds may include a requirement for a debt service reserve (ORS 294.346, renumbered from 294.525 and ORS 287A300). If the bonded indebtedness is a tax credit bond or other bond that bears interest that is includable in gross income under the Internal Revenue Code, the debt service fund may include the deposits that the municipal corporation has agreed to make in a sinking fund that is dedicated to pay the bonded indebtedness (ORS 294.368, renumbered from 294.381).

### **Bancroft bond fund**

A “*Bancroft Bond Redemption Fund*” is a type of debt service fund required to record the debt payments for principal and interest on Bancroft Bonds issued under ORS 223.205 to 223.295.

### **Internal service fund**

An internal service fund finances and accounts for services furnished by one department or agency to another department or agency of the same local government. All such expenditures must be budgeted. Internal service fund resources usually come from operating earnings or transfers from other funds.

### **Enterprise fund**

An enterprise fund is a fund established to finance and account for acquiring, operating, and maintaining facilities and services which are primarily self-supporting from user charges and fees. A separate fund makes it possible to set up separate accounting data on the operations of the facility. This information can be used to determine what the service charges should be. It can also provide better controls and information on the management of the resources and expenditures. Examples of enterprise funds are for water, gas and electrical utilities, swimming pools, airports, parking garages and transit systems operated by cities, and some school food service operations. Separate funds may be established for each utility or enterprise.

### **Trust and agency fund**

Assets are sometimes held, or revenue received, by local governments in a fiduciary capacity, to be used for a certain specified purpose. For example, you might receive a bequeath with the provision that the principal amount be invested and the interest income be used to aid the library or park system or to maintain the grounds of the cemetery. These revenues and expenditures are accounted for in a trust and agency fund. Most trust and agency funds are not exempt from local budget law. Expenditures can be made from these funds only if the funds are included in the adopted budget and appropriations made.

### **Reserve fund**

A local government may set up a reserve fund to accumulate money for financing the cost of any service, project, property or equipment that the district can legally perform or acquire (ORS 294.346, renumbered from 294.525). Under Local Budget Law, a reserve fund is a way to save money from year to year. Expenditures can be appropriated and made directly from a reserve fund.

The resolution or ordinance creating a reserve fund should state the purpose for which the money in the fund can be spent. At least every 10 years after the establishment of a reserve fund, the governing body must review the fund to decide if it should be continued or abolished. Any unexpended or unobligated balance left in the fund when it is abolished can be transferred to the general fund or any other fund designated by the governing body.

Money in a reserve fund can only be used for the purpose for which the fund was established. Expenditures for that purpose may be budgeted and appropriated directly from the reserve fund. Transfers may not be made from a reserve fund unless the fund that receives the transfer uses the money for a purpose consistent with the purpose of the reserve fund. Interfund loans can be made from a reserve fund under ORS 294.468 (renumbered from 294.460).

School districts have special statutory authority to set up reserve funds for the purchase of automotive equipment. Refer to ORS 328.470 for more details.



# Chapter 5—Estimating budget resources and requirements

## Estimating resources

*“Each municipal corporation shall estimate in detail its budget resources for the ensuing year by funds and sources”* [ORS 294.361(1)]. Generally, an “estimate” is defined as an approximate calculation or an opinion formed from imperfect data. All resource and requirement estimates should be based on “good faith.” That is, they should be reasonable and be reasonably likely to prove correct, based on the known facts at the time.

The budget must be constructed so that the total resources in each fund equal the total requirements in that fund [OAR 150-294.352(1)-(B), implementing ORS 294.388, renumbered from 294.352]. When the resources are equal to the requirements, the fund is said to be “in balance.”

All known resources and requirements must be included in the budget. The only exception is if all three of the following are true:

- (a) The municipal corporation holds the resources merely for safekeeping;
- (b) Expenditure of the resources is not under the control of the municipal corporation or a third party chosen by the municipal corporation; and
- (c) The resources are expended for a purpose other than that for which the municipal corporation levies a tax or expends funds [OAR 150-294.361(1)(A)].

Budget resources include but are not limited to: the cash balance, cash equivalents, and investments or net **working capital** that will be carried forward from the previous fiscal year, prior-year taxes, current-year taxes, fees, fines, interest on deposits or securities of any kind, endowments, annuities, sales of property or other assets, grants, interfund transfers, and revenues from any and all other sources [ORS 294.361(2)].

Budget resources do not include moneys accumulated under an approved employee deferred compensation plan and the interest earned on such moneys, the estimate for the ensuing year of discounts under ORS 311.505, or the estimates of uncollectible amounts of taxes, fees, or charges for the ensuing year [ORS 294.361(3)].

## Beginning cash estimates (cash basis of accounting)

Estimate the beginning cash balance in a fund as follows:

1. Establish the cash balance on hand at the time the proposed budget is prepared. Include any investments or cash equivalents as well as cash and the money in your checking account.
2. To this amount, add the amount of revenue estimated to be received from all sources for the rest of the current fiscal year.
3. From the sum of 1 and 2, subtract a reasonable estimate of expenditures for the rest of the fiscal year.

The remainder will be the estimate of the beginning cash balance to be used in preparing the budget for the next fiscal year.

## Current year property taxes

Many local governments rely heavily on local property taxes to finance the services they offer. In some cases, services are paid for entirely by property taxes. See *“Chapter 7 – Estimating Property Taxes Available as a Budget Resource,”* for an explanation of how to determine how much current year property tax revenue you can estimate as a budget resource.

## Prior year taxes

Most local governments that impose a property tax receive revenue from the collection of delinquent taxes that were imposed in previous years. These prior years’ taxes are treated as nontax resources in the budget.



The county tax collector can help you estimate the amount of prior years' taxes.

The amount of prior years' taxes can also be estimated using history. Prior year's taxes are disbursed by the county treasurer using the percentage distribution schedule from the year in which the taxes were levied. Most treasurers provide a statement to accompany each payment. The statement breaks down the payment to show the amount collected for the current year and the respective amounts for each prior year. The statement may also show how much is attributable to each tax levy (permanent rate, local option or bonds). If you save these statements, you will soon have a history of how much you receive from prior year taxes.

Local Governments that receive a "buy out" distribution of their entire year's property tax receipts from the county in one lump sum payment in November/December do not receive prior year's taxes in subsequent years.

Proper accounting methods and records of tax collections provide accurate historical information to support resource estimates for the following fiscal years.

### **Fees, fines, and assessments**

Any revenues that result from the operation of a local government or that are paid by its customers for programs or services provided by it should be budgeted as a resource in the fund from which the operation or service is financed.

System development charges imposed under ORS 223.297 to 223.314 are a budget resource.

### **Interest on investments**

Local governments must keep their cash, cash equivalents, and investments in interest bearing accounts. The interest earned is a resource for the fund in which the asset is budgeted. If interest earnings on assets in several funds are reported as a lump sum by the financial institution, the budget officer must estimate the amount of interest to allocate to each fund, based on the relative amount of interest-earning assets in each fund.

### **Grants and gifts**

Grants, gifts, donations and bequests that are awarded to a local government before June 30 should be budgeted as a resource. If you have applied for a grant but it hasn't been awarded yet, you may still include that money as a resource. Alternatively, your policy may be to wait until after grants have been confirmed to add the grant proceeds to your budget.

Revenue sharing money from the state of Oregon is a resource for the cities and counties that receive it.

### **Budgeted interfund transfers**

The budget may include transfers of revenue between funds. Money received in a fund through a transfer from another fund must be budgeted as a resource in the receiving fund. The originating fund budgets the transfer as a requirement [ORS 294.361(2)(w)].

### **Bond proceeds**

The proceeds from the sale of bonds are a budget resource.

The principal act under which many types of local governments are formed allows for the issuance of general obligation bonds after voter approval. The principal act may also set limits on the amount of indebtedness a local government may incur, and provide for payment of bond principle and interest through the levy of taxes. ORS Chapter 287A relates generally to the borrowing and bonding authority of counties, cities, and special districts. Refer to the statute under which your local government was formed for more specific bonding information. "Appendix C" lists local governments' bond taxing powers and limitations.

### **Bancroft bonds**

The Bancroft Bonding Act (ORS 223.205 and 223.210 to 223.295) is a financing method that may be used by cities, counties, and certain special districts with the specific authority to do so.

The purpose of the Bancroft Bonding Act is to provide a way for property owners to pay for improvements, such as streets, water supply systems, storm sewers, etc., in equal annual installments spread out over a period of years. These assessments are a budget resource.

### **Insurance proceeds**

The expenditure of insurance proceeds received to repair or replace property after a casualty loss does not have to be budgeted in the year the proceeds are received. If any of the money is carried over to the following fiscal year, it should be budgeted as beginning fund balance.

### **Short-term borrowing**

Local governments may contract short-term indebtedness by issuing revenue bonds, credit enhancement devices or short-term promissory notes for the purposes of meeting current expenses, retiring outstanding bonds, or paying the interest on bonds (ORS 287A.180, ORS 328.565, and ORS 341.715). Generally, any borrowing with a term of 13 months or less is considered short-term for the purposes of Local Budget Law.

Tax anticipation notes are a form of short-term borrowing. They are issued in anticipation of the collection of property taxes. Short-term loan or bond amounts are limited to 80 percent of the property taxes or other revenues, except grant monies, that are budgeted or otherwise reasonably expected to be available to repay the borrowing in that fiscal year. Before any formal action is taken by the governing body, consult ORS 287A.180 for more information.

Interest payments must be budgeted when a local government expects short-term borrowing. The principal and the repayment of the principal of short-term debt, however, need not be included as a budgeted resource or expense. The loan and repayment schedule may instead be reported in narrative form or as a footnote to the budget. The narrative or footnote must indicate that the principal and payments are liabilities of the fund from which they are made. (ORS 294.378, renumbered from 294.443).

Local Budget Law has no statutory limitations on any local government entering into an installment contract.

Local Budget Law does not authorize any local government to obligate itself to make payments for a period of more than one year. Any authority to enter into such an installment contract must be found elsewhere in the statutes or in the charter of the local government.

If the governing body obligates a local government beyond 13 months, the indebtedness could be considered an addition to the local government's outstanding long-term debt. Such debt is generally restricted by the Oregon Constitution, statute, or charter. Any indebtedness (including bonds and notes) is governed by the general indebtedness limitations of the charter or statutes. The proceeds of long-term borrowing must be budgeted as resources in the year of receipt.

### **Deficit or negative resources**

Do not budget a negative resource [OAR 150-294.361(1)-(B)]. A negative line item entry distorts the actual total of revenues. Budget only the amount of revenue estimated to actually be received by a fund. If there is an anticipated deficit in a fund, budgeted expenditures should be reduced or other resources identified to maintain a balanced fund. Negative budgeted fund balances are a violation of Local Budget Law.

If actual resources fall short of the amount estimated, expenditures cannot be made in excess of available revenues. Although it is not required to do so, a governing body may adopt a supplemental budget to adjust budgeted resources and reduce appropriations to reflect such a shortfall (ORS 294.471).

### **Special provisions for county budgets**

County budgets must contain a summary of revenues and expenditures for major programs funded in part by state resources. The summary must include, at a minimum, functions related to assessment and taxation, community corrections, district attorneys, juvenile corrections and probation, public health, mental health and chemical dependency, veterans services, roads and economic development. The summary must provide the total expenses for each program and identify the revenues used to fund the program from general county resources, state grants, federal grants, video lottery resources, and other resources as applicable. The summary must include the revenues and expenditures in the adopted budget, revenues and expenditures in the prior

year's adopted budget, and actual revenue and expenditure data from the two previous years (ORS 294.444, renumbered from 294.419).

"General county resources" means resources from property taxes, state and federal shared revenue, beginning balances available for expenditure and interest not required to be allocated to specific programs or activities.

## **Estimating and classifying expenditures**

Each local government must prepare estimates of expenditures and other budget requirements by line item for the upcoming fiscal year.

Local Budget Law requires that expenditures and other requirements be shown in the budget in certain ways. The budget is broken down into funds which are discussed in Chapter 4. The expenditures in each fund must be organized in one of two ways, either by organizational unit or program, depending on how the district is structured and the services it provides. Subdividing a fund into organizational units or programs makes the budget more understandable.

### **Organizational unit**

Some local government budgets are organized by organizational units. An organizational unit is an administrative subdivision of the local government which is responsible for specific services, functions or activities. These are usually identified as departments, divisions, offices, etc. [ORS 294.311(30)]. For example, a city may be structured into organizational units such as: Police Department, Public Works Department, Office of the City Recorder, etc.

Hospitals, school districts, ESDs, and community colleges may not use organizational units when preparing expenditure estimates. (ORS 294.393, renumbered from 294.356).

### **Program**

Many local budgets are structured by program. A program is a group of related activities aimed at accomplishing a major service or function [ORS 294.311(33)]. Programs could include services and functions such as: fire protection, water, sewers, road maintenance, etc. Most special districts are formed to provide just one or two major services. The budgets of these districts are considered program budgets unless one or more of the funds are organized by organizational unit. School budgets that are organized according to the classification of accounts in the "*Oregon Department of Education's Program Budgeting and Accounting Manual for School Districts*" are considered program budgets.

## **Object classifications**

The estimated expenditures in each fund must be arranged by organizational unit or program. Within each organizational unit or program, the estimates of line item expenditures must be detailed by the following object classifications: personnel services, materials and services and capital outlay. In addition, separate estimates must be made in each fund for special payments, debt service, interfund revenue transfers, operating expenses and general capital outlays that cannot reasonably be allocated to one particular unit or program [ORS 294.388(3), renumbered from 294.352(3)]. Local governments that have only one program must estimate expenditures by the object classifications listed above.

Within each program function, school districts must detail expenditure estimates by object within each object classification [ORS 294.393(1), renumbered from 294.356(1)]. More information on this breakdown can be found in the "*Oregon Department of Education's Program Budgeting and Accounting Manual*" at <https://district.ode.state.or.us/docs/sfda/manuals/>.

Community colleges must detail expenditure estimates by sub-object classification [ORS 294.393(2), renumbered from 294.356(2)]. More information is in the "*Oregon Department of Community Colleges and Workforce Development's Community College Accounting Manual*" at [http://www.oregon.gov/CCWD/pub\\_rpts.shtml](http://www.oregon.gov/CCWD/pub_rpts.shtml).

### **Personnel services**

Personnel services includes salaries, benefits, workers compensation insurance, Social Security taxes and other costs associated with having employees.

The estimated expenditures for personnel services must include the total budgeted cost of all officers and employees, as well as the number of related full-time equivalent positions. Upon request, a listing of the salaries for each officer and employee, except hourly wage and part-time employees must be provided. Employees of like classification and salary range may be listed by the number of those employees, the limits of each salary range and the amount of their combined salaries [ORS 294.388(5), renumbered from 294.352(5)]. The number of employees may be stated in full time equivalents (FTE).

Personnel services estimates may include a separate schedule detailing the salaries of persons who perform services for two or more organizational units or programs. For example, one staff member may provide services to the administration office and the police department. Non-education local governments should use the format of Form LB-40 at <http://www.oregon.gov/dor/ptd/pages/localform.aspx>.

## **Materials and services**

Materials and services include contractual services (such as attorney or accountant fees), materials (such as office supplies, fuel, or repair parts), and other operating expenses (such as utilities, lease payments, fire insurance, or travel). Estimates should be detailed sufficiently to disclose all proposed expenditures, but may be combined into logical groupings such as office supplies, utilities, etc.

## **Capital outlay**

Capital outlay is defined as expenditures that result in the acquisition of, or addition to, fixed assets. Fixed assets are defined as assets of a long-term character that are intended to continue to be held or used, such as land, buildings, machinery, furniture, and other equipment. Each local government may establish its own criteria or cost threshold for distinguishing capital outlay expenditures from other operating expenses.

## **Special payments**

Special payments include payments of taxes, fees or charges collected by one entity and then made to another organization on a pass-through basis, grants made or distributed to others that will be expended by them, and other expenditures that do not fit into one of the other expenditure categories.

## **Debt service**

Debt service includes the repayment of any loan, bond or other borrowing. Expenditures for repaying bond principal and interest for which a separate property tax levy is imposed must be in a debt service fund and should be separately shown for each bond issue, with separate amounts for principal and interest payments [ORS 388(6), renumbered from 294.352(6)]. Each bond issue should be identified by the bond issue date, and each payment by the exact payment date. Any unappropriated ending fund balance associated with a bond issue must be itemized by the payment date and amount, and separately identified by bond issue.

Repayment of other loans or borrowings may be identified less specifically. A debt service payment not requiring a separate tax levy may be included in the general fund or another fund.

## **Interfund transfers**

Interfund transfers are budgeted transfers of resources from one fund to another. The fund making the transfer shows the amount transferred as a budget requirement. The fund receiving the transfer shows it as a fund resource. If the money is to be expended, the fund receiving the transfer also shows that expenditure as a requirement. In that case, the money may be said to be "counted twice" in the budget; once as the transfer out and once as the actual expenditure.

## General operating contingency

An estimate for **general operating contingency** may be included in any operating fund. The estimate is based on the assumption that operations may necessitate spending during the year on items that cannot be specifically identified at the time the budget is being prepared. The contingency is not a separate fund. It is a line item within an operating fund, separate from any of the other major object classifications. Its purpose and proper use are explained in Oregon Administrative Rule 150-294.352(8).

Each operating fund (each fund from which operating expenses are paid) is allowed one appropriation for a general operating contingency. A non-operating fund cannot have an appropriation for a contingency. The expenditures in non-operating funds can usually be accurately estimated and are not subject to unexpected variations arising from operations. A debt service fund is an example of a non-operating fund that cannot contain an operating contingency.

The contingency estimate must be reasonable, based on past experience, and consistent with the purpose of the particular fund involved. It cannot be made in place of an estimate for expenditures which are known to be necessary and can be anticipated. It must not be used to cover up improper or loose budgeting practices. It must not be used as a “savings account” in which to sequester excess revenues.

During the fiscal year, money budgeted and appropriated as contingency must be transferred to another appropriation category before it can be expended. A resolution or ordinance or a supplemental budget must be passed before any of the contingency can be transferred. If the expenditure is to be made from another existing appropriation category, a resolution or ordinance may often be used to authorize the transfer and expenditure. The operating contingency then is reduced and the receiving appropriation category increased by the same amount so the fund remains in balance. If there is no existing appropriation category suitable for the expenditure, then a supplemental budget is required to create the appropriation category and transfer the resources from contingency.

There is no statutory limit on the amount which may be budgeted and appropriated for general operating contingency. However, the amount which may be transferred from contingency by resolution over the course of a year is limited to 15 percent of the amount originally appropriated in the fund [ORS 294.463(2), renumbered from 294.450(2)]. Transfers which in total exceed 15 percent of the original appropriation may be made only after adopting a supplemental budget for that purpose.

For example, if the total appropriation in a fund is \$100,000, including \$20,000 for the general operating contingency, only 15 percent, or \$15,000, of the appropriation may be transferred from the contingency appropriation by resolution or ordinance. The remaining \$5,000 can be transferred only through a supplemental budget.

## Unappropriated ending fund balance

Budgeted requirements may include an **unappropriated ending fund balance**. The purpose of an unappropriated ending fund balance is to provide the local government with a cash or working capital balance with which to begin the fiscal year following the one for which this budget is being prepared (ORS 294.371 and OAR 150-294.398, renumbered from 294.371).

When calculating the amount of an unappropriated ending fund balance, determine your cash requirements between July 1 of the fiscal year following the one for which you are budgeting, and the time sufficient revenues will become available from other sources to meet cash flow needs. The maximum amount that should be budgeted in an unappropriated ending fund balance is the difference between the cash requirements and the other resources available during that period. Do not use an unappropriated ending fund balance as a “savings account” in which to sequester large amounts of excess funds.

Do not include an unappropriated ending fund balance in the resolution or ordinance making appropriations. No expenditures can be made from an unappropriated ending fund balance during the year in which it is budgeted. The only exception to this is in an emergency situation arising during the year by involuntary conversion (theft, vandalism, accident, etc.), civil disturbance or natural disaster. If such an emergency occurs and the revenue in the unappropriated ending fund balance is needed to replace the damaged property, it may be appropriated with a resolution or ordinance or through a supplemental budget after that event occurs (ORS 294.481, renumbered from 294.455).

Toward the end of the fiscal year in which an unappropriated ending fund balance is budgeted, the budget officer should monitor actual cash flow carefully. A revenue shortfall during the year may mean that spending



may have to be reduced to have sufficient cash in the unappropriated ending fund balance. If expenses cannot be reduced, then the actual amount in the unappropriated ending fund balance may be less than planned. This is allowed as long as expenditures remain within the fund's budgeted appropriation authority and there has been a revenue shortfall.

### **Reserved for future expenditure**

An amount “**reserved for future expenditure**” may be included in a reserve fund or in another fund when specifically allowed by statute. A reserve for future expenditure is a line item requirement which identifies funds to be “saved” for use in future fiscal years.

Since the initial intent when the budget is adopted is not to spend the amount reserved for future expenditure, do not include it in the resolution or ordinance making appropriations. If the need arises during the fiscal year to spend this money, a supplemental budget may be adopted to appropriate the expenditure.

An exception to this is in an emergency situation created when property is destroyed by involuntary conversion, civil disturbance or natural disaster. ORS 294.481, renumbered from 294.455, describes when and how any available moneys, including reserved amounts, can be used to make such expenditures.

### **Debt service reserves**

A debt service fund can include a line item for a debt service reserve if one is required by the bond sales agreement. Alternatively, a separate reserve fund can be created for such debt service reserves. A debt service reserve cannot be funded by a property tax levy that is excluded from the Measure 5 limitations. If a reserve is held in such a debt service fund, it must be funded with a portion of the bond proceeds, a transfer from the general fund or another fund, or some other source of revenue.

An exception is if the bonded indebtedness qualifies as a “tax credit bond” or other bond that bears interest that is includable in gross income under the Internal Revenue Code. In that case, the debt service fund may include a reserve that is dedicated to pay the bonded indebtedness and this reserve may be funded by a property tax levy that is excluded from the Measure 5 limits [ORS 294.368(3)(b), renumbered from 381(3)(b)].

### **Interfund loan repayment**

During a fiscal year the governing body may loan money from one fund to another.

Operating loans must be repaid no later than the fiscal year following the year in which they were made. If the loan is an operating loan and it is not repaid in the fiscal year in which it was made, the repayment must be budgeted as an expenditure in the upcoming fiscal year. An operating loan is any interfund loan, or portion thereof, that is not a capital loan, and that is made for the purpose of paying operating expenses.

A capital loan is any interfund loan, or portion thereof, made for the purpose of financing the design, acquisition, construction, installation, or improvement of real or personal property and not for the purpose of paying operating expenses. If a loan is a capital loan, it must be repaid in full over a term not to exceed 10 years. The resolution or ordinance that authorizes the loan must state a schedule for repayment and a rate of interest (ORS 294.468, renumbered from 294.460). The interest rate can be any rate that the governing body determines, including zero.

If an interfund loan is repaid in a subsequent year, in the year the loan is repaid, budget the repayment as a resource in the fund that made the loan. In the fund that received the loan, budget the repayment as a debt service requirement.

### **Advance refunding bonds**

Local governments may sell new bonds to retire an older bond issue before the right to call or otherwise retire the old bond issue arises (ORS 287A.360). This is known as current or advance refunding.

The proceeds of the advance refunding bond sale are sometimes used to buy low-risk government securities to place in escrow to secure the old bonds. If a tax could be levied to pay the old bonds, a tax may be levied to pay the principal and interest on the advance refunding bonds (ORS 287A.380). The public body is prohibited from levying a tax to pay on the old bonds after the amount owed on the old bonds is secured by the advance refunding bond proceeds.

Debt service on the new bonds must be budgeted, because it will be paid by a tax levy or from the advance refunding bond proceeds and interest. The advance refund bond proceeds may also be used to pay administrative costs, expenses, or fees in connection with the advance refunding transaction (ORS 287A.375). Proceeds from a debt service tax levy may not be used to pay those expenses (ORS 294.368, renumbered from 294.381).

Revenues irrevocably placed in escrow for the purpose of defeasing and paying the bonds, or revenues received as a result of prepayments or other unforeseen circumstances used to redeem bonds or other obligations are not required to be budgeted [ORS 294.338(5), renumbered from 326(5)].

When voter approval to issue bonds is received during a fiscal year and the bond proceeds will be expended during that same fiscal year, the proceeds do not have to be budgeted. It is recommended that a resolution be prepared establishing a fund for the bond proceeds and appropriating the proceeds. If the bonds are approved in one fiscal year and any of the proceeds are to be spent in the following fiscal year, the proceeds must be budgeted in the regular budget for the following year [ORS 294.338(4), renumbered from 294.326(4)].

## **Pass-through payments**

A local government may impose taxes, fees, or charges that are then paid, on a pass-through basis, to another local government through under an intergovernmental agreement or statute. The local government that imposes the taxes, fees, or charges budgets them as resources. The pass-through payment to the other local government is budgeted as an expenditure and appropriated as a special payment. If the actual amount collected from the taxes, fees, or charges exceeds the estimated amounts in the budget, the local government that imposed the taxes, fees, or charges may appropriate the additional revenue by enacting a resolution or ordinance (ORS 294.466).

## **Internal services expenditures**

The estimated cost to one part of an organization of services provided by another part may be budgeted and appropriated in an internal service fund (ORS 294.343, renumbered from 294.470). Such expenditures are a requirement for the unit receiving the service. The estimated amount is a resource for the unit providing the service. If, during a fiscal year, the estimate proves insufficient, the appropriation may be increased by resolution or ordinance.

## **Budget detail sheets**

Expenditure and resource detail sheets show in line item detail the planned requirements and resources a local government needs to carry out its purpose. The Department of Revenue has the authority to make rules and prescribe budget forms (ORS 294.495). The department has developed budget and publication forms that meet all of the requirements of the law.

Many budget officers prefer to create their own budget detail sheets in a spreadsheet or accounting program. If you do this, you must follow the format the department prescribes.

## **First and second preceding years' actual data**

The detail sheets must show the actual expenditures and resources for the two preceding fiscal years for each fund (ORS 294.358, renumbered from 294.376). This requirement provides a two-year record of what actually happened. It allows a comparison of the earlier actual resources and expenditures with those estimated and budgeted for both the current year and the upcoming fiscal year.

The historical data are figures confirmed by the district's audit or reported in the unaudited financial statements submitted to the **Audits Division of the Secretary of State**. Display the actual revenues and expenditures in the budget at the same level of detail used for the estimates of the current year and coming fiscal year.

A fund dissolved by the governing body must remain a part of the budget's historical record for the following two years. If two funds are created from one previously existing fund, separate the historical data so previous resources and expenditures for each new fund can be identified. The dissolution or combination of funds should be explained in the budget message.



If a budget line item description is changed, an old item is split into two or more new items, or two or more old line items are combined, explain the change in a footnote or the budget message so a historical comparison can be made.

## **Current year budgeted resources and expenditures**

The detail sheets include a column for the estimated resources and expenditures adopted for the current fiscal year. These amounts come from the current adopted budget document, as updated by any changes authorized by governing body resolutions or ordinances and supplemental budgets adopted during the current year.

The historic and current year data provide a basis for comparison to the resources and expenditures for the upcoming fiscal year.

## **Proposed resources and expenditures for upcoming fiscal year**

For each fund, show the proposed resources and expenditures for the upcoming fiscal year. When all funds balance (the fund resources are equal to the fund requirements), the budget officer can submit the budget to the budget committee.

As the budget document moves through the budgeting process, it may be changed. After the budget committee approves the budget for the coming year, update the budget detail sheets to show the amounts approved.

Finally, after the budget is adopted, update the detail sheets once more to show the amounts adopted.

Even if the budget committee or governing body make no changes to the budget, fill out the "Approved" and "Adopted" columns to demonstrate that those steps of the budget process were taken.

The adopted budget eventually includes:

- The actual line item amounts experienced in the first and second preceding years.
- The adopted budget line item amounts for the current year (as amended to date) [ORS 294.358, renumbered from 294.376 and 294.456(2), renumbered from 294.435(2)].
- The detailed expenditures and resources estimated for each fund, organizational unit and program, by line item in the proposed budget, the approved budget and the adopted budget for the upcoming year.

## **Detail sheets for schools**

The forms described below are for use by non-school local governments. School districts should refer to the *"Program Budgeting and Accounting Manual,"* published by the Oregon Department of Education, for their budget detail format. Community colleges should refer to *"Oregon Community College Accounting Manual,"* published by the Oregon Department of Community Colleges and Workforce Development.

## **Detail sheets for cities, counties and special districts**

You can request paper copies of the forms below by contacting the Finance and Taxation Unit of the Department of Revenue at 503-945-8293, or find them on the internet at <http://www.oregon.gov/dor/ptd/pages/localb.aspx>. Most of the forms on the web site can be filled out online and printed, or downloaded in spreadsheet format and saved on your personal computer. Some local governments use other software, and that is fine, as long as the information is presented in the required format.

**Form LB-10** is used primarily for special revenue funds. Special revenue includes money from specific-purpose local option taxes, certain grants and other dedicated sources. Resources and expenditures in special revenue funds are generally limited to relatively few line items. Often, all resource and requirement items can be listed and the requirements subtotaled by expenditure category on one page.

**Form LB-11** is used to show the resources and requirements of a reserve fund. All or part of the amount in a reserve fund may be budgeted as "reserved for future expenditure." Alternatively, all or part of the amount in a reserve fund may be budgeted for any expenditure items that fall within the purpose for which the reserve fund was created. Expenditure items should be subtotaled by expenditure category and appropriated. The amount reserved for future expenditure should not be appropriated.

**Form LB-20** is used to list all estimated budget resources, including the taxes necessary to balance the budget, for the general fund or for any other fund with many resources and requirements. If an LB-20 is used for a fund's resources, a Form LB-30 and/or Form LB-31 is used to list the fund's requirements.

**Form LB-30** is designed to show a fund's requirements, with summaries by the major object classifications of personnel services, materials and services, and capital outlay. Estimates of transfers, contingency and unappropriated ending fund balance are shown separately at the bottom of the form. Whether you use this form or a Form LB-31 depends on the size and complexity of your budget. Unless you modify the form in a spreadsheet, the LB-30 is best used for funds that do not have programs or organizational units. However it can be used unmodified for a fund that has programs or units with relatively few line items and for programs or units that do not have special payments, debt service, or operating expenses that cannot be allocated to a particular program or organizational unit.

**Form LB-31** is used for detailed expenditure estimates when a fund, or a program or organizational unit within a fund, has more line items than will fit in the lines provided under each expenditure category on the Form LB-30. Group expenditure line items by object classification and insert a subtotal for each classification, as on the LB-30. The LB-31 may also be used if a fund has special payments, debt service, or capital outlay or operating expenses that cannot be allocated to a particular program or organizational unit (The LB-30 has no place for these types of requirements unless you modify the form in a spreadsheet program). An estimate of unappropriated ending fund balance is shown separately at the bottom of the form.

If you use a spreadsheet or other automated program for your detail requirement listing, group expenditure line items by object classification for each program or organizational unit in a fund, and insert subtotals for each of the object classifications as on the LB-30. Show special payments, debt service, transfers, capital outlay or operating expenses that cannot be allocated to a particular program or organizational unit, operating contingency and unappropriated ending fund balance at the end of each fund's list of requirements.

The objective is to provide easily understood expenditure estimates for each program or organizational unit in a fund, with subtotals by object classification.

**Form LB-35** is designed only for bonded debt principal and interest payments. This form can be used for general obligation bond or revenue bond funds. Be sure to check the box on the top of the form to indicate the type of bonds. If a local government has several outstanding general obligation bonds, they may be combined in one debt service fund. Budget revenue bonds in a separate fund from general obligation bonds. ORS 223.285 requires that Bancroft bonds (a type of revenue bond) be budgeted in a fund entitled "*Bancroft Bond Redemption Fund.*" Do not combine general obligation bonds with revenue bonds on the same LB-35.

Each principal and interest payment must be listed individually as a line item, showing the issue date of the bonds, the exact payment due date and the corresponding payment amount. This fully discloses all of the expenditures. Those who use spreadsheets must also show each payment, with its due date, for each issue of bonds.

The "Unappropriated Balance for Following Year" cannot exceed the amount necessary for principal and interest payments that fall between July 1 and when property tax revenues are received in November or December. The amount needed should take into consideration any other resources in the fund.

Interfund loans that were made from other sources of revenue to the debt service fund when tax collections for the debt service levy fall short may be repaid from a debt service fund [ORS 294.368(3)(a)(B), renumbered 294.381(3)(a)(B)]. Such a repayment becomes a requirement of the debt service fund. The repayments should be shown on the LB-35 as "*Loan Repayment to \_\_\_\_\_ Fund.*"

If the bonded indebtedness is a tax credit bond or other bond that bears interest that is includable in gross income under the Internal Revenue Code, the debt service fund may include the deposits that the municipal corporation has agreed to make in a sinking fund that is dedicated to pay the bonds. Such a reserve becomes a requirement of the debt service fund. The reserve amount should be shown on the LB-35 as "*Tax Credit Bond Reserve.*"

**Form LB-36** is a supplement to Form LB-35. If there is not enough room on Form LB-35 to disclose all bond interest and principal payments, use Form LB-36 to show the detailed information. Show the bond issue date, due date, and the exact amount of principal or interest for each payment. Summarize the totals of principal payments, interest payments and unappropriated fund balance on Form LB-35.

**Form LB-40** is no longer required by Local Budget Law to be a part of the budget document. However, this information must be provided if requested [ORS 294.388(5), renumbered from 294.352(5)] and use of this form to provide this information is optional. The form collects salary information for specific positions that are allocated to more than one fund or organizational unit.

**FORM LB-10**

**SPECIAL FUND  
RESOURCES AND REQUIREMENTS**

Site & Station Special Revenue Fund  
(Fund)

Sample RFPD  
(Name of municipal corporation)

This section must be completed

Historical Data			DESCRIPTION RESOURCES AND REQUIREMENTS	Budget Year 2009-10				
Actual Second Preceding Year 2006-07	First Preceding Year 2007-08	Adopted Budget This Year 2008-09		Proposed By Budget Officer	Approved By Budget Committee	Adopted By Governing Body		
<b>RESOURCES</b>								
Beginning Fund Balance:								
1	61,951	152,278	900	1	3,000	3,000	3,000	1
2				2				2
3				3				3
4	9,623	3,554	1,500	4	1,000	1,000	1,000	4
5	85,308	45,000	18,000	5	10,000	10,000	10,000	5
6				6				6
7				7				7
8				8				8
9	156,882	200,832	20,400	9	14,000	14,000	14,000	9
10				10	0	0	0	10
11				11				11
12	156,882	200,832	20,400	<b>12. TOTAL RESOURCES</b>	14,000	14,000	14,000	12
<b>REQUIREMENTS</b>								
1	4604	199549	17,400	1	12,000	12,000	12,000	1
2	0	0	3,000	2	2,000	2,000	2,000	2
3				3				3
4				4				4
5				5				5
6				6				6
7				7				7
8				8				8
9				9				9
10				10				10
11				11				11
12				12				12
13				13				13
14				14				14
15				15				15
16	152,278	1,283	0	<b>16. RESERVED FOR FUTURE EXPENDITURE</b>	0	0	0	16
17	156,882	200,832	20,400	<b>17. TOTAL REQUIREMENTS</b>	14,000	14,000	14,000	17

Resources Equal Requirements

\* Includes Unappropriated Balance budgeted last year.

**FORM LB-11**

This fund is authorized and established by resolution / ordinance number 5-2001 on (date) June 10, 2001 for the following specified purpose: Purchase of fire suppression equipment

**RESERVE FUND  
RESOURCES AND REQUIREMENTS**

Year this reserve fund will be reviewed to be continued or abolished. Date can not be more than 10 years after establishment. Review Year: 2011

Equipment Reserve Fund  
(Fund)

Sample RFPD  
(Name of municipal corporation)

Historical Data			DESCRIPTION RESOURCES AND REQUIREMENTS	Budget Year 2009-10				
Actual Second Preceding Year 2006-07	First Preceding Year 2007-08	Adopted Budget This Year 2008-09		Proposed By Budget Officer	Approved By Budget Committee	Adopted By Governing Body		
<b>RESOURCES</b>								
Beginning Fund Balance:								
1		27,200	48,000	1	33,400	33,400	33,400	1
2				2				2
3				3				3
4	661	1,604	1,700	4	2,000	2,000	2,800	4
5	26,539	20,000	24,500	5	15,000	15,000	15,000	5
6				6				6
7				7				7
8				8				8
9	27,200	48,804	74,200	9	50,400	50,400	51,200	9
10				10	0	0	0	10
11				11				11
12	27,200	48,804	74,200	<b>12. TOTAL RESOURCES</b>	50,400	50,400	51,200	12
<b>REQUIREMENTS</b>								
1	0	0	26,220	1	26,300	26,300	26,300	1
2	0	0	10,500	2	4,000	4,000	4,800	2
3	0	0	4,000	3	0	0	0	3
4				4				4
5				<b>TOTAL CAPITAL OUTLAY</b>	30,300	30,300	31,100	5
6				6				6
7				7				7
8				8				8
9				9				9
10				10				10
11				11				11
12				12				12
13				13				13
14				14				14
15				15				15
16	27,200	48,804	33,480	<b>16. RESERVED FOR FUTURE EXPENDITURE</b>	20,100	20,100	20,100	16
17	27,200	48,804	74,200	<b>17. TOTAL REQUIREMENTS</b>	50,400	50,400	51,200	17

\* Includes Unappropriated Balance budgeted last year.

# Examples—(continued)

FORM  
LB-20

## RESOURCES

General Fund  
Fund

Sample RFPD  
(name of municipal corporation)

	Historical Data			RESOURCE DESCRIPTION	Budget for Next Year 2009-10			
	Actual		Adopted Budget This Year 2008-09		Proposed By Budget Officer	Approved By Budget Committee	Adopted By Governing Body	
	Second Preceding Year 2006-07	First Preceding Year 2007-08						
				Beginning Fund Balance:				
1	51,112	38,172	40,000	1. Available cash on hand* (cash basis) or	40,000	40,000	40,300	1
2				2. Net working capital (accrual basis)				2
3	10,007	9,179	9,000	3. Previously levied taxes estimated to be received	9,500	9,500	9,500	3
4	2,018	1,654	1,500	4. Interest	1,500	1,500	1,200	4
5				5. <b>OTHER RESOURCES</b>				5
6	25,347	23,858	25,000	6. Ambulance services billed	28,000	28,000	28,000	6
7	6,000	6,000	6,000	7. County 911 revenue	6,000	6,000	6,000	7
8								8
9								9
10								10
11								11
12								12
13								13
14								14
15								15
16								16
17								17
18								18
19								19
20								20
21								21
22								22
23								23
24								24
25								25
26								26
27								27
28								28
29	94,484	78,863	81,500	29. Total resources, except taxes to be levied	85,000	85,000	85,000	29
30			92,828	30. Taxes estimated to be received	101,790	101,790	101,790	30
31	88,172	91,881		31. Taxes collected in year levied				31
32	182,656	170,744	174,328	32. <b>TOTAL RESOURCES</b>	186,790	186,790	186,790	32

\*Includes Unappropriated Balance Budgeted Last Year

FORM  
LB-30

## EXPENDITURE SUMMARY BY FUND, ORGANIZATIONAL UNIT OR PROGRAM

General Fund  
(name of organizational unit - fund)

Sample RFPD  
(name of municipal corporation)

	Historical Data			EXPENDITURE DESCRIPTION	Budget For Next Year 2009-10			
	Actual		Adopted Budget This Year 2008-09		Proposed By Budget Officer	Approved By Budget Committee	Adopted By Governing Body	
	Second Preceding Year 2006-07	First Preceding Year 2007-08						
				PERSONAL SERVICES				
1	17,782	17,796	18,534	1. Fire Chief	19,677	19,677	18,707	1
2	3,464	3,592	3,749	2. Clerk	4,048	4,048	4,318	2
3	6,754	2,570	3,000	3. Workers Comp Insurance	5,100	4,000	4,700	3
4	-	2,080	2,000	4. Employee Benefits	2,400	2,400	2,400	4
5				5				5
6				6				6
7	28,000	26,038	27,283	7. <b>TOTAL PERSONAL SERVICES</b>	31,225	30,125	30,125	7
				MATERIALS AND SERVICES				
8	14,543	14,359	16,000	8. Insurance	18,000	18,000	18,000	8
9	5,018	5,383	6,000	9. Office supplies & travel	7,500	8,000	8,000	9
10	2,142	3,378	5,000	10. Utilities	5,000	5,000	5,000	10
11	9,284	10,556	13,600	11. Gasoline, tires, batteries	14,000	14,500	14,500	11
12	11,760	9,064	14,150	12. Vehicle maintenance & repair	15,000	15,000	15,000	12
13	15,579	16,377	20,500	13. Contract services	13,500	12,600	12,600	13
14	58,326	59,117	75,250	14. <b>TOTAL MATERIALS AND SERVICES</b>	73,000	73,100	73,100	14
				CAPITAL OUTLAY				
15	0	2,931	5,000	15. Fire hose	5,000	6,000	5,200	15
16				16				16
17				17				17
18				18				18
19				19				19
20				20				20
21	0	2,931	5,000	21. <b>TOTAL CAPITAL OUTLAY</b>	5,000	6,000	5,200	21
				TRANSFERRED TO OTHER FUNDS				
22	58,108	45,000	18,000	22. Site & Station Special Fund	10,000	10,000	10,000	22
23	50	0	24,500	23. Equipment Reserve Fund	15,000	15,000	15,000	23
24				24				24
25			7,500	25. General Operating Contingency	28,340	28,340	28,340	25
	58,158	45,000	50,000	26. <b>TOTAL TRANSFERS AND CONTINGENCIES</b>	53,340	53,340	53,340	
27	144,484	133,086	157,533	27. <b>TOTAL EXPENDITURES</b>	162,565	162,565	161,765	27
28	38,172	37,658	16,795	28. UNAPPROPRIATED ENDING FUND BALANCE	24,225	24,225	25,025	28
29	182,656	170,744	174,328	29. <b>TOTAL</b>	186,790	186,790	186,790	29

# Examples—(continued)

FORM  
LB-35

RESOURCES AND REQUIREMENTS

Revenue Bonds or  
 General Obligation Bonds

} Check appropriate box.

DEBT SERV FUND (GO Bond)  
(Fund)

Sample RFPD  
(Name of Municipal Corporation)

Historical Data			DESCRIPTION OF RESOURCES AND REQUIREMENTS	Budget for Next Year 2009-10		
Actual		Adopted Budget This Year 2008-09		Proposed By Budget Officer	Approved By Budget Committee	Adopted By Governing Body
Second Preceding Year 2006-07	First Preceding Year 2007-08					
<b>Resources</b>						
1	0	0	1. Cash on Hand (Cash Basis), or	11,750	11,750	11,750
2			2. Working Capital (Accrual Basis)			
3	0	0	3. Prev Levied Taxes Estimated to be Rec'd	0	0	0
4		145	4. Earnings from Temporary Investments	145	145	145
5			5.			
6			6.			
7	0	0	7. Total Resources, Except Taxes to be Levied	11,895	11,895	11,895
8		93,500	8. Taxes Estimated to be Received *	93,500	93,500	93,500
9			9. Taxes Collected in Year Levied			
10	0	0	10. TOTAL RESOURCES	105,395	105,395	105,395
<b>Requirements</b>						
<b>Bond Principal Payments</b>						
			Issue Date	Budgeted Payment Date		
1		70,145	1. 2008 - Rec Ctr Bldg	Feb 2010	70,145	70,145
2			2.			
3	0	0	3. Total Principal		70,145	70,145
<b>Bond Interest Payments</b>						
			Issue Date	Budgeted Payment Date		
4		11,750	4. 2008 - Rec Ctr Bldg	Aug 2009 & Feb 2010	23,500	23,500
5			5.			
6	0	0	6. Total Interest		23,500	23,500
<b>Unappropriated Balance for Following Year By</b>						
			Issue Date	Payment Date		
7		11,750	7.	Aug 2010 Int	11,750	11,750
8			8.			
9			9. Ending balance (prior years)			
10		11,750	10. Total Unappropriated Ending Fund Balance		11,750	11,750
<b>Loan Repayment to</b>						
			Fund			
<b>Tax Credit Bond Reserve</b>						
11	0	0	11. TOTAL REQUIREMENTS	105,395	105,395	105,395

← Itemized payment schedule information

\*If this form is used for revenue bonds, property tax resources may not be included.

# Chapter 6—Property taxes in Oregon

Ad valorem property taxes are taxes calculated as a percentage of a property's value. The enabling statutes, or principal act, of a local government specifies whether it has the power to impose ad valorem taxes. The imposition of ad valorem taxes must be approved by the voters. Each local government should refer to their enabling statutes to determine the type of taxing authority its voters may be asked to authorize.

Four types of property taxes may be imposed. Each fulfills a specific purpose or function.

- Permanent rate limit taxes.
- Local option taxes.
- Bonded debt taxes.
- Taxes for other qualified obligations.

Definitions of these taxes are found in Oregon Administrative Rule (OAR) 150-294.311. Each type is discussed in more detail later in this chapter.

Both the Oregon Constitution and the Oregon Revised Statutes impose limits on the amount and type of tax a local government may impose. The assessor is prohibited from extending on the tax roll any tax that exceeds these constitutional or statutory limits (ORS 310.070).

## Constitutional limitations

The constitution imposes a permanent rate limitation that restricts the operating tax rate that a local government can impose. If a local government has no permanent rate limit or if the permanent rate does not provide enough revenue to meet estimated expenditures, the local government may ask voters to approve a local option tax.

Article XI Section 11b (Measure 5, 1990) limits the amount of permanent rate taxes and local option taxes that can be imposed on a property in any year.

One type of tax is excluded from the Measure 5 limitation. Local governments can impose taxes sufficient to pay the principal and interest on voter approved general obligation or limited tax bonds without annual voter approval of the tax levy. Approval for this "debt service" levy is considered to have been gained when voters originally approved the bonds. Generally, the debt service levy in any year is limited to the amount needed to pay the debt service coming due in that year. Such bond levies are not subject to limitation by Measure 5.

## Statutory limitations

Certain types of local governments are also subject to statutory tax limitations found in the Oregon Revised Statutes. The maximum amount of tax that these local governments can impose for general operations is the lesser of the amount their permanent rate will raise, or the tax allowed under the statutory limit. Statutory limits are usually a percentage of the local government's real market value. For a listing of local governments with statutory tax limits, see "Appendix C."

**Important: Statutory limits do not authorize a local government to impose a tax.** Taxing authority comes only from voter approval. Local governments with permanent rates received voter approval at some point in the past. New local governments must get voter approval of a permanent tax rate limitation before they can impose ad valorem property taxes. Local option taxes and bonds must also receive approval from voters. The fact that a district's primary statute imposes a statutory limitation does not by itself convey the authority to impose a tax.

## Permanent rate limit taxes

Section 11, Article XI of the Oregon Constitution (Measure 50, 1997) imposes a permanent rate limitation on the rate of ad valorem property taxes a local government may impose. A permanent rate limit is expressed in dollars and cents per thousand dollars of assessed value. This rate may be levied every year against the assessed value of the taxable property in the district to raise taxes for general operating purposes. Local governments can choose to impose less than their full limitation. If a local government reduces its permanent rate levy

one year, future use of its full authority is not affected. If the full authority is needed in subsequent years, the full rate or amount of tax that is allowed under the permanent rate limit can be imposed.

Permanent rate limits were computed by the Department of Revenue for taxing districts levying taxes in 1997-98. These rates are based on the taxing authority that each district had at the time Measure 50 was approved, with reductions required by that ballot measure. New limitations are calculated by formula for local governments that merge, divide, or consolidate. New local governments formed in or after 1998 can ask their voters to approve a permanent rate limitation at the time the district is formed. Once a permanent rate limit is established, no action of the local government or its voters can increase or decrease its limitation.

## **The effect on the permanent rate limit when local governments change their boundaries**

### **Consolidation or merger**

If two or more local governments with the same principal act consolidate or merge, the resulting taxing district gets a permanent rate limit that is calculated according to a formula found in Section 11(3)(d), Article XI. A merger occurs when two or more districts formed under the same statutory authority and providing the same services agree to combine their territories and operate as one district. One of the districts is the “surviving” district. A consolidation occurs when two or more districts agree to form a new district providing the same services as the old districts.

The limitation in Section 11(3)(d), Article XI is the tax rate such that the amount of tax raised by the new district does not exceed the amount that would have been raised by the separate districts using the permanent rate authorities they had before the boundary change.

To estimate the permanent rate of the newly merged or consolidated district:

- Step 1** For each district, multiply the old permanent rate of that district by its estimated taxable assessed value to determine the amount that could have been raised. Use the estimated taxable assessed value for the first tax year following the merger or consolidation.
- Step 2** Total the amounts calculated in Step 1 to arrive at the total taxes that could have been raised if the merger or consolidation had not taken place.
- Step 3** Total the estimated taxable assessed values used for each district in Step 1 to arrive at the total assessed value of the new district. Again, use the estimated taxable assessed value for the first tax year following the merger or consolidation.
- Step 4** Divide the total estimated taxes that could have been raised as calculated in Step 2 by the total estimated assessed value of the new district as calculated in Step 3. The result is the estimated new permanent rate of the new district. This is the rate the new district uses during budget preparation and when certifying its tax to the assessor for the first year following the consolidation or merger.
- Step 5** The assessor will repeat the above calculation when the actual assessed value is known. The assessor notifies the district of this actual permanent rate limit and it becomes the district’s limitation thereafter.

The estimated rate determined in Steps 1-4 above will be extended over the value of the new district as long as it is equal to or less than the permanent rate calculated by the assessor. If the rate calculated by the assessor using the actual assessed value is lower than the estimated rate, the lower rate will be used.

A ballot measure to merge or consolidate does not require a double majority vote under Section 11(8) or 11k Article XI, even though it could raise the permanent rate limit for some of the properties in the new district.



## Division

When a local government divides, the new entities resulting from the division are limited to a rate that is the same as the rate of the local government before it divided. In addition, the rates of the new districts cannot raise more tax revenue than would have been raised by the local government in the year of division if it had not divided.

## Annexation

If territory is annexed by a local government, the new territory becomes subject to the same permanent rate limit and all other property taxes that have been authorized by the voters of the district doing the annexing. If the territory being annexed was subject to a bond levy before the annexation, that obligation may continue, depending on whether the local government doing the annexing makes arrangements with the district that passed the bonds to pay off the obligation of those properties being annexed.

For more information on boundary changes, see the Department of Revenue publication “*Boundary Change Information*,” which is available at <http://www.oregon.gov/DOR/property>.

## Local option taxes

Local option taxes are a second type of taxing authority in addition to, or instead of, permanent rate authority. Voters can be asked to approve local option taxes for a limited term.<sup>5</sup> Local option taxes used for general operations can be approved for up to five years. If the local option taxes are to be used for capital projects, they can be approved for up to 10 years or the useful life of the project, whichever is less.

“Capital project” is defined in ORS 280.060. It means:

- The acquisition of land upon which to construct an improvement;
- The acquisition of buildings;
- The acquisition or construction of improvements;
- Additions to a building that increase its square footage;
- Construction of a building;
- The acquisition and installation of machinery and equipment which will become an integral part of a building; or
- The purchase of furnishings, equipment or other tangible property with an expected useful life of more than one year.

Determining the useful life of a capital project is not complicated when only one type of capital project is to be financed by the local option tax. For example, if the tax is for the purchase of a fire truck with a useful life of nine years, the local option tax can be imposed for no more than nine years.

However, if the proposed local option tax is to pay for several capital assets with different useful lives, then the following formula is used to determine the maximum number of years the local option tax can be imposed:

Average useful Life x Cost = Weight

Total weight ÷ Total cost = Maximum years allowed for tax

### Example:

Item	Cost	x	Useful life	=	Weight
5 computers	\$10,000		2 years		20,000
2 patrol cars	<u>80,000</u>		7 years		<u>560,000</u>
<b>Totals</b>	\$90,000				580,000

$$580,000 \div 90,000 = 6.44$$

<sup>5</sup> Education Service Districts are the only type of local government not allowed to ask their voters for local option authority.

6.44 is rounded **down** to 6 years, which is the maximum number of years for which this local option tax can be proposed. (The result is always rounded down; never up.)

Local option taxes for capital projects with a term of more than 5 years must be submitted to voters separately from local option taxes with a term of 5 years or less [ORS 280.060(4)].

If a school district imposes a local option tax and the resulting “local revenue” exceeds the amount determined by the formula in ORS 327.013, the district’s State School Fund Grant will be reduced.

The authorized period for a local option tax is in consecutive years. If a local government does not utilize its full local option authority or levies no tax for one of those years, the period is not extended. If a local government reduces its local option levy one year, the unused portion of the authority cannot be “carried over” and used in subsequent years. However, future use of the full annual authority approved by the voters is not affected; if the full authority is needed in subsequent years of the local option period, the full annual rate or amount of tax that was authorized by the voters can be imposed.

Article XI, Section 11b (Measure 5) imposes another limitation on property taxes. The taxes on a property that are used for education purposes cannot be more than \$5 per \$1,000 of the property’s real market value. The taxes imposed for all other government purposes cannot be more than \$10 per \$1,000 of RMV. If it is necessary to reduce the taxes on a property to be within these constitutional limits, local option taxes are reduced first, before the taxes imposed under local governments’ permanent rate authorities. If a property is subject to more than one local option tax, the local option amounts are reduced proportionately. If reducing the local option taxes to zero does not reach the limit, then the permanent rate tax amounts of all of the taxing districts to which that property is subject are reduced proportionately.

## **General obligation bond taxes**

Voter approval of a general obligation bond for capital projects or a Bancroft bond issue carries with it the authority to levy taxes to pay the bond principal and interest. However, such a debt service levy cannot exceed the amount necessary to:

1. Pay the principal and interest due in a single fiscal year, plus
2. Reserve the unappropriated ending fund balance necessary to meet principal and interest payments coming due between July 1 and receipt of sufficient tax revenue in the following year, plus
3. Repay any loans made from other funds that were necessary when collections from the debt service levy were insufficient to pay bond principal and interest in the current year, plus
4. May include deposits to a sinking fund that is dedicated to pay a tax credit bond or other bond that bears interest that is includable in gross income under the Internal Revenue Code (ORS 294.368, renumbered from 294.381).

These taxes are “excluded from limitation” by Measure 5. No other expenditures may be made from a debt service fund that imposes taxes that are excluded from Measure 5 limitation. Additionally, a local government can impose only the taxes necessary to balance the debt service fund after other fund resources are taken into consideration.

## **Other qualified obligations taxes**

A few local governments are able to impose taxes to pay for other qualified obligations. For example, taxes to finance the City of Portland’s Police and Fire pension and disability plan are also considered qualified obligations.

Local governments with questions about their bonding authority and limitations should refer to the Oregon Revised Statute under which they are organized.

## **Urban renewal division of tax**

In general, urban renewal agencies do not levy property taxes. Rather, they receive a portion of the taxes levied by other taxing districts. When an urban renewal agency adopts an urban renewal plan and selects **tax increment**

**financing** (TIF), the taxable value of the property within the urban renewal plan area is identified. This value is referred to as the “frozen” value. The growth in value above the frozen base is called “increment” or “excess” value. The amount of revenue available through TIF is the amount determined by multiplying the “excess” value by the combined billing tax rates of taxing districts which overlap the plan area. This is known as “**division of tax**” or “**tax increment**” revenue.

The specific formula used to determine each plan’s division of tax amount depends on several factors, including the type of plan, the date on which the plan was adopted, and the dates on which the other districts’ levy authority was approved by voters.

As a result of Measure 50, the 1997 legislature created a “**special levy**” in addition to TIF for certain plans in existence at that time. For those plans, an additional amount may be generated through a special levy up to the plan’s **maximum authority** (ORS 457.435).

For more detail on urban renewal financing, contact the Finance and Taxation team at 503-945-8293.

# Chapter 7—Estimating property taxes available as a budget resource

## Operating taxes—permanent rate

Most local governments' operating tax revenue comes, at least in part, from property taxes imposed within their permanent rate limitation. In general, the simplest way to estimate the amount of tax revenue that will be generated by your permanent rate is to multiply your district's permanent rate by the estimated assessed value of the property within the boundaries of your local government for the upcoming year, and then adjust for several losses that are explained below. For a listing of permanent rates by district, see "Appendix D."

Each year after property tax statements are mailed out, the county assessor provides each taxing district with a report called *Summary of Assessments and Levies*. This report shows the actual amount of assessed value in your district that year. From this information, you can estimate the amount of assessed value in the coming year. The assessed value of most residential property will grow at approximately 3 percent each year. In areas with substantial new construction, the annual increase in assessed value could be higher than 3 percent. In areas where the real estate market is stable or declining, or where there is a large percentage of existing commercial and industrial property, the assessed value may not increase three percent.

If your local government has annexed new territory, include the estimated assessed value of that territory when estimating tax revenue. Your county assessor can help you estimate that value.

If territory of your local government overlaps an urban renewal plan area, use the "frozen value" of that territory when estimating your tax revenue. Your county assessor can tell you the frozen value.

The amount of tax that could be raised by the permanent rate is not the amount of tax that the local government will actually receive. There are three reasons for this. First, not all taxpayers pay their taxes in the year billed. Second, discounts are given for prompt property tax payments. Third, the Oregon Constitution (Measure 5) sets limits on the amount of property tax that can be collected from an individual property. To estimate the amount of tax revenue that will actually be available for budgeting purposes, you must consider these losses and estimate the amount that will actually be received. More details on computing this amount are given later in this chapter.

Your budget should not show your estimate of property taxes that will not be collected as a negative resource [OAR 150-294.361(1)-(B)]. Instead, only show the estimated amount you **will** receive.

## Imposing less than full taxing authority

A local government may need less tax revenue for operating purposes than its permanent rate is estimated to raise. In that case, the local government may choose to certify to the assessor an amount less than its full taxing authority. There is no penalty for imposing less than your full permanent rate; you can impose your full rate in subsequent years.

A local government may impose its permanent rate tax as a dollar amount instead of a tax rate. The dollar amount of taxes imposed under this method can never be more than the amount requested, even though the full permanent rate could have raised more tax revenue. When an amount is imposed, the assessor computes a tax rate based on the dollar amount requested. The computed rate will be used to compute taxes for that year unless it is more than the local government's permanent rate limit. If the computed rate is higher, the lesser permanent rate will be used to compute taxes.

If imposing a dollar amount less than the amount your full permanent rate would raise, calculate the amount of tax to certify to the assessor by adding together the amount of revenue needed to balance your budget, the amount of tax you estimate will not be collected because of discounts and failure to pay, and the amount you estimate will not be received because of the Measure 5 constitutional limit. This step is necessary because the amount of the tax that is certified to the assessor must be more than the amount needed for budgeting purposes, to offset the losses.

The assessor computes the rate as follows. Divide the tax amount needed for operating purposes, including the expected losses, by the estimated assessed value of the property in the district for the coming year. This will result in an **operating rate** which is carried out to the seventh decimal place and truncated. Multiply the result

by 1,000. This is the rate the assessor will use in place of your permanent rate in order to raise the amount you have imposed.

**Example:**

Operating taxes	\$100,000
Estimated assessed value	\$17,000,000 = 0.0058823 x 1,000 = Operating Rate \$5.8823 per \$1000

The actual assessed value for the upcoming year may turn out to be greater than the assessed value estimated. If this is the case, and a rate was certified, more tax revenue will be generated than the local government needs to balance its budget. This additional revenue can be used to make up for other revenue shortfalls, held to become cash carry-forward, or it may be appropriated through a supplemental budget and spent. However if an amount was certified, only the amount requested, minus losses, will be received.

**Measure 5 constitutional limits**

Article XI, Section 11b, of the Oregon Constitution (Measure 5, 1990) limits the amount of taxes that can be collected from an individual property. The constitution breaks property taxes down into categories based on the kind of services that the taxes are supporting—education services and general government services. It also excludes certain property taxes from limitation. The unlimited category is usually for voter-approved general obligation bond debt service levies. The Department of Revenue refers to these tax categories as **education, general government, and excluded from limitation.**

The limits are \$5 per \$1,000 of real market value for education, and \$10 per \$1,000 of real market value for general government. A property may not be billed for more tax than these limits. If the tax that is calculated by multiplying assessed value by the combined billing rate of all of the local governments to which a property is subject is more than these limits in either category, the tax is reduced or “compressed” to the limit. The levy of each district in the category being compressed is reduced proportionately with the other levies in that category.

To facilitate this limitation calculation, each local government must certify the categories in which their property taxes should be placed. This is done by a resolution or ordinance at the same time the budget is adopted (ORS 294.456, renumbered from 294.435). Governing bodies must also certify the tax categories to the county assessor when they submit their tax certification documents (ORS 310.060).

**Figuring loss due to constitutional limits**

The simplest method to use for estimating the amount of property taxes that will be lost because of the Measure 5 limits is to use the prior year’s loss as a guide. If you wish, you can make an adjustment for anticipated tax revenue growth and value increases. How do you know the prior year’s loss? After calculating the property taxes each year, the county assessor prepares the “*Summary of Assessments and Levies (SAL)*” report. Table 4a of the SAL report shows how much tax was actually billed for each local government and the amount of compression loss or “loss due to constitutional limit.” If your county does not mail you a copy of the Table 4a for your district, you may ask the assessor’s office for the information.

If the taxing situation for your local government remains the same, the percent of loss due to the constitutional limits should remain stable. However, if the taxing situation is changing, for example because your district or other local governments are losing or gaining taxing authority because of new or expiring local option levies, the percentage of loss could change from year to year. Also, since a loss is more likely if a property’s real market value is closer to its assessed value, more loss could be experienced if market values decline.

**Discounts and other uncollected amounts**

Some taxpayers fail to pay their property taxes on time. Others pay on time and receive a three percent discount. It happens each year in all of Oregon’s 36 counties. As a result, local governments that impose property taxes must estimate the amounts lost to “discounts and uncollectables” when they estimate the amount of taxes to be received. The amount of this loss is also used when publishing the financial summary of the budget and notice of budget hearing.

## Figuring loss due to discounts and uncollectables

The amount of this loss varies from year to year and from county to county. There is no formula to determine the exact amount that will not be collected each year. One way to estimate the amount of tax that will be lost because of the discounts and failure-to-pay is by using the percentage of taxes collected in the past. The county tax collector may be able to provide tax collection percentages. There is also a table of percent collected by county in the *“Local Budget Law and Notice of Property Tax Forms and Instructions”* booklets at <http://www.oregon.gov/dor/ptd/pages/localb.aspx>. This table shows the collection percentages for each county for the past 5 years. You can use this information to make a “good faith” estimate of your loss due to discounts and uncollectables for the upcoming year.

If you have more than one fund receiving tax revenue, all of your taxing funds should use the same percentage for the loss due to discounts and uncollectables.

## Estimating the amount of tax available as a budget resource

To estimate the amount of tax revenue you will have available as a budget resource, start with the amount of taxes estimated to be raised by the tax rate. Subtract any loss you estimate due to constitutional limits. Then multiply the remainder by the tax collection percentage for your county. This gives the amount of taxes estimated to be received. This is the amount available as a budget resource.

### Example:

1. Permanent rate limit		\$4.2379 / \$1000
2. Estimated assessed value		\$26,902,950
3. Tax rate (per dollar)	x	.0042379
4. Estimated amount rate would raise	=	\$114,012
5. Estimated Measure 5 loss (from SAL 4a)	-	\$7,981
6. Tax to be billed	=	\$106,031
7. County percent collected	x	.96
8. Taxes est. to be received	=	\$101,790*

\*This is the amount available as a budget resource

## Local option taxes

Voter-approved local option taxes are another budget resource. General purpose local options for operations are usually included as a resource in the general fund. Special purpose local option taxes for capital projects require a separate special revenue fund (ORS 280.040), and are budgeted as resources in that fund. Local option taxes are imposed as a dollar amount if the ballot measure approved by the voters asked for a dollar amount. Local options are imposed as a rate per \$1,000 of assessed value if the question in the ballot measure asked for a rate per \$1,000.

Use the same methodology to estimate the amount of a local option tax that will be available as a budget resource as you would use for your operating taxes under your permanent rate limitation. In other words, reduce the amount your local option rate would raise (or the dollar amount the voters approved) by the loss due to constitutional limitation and by the loss due to discounts and uncollectables. The result is the amount to use as a budget resource.

## General obligation bond levies

The amount to budget from a tax levy to pay debt service on general obligation bonds is estimated differently. For one thing, a levy for qualifying bonded indebtedness is not subject to the Measure 5 constitutional limitations, so there will be no loss from that. For another, you are allowed to increase the amount you certify to the assessor for a debt service levy to make up for the losses due to discounts and uncollectables (ORS 294.368, renumbered from 294.381).

To calculate the amount to use as a budget resource in your general obligation bond debt service fund, the first step is to determine if the fund will have any other resources besides current year property taxes. Such resources could include amounts from prior year taxes, interest earnings, and a beginning cash balance.



The next step is to determine your debt service requirements. Add up the principal and interest payments coming due next year on the bonds. If there are any payments due between the start of the fiscal year on July 1 and when property taxes are collected and distributed in November and December, you may also include an unappropriated ending fund balance to cover those payments in the following year. If you loaned money to the debt service fund in the past from other revenues because collections from your debt service levy were insufficient to cover the debt service payments, you may also include an amount for repayment of the loan. Total these requirements.

Subtract the total of resources other than property taxes from the total requirements. The result is the amount of current year taxes to use as a budget resource in the debt service fund.

**Important:** a debt service fund that imposes taxes excluded from Measure 5 limitation cannot include any expenditures other than the ones just described. In particular, you may not pay attorneys’ fees, bank charges or other expenses related to the preparation, authorization, issuance and sale of the bonds from a fund that imposes a tax levy that is excluded from limitation.

When you certify your taxes to the assessor, debt service levies are also calculated differently than your operating and local option levies. When you certify your debt service levy, you should add the amount that will be lost due to discounts and uncollectables to the amount you estimated that you need from taxes for debt service. To calculate the amount of a debt service levy, subtract other fund resources from the amount you need for debt service, and then divide the result by the county collection percentage to get the amount to certify to the assessor. This is also the amount for your budget committee to approve.

**Example:**

1. Principal payment	\$57,000
2. Interest payment total	52,000
3. Unappropriated ending fund balance	27,000
4. Amount to repay interfund loans	0
5. Total debt service	136,000
6. Other fund resources	(42,500)
7. Estimated amount needed from taxes	93,500
8. Divide by county percent collected	÷ _____ .96
Amount of tax to certify	\$97,396

**Tax ballot measures and the estimate of tax not to be received**

If you write a ballot question to ask your voters for a local option tax, remember to consider the amount that will not be received when determining the amount of tax or rate that you request. You also need to consider these losses if you include an estimated tax rate in a bond measure, or if you estimate the permanent rate limit needed to provide sufficient operating revenue for a new local government. You must ask for more than the exact amount you need. Otherwise, you will receive insufficient revenue for your purposes. You may use the same method of estimating taxes that will not be received as discussed above.

# Chapter 8—The budget committee and approving the budget

## Budget committee members

The budget committee is a local government’s fiscal planning advisory committee. The governing body of each local government must establish a budget committee (ORS 294.414, renumbered from 294.336). The budget committee is composed of the governing body and an equal number of electors appointed by the governing body.<sup>6</sup> An elector is a qualified voter who, for example, has the right to vote for a ballot measure submitted by the local government.

If, after a good faith attempt, the governing body cannot find a sufficient number of registered voters who are willing to serve, the budget committee becomes those who are willing plus the governing body. If no willing electors can be found, the governing body is the budget committee [ORS 294.414(2), renumbered from 294.336(2)].

The appointive members of the budget committee cannot be officers, agents or employees of the local government [ORS 294.414(4), renumbered from 294.336(4)]. An agent, generally, is someone who is authorized to act for the local government, or who can make commitments or sign contracts in the name of the local government. This is sometimes a grey area if an appointee candidate already serves on other advisory committees or commissions of a local government. If you are in doubt about whether a particular person is an agent, consult your legal counsel.

Spouses of officers, agents or employees of the local government may serve on the budget committee if they are qualified electors and not themselves officers, agents, or employees.

Appointive members of the budget committee are appointed for three-year terms. The terms must be staggered so that about one-third of the terms end each year [ORS 294.414(5), renumbered from 294.336(5)]. When a new local government is appointing its first budget committee, the terms may be for one year, two years and three years for each third of the appointive members. After the first two years, the local government will then be able to appoint all new members to three-year terms.

If a local government prepares a biennial budget, the appointive members have four-year terms, with about one-fourth of the terms ending each year.

Appointed budget committee members may be reappointed for additional terms, at the discretion of the governing body.

If an appointive member of the budget committee is unable to complete the term, or resigns before the term is over, the governing body must appoint another elector to serve out the unexpired portion of the term [ORS 294.414(6), renumbered from 294.336(6)].

There is no provision in budget law for “stand-by” or “alternate” appointed members.

All members of the budget committee have equal authority. Each member’s vote counts the same. Any member can be elected by the committee as its chair.

No member of the budget committee (including governing body members) may receive any compensation for their services as a member of the budget committee [ORS 294.414(3), renumbered from 294.336(3)].

Budget committee members should develop a general understanding of the budget process, the departments or programs included in the budget document, and the legal constraints imposed on the local government’s tax levy after budget committee approval. “*Local Budgeting in Oregon*” (150-504-400) is recommended as a good resource for budget committee members for information on the basics of taxation and budget law. This publication can be found at <http://www.oregon.gov/dor/ptd/pages/localb.aspx>. You can also request copies of the booklet by calling the Finance and Taxation analysts at 503-945-8293.

<sup>6</sup>There is an exception to this in Multnomah County, where there is a tax supervising and conservation commission. There, the governing body serves as the budget committee for any local government with a population exceeding 200,000 (ORS 294.423, renumbered from 294.341). Another exception is the city of Portland, where the city council performs the duties of the urban renewal agency and its budget committee [ORS 457.440(11)]. Another exception is that the appointive members of the budget committee for an education service district are members of the component school district boards within the education service district or are designees of the school district boards (ORS 334.240).

## **Duties of the budget committee**

The budget committee meets publicly to review the budget document as proposed by the budget officer. The committee receives the proposed budget and the budget message and holds at least one meeting in which the public may ask questions about and comment on the budget. Notice of the first meeting held for these purposes must be published in a specific way (See “*Chapter 9 – Publication Requirements*”). The committee must eventually approve the budget and, if ad valorem property taxes are required, approve the amount of tax or the rate per \$1,000 of assessed value for each levy that will be certified to the assessor.

The budget committee may meet from time to time throughout the year at the governing body’s discretion for purposes such as training. All of these meetings are open to the public and notice of the meeting must be given in the same manner as notice for meetings of the governing body, or through one of the local budget law publication methods [ORS 294.428(2), renumbered from 294.406(2)]. Take care not to discuss specifics of the ensuing year’s budget at these informal meetings until the notice requirements for the first budget committee meeting have been satisfied.

## **Copies of the budget**

The budget officer may make the proposed budget available to the budget committee at any time before the first budget committee meeting advertised in the notice. Alternatively, the budget officer may choose to make the budget available at the first budget committee meeting [ORS 294.426(6)(b), renumbered from 294.401(6)(b)]. Immediately following the release of the proposed budget to the budget committee, the budget officer must file a copy of the budget in the office of the governing body. This copy becomes a public record. The governing body must provide copies of this budget, or a means of quickly duplicating it, to any interested person. A local government may charge a fee for the copy [OAR 150-294.401(7), implementing ORS 294.426].

## **Budget committee meetings**

The budget committee must have a quorum present to hold a meeting [OAR 150-294.336-(B), implementing ORS 294.414]. A quorum is a majority of the total membership of the committee. For example, if the budget committee has 10 members, six must be present to hold a meeting.

The budget committee elects a presiding officer from among the members at the first meeting [ORS 294.414(9), renumbered from 294.336(9)]. The budget committee also hears the budget message at its first meeting. One of the committee’s most important duties is to hear and consider any testimony presented by the public about the budget.

The budget committee reviews and, if a majority of the committee feels it is necessary, revises the proposed budget submitted by the budget officer. The committee generally studies the budget by comparing the two previous years’ actual data, the current budgeted data, and the figures proposed by the budget officer. The budget committee may reduce or increase the estimates of resources and requirements proposed by the budget officer. Among the most common items discussed are the questions of taxation (how much?) and allocating revenues and expenditures (where will the spending occur?). If the amount of tax revenue needed to balance the budget exceeds the local government’s existing taxing authority, the committee may decide that the additional amount needed should be requested from the voters in the form of a local option tax. If the committee decides to stay within its existing taxing authority, and other resources cannot be found, then the committee must reduce budgeted requirements to balance the budget. The committee must ultimately balance each fund and approve the budget. Committee members may not discuss or deliberate on the budget outside of a public meeting.

The committee may ask questions of the executive officer or other staff, and request additional information. The committee is entitled to receive any information it needs to make decisions about the budget (ORS 294.428, renumbered from 294.406).

Any budget committee action requires the affirmative vote of a majority of the total budget committee membership [OAR 150-294.336-(B), implementing ORS 294.414]. For example, if only six members of a 10-member committee are present, they have the quorum necessary to meet, but they all must vote in favor of any proposed action to achieve the required majority.

The budget committee may approve the budget at the first meeting. However, it could take several meetings to do so. When the budget officer prepares the budget calendar, several budget committee meetings can be scheduled. The public notice then can include the date, time and place of each of the meetings. If more meetings are

needed than were scheduled, give notice of those meetings in the same manner as notice of meetings of the governing body or by one or more of the publication methods used for the initial budget committee meetings [ORS 294.428(2), renumbered from 294.406(2)].

## **Approving the taxes**

The budget committee sets and approves the amount or rate of property taxes to be imposed. This is a very important responsibility of the budget committee. Less than the full amount of the available tax revenue may be needed to balance the budget. In that event, the budget committee may choose to impose less tax than the local government's full taxing authority. If that is the budget committee's decision, then the amount or rate of tax the committee approves can only be increased later by the governing body after additional process steps. That is, to increase the tax above the rate or amount approved by the budget committee, the governing body must republish the financial summary and hold a second budget hearing (ORS 294.456, renumbered from 294.435). To enforce this requirement, a statement certifying that the approved tax has not been increased unless the governing body held a second hearing is included on the tax certification form filed with the county assessor.

The committee's motion to approve taxes under the district's permanent rate authority may state either the tax rate per \$1,000 of assessed value or the amount of taxes that the budget committee wants to impose. It must state separately the tax rate or amount to be imposed under any voter-approved local option authority. It must also state separately the amount of tax for any qualifying bonded debt levy. These statements should be recorded in the minutes of the meeting.

Once the budget committee has approved the budget, it has completed all of the duties required of it by Local Budget Law. However some local governments have a policy of including the budget committee in other parts of the process, such as adopting a supplemental budget. These are local policy decisions that are up to the discretion of the governing body.

After the budget committee approves the budget, it is turned over to the governing body and the process enters into the adoption stage. The governing body has the final responsibility for allocating the resources of the budget to the programs and departments of the local government. This authority is part of the responsibility given the governing body to adopt the budget and to make the appropriations by which the budget is administered [ORS 294.456(1), renumbered from 294.435(1)]. Chapter 11 has more details on adopting the budget and making appropriations.

If any changes are necessary after the budget committee approves the budget, the governing body may make the revisions after the budget hearing and before adopting the budget. The governing body's authority to change the approved budget is limited. It cannot increase expenditures in a fund by more than \$5,000 or 10 percent, whichever is greater, unless it publishes a revised financial summary and hearing notice, and holds another budget hearing. For a biennial budget, this limit is \$10,000 or 10 percent, whichever is greater. Also, it cannot increase the tax amount approved by the budget committee unless it publishes a revised financial summary and hearing notice, and holds another budget hearing.

# Chapter 9—Publication requirements

Publishing meeting notices and a financial summary of the budget are some of the most important parts of the budget process. The budget officer must be familiar with the statutes governing publication of the meeting notices and the budget summary (ORS 294.426, renumbered from 294.401; 294.438, renumbered from 294.416; and 294.448, renumbered from 294.421). This chapter explains the statutory publication requirements for fiscal year budgets. For biennial budgets, also see Chapter 14.

## Notice of budget committee meeting

Notice of the first meeting of the budget committee held for the purpose of receiving the budget message and budget document, and the first meeting at which questions and comments from the public will be heard must be published in one of four ways.

The budget officer must publish a “*Notice of Budget Committee Meeting*” by:

- Printing it two times in a **newspaper** of general circulation within the boundaries of the local government, or
- Printing it once in a **newspaper** of general circulation and posting it on the local government’s **website**, or
- Mailing it by **first-class mail** through the U.S. Postal Service to each street address, PO Box, and rural route number within the boundaries of the local government, or
- **Hand delivery** to each street address within the boundaries of the local government.

The notice must contain the date, time, and location of the first budget committee meeting scheduled for receiving the proposed budget, hearing the budget message, and taking questions and comments from the public.

If the method of publication is only by newspaper, the notice must be published **twice, five to 30 days** before the committee meeting. If notice is published both in the newspaper and on the local government’s website, the newspaper notice must be published five to 30 days before the meeting and must include the website address, where the notice must be published at least 10 days before the meeting. If the notice is mailed or hand delivered, only one notice is required, no less than **10 days** before the meeting [ORS 294.426(5), renumbered from 294.401(5)].

If more than one meeting is planned, the budget committee may decide that the purpose of the first meeting is only to hear the budget message and receive the budget document, and that no public comment will be taken. In that case, a subsequent meeting must be scheduled for the purpose of taking public comment, and notice of both meetings must be published. The published notice must clearly tell people which meeting they should attend if they wish to ask questions or make comments on the budget. If more meetings are needed to take public comment and questions than were initially published, notice of the additional meetings is given in the same manner as required for notice of regular meetings of the governing body under Oregon’s Public Meetings Law (ORS Chapter 192).

If notice is published for an additional meeting to be held for the purpose of taking questions and comments from the public and it is subsequently determined that a meeting is not needed, notice of cancellation of the meeting must also be published [ORS 294.426(3), renumbered from 294.401(3)].

Notice of the first budget committee meeting must be published by one of the four methods listed above. It cannot be “posted in three public places,” as the hearing notice can be in some cases.

## Internet posting of proposed budget (Washington County)

Under ORS 294.608 counties with a population of 500,000 or more must either form a tax supervising and conservation commission or require posting of a summary of the proposed budget on the county’s internet web site. Washington County has opted to require this posting. The information must be sent to the county before the first budget committee meeting. Local governments in Washington County should contact the county **Finance Division** for details at [http://www.co.washington.or.us/Support\\_Services/Finance/FinancialSummaries/index.cfm](http://www.co.washington.or.us/Support_Services/Finance/FinancialSummaries/index.cfm).

Local governments in other counties may post their notices and budgets on the internet if they choose to. However this does *not* replace the publication requirements described in this chapter.



## Notice of budget hearing and financial summary

A local government must publish a summary of the budget approved by the budget committee. The summary contains information on the approved budget, the current year's budget, and the preceding year's actual resources and expenditures (ORS 294.438, renumbered from 294.416). The summary must state the total estimated budget resources by resource categories, total expenditures by object classification, expenditures and number of employees by organizational unit or program, a narrative of changes in activities and financing since last year, the outstanding indebtedness and indebtedness authorized but not yet incurred, and an estimate of ad valorem taxes (ORS 294.438, renumbered from 294.416).

At the same time you publish the budget summary, you must also publish a notice of the budget hearing. The hearing notice gives the place and time of the hearing (ORS 294.438, renumbered from 294.416). The same publication methods described for the notice of budget committee meeting are used:

- Printing it in a **newspaper** of general circulation within the boundaries of the local government, or
- Mailing it by **first-class mail** through the U.S. Postal Service to each street, PO Box, and rural route address within the boundaries of the local government, or
- **Hand delivery** to each street address within the boundaries of the local government.

Unlike the notice of budget committee meeting, if the hearing notice is by newspaper, only one publication is required and there is no internet publication option. The budget summary and hearing notice are published not less than five days or more than 30 days before the budget hearing.

### Exception – Posting the hearing notice and financial summary

There is an exception to the publication requirements just described. If no newspaper is published within the boundaries of the local government and the budget expenditures for the coming year do not exceed \$100,000, the notice of the budget hearing may be “posted” (ORS 294.448, renumbered from 294.421). Post the notice and budget summary in three conspicuous places within the boundaries of the local government for at least 20 days before the hearing. These are places where many people are likely to go—such as the post office or grocery store.

### Exception – Counties with tax supervising and conservation commission (Multnomah County)

A local government with a population greater than 200,000 in a county with a tax supervising and conservation commission (TSCC), or one with a population less than 200,000 that requests the TSCC to conduct the budget hearing, submits its approved budget to the TSCC [ORS 294.448(2), renumbered from 294.421(2)] and publishes the following information in the newspaper, by first class mail or by hand delivery:

- The date, time and place of the TSCC budget hearing,
- The place where the budget document can be inspected or obtained by the public during regular office hours,
- The total approved budget requirements and tax amounts, and
- Any change in the tax amount from the prior year.

This notice must be published five to 30 days before the date of the hearing.

## How to count days for publication

ORS 193.060 states: *“The time for the publication of legal notices shall be computed so as to exclude the first day of publication and to include the day on which the act or event of which notice is given is to happen...”*

For example, if your meeting is on May 25, to give 10 days notice your notice must appear in the paper by May 15. In this example, you could count backwards from May 25, counting May 25, and publishing your notice on or before the 11th day prior—May 15.



## The publication forms

The Department of Revenue provides forms and instructions each year for publishing the notice of the budget committee meeting and the financial summary and notice of budget hearing. *“The Local Budget Law and Notice of Property Tax Forms and Instructions”* booklet contains all the required publication forms. It is mailed every January to every taxing jurisdiction that requested it by the preceding November 15. It is also available online at <http://www.oregon.gov/dor/ptd/pages/localb.aspx>. There are separate booklets for municipal corporations, urban renewal agencies, and education districts, so be sure to use the correct booklet.

All types of local governments use the form *“Notice of Budget Committee Meeting.”*

For the financial summary and budget hearing, non-school governments use *“Form LB-1 Notice of Budget Hearing.”* Urban renewal districts use Form UR-1, education districts use Form ED-1, and community colleges use Form CC-1. *“The Local Budget Law and Notice of Property Tax Forms and Instructions”* booklets give detailed instructions for completing the forms and samples to use as reference.

Alternatively, the budget summary and notice of budget hearing may be published in a narrative format which is explained later in this chapter.

### Notice of budget committee meeting

The form *“Notice of Budget Committee Meeting”* has two formats that can be used. The format option you use depends on the number of committee meetings that are planned and when public input will be received. Option A is used when the budget committee will receive the budget message and take public comment at the same meeting. Option B is used when public comment will be taken at another meeting after the first meeting.

### Notice of budget hearing

Form LB-1, UR-1, CC-1 or ED-1 *“Notice of Budget Hearing”* notifies the public of the budget hearing date and time and where to obtain a copy of the budget. The notice should give a street address, rather than a post office box, where a copy of the budget can be inspected. Also include the street address where the hearing will be held.

The *“Financial Summary”* portion of the LB-1, UR-1, CC-1 or ED-1 form has three columns, one for the prior year’s actual amount, one for the adopted budget for the current year and one for the budget committee-approved amounts for the coming fiscal year for each resource and requirement category. The three columns allow district patrons to compare last year’s actual experience, the current financial plan and the proposed financial plan for the coming fiscal year.

The LB-1, UR-1, CC-1 and ED-1 forms also have lines where you indicate the amount or rate of *“Permanent Rate Levy”* taxes, the *“Local Option Levy”* amount or rate, and the amount of *“Levy for General Obligation Bonds”* approved by the budget committee. This is usually the maximum amount of tax or tax rate that the local government can certify to the county assessor for each of these tax levies. However, if the budget committee approved less than the district’s full taxing authority and the governing body wants to certify more than the amount approved by the budget committee, it may republish the financial summary and hold another budget hearing.

The financial summary should include any tax that you are planning to submit for voter approval in March or May that, if approved, would be imposed in the year for which you are budgeting. If you are proposing a local option measure in the September election, you have the option of including those taxes or not. See chapter 10 for more on September elections.

Form LB-1, UR-1, CC-1 or ED-1 is amended only if republished. For more information on errors in the publication forms, see *“Correcting Publication Errors.”*

### Statement of indebtedness

All local governments must disclose the status of their indebtedness (ORS 294.438, renumbered from 294.416). The lower portion of Form LB-1, UR-1, CC-1 or ED-1 provides lines for this disclosure. There are lines to show

the estimated debt outstanding and the debt authorized but not yet incurred for long-term debt in general obligation bonds, other bonds, and other types of borrowing.

## Narrative publication—an alternative

As an alternative to the publication forms discussed above, Local Budget Law permits the use of a narrative publication (ORS 294.438, renumbered from 294.416). The purpose of a narrative is to give meaning to the budget figures while highlighting significant features in the budget. It must provide all the same information used in the LB-1 form, including notice of budget hearing, information about where the complete budget document can be inspected by the public during business hours and where copies of the complete budget document may be obtained.

The narrative must include a statement that the same basis of accounting was used as in the current operating year; or, if the basis of accounting was changed, explain the change and its effects.

The narrative must also include:

- A financial summary of the budget resources approved by the budget committee.
- A financial summary of the budget requirements approved by the budget committee, by object classification.
- A financial summary of the budget requirements approved by the budget committee, by organizational unit or program including the number of employees in each unit or program.
- A narrative statement of the prominent changes from the current year in the activities and financing of the major organizational units or programs.
- A summary of the property tax levies.
- A statement of indebtedness.

In addition to this information, a narrative publication can include any other information the governing body wants to provide, in any form or format.

The manner of publication and publication time requirements are the same for the narrative publication as they are for the standard financial summary publication described earlier in this chapter (ORS 294.438, renumbered from 294.416).

## Correcting publication errors

The budget officer should be careful when publishing the financial summary. All anticipated property tax revenues and all expenditures approved by the budget committee must be published. We strongly recommend that the budget officer verify that publication occurred and that the correct numbers were published.

Errors in the published budget summary sometimes occur. Correctable errors include:

- Typographical or scriveners' errors,
- Failure to mail or hand deliver the notice and financial summary to every address in the district,
- Arithmetic errors in computing numerical information, including errors in calculating taxes,
- Calculation of ad valorem taxes not made in accordance with law,
- Failure to publish within the time periods required by law (ORS 294.451, renumbered from 294.425).

It should be noted that these errors are errors in the published documents. **The budget officer cannot change the expenditures, revenues or taxes approved by the budget committee.** If the budget committee makes a mistake and approves an incorrect total or tax rate or amount, the governing body may reconvene the committee before the financial summary is published and have them approve a corrected total or tax, or the governing body can correct the error after publication, but before adopting the budget (See Chapter 11).

If a correctable error occurs, the budget officer corrects the error as follows: At the first regularly scheduled meeting of the governing body after the error is discovered, the budget officer informs the governing body in writing of the error. The budget officer also corrects the error in testimony before the governing body. If the error relates to a tax amount already certified to the assessor, the budget officer notifies the assessor in writing that an error occurred and submits a corrected tax certification document. Corrected tax certifications must be submitted to the assessor before October 1.

# Chapter 10—Tax elections

Three types of property tax measures may be submitted to the voters:

1. New local governments and ones that have never imposed a property tax before are allowed to seek voter approval for a permanent rate limit [Article XI, Section 11(3)(c)(A)].
2. A local government may request local option tax authority when the revenue needed to balance the budget is more than the government's existing taxing authority or if extra money is needed for a capital project.
3. Some types of local governments may ask their voters for approval to issue general obligation bonds. Approval of such a bond measure carries with it the authority to levy a property tax annually to pay the principal and interest on the bonds.

The tax election process is not tied directly to the budget process. However, the two processes are usually closely coordinated. Taxing authority may be voted on before the budget process begins (in November or March), during the budget process (in March or May), or after the end of the budget process (in September). In general, the budget committee must approve imposition of all tax levies during the budget process.

Voter approval of a tax rate or tax dollar amount sets an upper limit on taxation. An approved ballot measure does not require a taxing district to impose the full rate or amount of tax. The district establishes the need for the tax through the budget process. If the budget for the coming year requires less tax than the voters approved, a lower tax levy may be imposed.

**It's very important that the budget committee approve any proposed taxes as part of its approval of the budget.** If a tax election is scheduled for March or May, the budget committee should include the revenue from any anticipated additional tax authority in its approved budget. Include the amount of additional tax being requested even if the election has not yet been held. If the tax request passes, no revision to the budget is needed before it is adopted. If the measure fails, the budget can be reduced, or another election scheduled. If the budget committee does not approve the new tax authority, then before the governing body can adopt a budget that includes it, the governing body must publish a revised budget summary that includes the new tax revenue and hold a second budget hearing on that budget.

## September election

New taxes proposed in September elections are an exception to the general rule that the budget committee must approve all tax levies. Even if a tax measure is being proposed the following September, the governing body must still adopt and appropriate the budget before June 30. This gives the local government authority to make expenditures beginning July 1. When a local government's taxing authority has not been finally determined by June 30 because of a tax election scheduled September, the governing body has a choice. The governing body can ask the budget committee to approve the proposed levy, and may adopt and appropriate a budget that includes those revenues, anticipating approval of the tax ballot measure. Alternatively, the governing body may adopt a budget that does not include the tax being requested in September. Either way, the governing body may not resolve to impose or categorize taxes until after the election.

Funds from the new levy may be lawfully expended only if appropriated. If the funds from the levy are included in the budget approved by the budget committee and adopted before June 30 and then the September measure passes, no additional budget process is necessary.

If the revenue is not included in the adopted budget and the measure passes, the governing body must adopt a supplemental budget after the election to add that revenue to the budget and resolve to appropriate it (ORS 294.476, renumbered from 294.437).

If funds from the levy are included in the budget approved by the budget committee and then the measure fails, the governing body may adopt supplemental budget to reduce the budget requirements to balance with the existing revenues [ORS 294.471(1)(h), renumbered from 294.480].

## Extension of time to certify taxes

If proposing a tax in a September election, the governing body must submit a written request to the assessor for an extension of the July 15 deadline for certifying property taxes. The assessor may grant an extension until after the election. If the district extends into more than one county, the district must request this extension from the assessor of each county in which it is located. The written request must state the reason for the request and if the district will be levying to pay for bonded debt. No other documents need to be submitted to the assessor at this time [OAR 150-294.555(2)-(A)].

After the election, when the local government's taxing authority is finally determined, the governing body must adopt a resolution to impose its taxes and categorize each levy amount or rate as provided in ORS 310.060. File two copies of this resolution and the earlier resolutions adopting the budget and making appropriations, two copies of the tax certification (Form LB-50 or ED-50), and two copies of a successful ballot measure with the assessor by the extension date.

The assessor may extend the filing date up to October 1 [ORS 310.060(9)]. Tax notices submitted after October 1 cannot be placed on the tax roll.

## Elections division

The Oregon Secretary of State Elections Division administers the laws governing the conduct of elections. Elections Division issues administrative rules and distributes a series of election manuals for counties, cities, and districts which cover tax ballot measures. The manuals include the required forms, provides current election dates and a calendar showing the final filing dates for various elections and may help answer questions about types of elections, ballot format, and the content required by law.

Local governments must conduct tax elections through the county elections office. The county clerk usually serves as the county elections officer. Contact your county elections office for filing and notification requirements. Submit a "Notice of Measure Election" the specified number of days before the election date. This notice includes the text of your ballot measure.

Note that the county clerk and the Secretary of State administer election laws. The Department of Revenue administers property tax laws. A ballot measure requesting new taxing authority must follow both election law and tax law. If a voter-approved measure fails to meet the requirements of tax law, the Department of Revenue may void part or all of the tax (ORS 310.070).

## Preparation of a tax ballot measure

The Department of Revenue publishes "Tax Election Ballot Measures" (Publication #150-504-421). This booklet can be found at <http://www.oregon.gov/dor/property> by clicking "Forms and Publications." It contains instructions for writing a tax ballot measure that complies with tax law. Also refer to OAR 150-280.075 for detailed ballot wording requirements.

For additional help on taxing ballot measures, call the **Department of Revenue, Finance and Taxation** team at 503-945-8293.

## Election dates for tax purposes (ORS 255.345)

1. Second Tuesday in March.
2. Third Tuesday in May.
3. Third Tuesday in September.
4. First Tuesday after the first Monday in November.

Local option and bond measures may be submitted for any of these dates (ORS 280.070). Measures requesting permission to form a new special district with a permanent rate may only be submitted for the May and November dates in even numbered years (ORS 198.815). Measures requesting a permanent rate for an existing special district that doesn't already have one may be submitted for any of the four dates (ORS 198.815).

## **Double majority**

Article XI, Sections 11(8) and 11k impose additional requirements on some tax ballot measures. To pass, measures in elections held in March or September that request a permanent rate limitation, local option taxing authority, or approval of general obligation bonds must receive “double majority” approval. That is, at least 50 percent of the registered voters eligible to vote must cast a ballot and a majority of those voting must approve the measure.

## **Filing with county assessor**

Local governments must submit to the county assessor, along with their tax certification documents (LB-50 or ED-50), two copies of any tax measure that is newly voter-approved and being imposed for the first time. The assessor will forward one copy to the Department of Revenue. Do not send measures that were not approved by voters. Send the ballot measure itself, showing the question and summary that were presented to the voters.



# Chapter 11—The budget hearing and adopting the budget

After the budget committee has approved the budget, the governing body must hold a public hearing on that budget and then adopt the budget.

## Budget hearing

One of the most important steps in the budget process is publishing a summary of the budget that has been approved by the budget committee and a notice of the budget hearing. For information on how to publish this notice of the budget hearing and financial summary, see “Chapter 9 – Publication Requirements.”

After the “Notice of Budget Hearing” is published, the budget hearing must take place at the time and place published or the hearing must be rescheduled and a new notice published. The governing body conducts the hearing and receives testimony from any person present (ORS 294.453, renumbered from 294.430). It gives consideration to matters discussed at the hearing (ORS 294.456, renumbered from 294.435). Keep careful minutes of the budget hearing proceedings to document your compliance with these requirements.

The budget committee is not required by law to be present at the budget hearing. However some local governments make it their policy to ask the budget committee to participate.

The hearing must be held on the budget that was approved by the budget committee, even if the governing body intends to modify that version of the budget before adopting it. The published financial summary should also reflect the version of the budget that was approved by the budget committee.

The governing body does not have to adopt the budget at the budget hearing. Formally adopting the budget, making appropriations, and declaring and categorizing the taxes can be done at any regularly scheduled and properly advertised public meeting of the governing body after the budget hearing and before July 1. If the governing body refrains from adopting the budget until June, it allows for adjustments to reflect changes in the resources or expenditures from the amounts estimated earlier.

There is no provision in law for adopting the budget after June 30. Planning ahead and having a budget calendar will help ensure that governing body members do not find themselves operating outside the law.

For information on adopting biennial budgets, see Chapter 14.

## Changes to the budget after the budget hearing

Once the budget hearing has been held, the governing body can make changes to the budget that was approved by the budget committee. The governing body must take all available information into consideration when adopting the budget. This information includes the public testimony presented at the budget hearing and any new information affecting the estimates of the upcoming year’s resources or expenditures [ORS 294.456(1), renumbered from 294.435(1)]. For example, if a higher beginning fund balance, additional grants or other new resources are available, the additional monies can be added to the applicable fund balances and additional expenditures planned.

It is important that the governing body carefully consider the budget it adopts. Changes to the budget after it has been adopted often require governing body action, and sometimes require additional publications and public hearings. It is for this reason that all available information should be collected during the budget process.

There are restrictions on the size of certain changes by the governing body that may require additional process steps before the resulting budget can be adopted. Any expenditure in any fund can be reduced as long as resources and requirements in the fund remain in balance. The total budget must also remain in balance. Other than re-balancing if necessary, no additional process steps are required when expenditures are reduced. Any tax levy can be reduced from the rate or amount that was approved by the budget committee. The applicable funds and the total budget must be adjusted to remain in balance. Otherwise, no additional process steps are required when taxes are reduced.

Expenditures may be increased. If the total increase in no fund exceeds \$5,000 (\$10,000 in a biennial budget) or 10 percent, whichever is greater, then no additional process steps are required. However, if the expenditures in any fund are increased by more than \$5,000 (\$10,000 in a biennial budget) or 10 percent, the governing body

must publish notice of a second budget hearing and a new financial summary, and hold the second hearing before the adjusted budget can be adopted.

If taxes are increased at all above the rate or amount approved by the budget committee, a second notice and hearing are required before a budget including those additional revenues can be adopted. Note that taxes can only be increased if the budget committee approved less than the local government's full taxing authority, or if new taxing authority is approved by the voters after the budget committee approved the budget.

## **Adopting the budget**

### **Governing body resolution or ordinance**

A resolution is a formal expression of the opinion or will of an official body. An ordinance has the character of an enactment of law by an established authority. For purposes of the Local Budget Law, either a resolution or ordinance by the governing body at this stage of the budget process provides the legal authority to establish or dissolve funds, make appropriations for expenditures, adopt the budget, impose and categorize taxes, and all other legal actions pertaining to adopting the budget and making tax levies.

### **Resolution adopting the budget**

After the necessary hearing(s), the governing body must enact a resolution or ordinance adopting the budget (ORS 294.456, renumbered from 294.435). The resolution or ordinance adopting the budget should state the total amount of all the budget requirements.

Sample resolutions are shown at the end of this chapter.

### **Resolution making appropriations**

Appropriations provide the local government with legal spending authority throughout the fiscal year. You must make separate appropriations for each fund in which you have budgeted expenditures [ORS 294.456(3), renumbered from 294.435(3)].

The resolution or ordinance making appropriations must identify the appropriations by the categories listed in ORS 294.456<sup>7</sup> (renumbered from 294.435). Those categories correspond to the object classifications (the major expenditure categories) in the budget, which serve as a basis for the appropriations. Each expenditure line item in the budget detail must be classified within one of the object classifications, and thus, into one of the appropriation categories.

There is an exception to the last paragraph for those funds budgeted by organizational unit or program. For each such fund, you may appropriate one amount for each unit or program. This amount is the total of all amounts for personnel services, materials and services and capital outlay attributable to the unit or program. If the fund has debt service, special payments, interfund revenue transfers, capital outlay or contingency requirements, or if there are operating expenses (personnel services or materials and services expenditures) that cannot be allocated to a specific operating unit or program, separate appropriations must also be made for each of those categories. Chapter 5 explains organizational units and programs.

For funds where the terms "organizational unit" or "program" do not apply, the appropriations must have separate totals for any:

- Personnel services,
- Materials and services,
- Capital outlay,
- Debt service,
- Special payments,

<sup>7</sup>Instead of appropriating by the categories in ORS 294.456, schools and ESDs appropriate their expenditures by the "function" categories of the "Oregon Department of Education's Program Budgeting and Accounting Manual." The function categories are Instruction, Support Services, Enterprise and Community Services, Facilities Acquisition and Construction, Interagency/Interfund Transfers, Debt Service and Contingency. At a minimum, there must be one amount appropriated for each function in which monies are being expended in a fund. Community colleges may appropriate by function or by program, with some exceptions that are explained in the "Oregon Department of Community Colleges and Workforce Development's Community College Accounting Manual."

- Interfund revenue transfers, and
- General operating contingency, if applicable for the fund.

## Requirements not appropriated

The **unappropriated ending fund balance** and amounts **reserved for future expenditure** are budget requirements. However, they are not appropriated expenditures. Show them as line items in the budget detail. Include them in the total requirements for the fund in the published summary of the budget. But **do not appropriate** the unappropriated ending fund balance or the reserved for future expenditure in the resolution or ordinance making appropriations. They are not intended to be spent and therefore should not be appropriated. They may be shown as a footnote in the resolution or otherwise, as long as it is clear that they are not included in the total appropriations. Many local governments do this to show that these unappropriated amounts, when added to the amounts appropriated, match the total adopted budget amount.

## Some common errors to avoid are:

- Combining the appropriations from more than one fund. Appropriate **each fund** separately.
- Not appropriating some expenditures. Appropriate for **every fund** in which you have budgeted expenditures.
- Not specifying appropriation amounts in the resolution or ordinance. Do not simply refer to the adopted budget when making the appropriations in the resolution. For example: *“Be it resolved that appropriations are hereby made as outlined in the adopted budget.”* This is not adequate. You may include appropriations as a separate schedule referred to in the resolution or ordinance making appropriations, as long as the schedule includes the required level of detail.
- Using appropriation categories other than those allowed in ORS 294.456 (renumbered from 294.435). **Do not** lump appropriations into “miscellaneous,” “other,” or “special” categories. Use only the appropriation categories listed in ORS 294.456.

## Significance of the July 1 date

Appropriations are limited to a single **fiscal year** or biennial budget period (ORS 294.311). The budget year or biennium ends on June 30 (every other June 30 for biennial budgets). That means all spending authority of a local government ends on that June 30. A local government does not have legal authority to spend or encumber money for the new fiscal year or biennium until the budget is adopted and appropriated. If expenditures are made without appropriation authority, the officials who allow or authorize such expenditures might be held personally responsible for the repayment of the money (ORS 294.100).

## Limits and penalties associated with appropriations

After the budget is adopted, a local government must stay within the appropriations set for the budget period. It is illegal to overspend an appropriation. ORS 294.456(6) [renumbered from 294.435(6)] states that when appropriations have been made, *“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.”* (There are situations in which appropriation authority may be changed during the fiscal year. For more on how appropriations may be adjusted to avoid overspending, see *“Chapter 13 - Budget Changes After Adoption.”*) The fiscal officer must pay close attention to each appropriation throughout the year to avoid overspending.

The penalties for unlawful spending of public money are established by ORS 294.100, which states, *“It is unlawful for any public official to expend any money in excess of the amounts, or for any other or different purpose than provided by law.”* The public official *“shall be civilly liable for the return of the money by suit of the district attorney of the district where the offense is committed, or at the suit of any taxpayer of such district, if the expenditure constitutes malfeasance in office or willful or wanton neglect of duty.”*

## Level of appropriation determines the need for changes after adoption

At a minimum, appropriations must be by the categories listed in ORS 294.456, renumbered from 294.435. If the governing body desires, it may appropriate to a greater level of detail within those categories. You may ap-

propriate right down to the budget line item level if you wish. However, unless there is a need for an increased level of control, we recommend that you appropriate only to the level required by ORS 294.456.

Whether appropriations must be adjusted during the year sometimes depends on the level of detail to which you have appropriated in the fund. If you have appropriated to the minimum level of detail that is required (for example, one amount for each object classification), it is not necessary for each line item amount within an appropriation category to be strictly enforced in its expenditure. If one line item is over-expended, you can reduce the spending for one or more of the other line items in the same appropriation category to keep expenditures within the limits of the appropriation. In such a situation, no change would be necessary to the budget.

**Example:**

**Budgeted general fund requirements (budget detail)**

**Materials and Services**

Office supplies	\$1,000
Contract services	800
Utilities	<u>2,000</u>
Total materials and services	\$3,800

**Resolution making appropriation**

**General fund**

Materials and services	\$3,800
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During the fiscal year, you find that contract services expenses will exceed the budgeted amount by \$100. However, the utilities expenses will be less than budgeted. No governing body action is needed to pay the \$900 contract services expense as long as the total appropriation of \$3,800 for Materials and Services is not exceeded.

## Resolution imposing ad valorem taxes

Governing bodies that are imposing ad valorem property taxes must declare the tax rate or the amount of each levy by resolution or ordinance [ORS 294.456 (1), renumbered from 294.435(1)]. Property taxes are imposed for the tax year on the assessed value of all taxable property within the district. Declare each levy as a rate or an amount, not both.

The rate or amount of property taxes certified on the “*Notice of Property Tax*” (Form LB-50/ED-50/UR-50) must be the same rate or amount declared in the resolution or ordinance. See Chapter 12 for more information on certifying property taxes.

## Declaring urban renewal taxes

Every year an urban renewal agency must declare the amount of revenue it wishes to receive from division of tax and/or special levy for each of its urban renewal plans. If the plan is an “existing” plan, the amount the plan can ask for is determined by its “option.” Implementing legislation for Measure 50 (1997) created three options for financing urban renewal indebtedness for plans then in existing. The municipality that activated the agency was directed to choose one of the three options for each existing plan. The option chosen by the municipality cannot be changed [ORS 457.435(4)]. New plans authorized since 1996 are not given a choice of options.

Urban renewal plans may each year request less than the full division of tax amount by requesting that only part of the increment value be used. Any increment value that is not requested is returned to the taxing districts and used for calculating their taxes (ORS 457.455).

In addition, the law also imposes limitations on the amount of increment that can be requested if certain conditions exist. For more details, refer to ORS 457.470. A plan that was an existing plan, but that is substantially amended in certain ways can lose its “existing” status and thereafter receive division of tax, but no more special levy. See ORS 457.010(5) for more on these substantial amendments.

The governing body of the urban renewal agency must pass a resolution declaring that they wish to receive 100% of division of tax, or specifying the amount of increment to use to calculate a lesser amount of division

of tax for each plan for the year and submit that resolution and a matching Form UR-50 to the assessor by July 15.

When sufficient division of tax monies have been collected to retire a plan’s maximum indebtedness, the urban renewal agency must notify the assessor and stop receiving division of tax (ORS 457.450).

For more information on declaring urban renewal taxes, see “*Local Budget Law and Notice of Property Tax Forms and Instructions for Urban Renewal Agencies*” (150-504-076) at: <http://www.oregon.gov/dor/ptd/pages/localb.aspx>

## Resolution categorizing the tax

The governing body must declare through resolution or ordinance the Measure 5 limitation category of each of its taxes (ORS 294.456, renumbered from 294.435). This resolution or ordinance is the basis for the certification of tax limitation category that is submitted to the assessor on the LB-50, ED-50 or UR-50 form (ORS 294.458, renumbered from 294.555).

The tax limitation categories are required by Article XI, Section 11b, of the Oregon Constitution and further explained in ORS 310.150. There are three categories:

- Taxes imposed exclusively to support the public school system go in the “**Education**” category;
- Taxes imposed to support other government operations go in the “**general government**” category; and
- Taxes levied to pay exempt bonded indebtedness go in the “**excluded from limitation**” category.

The categorization of tax may be included in the resolution or ordinance imposing the ad valorem tax. Such a resolution would show the amount of ad valorem tax by type of tax, by category. For example, a non-school local government could declare the tax by type and category as follows:

	<b>General government limitation</b>	<b>Excluded from limitation</b>
<b>Permanent tax rate</b>	\$200,000	
<b>General obligation bond levy</b>		\$111,000
<b>Category total</b>	\$200,000	\$111,000

If a tax levy is split, with a portion going to two different categories, then the resolution must state the portion or percentage for each category.

See Chapter 12 for more information about tax limitation categories and certifying ad valorem property taxes to the assessor.

## Examples of resolutions required by ORS 294.456

Example 1 is for an organizational unit-style budget. It contains separate statements for imposing and categorizing taxes. Example 2 is for a program-style budget. It gives an example of a combined resolution statement for imposing and categorizing taxes. It also shows taxes imposed as a rate.

### Example 1—Organizational unit budget:

#### Resolution adopting the budget

Be it resolved that the City Council of the City of Baylor hereby adopts the budget for fiscal year 2012-2013 now on file at the City Hall in the sum of \$788,406.\*

### Resolution making appropriations

Be it resolved that the amounts for the fiscal year beginning July 1, 2012, and for the purposes shown below are hereby appropriated as follows:

#### General fund

Administration department	\$50,703
Police department	131,103
Fire department	27,170
Capital outlay	1,000
Transfer to fire equipment reserve	6,500
General operating contingency	<u>5,000</u>
<b>Fund total</b>	<b>\$221,476</b>

#### Utility fund

Personal services	\$112,730
Materials and services	118,700
Capital outlay	1,000
Transfer to debt service fund	<u>2,462</u>
<b>Fund total</b>	<b>\$234,892</b>

#### Debt service fund

Debt service	\$113,000
<b>Fund total</b>	<b>\$113,000</b>
<b>Total appropriations all funds</b>	<b>\$569,368*</b>

\*Note that the total appropriation amount is not equal to the amount of the total adopted budget. This is explained by the fact that there are unappropriated ending fund balances and/or amounts reserved for future expenditure in some of the funds. Such amounts are not appropriated, accounting for the difference.

### Resolution imposing taxes

Be it resolved that the City Council of Baylor hereby imposes the taxes provided for in the adopted budget in the amount of \$131,064 for permanent tax rate and in the amount of \$99,931 for debt service on general obligation bonds; and that these taxes are hereby imposed for tax year 2012-2013 upon the assessed value of all taxable property within the district.

### Resolution categorizing taxes

Be it resolved that the City Council of Baylor hereby categorizes the taxes as follows:

	General government	Excluded from limitation
Permanent rate tax	\$131,064	
General obligation bond		\$99,931



## Example 2—Program budget:

Note: Since this district has only one program the appropriations are by object classification.

### Resolution Adopting the budget

Be it resolved that the Board of Directors for Fire District #20 hereby adopts the budget for 2012-2013 now on file at the district fire station in the sum of \$165,661.\*

### Resolution making appropriations

Be it resolved that the amounts for the fiscal year beginning July 1, 2013, and for the purposes shown below are hereby appropriated as follows:

#### General fund

Personal services	\$26,495
Materials and services	37,576
Capital outlay	51,830
Transfer to equipment reserve	5,000
General operating contingency	<u>4,000</u>
<b>Fund total</b>	<b>\$124,901</b>

#### Equipment reserve fund

Capital outlay	\$27,000
<b>Fund total</b>	<b>\$27,000</b>

#### Debt service fund

Debt service	\$10,760
<b>Fund total</b>	<u>\$10,760</u>
<b>Total appropriations all funds</b>	<b>\$162,661*</b>
Unappropriated amounts	\$3,000*
<b>Total budget</b>	<b>\$165,661*</b>

\* This illustrates one way to reconcile appropriated amounts to the budget total when there are unappropriated amounts. It is optional.

### Resolution imposing and categorizing taxes—combined

Be it resolved that the Board of Directors for Fire district #20 hereby imposes the taxes provided for in the adopted budget at the rate of \$2.34 per \$1,000 of assessed value for permanent tax rate and in the amount of \$9,450 for debt service on general obligation bonds; and that these taxes are hereby imposed for tax year 2012-2013 upon the assessed value of all taxable property within the district and categorized as follows:

	General Government	Excluded From Limitation
Permanent Rate Tax	\$2.34/\$1000	
General Obligation Bond		\$9,450

# Chapter 12—Certifying taxes imposed

By July 15 each year, every local government that has the authority to impose ad valorem property taxes or another tax on property must give notice of the tax it is imposing to the county assessor [ORS 310.060(1)]. Urban renewal agencies must provide notice to the assessor of the urban renewal division of tax or special levy they desire. In addition to specifying the rates or amounts being requested, the local government must certify to the assessor that it has the authority to place such amounts on the tax roll and that it has complied with ORS 294.456 (renumbered from 294.435).

These annual notice requirements also apply to local governments that budget on a biennial basis. Every district imposing a tax must certify to the assessor every year.

If the local government needs an extension of time to file its notice of taxes, the extension must be requested in writing by July 15. If a local government fails to certify its taxes by the July 15 deadline or by the date stated by the assessor in response to a request for extension, the assessor is prohibited from extending those taxes on the property tax roll for that year (ORS 310.065).

## Notice of ad valorem property taxes

The form for certifying taxes is Form LB-50 for non-schools or Form ED-50 for education districts. Urban renewal agencies use Form UR-50 to request division of tax or a special levy.

If a paper copy is requested by November 15, these forms and their instruction booklets are mailed each year to the “mailing address of district” that the district provided the prior year when it submitted the form. If that address changes, please notify **Finance and Taxation** at 503-945-8293. You can also contact us for a new booklet or download it from our web site at <http://www.oregon.gov/dor/ptd/pages/localform.aspx>. The forms and instructions are revised every year. **Use the form for the correct fiscal year** and carefully follow the instructions when completing the forms.

The assessor and the Department of Revenue use the information on the LB-50, ED-50, or UR-50 to verify that the local government’s tax is within constitutional and statutory limits as required in ORS 310.070. If the department finds that the tax certified exceeds the constitutional or statutory limits, the department notifies the local government and the county assessor that the tax must be reduced.

## Certification of taxes approved by the budget committee

The “*Notice of Property Tax*” form (LB-50 or ED-50) includes a certification statement regarding the taxes approved by the budget committee. The tax rate or amount approved by the budget committee sets a limit on the taxes that the assessor can extend on the roll, regardless of what the local government’s full taxing authority may be. The governing body can impose more tax than approved by the budget committee only after republishing an amended budget summary and holding another hearing [ORS 294.456(1), renumbered from 294.435(1)]. The statement on Form LB-50 and Form ED-50 certifies that the taxes being certified are within the taxes approved by the budget committee or that the taxes were changed by the governing body and the budget was republished. The certification is in the form of two statements with check boxes with the heading “Certification.” To complete this certification, mark one of the two check boxes. One or the other box must be checked to certify that the local government has complied with ORS 294.456. If a local government does not comply with ORS 294.456 by holding a second budget hearing if required, it cannot impose ad valorem property taxes that year. Special districts that are not subject to Local Budget Law do not need to check one of these boxes.

## Certification of limitation category

Local governments are required to notify the assessor of the Measure 5 constitutional tax limitation category in which their ad valorem tax or other tax on property is to be placed [ORS 310.060(2) and (3)(b)]. The Forms LB-50 and ED-50 are designed so the certification of the ad valorem tax limitation category is built into the form. If you use the correct form, your ad valorem taxes will be correctly categorized.

An exception is if a local government imposes a tax that will be split between the Education and General Government categories. In that case, the portion intended for each category must be listed separately. This can be done by submitting separate LB-50 and ED-50 forms for each portion. State the rate or percentage of the whole tax rate that is intended for each category or, if the tax is imposed as a dollar amount levy, state the dollar

amount that is intended for each category. The resolution categorizing the tax should also state clearly what portion of a split levy belongs in each category.

## **Notice of other taxes on property**

Part IV of the Form LB-50 is for certifying special assessments, fees, charges, and other non ad valorem taxes that fall within the definition of “taxes on property” given in ORS 310.140(1):

*“Tax on Property’ means any tax, fee, charge or assessment imposed by any government unit upon property or upon a property owner as a direct consequence of ownership of that property, but does not include incurred charges or assessments for local improvements...”*

Like ad valorem taxes, other taxes on property are subject to the limitations imposed by Article XI, Section 11b, of the Oregon Constitution (the Measure 5 limits). All taxes on property must be certified to the county assessor by July 15 so they can be subjected to the constitutional limitation calculations and collected through the property tax system.

A local government imposing other (non ad valorem) taxes on property must submit to the assessor with Form LB-50 a list of the properties, by assessor’s account number, on which non ad valorem fees, charges, or assessments are to be imposed. It must either state the amount of the fee, charge, or assessment which is imposed uniformly on each property, or if the fee, charge, or assessment is not uniform, it must show the amount imposed on each property [ORS 310.060(5)].

There is a statement in Part IV of the LB-50 that includes a blank line on which to write the Oregon Revised Statute (ORS) number from your principal act that gives your type of local government the authority to certify these assessments to the county assessor for inclusion on the tax roll. You must complete this information or the assessor cannot place these charges on the roll.

## **What tax certification documents to submit**

### **Districts subject to local budget law that impose property tax**

By July 15, a local government that is **subject to local budget law, and imposes an ad valorem tax** or another “tax on property,” must submit two copies of the following to the county assessor in the county where the principal office of the local government is located and where applicable, the tax supervising and conservation commission:

- The notice of property tax and certification Form LB-50, ED-50 or UR-50;
- The resolution statements that adopt the budget, make appropriations, and declare and categorize taxes; and
- The ballot measure for any tax that received voter approval during the current fiscal year [ORS 294.458(3), renumbered from 294.555(3), ORS 310.060, and OAR 150-294.555(2)-(B)].

If a local government is located in more than one county, in addition to the distribution described above, one copy of all the documents must be sent to the assessor of each of the other counties in which the government is located [ORS 310.060(7)].

### **Districts not subject to local budget law that impose property tax**

Local governments that impose an ad valorem tax or another tax on property, but that are not subject to Local Budget Law must submit two copies of the LB-50 tax certification document and the resolutions adopting, appropriating, imposing and categorizing to the assessor in the county where the principal office of the local government is located.

### **Districts subject to local budget law that do not impose a property tax**

If a local government that is subject to Local Budget Law does not impose a tax on property, it must file a copy of the resolutions adopting the budget and making appropriations with the Department of Revenue, Property Tax Division, PO Box 14380 NE, Salem OR 97309–5075 [ORS 294.458(1), renumbered from 294.555(1)].

**Do not submit** your complete budget to the assessor or the Department of Revenue unless requested to do so.

With the exception of those districts that do not impose a property tax, **do not** submit a copy of anything to the Department of Revenue unless requested to do so. The assessor sends the department one of the two copies you submit to the county.

## Contents of the complete budget document

OAR 150-310.060(7) lists the contents of the completed budget document as follows:

- (a) A copy of the notice(s) of the budget committee meeting showing the dates published, or an affidavit of publication, accompanying a copy of the actual publications;
- (b) A copy of the notice of budget hearing showing the date published, or an affidavit of publication, accompanying a copy of the actual publications;
- (c) A copy of all the budget detail sheets;
- (d) A copy of the resolution statement or ordinance that adopt the budget, and make appropriations;
- (e) If the district is imposing ad valorem taxes or other taxes on property, a copy of the resolution statement or ordinance that imposes the tax;
- (f) If the district is imposing ad valorem taxes or other taxes on property, a copy of the resolution statement or ordinance that categorizes the tax for purposes of Article XI, section 11(b), of the Oregon Constitution;
- (g) If the district is imposing ad valorem taxes or other taxes on property, a copy of the Notice of Property Tax Levy form;
- (h) Sample ballots of any new ad valorem tax authority approved by the voters and being used for the first time by the district.

The budget document may include any other document the district chooses to include.

## School districts

**School districts** must submit hard copies of their complete budget document to the Department of Education and their educational service district by July 15. Schools must also submit an electronic version of their budget to the Department of Education by August 15.

## Other

When required, submit one copy of the budget document to the **Tax Supervising and Conservation Commission**.

Furnish a copy of the budget document to the **county treasurer** if the treasurer makes payments for bonds issued by the local government.

Not later than September 30 of each year, local governments that impose property taxes must provide a copy of their **complete budget document** to the **clerk** of the county where the principal office of the district is located. If the district is located in more than one county, provide a copy to the clerk of each county in which any part of the district is located [ORS 294.458(5), renumbered from 294.555(5)].

Copies of resolutions submitted to the assessor must be signed by at least one individual (for example, the budget officer or a governing body member) to indicate their authenticity.

If the Department of Revenue determines that a local government has not complied with Local Budget Law, it can ask the local government to reduce its tax. If the local government contends that Local Budget Law was followed and refuses to reduce its tax, the department may file an appeal with the **Oregon Tax Court**. The department has 30 days from the time the notice of tax is submitted to the county assessor to file an appeal (ORS 294.461, renumbered from 294.485).

# Chapter 13—Budget changes after adoption

An appropriation is an authorization granted by the governing body to make expenditures and to incur obligations for specific purposes. It is limited to one fiscal year or biennial budget period [ORS 294.311(3)]. Appropriations are a legal limitation on the amount of expenditures that can be made during the fiscal year and on the purposes for which expenditures can be made [ORS 294.456(6), renumbered from 294.435(6)]. A local government's appropriations are detailed in the resolution or ordinance making appropriations. Examples are shown at the end of Chapter 11. After the beginning of the fiscal year or biennial budget period, when a local government is operating with the adopted budget, changes in appropriated expenditures sometimes become necessary. Appropriations may be increased or decreased, transferred from one appropriation category to another, or new appropriation categories created.

The method used to amend the budget is determined by the budgetary change needed. If the change involves a new fund or a new appropriation category, a supplemental budget is usually required. If the change is a transfer of appropriation authority (and the corresponding resources) from one fund to another, or within the same fund, then a resolution transfer is allowed. In some cases, the change falls within an exception to the Local Budget Law and the governing body may appropriate expenditures with no budget amendment required.

## Supplemental budget

A supplemental budget is most often required when new appropriation authority is needed. For example, circumstances may require expenditures that were not budgeted, or you may receive revenue you did not plan for in your budget that you want to spend in the current fiscal year. A supplemental budget is usually not required if appropriations are not being changed.

Although a supplemental budget is usually associated with the expenditure of new appropriations and increased revenues, it can also be used for other purposes. For example, a supplemental budget is usually required to create a new fund during the fiscal year or when transferring appropriation authority to an appropriation category that doesn't already exist in the adopted budget.

Supplemental budgets are good only through the end of the fiscal year or biennium in which they are adopted. They cannot be used to authorize changes in a prior year's budget. Preparing a supplemental budget does not authorize the governing body to impose additional ad valorem taxes [ORS 294.471(4), renumbered from 294.480(4)].

### When can a supplement budget be prepared?

A local government may prepare a supplemental budget if one or more of the following circumstances exists (ORS 294.471, renumbered from 294.480):

- An occurrence or condition that was not known at the time the budget was prepared requires a change in financial planning.
- A pressing necessity creates a need for prompt action.
- Unexpected funds are made available by another unit of federal, state or local government.
- A request for services or facilities is received and the cost will be paid for by a private individual, corporation or company, or by another governmental unit, and the amount of the request could not have been known for certain at the time the budget was prepared.
- Proceeds from the involuntary destruction, involuntary conversion, or sale of property have necessitated the immediate purchase, construction or acquisition of different facilities to carry on governmental operations.
- A sufficiently greater amount of ad valorem taxes than estimated are received during the fiscal year such that the difference will significantly affect the level of government operations to be funded by those taxes for the current year.
- A local option tax, as described in ORS 294.476 (renumbered from 294.435), is approved by the voters and certified for extension on the tax roll for the current tax year.
- Available resources are reduced requiring the governing body to reduce appropriations.

There are also specific circumstances when a supplemental budget is not required to make expenditures that are not in the adopted budget. See “Exceptions to Local Budget Law” at the end of this chapter.

### **When is a supplemental budget not allowed?**

A supplemental budget cannot authorize spending an unappropriated ending fund balance, except when necessitated by involuntary conversion or a civil disturbance or natural disaster [ORS 294.481 (renumbered from 294.455)]. It also cannot be used to spend the tax raised above the estimated amount stated in the ballot for a rate-based local option tax [ORS 280.075(2)].

### **Process and preparation**

A supplemental budget may adjust one fund or several. If a supplemental budget is necessary, the process for preparing it must be determined. The process depends on the size of the change in the adopted expenditures. For the purpose of determining which process to use, fund expenditures in the adopted budget do not include unappropriated ending fund balance, amounts reserved for future expenditure, interfund transfers, or contingency amounts. The adopted expenditures amount is the amount in the budget as most recently amended prior to the supplemental budget currently being considered

### **10 percent or Less**

When a supplemental budget will adjust fund expenditures by 10 percent or less the supplemental budget may be adopted at a regularly scheduled meeting of the governing body. The budget committee is not required to be involved. If the supplemental budget is adjusting more than one fund, the adjustment to each fund must be 10 percent or less.

Notice of the regular meeting at which the supplemental budget will be adopted must be published at least five days before the meeting. The notice must include a statement that a supplemental budget will be considered at the meeting. [ORS 294.471(3), renumbered from 294.480].

At the meeting, the governing body approves a resolution adopting the supplemental budget and making any necessary appropriations. The resolution must state the need for, purpose and amount of any appropriations being approved.

### **More than 10 percent**

If the proposed supplemental budget will change any fund’s expenditures by more than 10 percent or will create a new fund or a new appropriation category, then a public hearing must be held and public comment taken before adoption of the supplemental budget. The hearing is held by the governing body. The budget committee is not required to be involved. At the hearing, the governing body must hear comments and questions from any person who wishes to speak.

Not less than five days before the hearing, a notice of hearing and a summary of the changes proposed in the funds that differ by more than 10 percent must be published using one of the methods used to publish the notice of the original budget hearing. The published summary of changes must include, for each fund being adjusted by more than 10 percent, the name of the fund, the source and amount of any resources that are changing, the new appropriation amount for any new appropriation categories or any appropriations that are changing by more than 10 percent, and the fund’s revised total resources and requirements (ORS 294.473, renumbered from 294.480).

The Department of Revenue provides a form that can be used to publish the summary of the supplemental budget. The form is titled “Notice of Supplemental Budget Hearing,” and is included in the packet of budget forms available at: <http://www.oregon.gov/dor/ptd/pages/localform.aspx>. The form number for municipal corporations is 150-504-073-8, for education districts is 150-504-075-7 and for urban renewal agencies is 150-504-076-6. A paper copy of the form is available in the annual forms booklet.

Following the hearing, the governing body must pass a resolution or ordinance to adopt the supplemental budget and make any necessary appropriations.

Note that the amount by which fund expenditures are being changed has no effect on whether a supplemental budget is required. The “10 percent rule” only determines the process used to adopt a supplemental budget;



not whether a supplemental budget is required. It is common to need a supplemental budget even if the expenditures are changing by less than 10 percent. Whether a supplemental budget is required is determined by the criteria in ORS 294.471 and 294.473 and by whether some other “exception to Local Budget Law” can be found that describes the situation and allows the contemplated change without a supplemental budget. See “Exceptions to Local Budget Law” at the end of this chapter.

## **Completing the notice of supplemental budget hearing**

The form provided by the Department of Revenue for publishing notice of a supplemental budget is designed to provide summary information on the changes being made by the supplemental budget. Prepare a summary for each fund that is changing by more than 10 percent. For each such fund, indicate the new total of each resource item that is changing, the new total for each expenditure category that is changing, and the new fund total resources and requirements. Do not show resource items or expenditure categories that are not changing. Note that the new fund total may not equal the amount of the changes shown in the summary because there could be other resources or requirements in the fund that are not changing.

## **Reflecting a supplemental budget in next year’s budget document**

When preparing the budget detail sheets for the coming fiscal year, revise the figures in the column “Adopted Budget This Year” to include the changes made by any supplemental budgets during the current year.

## **Resolution transfers**

The adopted budget may include budgeted transfers of resources between funds. In addition, it often becomes necessary after the budget is adopted to transfer appropriation authority (and in some cases, resources) from one fund to another or between appropriation categories within the same fund. The governing body may authorize some transfers of appropriation authority by passing a resolution or ordinance. A transfer of appropriation authority is a decrease of one existing appropriation and a corresponding increase of another existing appropriation, with no net change in the total amount of all appropriations [OAR 150-294.450(3)(1)]. In general, a resolution may not be used to authorize the creation of a new appropriation category that does not already exist. That requires a supplemental budget. The only exception to this rule is the creation of a “transfer” appropriation category used to transfer resources from one fund to another when a corresponding appropriation is also being transferred to the same target fund.

The resolution or ordinance authorizing a transfer must state the need for the transfer, the purpose of the expenditure, and the amount to be transferred [ORS 294.463(1) and (3), renumbered from 294.450(1) and (3)].

Transfers authorized by resolution can occur either within a fund, or from one fund to any other fund [ORS 294.463(3), renumbered from 294.450(3)].

## **Intrafund transfers**

Appropriations can be transferred within a fund from an existing appropriation category to another existing appropriation category by resolution or ordinance. For example, appropriation authority can be transferred from a fund’s existing materials and services appropriation to the fund’s existing capital outlay appropriation. The materials and services category is decreased and capital outlay is increased by an equal amount. The net change in the fund’s total appropriations is zero.

Intrafund resolution transfers do not require the transfer of resources. No additional revenue is received by the fund; the expenditures are just shifted from one appropriation category to another.

## **Contingency transfers**

A common situation in which appropriations are transferred from one category to another within a fund is when a specific need is identified for money that was budgeted and appropriated as operating contingency. To make the expenditure, the appropriation authority must be transferred from the contingency category to the appropriation category from which it will be expended. The contingency appropriation is reduced and the receiving appropriation category is increased by the same amount so the fund remains in balance.

The amount which may be transferred from contingency by resolution is limited to 15 percent of the total appropriations in the fund [ORS 294.463(2), renumbered from 294.450(2)]. Transfers of contingency which in total exceed 15 percent in a year may be made only after adopting a supplemental budget for that purpose. If there is no existing appropriation in the category in which the desired expenditure falls, a supplemental budget is required to create the new appropriation.

**Example of the 15 percent calculation:** If the appropriations in a fund total \$100,000, including \$20,000 for general operating contingency, only 15 percent, or \$15,000, of the appropriations, may be transferred from the contingency appropriation by resolution or ordinance. The remaining \$5,000 of contingency can be transferred only through a supplemental budget.

### Interfund transfers

Appropriations can be transferred during the fiscal year from one fund to another fund by a resolution or ordinance. A transfer of resources is also sometimes required when appropriations are moved between funds. Resources by themselves cannot be transferred between funds by resolution. If the fund does not have an appropriation category for “transfer to other funds,” one may be created as part of the resolution or ordinance [OAR 150-294.450(3)(4)]. This is the only circumstance in which a budget appropriation category may be created by resolution or ordinance during the fiscal year.

Appropriations in the receiving fund are increased by the amount of the transfer, and the resources available to that fund are also increased by the amount of resources transferred from the originating fund. Appropriations in the originating fund are reduced, as are the resources. Expenditures in the originating fund are then limited by the reduced appropriation authority and reduced resources.

**Example:**

As the fiscal year begins, the city has made its general fund and utility fund appropriations as follows:

#### Existing appropriations

General fund		Utility fund	
Administration	\$50,703	Materials & services	118,700
Police	131,103	Capital outlay	<u>1,000</u>
Fire	27,170	Utility fund total	\$119,700
Transfers out	7,500		
Contingency	<u>5,000</u>		
General fund total	\$221,476		
<b>Total appropriations all funds</b>	<b>\$341,176</b>		

**Scenario:** Because of the required repair of a major water leak, \$2,000 of contingency in the general fund will be transferred to the utility fund materials & services.

#### Step 1—Intrafund transfer of contingency appropriation

	Existing	Changes	Adjusted
Administration	\$50,703	-0-	\$50,703
Police	131,103	-0-	131,103
Fire	27,170	-0-	27,170
Transfers out	7,500	2000	9,500
Contingency	<u>5,000</u>	<u>(2,000)</u>	<u>3,000</u>
<b>Total</b>	<b>\$221,476</b>	<b>-0-</b>	<b>\$221,476</b>

\$2,000 of the general fund contingency appropriation is transferred to the appropriation category “transfers out.” This \$2,000 of the general fund appropriation and resources can now be transferred to the utility fund.

## Step 2—Interfund transfer (appropriation received in utility fund)

	Existing	Changes	Adjusted
Materials and services	\$118,700	2,000	\$120,700
Capital outlay	<u>1,000</u>	<u>-0-</u>	<u>1,000</u>
<b>Total</b>	\$119,700	2,000	\$121,700

The utility fund material & services appropriation is increased \$2,000 so the additional expenditures can be made. The fund's resources are also increased by the same amount, so the fund remains in balance.

### Total appropriations after transfers

General fund	\$221,476
Utility fund	<u>121,700</u>
<b>Total appropriations all funds</b>	\$343,176

The total appropriations in all funds have increased \$2,000 because of the new amount of capital outlay appropriation in the utility fund.

## Appropriation vs. line item transfers

Notice that this discussion has been of transferring appropriation authority. It has been about changing the amounts in the appropriation categories within a fund, not necessarily the amounts budgeted for individual line items. A governing body may choose to appropriate all the way down to the level of line item detail, but that is not common. More often, a local government appropriates only to the level of detail that is required by ORS 294.456 (renumbered from 294.435). That is, in each fund, most local governments appropriate only to the level of organization unit or program or by the major object classifications of personnel services, materials and services, capital outlay, debt service, transfers, contingencies, and special payments. Schools generally appropriate only to the "function" level of detail in each fund. The function categories are: instruction, support services, enterprise and community services, facilities acquisition and construction, interagency/interfund transfers, debt service and contingency.

Assuming that a local government appropriates only to the level required by ORS 294.456 (renumbered from 294.435), the amounts expended for an individual budget line item within each of those appropriation categories can exceed the budgeted amount for that individual line item without the necessity of transferring or otherwise changing appropriations, as long as some other budgeted line item expenditure is reduced, so the total for the appropriation category is not exceeded. In other words, the limitation is the amount of the appropriation, not the amount budgeted for an individual line item.

## Interfund loans

A local government may loan money from one fund to another, provided the loan is authorized by an official resolution or ordinance (ORS 294. 468, renumbered from 294. 460). The resolution or ordinance must state the fund from which the loan is made, the fund to which the loan is made, the purpose of the loan, and the principal amount of the loan. If the loan is an operating loan (that is, to pay for operating expenses), it must be repaid to the fund from which it is borrowed by the end of the fiscal year, or the repayment must be budgeted and made in the next fiscal year.

If the loan is a capital loan (that is, for the acquisition of a capital asset), it must be repaid in full within 10 years of the date of the loan. The resolution must set forth a schedule under which the principal and interest is to be budgeted and repaid. It must also state the rate of interest. The rate of interest may be the current rate of return on monies invested in the local government investment pool under ORS 294.805 to 294.895, or may be such other rate as the governing body determines.

If the loan will be repaid in the current fiscal year, no action by the governing body is necessary in regard to the budget. The current budget is not adjusted to show the loan transaction. The local government's accounting records will show the loan and the repayment.

If the loan will be repaid in one or more future fiscal year(s), the loan repayment must be budgeted and a separate debt service appropriation made for the expenditure. Do not show the loan amount as a deficit resource [OAR 150-294.361(1)(B)]. This is not an acceptable budgeting practice.

With two exceptions, loans may be made from most funds. Loans may not be made from debt service funds. Loans made from debt service reserve funds created to provide additional security for outstanding bonds or other borrowing obligations are limited to amounts in the fund that are in excess of the amount the local government has covenanted to maintain in reserve.

Loans may not be made from moneys credited to any fund when there are constitutional provisions that restrict those moneys to specific uses, unless the purpose for which the loan is made is a use allowed under such constitutional provisions [ORS 294.468(1)(c), renumbered from 294.460(1)(c)]. An example of such a constitutional provision is the restriction in Art. IX, Section 3a on the use of revenue from the state taxes on motor vehicle ownership, use and fuel. Generally, these monies may only be used to pay for roads, highways and related projects. This money is distributed to counties and cities through revenue sharing. You could not loan these monies for any use other than the uses specified in Art. IX, Section 3a.

## **Budget reduction**

If a local government will not realize the amount of resources it estimated, and this shortfall will not be offset by receipts of another resource in the same fund, the amount of the appropriations and expenditures may be reduced. A shortfall in revenue can be revealed by periodic financial reports, a procedure which should be a fundamental administrative practice of all local governments. The governing body may choose to simply spend less and not use all of its appropriation authority in order to keep expenditures within the amount of available resources. Alternatively, the governing body may choose to adopt a supplemental budget that reflects the reduced resources and appropriations.

## **Exceptions to local budget law**

To lawfully spend money, a local government must follow the requirements of Local Budget Law [ORS 294.338(1), renumbered from 294.326(1)]. Often this means adopting a supplemental budget before making expenditures that exceed existing appropriation authority. However, certain situations constitute exceptions to the general requirements of Local Budget Law. If one of the following descriptions applies to your situation, then a supplemental budget may not be required. Refer to the statute cited for complete details.

### **Specific purpose grants and gifts**

Expenditure of grants, gifts, bequests or devises transferred to the local government in trust for a *specific purpose* may be made after enactment of an appropriation resolution or ordinance authorizing the expenditure [ORS 294.338(2), renumbered from 294.326(2)]. However, expenditure of undesignated *general purpose* grants, gifts, bequests or devises that exceed budgeted appropriations can only be made after adoption of a supplemental budget. Any portion of a specific purpose grant, gift, bequest or devise that will be spent in a fiscal year following the year in which they are received should be included as a resource in the regular budget for that future year and the expenditure must be appropriated. An exception are expenditures that were originally planned in the year of receipt, but because of unforeseen circumstances, were instead unexpectedly carried over to the following year. Such expenditures can be appropriated in the second year by resolution or ordinance under the “unforeseen occurrence” provision of ORS 294.338(3).

### **Unforeseen occurrence or condition / nontax funds**

If the governing body declares the existence of an unforeseen occurrence or condition that could not have been foreseen at the time of the preparation of the budget, or the existence of an unforeseen pressing necessity for an expenditure, or if it receives a request for services or facilities for which the cost will be paid by another entity, then the governing body may appropriate for that purpose by resolution or ordinance, to the extent that nonproperty tax funds are available for the expenditure [ORS 294.338(3), renumbered from 294.326(3)].

### **Bond proceeds**

Unbudgeted expenditures of proceeds from the sale of revenue bonds, general obligation bonds approved by the voters during the current fiscal year, or refunding bonds may be made during the current year without a supplemental budget [ORS 294.338(4), renumbered from 294.326(4)]. A resolution or ordinance may be enacted to establish a special revenue fund or a capital project fund for the bond proceeds if none exists, and to appropriate the proceeds.

## **Bond debt service**

Expenditures to pay debt service on certain bonds which are authorized and issued during the fiscal year may be made without adopting a supplemental budget [ORS 294.338(5), renumbered from 294.326(5)]. A resolution or ordinance may be enacted to establish a debt service fund if a suitable fund does not already exist, and to appropriate the principal and interest payments.

## **Other bond exceptions**

Expenditure of funds from the sale of conduit revenue bonds, or funds irrevocably placed in escrow for the purpose of defeasing and paying bonds, or of prepaid assessments to redeem bonds, or of debt service reserves used to pay or defease debt service may be made without adopting a supplemental budget [ORS 294.338(5), renumbered from 294.326(5)].

## **Local improvement assessments**

Expenditure of funds received from assessments against benefited property for local improvements may be made without adopting a supplemental budget [ORS 294.338(6), renumbered from 294.326(6)].

## **Deferred employee compensation**

Expenditure of funds accumulated to pay deferred employee compensation may be made without adopting a supplemental budget [ORS 294.338(7), renumbered from 294.326(7)].

## **County tax refunds**

The county tax collector may pay property tax refunds under ORS 311.806, including refund interest, without those payments being budgeted by the county [ORS 294.338(8), renumbered from 294.326(8)].

## **Purchase refunds**

Expenditures of money refunded after a purchase has been returned may be made after enactment of a resolution or ordinance appropriating the expenditure [ORS 294.338(9), renumbered from 294.326(9)].

## **New districts**

A newly formed municipal corporation is not required to prepare a budget for the fiscal year in which it is formed. If a new district is formed between March 1 and June 30, it is not required to prepare a budget for the following fiscal year either [(ORS 294.338(10), renumbered from 294.326(10)].

## **School emergency**

If the governing body of a school district or community college declares that an emergency exists, and that additional expenditures are necessary to provide adequate facilities, supplies or personnel for the proper instruction of pupils for the remainder of the budget year, and additional money is available from the federal government or the ESD under ORS 334.370, the board may make such expenditures without adopting a supplemental budget (ORS 294.478, renumbered from 294.440).

## **Natural disasters**

Expenditure of funds to deal with involuntary conversion or damage or destruction from a civil disturbance or natural disaster may be made from any available source of revenue after the governing body enacts a resolution or ordinance authorizing the expenditure or after it adopts a supplemental budget (ORS 294.481, renumbered from 294.455).

## **Pass through payments**

An appropriation for pass through payments that are made to another organization from taxes, fees or charges may be increased by resolution if the actual amount collected exceeds the budgeted estimate [ORS 294.466, renumbered from 294.450].

**Internal service expenditures**

An appropriation for internal service payments made from one part of an organization to another may be increased by resolution (ORS 294.343, renumbered from 294.470).

**Abolish unnecessary fund**

A fund may be declared unnecessary and abolished during the fiscal year by resolution or ordinance. Any monies remaining in the fund are transferred to the general fund unless other provisions were made when the fund was originally created (ORS 294.353, renumbered from 294.475).



# Chapter 14—Biennial budgets

## Biennial budgets

Municipal corporations have the option of budgeting for a 12-month fiscal year or for a 24-month “biennial” budget period. The governing body, by ordinance, resolution or charter, may provide that the budget and budget documents be prepared for a budget period of 24 months. Unless specified in this chapter or elsewhere in this manual, all provisions of local budget law remain the same for both fiscal year and biennial budgets except the length of the budget period.

For local governments with the authority to levy tax upon property, the biennial budget period begins on July 1 and ends on June 30 of the second ensuing calendar year (ORS 294.311).

## Budget committee

Appointed members of a budget committee that approves a biennial budget serve for a term of four years. The terms must be staggered so that, as near as practicable, one-fourth of the terms end each year (ORS 294.414, renumbered from 294.336).

If an existing local government adopts a biennial budget period, there will be a period of transition from fiscal year budgets to biennial budgets. During this period, appointive members of the budget committee who are already serving may serve out their three-year terms. New members or members who are reappointed to another term may receive four-year terms. However, the governing body may decide to appoint some of these new or returning members for shorter terms or to shorten the terms of sitting members to less than three years to establish the staggered schedule with one-fourth of the terms ending each year.

## Proposed budget document

### Estimating expenditures and resources

All estimates of resources and expenditures and other budget requirements in a proposed biennial budget must be for the entire 24-month budget period. Total resources must equal total requirements. Estimates of cash carry forward, beginning balance or net working capital should be the estimated ending fund balance from the preceding budget period.

If resources include revenue from property taxes, the budget should include the amount expected to be received from both tax years covered by the budget period. When estimating the amount to be received, estimate the amounts for both years separately, as provided in ORS 294.368 (renumbered from 294.381). Estimates of prior year taxes, interest earnings and other resources to be received should include the total amount expected during both years of the coming biennium.

Grants must be budgeted if there is a reasonable expectation that they will be received any time during the coming biennium and the amount of a grant can be ascertained in good faith.

### First and second preceding budget period’s data and current year data

Resource and expenditure amounts in the “Actual” columns of the budget detail should be the actual resources and expenditures for the two preceding 24-month budget periods (two biennia). The “Adopted Budget This Year” column should show the estimated data for the current biennial budget period.

During the transition from fiscal year to biennial budgets, the detail sheets should show a mixture of single-year budget data and two-year budget data. Do not attempt to “double” the actual or estimated data from a fiscal year budget to make it comparable to the proposed budget. Explain the discrepancy between fiscal year and biennial figures in a footnote and in the budget message.

### Debt service on bonds

A municipal corporation that has outstanding general obligation or Bancroft bonds, then adopts a biennial budget should take care to budget and appropriate amounts sufficient to pay the debt service on those bonds in both years of the succeeding 24-month budget period.

If bonds are approved by the voters and sold during a biennial budget period, a supplemental budget is not necessary to pay debt service on the bonds during that budget period [ORS 294.338(4), renumbered from 294.326(5)]. A governing body resolution or ordinance is recommended to document the appropriation of the debt service payments or if a new debt service fund is created.

If new bonds are approved during a biennium but the budget committee did not approve a debt service levy for those bonds for the second year of the biennium, a governing body resolution or ordinance is sufficient to impose and categorize the tax in the second year [ORS 294.476(2), renumbered from 294.437(2)].

## **Bond proceeds**

If bonds are approved by the voters and sold during a biennial budget period, and proceeds from the bonds will be expended during that same budget period, a supplemental budget is not necessary to appropriate that expenditure [ORS 294.338(4), renumbered from 294.326(5)]. A governing body resolution or ordinance is recommended to document the appropriation. If bonds are approved in one budget period and the proceeds will be spent in a subsequent budget period, those proceeds must be included in the budget for the subsequent budget period and appropriated.

## **Method of accounting**

Any change in the basis of accounting must be clearly set forth in the biennial budget message. Once a new basis of accounting is adopted, it must be followed for the entire biennial budget period. Examples of basis of accounting are cash, accrual, and modified accrual. Changing from fiscal year budgeting to biennial budgeting is not a change in the method of accounting (ORS 294.333, renumbered from 294.445).

## **Budget committee approves tax levies for entire biennium**

The budget document as approved by the budget committee must specify the amount or rate of ad valorem taxes for each fund for both years of a biennial budget period. The amount or rate of tax for each fund must be stated separately for each tax year. The amount or rate of tax for each fund need not be the same for both years. In particular, the amount of tax levied for a debt service fund is highly unlikely to be the same for two consecutive years because principal and interest payments tend to fluctuate as the debt is paid down.

An exception to the requirement that the budget committee must approve the tax levies for both years of a biennium is when a local option or bond measure is approved by the voters in an election held after the budget is adopted. See *“Imposing new taxes approved after adoption,”* on page 75.

## **Publication requirements**

### **Budget summary**

The summary of the budget document that is approved by the budget committee must be published as provided in ORS 294.438 (renumbered from 294.416). In that notice, the resources and expenditures approved by the budget committee for the entire biennium must be compared to the actual expenditures and resources of the preceding budget period and to the budget summary of the current budget period.

During the transition from fiscal year to biennial budgets, the published budget summaries should show a mixture of single-year budget data and two-year budget data. Do not attempt to double the actual or estimated data from a fiscal year budget to make it comparable to the proposed budget. Explain the discrepancy between fiscal year and biennial figures in a footnote and in the budget message.

### **Posting the budget summary and notice of budget hearing**

If the budget approved by the budget committee is for a biennial budget period, and

- There is no newspaper of general circulation published in the district, and
- The total estimated expenditures in the ensuing budget period do not exceed \$200,000, then

the district may post the budget summary and notice of budget hearing in three conspicuous places within the district for a period of at least 20 days before the hearing, in lieu of publishing in a newspaper, or by hand delivery or first-class mail (ORS 294.448, renumbered from 294.421).

## **Governing body actions after approval by budget committee**

### **Adopt budget and make appropriations**

After the budget hearing, the governing body must enact ordinances or resolutions to adopt the budget, to make appropriations, and to levy and to categorize the property taxes (ORS 294.456, renumbered from 294.435). The amount of the adopted budget and of appropriations must be the amount budgeted for all 24 months of the ensuing budget period. Taxes must be levied and categorized separately for both years of the ensuing year of budget period (ORS 310.060).

### **Changes to expenditures or taxes before adoption**

The budget estimates and proposed amount or rate of ad valorem property tax shown in the approved budget may be amended by the governing body before the start of the budget period. If the governing body increases the estimated expenditures approved by the budget committee for any fund in a biennial budget by more than \$10,000 or 10 percent, whichever is greater, or if the governing body increases the amount or rate of ad valorem taxes for either year, the amended budget must be republished and another public hearing held (ORS 294.456, renumbered from 294.435).

Once a biennial budget has been adopted, the governing body cannot increase the tax amount for either year of that budget period unless the voters approve new taxing authority for this district.

### **Imposing new taxes approved after adoption**

If a new local option tax or bond levy is approved by the voters during a biennium, and the tax levy for it was not included in the budget approved by the budget committee or added by the governing body before adoption by republishing the budget summary and holding another hearing, to levy the tax the governing body must adopt a resolution or ordinance imposing the tax and categorizing it as to its Measure 5 category (ORS 294.476, renumbered from 294.437). The tax must be certified to the assessor under ORS 310.060. These two steps may only be taken after the election.

If the election is in September of the first year of the biennium, ask the assessor for an extension of time to certify your taxes for that year and follow the same procedure for including September-approved taxes as with fiscal year budgets (See "*Chapter 10 – Tax elections*").

If the election is other than September of the first year, the new tax may only be imposed during the second year of the biennium. When you certify your other taxes in the second year, separately state the new tax levy in the resolution or ordinance imposing the tax and categorizing it. Budget committee approval is not required. Adopt a supplemental budget to appropriate the additional revenues.

## **Governing body actions after adoption**

### **Contingency**

A supplemental budget is required before transfers during a biennial budget period of general operating contingency appropriations in excess of 15 percent of the total appropriations in the fund. This applies to transfers that were not budgeted, but are made after the budget has been approved. That is, it applies to those transfers of contingency that are made during the budget period for which the contingency appropriation was made. Unbudgeted transfers from contingency totaling 15 percent or less during the biennium can be made by resolution or ordinance (ORS 294.463, renumbered from 294.450).

### **Pass-through payments**

When one local government must pass through revenue from taxes, fees or charges to another local government, the pass-through payments must be budgeted. The local government making the pass-through of revenue must include in its budget the amount estimated to be received during both years of the biennial budget

period and appropriate the entire amount to be passed through during the budget period. If the actual amount collected during the budget period exceeds the estimated amount, the governing body must pass a resolution or ordinance to appropriate the excess (ORS 294.466, renumbered from 294.450).

### **Interfund loan**

If an interfund loan is for the purpose of paying operating expenses, the ordinance or resolution authorizing the loan must provide that the loan be repaid in the same biennial budget period or in the ensuing budget period. If it is to be repaid in the ensuing budget period, then the payment must be budgeted as an expenditure in the ensuing period and be appropriated.

Capital loans must be repaid within 10 years from the date the loan is made, whether the budget is fiscal year or biennial. Capital loans not repaid in the budget period in which they are made must be budgeted as an expenditure in the ensuing period(s) and be appropriated ORS 294.468, renumbered from 294.460.

### **Internal service fund**

If a local government includes an internal service fund in a biennial budget, it must budget and appropriate the anticipated expenditure for the entire biennial budget period. The governing body may increase appropriations of an internal service fund during the current budget period by resolution or ordinance (ORS 294.343, renumbered from 294.470).

### **Supplemental budget**

A supplemental budget that amends a biennial budget is for the remainder of the 24-month budget period in which it is adopted. When determining the process for adopting a supplemental budget under ORS 294.471 or 294.473 (renumbered from 294.480), the governing body must consider whether the estimated expenditures being changed by the supplemental budget differ by 10 percent or more from the total appropriated for the biennium in any of the funds being changed. If the supplemental budget will adjust all of the changing funds' current biennial expenditures by 10 percent or less, the governing body may use the simple process described in Chapter 13, in which the supplemental budget is adopted at a regular meeting of the governing body. If the supplemental budget will adjust any fund's current expenditures by more than 10 percent, a public hearing and notice according to ORS 294.473 is required.

A supplemental budget cannot authorize an increase in a local government's total ad valorem property taxes above the amount or rate published with the original biennial budget and certified to the assessor for either fiscal year of the budget period.

### **File budget resolutions with Department of Revenue**

A local government that does not levy an ad valorem property tax but that is subject to Local Budget Law and that prepares a biennial budget must file with the Department of Revenue a copy of the resolutions adopting the budget and making appropriations (ORS 294.458, renumbered from 294.555). This copy must be filed on or before July 15 of the first fiscal year of the budget period.

### **File budget document with Department of Education**

School districts that prepare a biennial budget must file an electronic version of their budget with the Oregon Department of Education annually. This version of the budget must be annualized, to show the estimated resources and requirements for the single upcoming year only. If you are a school district and have questions about what is required, please contact the Office of School Finance at 503-947-5916.

### **File budget document with tax supervising and conservation commission (ORS 294.635)**

A municipal corporation that is subject to a tax supervising and conservation commission and that adopts a biennial budget must submit its detailed estimates of the biennial budget to the commission on or before May 15 of the first fiscal year of the budget period. The commission will certify any objections it has to the adoption of the biennial budget on or before June 25 of the first fiscal year of the budget period.

**Retention (ORS 294.555)**

A local government that is subject to Local Budget Law and that prepares a biennial budget must retain a true copy of its budget until the end of the second budget period following the budget period for which the biennial budget was prepared.

# Appendix A—Glossary

**Accrual basis.** Method of accounting recognizing transactions when they occur without regard to cash flow timing [ORS 294.311(1)].

**Activity.** That portion of the work of an organizational unit relating to a specific function or class of functions, a project or program, a subproject or subprogram, or any convenient division of these [ORS 294.311(2)].

**Adopted budget.** Financial plan that is the basis for appropriations. Adopted by the governing body (ORS 294.456, renumbered from 294.435).

**Ad valorem tax.** A property tax computed as a percentage of the assessed value of taxable property.

**Agent.** Generally, someone who is authorized to act for the local government, or who can make commitments or sign contracts in the name of the local government. Agency is the fiduciary relationship that arises when one person (a 'principal') manifests assent to another person (an 'agent') that the agent shall act on the principal's behalf and subject to the principal's control, and the agent manifests assent or otherwise consents so to act.

**Appropriation.** Authorization for spending a specific amount of money for a specific purpose during a fiscal year. It is based on the adopted budget, including supplemental budgets, if any. It is presented in a resolution or ordinance adopted by the governing body [ORS 294.311(3)].

**Approved budget.** The budget that has been approved by the budget committee. The data from the approved budget is published in the Financial Summary before the budget hearing (ORS 294.428, renumbered from 294.406).

**Assessed value.** The value set on real and personal property as a basis for imposing taxes. It is the lesser of the property's maximum assessed value or real market value.

**Assessment date.** The date on which the value of property is set, January 1 (ORS 308.210, 308.250).

**Audit.** The annual review and appraisal of a municipal corporation's accounts and fiscal affairs conducted by an accountant under contract or the Secretary of State (ORS 297.425).

**Audit report.** A report in a form prescribed by the Secretary of State made by an auditor expressing an opinion about the propriety of a local government's financial statements, and compliance with requirements, orders and regulations.

**Balanced budget.** A budget in which the resources equal the requirements in every fund.

**Bequest.** A gift by will of personal property; a legacy.

**Biennial budget.** A budget for a 24-month period.

**Billing rate.** The tax rate used to compute ad valorem taxes for each property.

**Budget.** Written report showing the local government's comprehensive financial plan for one fiscal year. It must include a balanced statement of actual revenues and expenditures during each of the last two years, and estimated revenues and expenditures for the current and upcoming year [ORS 294.311(5)].

**Budget committee.** Fiscal planning board of a local government, consisting of the governing body plus an equal number of legal voters appointed from the district (ORS 294.414, renumbered from 294.336).

**Budget message.** Written explanation of the budget and the local government's financial priorities. It is prepared and presented by the executive officer or chairperson of the governing body (ORS 294.403, renumbered from 294.391).

**Budget officer.** Person appointed by the governing body to assemble budget material and information and to physically prepare the proposed budget (ORS 294.331).

**Budget period.** For local governments on a biennial budget, the 24-month period beginning July 1 and ending June 30 of the second following calendar year. See also "Fiscal year."

**Budget transfers.** Amounts moved from one fund to finance activities in another fund. They are shown as expenditures in the originating fund and revenues in the receiving fund.

**Capital outlay.** Items which generally have a useful life of one or more years, such as machinery, land, furniture, equipment, or buildings [ORS 294.388(4), renumbered from 294.352(4)].

**Capital projects fund.** A fund used to account for resources, such as bond sale proceeds, to be used for major capital item purchase or construction [OAR 150-294.352(1)].

**Cash basis.** System of accounting under which revenues are accounted for only when received in cash, and expenditures are accounted for only when paid [ORS 294.311(9)].

**Category of limitation.** The three categories in which taxes on property are placed before the constitutional



## Glossary (continued)

limits can be tested—education, general government, excluded from limitation (ORS 310.150).

**Consolidated billing tax rate.** The combined total of the billing rates for all taxing Districts in a code area. Does not include the billing rate for any urban renewal special levies or non-ad valorem taxes, fees, or other charges.

**Constitutional limits.** The maximum amount of tax on property that can be collected from an individual property in each category of limitation (Art. XI, sect. 11b, OR Const.).

**Debt service fund.** A fund established to account for payment of general long-term debt principal and interest [OAR 150-294.352(1)].

**Devise.** A of real property by will of the donor of real property.

**District.** See “Local government.”

**Division of tax.** Division of tax refers to the process of, and revenue from, apportioning tax to urban renewal agencies based on the relationship of the excess to frozen value, also known as tax increment revenue.

**Double majority.** A term that refers to an election where at least 50 percent of the registered voters eligible to vote in the election cast a ballot and more than 50 percent voting approve the question.

**Education category.** The category for taxes that will be used to support the public school system and are not used to pay exempt bonded indebtedness [ORS 310.150(1)(b)].

**Encumbrance.** An obligation chargeable to an appropriation and for which part of the appropriation is reserved [ORS 294.311(13)].

**Enterprise fund.** A fund established to account for operations that are financed and operated in a manner similar to private business enterprises. They are usually self-supporting. Examples of enterprise funds are those for water, gas, and electric utilities, swimming pools, airports, parking garages, transit systems, and ports [OAR 150-294.352(1)-(A)].

**Estimate.** (v) To arrive at a rough calculation or an opinion formed from imperfect data. (n) The resulting amount.

**Excluded from limitation category.** The category for taxes used to pay principal and interest on exempt bonded indebtedness [ORS 310.150(3)(D)].

**Exempt bonded indebtedness.** 1) Bonded indebtedness authorized by a specific provision of the Oregon Constitution, or 2) bonded indebtedness issued as a general obligation on or before November 6, 1990, incurred for capital construction or capital improvements, or 3) bonded indebtedness issued as a general obligation after November 6, 1990, incurred for capital construction or capital improvements with the approval of the electors of the local government. Bonded indebtedness issued to refund or refinance any bonded indebtedness described above is also included [ORS 310.140(7)].

**Existing urban renewal plan.** An existing urban renewal plan is defined as a plan that existed in December 1996, and, 1) chose an option and, 2) established a maximum amount of indebtedness by July 1998 and has not been amended to increase the land area or maximum indebtedness [ORS 457.010(4)(a)].

**Expenditures.** Total amount incurred if accounts are kept on an accrual basis; total amount paid if accounts are kept on a cash basis [ORS 294.311(16)].

**Fiscal year.** A 12-month period to which the annual operating budget applies. The fiscal year is July 1 through June 30 for local governments [ORS 294.311(17)].

**Fund.** A fiscal and accounting entity with self-balancing accounts to record cash and other financial resources, related liabilities, balances and changes, all segregated for specific, regulated activities and objectives.

**Fund balance.** The fund equity of government funds.

**Fund type.** One of nine fund types: General, special revenue, debt service, capital projects, special assessment, enterprise, internal service, trust and agency, and reserve [OAR 150-294.352(1)-(A)].

**General fund.** A fund used to account for most fiscal activities except for those activities required to be accounted for in another fund [OAR 150-294.352(1)-(A)].

**General government category.** The category for taxes used to support general government operations other than schools that are not for the purposes of paying exempt bonded indebtedness [ORS 310.150(2)].

**Good Faith.** The standard for estimating budget resources and requirements. Good faith estimates are reasonable and are reasonably likely to prove accurate, based on the known facts at the time.

## Glossary (continued)

**Governing body.** County court, board of commissioners, city council, school board, board of trustees, board of directors, or other managing board of a local government unit [ORS 294.311(20)].

**Grant.** A donation or contribution of cash to a governmental unit by a third party which may be made to support a specified purpose or function, or general purpose [ORS 294.311(21)].

**Interfund loans.** Loans made by one fund to another and authorized by resolution or ordinance (ORS 294.468, renumbered from 294.460).

**Internal service fund.** A fund used to account for fiscal activities when goods or services are provided by one department or agency to other departments or agencies on a cost-reimbursement basis (ORS 294.343, renumbered from 294.470).

**Legal opinion.** The opinion as to legality rendered by an authorized official, such as the Oregon attorney general or city attorney.

**Levy.** (v) To impose a property tax. (n) Ad valorem tax certified by a local government.

**Local government.** Any city, county, port, school district, education service district, community college, special district, public or quasi-public corporation (including a municipal utility or dock commission) operated by a separate board or commission; a municipality or municipal corporation under ORS 294.311(26).

**Local option tax.** Voter-approved taxing authority that is in addition to the taxes generated by the permanent tax rate. Local option taxes can be for general operations, a specific purpose or capital projects. It is limited to five years unless it is for a capital project, then it is limited to the useful life of the project or 10 years, whichever is less [Art. XI, section 11(4)].

**Maximum assessed value (MAV).** A constitutional limitation on the taxable value of real or personal property. It can increase a maximum of 3 percent each year. The 3 percent limit may be exceeded if there are qualifying improvements made to the property, such as a major addition or new construction (OAR 308.146).

**Maximum authority.** The limitation on the amount of revenue an existing urban renewal plan may raise from the property tax system [ORS 457.435(3)]. The assessor calculated this amount for the 1997-98 tax year for each existing plan based on the taxes each urban renewal plan area would have been entitled to prior to Measure 50. This amount is adjusted

each year based on the growth of excess value in the plan area.

**Maximum indebtedness.** The amount of the principal of the indebtedness necessary to complete an urban renewal plan. This does not include indebtedness incurred to refund or refinance existing indebtedness [ORS 457.010(10)]. It is specified in dollars and cents and based on good faith estimates of the scope and costs of the anticipated project or projects. All existing plans are required to have an ordinance which establishes a maximum indebtedness.

**Measure 5.** A constitutional amendment (Art. XI, section 11b) passed in 1990 that limits the amount of operating tax that can be imposed on a property to \$5 per \$1,000 of real market value for education and \$10 per 1,000 for general government.

**Measure 50.** A constitutional amendment (Art. XI, section 11) passed in 1997 that limits the growth in a property's maximum assessed value to 3% per year. It also limits a local government's taxing authority by creating permanent rate limits.

**Municipal corporation.** See "Local government."

**Municipality.** See "Local government."

**Net working capital.** The sum of the cash balance, accounts receivable expected to be realized during the ensuing year, inventories, supplies, prepaid expenses less current liabilities and, if encumbrance method of accounting is used, reserve for encumbrances [ORS 294.311(27)].

**Object classification.** A grouping of expenditures, such as personnel services, materials and services, capital outlay, debt services, and other types of requirements [ORS 294.311(29)].

**Operating rate.** The rate determined by dividing the local government's operating tax amount by the estimated assessed value of the local government. This rate is needed when a local government wants to impose less tax than its permanent rate will raise.

**Option, urban renewal.** Financing arrangement chosen by existing urban renewal plans. Cannot be changed. The options are as follows:

**Option 1** [ORS 457.435(2)(a)], allows the plan to collect division of tax as computed under ORS 457.440. If the amount collected from the division of tax is insufficient, a special levy may be imposed against all taxable property of the municipality that activated the urban renewal agency. Option 1 plans are "reduced rate" (do not divide

## Glossary (continued)

local option or bond levies approved by voters after October, 2001).

**Option 2** [ORS 457.435(2)(b)]. The Cascade Locks Plan in Hood River County was the only Option 2 Urban Renewal Plan, and that plan has been completed. May impose a special levy, but does not collect division of tax.

**Option 3** [ORS 457.435(2)(c)], provides that Option 3 plans can obtain funds from both the division of tax and a special levy. Like Option 1, the agency may limit the amount to be received from the special levy, but unlike Option 1 the agency limited the amount of funds received from the division of tax when the Option was chosen. Option 3 plans are “standard rate” (divide all tax levies).

**Other “standard rate” plan** was adopted between December 1996 and October 2001. Receives division of tax, but no special levy.

**Other “reduced rate” plan** was adopted after October 2001, or was an Option 1 or 2 plan that was substantially amended. Receives division of tax, but no special levy.

**Ordinance.** A formal legislative enactment by the governing board of a municipality.

**Organizational unit.** Any administrative subdivision of the local government, especially one charged with carrying on one or more specific functions (such as a department, office or division) [ORS 294.311(31)].

**Personnel services expenses.** Expenses related to the compensation of salaried employees, such as, health and accident insurance premiums, Social Security and retirement contributions, civil service assessments.

**Permanent rate limit.** The maximum rate of ad valorem property taxes that a local government can impose. Taxes generated from the permanent rate limit can be used for any purpose. No action of the local government or its voters can change a permanent rate limit.

**Principal act.** The Oregon Revised Statutes that describe how a certain type of municipal corporation is formed, selects its governing body, the powers it may exercise and the types of taxing authority that its voters may authorize.

**Prior years’ tax levies.** Taxes levied for fiscal years preceding the current one.

**Program.** A group of related activities to accomplish a major service or function for which the local government is responsible [ORS 294.311(33)].

**Program budget.** A budget based on the programs of the local government.

**Property taxes.** Ad valorem tax or another tax on property certified to the county assessor by a local government unit.

**Proposed budget.** Financial plan prepared by the budget officer. All funds must balance. It is submitted to the public and the budget committee for review.

**Publication.** Public notice given by publication in a newspaper of general circulation within the boundaries of the local government; mailing through the U.S. Postal Service by first class mail to each street address within the boundaries of the local government; or hand delivery to each street address within the boundaries of the local government [ORS 294.311(35)].

**Real Market Value (RMV).** The amount in cash which could reasonably be expected by an informed seller from an informed buyer in an arm’s-length transaction as of the assessment date. For most properties, the value used to test the constitutional limits (ORS 308.205).

**Reserve fund.** Established to accumulate money from year to year for a specific purpose, such as purchase of new equipment (ORS 294.346, renumbered from 294.525).

**Resolution.** A formal order of a governing body; lower legal status than an ordinance.

**Resource.** Estimated beginning funds on hand plus anticipated receipts (ORS 294.361).

**SAL Report.** Summary of Assessments and Levies (ORS 309.330).

**Special levy.** A special levy is an ad valorem tax, imposed for an urban renewal plan on the entire municipality that adopted the plan. It is not a result of a division of tax.

**Special revenue fund.** A fund used to account for the proceeds of specific revenue sources (other than special assessments, expendable trusts, or major capital projects) that are legally restricted to expenditure for specific purposes [OAR 150-294.352(1)-(A)].

## Glossary (continued)

**Special payment.** A budget expenditure category for pass-through payments, grants made to other organizations and other one-time or unusual expenditures that do not fall into the other categories of personal services, materials and services, capital outlay, etc.

**Supplemental budget.** A financial plan adopted during a budget period to meet unexpected needs or to appropriate revenues not anticipated when the regular budget was adopted. It cannot be used to authorize a tax (ORS 294.471, renumbered from 294.480).

**Tax increment financing.** A financial mechanism for urban renewal plans which captures the tax from the growth in property value within a designated geographical area by dividing the taxes of local governments.

**Tax on property.** Any tax, fee, charge or assessment imposed by any government unit upon property or upon a property owner as a direct consequence of ownership of that property [ORS 310.140(18)].

**Tax rate.** The amount of tax stated in terms of a unit of tax for each \$1,000 of assessed value of taxable property.

**Tax roll.** The official listing of the amount of taxes imposed against each taxable property.

**Tax year.** The fiscal year from July 1 through June 30.

**Trust fund.** A fund used to account for fiscal activities of assets held in trust by a local government.

**Unappropriated ending fund balance.** Amount set aside in the budget to be carried over to the next year's budget. It provides the local government with cash until tax money or other revenues are received later in the year. This amount cannot be transferred by resolution or used through a supplemental budget, unless necessitated by a qualifying emergency (ORS 294.398, renumbered from 294.371; ORS 294.481, renumbered from 294.455).

# Appendix B

## Statutory and administrative rule references

	<b>New ORS/OAR</b>	<b>Old ORS/OAR</b>
<b>I. Time of making budget</b>		
A. Budget message.	294.408 294.301	294.396 294.391
<b>II. Budget officer</b>		
A. Appointed by the governing body.	unchanged	294.331
B. Under supervision of executive officer or governing body.	unchanged	294.331
C. Prepares or supervises preparation of budget.	unchanged	294.331
D. Publishes notice of meeting of budget committee including notice of where a copy of the budget is available. If published only in a newspaper of general circulation, the notice is published twice, between five to 30 days before the meeting. If published once in a newspaper of general circulation, the notice is also published on the district's website, and the website address is included in the newspaper publication. If published by mailing or hand delivery, the notice is published not later than 10 days before the meeting.	unchanged 294.426(5)	294.426(3)(a) 294.401(5)
E. Provides copy of budget to committee.	291.401(2)&(6)	294.401(2)&(6)
F. Files copy of budget in office of governing body immediately following presentation of budget to committee.	294.426(7)	294.401(7)
<b>III. Budget document</b>		
A. Coming year budget shown:	294.358	294.376
1. Proposed		
2. Approved		
3. Adopted		
B. Current year budget shown.	294.358	294.376
C. First preceding year actual resources <b>and</b> expenditures.	294.358	294.376
D. Second preceding year actual resources <b>and</b> expenditures.	294.358	294.376
E. Each fund to contain estimates of expenditures for:	unchanged	150-294.352(1)
1. Personal services	294.388	294.352
2. Materials and services	294.388	294.352
3. Capital outlay	294.388	294.352
4. Special payments and interfund transfers	294.388	294.352
5. General operating contingencies	294.388	294.352
	unchanged	150-294.352(8)
<b>IV. Budget resources</b>		
A. Estimate of beginning cash balances for the ensuing year.	unchanged	150-294.361(1)
B. Estimate for delinquent tax collection included if fund has been tax-supported.	unchanged	294.361(2)
C. Transfers budgeted as requirements in other funds.	unchanged	294.361(2)
D. Resources must be equal to requirements.	294.352(1)	150-294.352(1)(B)
E. Excess of actual revenues over actual expenditures in second preceding year must equal the beginning balance in first preceding year.		
<b>V. Debt service fund</b>		
A. Principal and interest payments identified for each bond issue.	294.388(6)	294.352(6)



## Appendix B (continued)

	<b>New ORS/OAR</b>	<b>Old ORS/OAR</b>
B. Requirement shown in unappropriated ending fund balance. (For payments between end of coming fiscal year and receipt of taxes in second coming year.)	294.398	294.371
	unchanged	150-294.371
<b>VI. Budget committee</b>		
A. A budget committee is established by each local government subject to Local Budget Law.	294.414(1)	294.336(1)
B. Committee shall consist of the members of the governing body and an equal number of qualified electors.	294.414(2)	294.336(2)
C. Committee shall at its first meeting elect a presiding officer from its members.	294.414(8)	294.336(8)
D. The purpose of the budget committee is to receive the budget document and budget message, and to provide the public with an opportunity to ask questions and comment on the budget.	294.426(1)	294.401(1)
E. Duty of the committee to review, or revise and approve the budget document.	294.428(1)	294.406(1)
F. Committee may compel any official or employee of the municipality to furnish information regarding the budget.	294.428(3)	294.406(3)
<b>VII. Financial summary</b>		
A. Publish Financial Summary, LB-1, UR-1, CC-1 or ED-1 five to 30 days prior to the public hearing.	294.438(1)	294.461(1)
B. Summary of indebtedness is shown on Form LB-1, UR-1, or ED-1.	294.438(7)	294.416(7)
<b>VIII. Publication of notice of budget hearing</b>		
A. Notice of budget hearing advertised five to 30 days prior to hearing.	294.448(2)	294.421(2)
B. If budget requirements do not exceed \$100,000 and no newspaper is published in district, the financial summary and notice of hearing can be posted for at least 20 days prior to the hearing.	294.448(1)	294.421(1)
<b>IX. After public hearing of budget</b>		
A. Changes, if made after hearing, cannot increase estimated expenditures of any fund more than \$5,000 or 10 percent, whichever is greater, of the amounts approved by the budget committee.	294.456(1)	294.435(1)
B. Budget adopted prior to June 30.	294.408	294.396
C. Levy the taxes.	294.456(1)	294.435(1)
D. Make appropriations:	294.456(3)	150-294.435(1)-(A)
1. By organizational unit or program.		294.435(3)
2. When organizational unit or program do not apply by;		150-294.435(3)
a. personnel services		
b. materials and services		
c. capital outlay		
d. transfers		
e. general operating contingency		
f. debt service		
<b>X. Certify tax to assessor by July 15</b>		
A. Two copies of the notice of tax; LB-50, UR-50, or ED-50.	unchanged	150-310.060(A)
	294.458(3)(a)	294.555(3)(a)
		310.060(2)



## Appendix B (continued)

	<b>New ORS/OAR</b>	<b>Old ORS/OAR</b>
1. Total tax certified cannot exceed amount approved by the budget committee.	294.456(1)(c)	294.435(1)(c) 150-294.435(1)-(A)
2. Local option taxes are detailed on LB-50 or ED-50 showing:	unchanged	310.060(2)(b), (c)
a. Purpose of tax.		
b. Date of approval by voters.		
c. Total amount or rate to be imposed.		
d. Amount to be imposed each year.		
e. First year of tax.		
f. Last year of tax.		
3. Levies for the payment of bond principal and interest.	unchanged	310.060(2)(d), (e)
4. Categorization of tax.	294.458(3)(a)	294.555(3)(a)
B. Two copies of the resolutions adopting the budget, making appropriations, levying tax, and categorizing tax.	294.458(3) 310.060(1)	294.555(3)
C. Two copies of successful tax ballot measures.	unchanged	105-294.555(2)-(B)
D. File a copy of the budget with the county clerk by September 30.	294.458(5)	294.555(5)
E. School districts file a budget with the county Educational Service District (ESD) and State Department of Education.		
<b>XI. Supplemental budgets</b>	unchanged	150-294.480
A. One or more of the following circumstances must exist:		
1. An occurrence, condition or need which had not been ascertained at the time the budget was adopted.	294.471(1)(a)&(b)	294.480(1)(a)&(b)
2. Funds were made available by another unit of federal, state or local government or the costs are to be born by a private individual corporation or company, and the availability of funds could not have been known at the time the budget was adopted.	294.471(1)(c)&(d)	294.480(1)(c)&(d)
3. Proceeds from the involuntary destruction, involuntary conversion, or sale of property has necessitated the immediate purchase, construction, or acquisition of different facilities in order to carry on the government operation.	294.471(1)(e)	294.480(1)(e)
4. Ad valorem taxes are received during the fiscal year in an amount greater than the amount estimated to be collected.	294.471(1)(f)	294.480(1)(f)
5. A reduction in available resources that requires reduced appropriations.	294.471(1)(h)	294.480(1)(h)
B. A supplemental budget shall not authorize any levy of taxes.	294.471(4)	294.480(4)
C. A supplemental budget shall not extend beyond the end of the fiscal year during which it is submitted.	294.471(2)	294.480(2)
<b>XII. Other</b>		
A. Interfund transfers.	294.463	294.450 150-294.450(3)
1. Transfers may be made between appropriations within a fund by board resolution.	294.463(1)	294.450(1)
2. Contingency appropriation transfers not to exceed 15 percent of total fund without supplemental budget.	294.463(2)	294.450(2)
3. Transfers of appropriations, or appropriations and a like amount of resources, may be made from the general fund to any other fund by board resolution.	294.463(3)	294.450(3)
B. Basis of accounting.	294.333	294.445
1. Cash		
2. Accrual		
3. Modified accrual		

# Appendix C

## Taxing authority, by type of local government

This table lists the Oregon Revised Statute (ORS) that gives each type of local government its authority to impose ad valorem property taxes. That authority may be in the form of a permanent rate limitation, local option authority, or the authority to impose taxes to pay the debt service on certain qualifying forms of indebtedness (usually general obligation bonds). In addition, some local government taxes are subject to both constitutional (Article XI, Section 11 permanent rate) and statutory limitations. Whichever limit produces the lower amount of tax is the limit that applies. Voter approval is required before any local government can impose an ad valorem tax, whether it has a statutory limitation or not. See Chapter 6 for more on property taxes in Oregon. Unless noted, all types of local governments may ask their voters for local option authority. RMV means real market value.

Local government	Assessment (A), Tax (T), or Bond (B)	ORS Ref.
1. Airport district	T: Permanent rate limit. Statutory limit of 1/2 of 1% (.005) of RMV. Within permanent rate limit.	838.060(1) 838.015
	B: General obligation bonds limited to 10% (0.1) OF RMV 838.065	838.060 (1)
2. Cemetery district	T: Permanent rate limit.	265.140(9)
3. Cities	T: Permanent rate limit. 223.235	Art. XI, sec. 11
	B: General obligation bonds limited to 3% of RMV or as limited by city charter. Bancroft bonds.287A.050	223.295
a. Community houses	T: Local option tax or voter approved bonds.	276.736
b. Park commission	T: Statutory limit of 1/2 mill (.0005) of assessed value within permanent rate limit.	226.200
c. Park property	T: Local option tax for land purchases, 1/2 mill of assessed value.	226.220
d. Parking facilities	B: General obligation bond within city's debt limit, or revenue bonds.	223.825
e. Energy improvement loans	A: Assessment for loan repayment	223.396
4. Community colleges	T: Permanent rate limit.	341.305
	Local option taxes limited to amount of loss resulting from Measure 50 implementation in 1997-98. (See Appendix E)	280.057
5. Councils of Government (ORS Chapter 190 intergovernmental entity for transportation facilities)	T: Permanent rate limit.	190.083(5)
	B: General obligation bonds limited to 2% of RMV.	190.083(2)
6. Counties	T: Permanent rate limit.	Art. XI, sec. 11
	B: General obligation bonds limited to 2% of RMV or as limited by county charter.	287A.100 287A.140

## Appendix C (continued)

Local government	Assessment (A), Tax (T), or Bond (B)	ORS Ref.
a. County fair maintenance	T: Statutory limit 1/160 of 1% (.0000625) of RMV within permanent rate limit unless approved by voters in local option.	565.330
b. General road fund	T: Within permanent rate limit or local option.	368.705
c. Veterans' service officer	T: Statutory limit 1/80 of 1% (.000125) of RMV.	408.720
7. County fair district	T: Permanent rate limit.	565.275
8. County service district	T: Permanent rate limit.	451.547
a. Facilities	B: General obligation bonds within debt limit.	451.490
	T: Statutory limit 50 cents per year per \$1,000 of RMV for a period not to exceed five years within permanent rate limit.	451.540(1)
	B: General obligation bonds and revenue bonds together limited to 13% of RMV.	451.545
9. Diking district	A: Assessment based on amount needed to maintain dikes and dams.	551.100(2)
10. Drainage district	A: Assessment on all land in the district.	547.455
11. Education service district	T: Permanent rate limit. No authority to impose a local option tax.	334.125 280.040
12. Emergency 911 communications district	T: Impose ad valorem taxes. Statutory limit 1/10 <sup>th</sup> of 1% (0.001)	403.370
	B: GO bonds outstanding limited to 1% of RMV.	403.365
13. Geothermal heating district	T: Permanent rate limit. Statutory limit of 1/4 of 1% (0.0025) of RMV.	523.410
	B: Go bonds limited to 1/2 of one percent of RMV if population is less than 300 and 10% if population is 300 or more.	523.410
14. Health district	T: Permanent rate limit. Statutory limit of 1/4 of 1% (.0025) of RMV.	440.395
	B: General obligation bonds.	
15. Heritage district	T: Permanent rate limit. Statutory limit of 1/4 of 1% (0.0025).	358.468
16. Highway lighting district	A: Assessments on all real property on any reasonable basis up to \$1.00 per year per front-foot. May also levy a special assessment to pay initial construction and installation cost.	372.170
17. Irrigation district	A: Acreage assessment on benefitted property.	545.381

## Appendix C (continued)

Local government	Assessment (A), Tax (T), or Bond (B)	ORS Ref.
18. Library district	T: Permanent rate limit. Statutory limit 1/4 of 1% of RMV (0.0025).	357.266
19. Mass transit district	T: Permanent rate limit.	267.305
a. Facilities	B: General obligation bonds. T: Statutory limit of 3/20 of 1% (.0015) of RMV within permanent rate limit to be credited to a revolving fund.	267.310
20. Metropolitan service district	T: Permanent rate limit. Statutory limit of 1/2 of 1% (.005) of RMV. B: General obligation bonds.	268.500
21. Park and recreation district	T: Permanent rate limit. Statutory limit of 1/2 of 1% (.0050) of RMV. B: General obligation bonds.	266.420 266.540
22. People's utility district	T: Permanent rate limit. Statutory limit of 10 year levy for pre start-up 1/20 of 1% (.0005) of RMV. obligations. The accumulated percentages for the 10-year period over 10 successive years shall not exceed 1/4 of 1% (.0025). B: GO bonds limited to 2-1/2% (0.025) of RMV. Revenue bonds.	261.385 261.360 261.355
23. Pesticide restricted and protected area	T: Permanent rate limit. Statutory limit of 1/40 of 1% (.00025) of RMV.	634.242
24. Port district	T: Permanent rate limit. Statutory limit of 1/4 of 1% (.0025) of RMV. Local option tax for law enforcement provided by city or county. B: General obligation bonds. Bonds outstanding limited to 2-1/2 % (0.025) of RMV.	777.430 777.410
25. Port of Portland	T: Permanent rate limit. B: General obligation bonds limited to 1-3/4% (0.0175) of RMV.	778.065 778.030
26. Road districts		
a. County road district	T: Permanent rate limit. Subject to Local Budget Law when imposing an ad valorem tax.	371.097
b. Drainage road district	A: Acreage assessment on a benefited basis at a maximum of \$1.00 per acre.	371.065
c. Road assessment district (counties of 19-25,000 only)	T: Assessment done on an ad valorem basis. Statutory limit of 1/4 of 1% (.0025) of RMV plus 1/4 of 1% (.0025) of RMV upon voter approval.	371.500
d. Special road district	T: Permanent rate limit.	371.336

## Appendix C (continued)

Local government	Assessment (A), Tax (T), or Bond (B)	ORS Ref.
27. Radio and date district	T: Permanent rate limit. B: General obligation bonds.	403.527 403.540
28. Rural fire protection district		
a. Fire purposes	T: Permanent rate limit. B: General obligation bonds plus obligations under rental and lease-purchase agreements limited to 1/4 of 1% (.0125) of RMV.	478.410
b. Road lighting	T: Statutory limit of 1/10 of 1% (.001) of RMV, 1/4 of 1% (.0025) of RMV.	478.450
29. Sanitary authorities	T: Permanent rate limit. B: General Obligation bonds. A: Delinquent sewer user charges under ORS 454.225.	450.885 450.880
30. Sanitary districts	T: Permanent rate limit. B: General Obligation bods. Statutory limit on all outstanding bonds of 13% (0.13) of RMV. A: Delinquent sewer user charges under ORS 454.225.	450.170 450.120 450.880
31. School districts	T: Permanent rate limit. Local option tax not counted as local revenue is limited by a formula in ORS 327.013. B: General obligation bonds limited to .0055% of RMV for each grade K-8 and .0075% of RMV for each grade 9-12.	328.542 280.040 327.013 328.245 328.260
32. Soil & water conservation districts	T: Permanent rate limit.	568.806
33. Television translator district	A: Delinquent service charges.	354.690
34. Urban renewal agencies	T: Special levy authority depends on option chosen in 1998. See statute.	457.435
35. Water control corporation	A: Maintenance and operations assessment.	554.130
36. Water control district	A: Preliminary assessments 5/100 of 1% (.0005) of RMV for no more than 3 years. Construction assessment for no more than 10 years. Maintenance and operations assessment. Improvement assessment limited to 1% of construction assessment. Local option tax for governmental contracts 1/2 of 1% (.005) of RMV. B: General obligation bonds.	553.510 553.730 553.610

## Appendix C (continued)

Local government	Assessment (A), Tax (T), or Bond (B)	ORS Ref.
37. Water district, domestic supply		
a. Water purposes	T: Permanent rate limit. Statutory limit of 1/4 of 1% (.0025) of RMV.	264.300 264.250
	B: General obligation bonds. Statutory limit on outstanding bonds of 2-1/2% (0.025) of RMV.	
b. Fire purposes (fire apparatus)	T: Local option tax limited to 3/20 of 1% (.0015) of RMV.	264.340(2)
c. Fire purposes	T: Local option tax limited to 4/10 of 1% (.0040) of RMV.	264.340(2)
d. Street lighting, installation	T: Local option tax limited to 3/20 of 1% (.0015) of RMV. A: Assessments for installation of highway lighting system.	264.350(3)
e. Street lighting maintenance and operations	T: Local option limited to 1/20 of 1% (.0005) of RMV. 264.350(5) A: Fee for maintenance and purchase of energy. Voter approval required.	264.350(3)
38. Water improvement	T: Permanent rate limit. Maximum rate fixed upon creation of the district or as amended by voters.	552.625 552.630 552.325
	A: Delinquent user service charges under ORS 454.225.	
a. Revolving fund	T: Local option tax limited to 3/20 of 1% (.0015) of RMV.	552.635
b. Bonds	B: General obligation bonds. Statutory limit on outstanding debt 2-1/2% of RMV.	552.645
39. Weather modification districts	T: Permanent rate limit. Statutory limit of 1/4 of 1% (.0025) of RMV.	558.340
40. Weed control district	T: Local option tax. Imposed by county to be used for weed control fund. A: Special assessment for weed control activities.	570.560 570.562
41. Vector (mosquito) control district	T: Permanent rate limit. Statutory limit of 2/10 of 1% (.002) of RMV; in lieu of, or in addition to tax, the district may ask the county to levy within the same limitation.	452.153 452.160
42. Zone 2 fire patrol, county	T: Permanent rate limit. Limited to 1/4 of 1% (.0025) of RMV. Local option tax of 1/4 of 1% in addition to above; requires voter approval. B: General obligation bonds limited to 1/4 of 1% (.0125) of RMV.	476.330

Note: Every effort was made to make this a comprehensive list. Reader should be aware that there may be additional statutory or charter limits not listed here. Always refer to the actual statute when calculating a limitation.



# Appendix D

## Permanent rates limits

(Dollars per \$1,000 of assessed value) FY 2012–13

District name	Permanent rate authority (Dollars per \$1,000 assessed value)	District name	Permanent rate authority (Dollars per \$1,000 assessed value)
<b>Baker County</b>		Rosewood Road	1.4916
Baker County	3.7286	Vineyard Mountain Road	1.5244
Baker Vector Control	0.3423	Westwood Hills Road	1.3605
Baker County Library	0.5334	Junction City J Water Control	0.2523
Durkee Community Building	0.1326	Benton SWCD	0.0500
Hereford Community Hall	0.4540	Benton County Library	0.3947
Unity Community Hall Recreation	0.0000	Alsea Cemetery	0.1654
Eagle Valley Cemetery	0.4142	Adair 3 RFPD	1.7512
Haines Cemetery	0.3537	Alsea 7J RFPD	1.1363
Pine Valley Cemetery	0.1357	Blodgett-Summit 9 RFPD	1.0638
Baker Valley Rural Fire District	0.6734	Corvallis 1J RFPD	2.1140
Eagle Valley RFPD	0.8500	Halsey-Shedd 5 RFPD JT	0.9894
Haines Rural Fire District	0.8500	Harrisburg 6 RFPD JT	1.1299
Greater Bowen Valley RFPD	2.0000	Hoskins-Kings Valley 8J RFPD	2.4165
North Powder JT RFPD	0.6633	Monroe 5J RFPD	1.6854
Pine Valley RFPD	0.5535	North Albany 2 RFPD	1.4071
Baker 5J School	4.6051	Palestine 6 RFPD	1.2493
Burnt River 30J School	5.2650	Philomath 4 RFPD	1.5080
Huntington 16J School	4.5332	Alsea 7J School	5.0811
North Powder 8J School	4.9135	Central 13J School	4.8834
Pine-Eagle 61 School	4.9514	Central Linn 552 School	4.6179
Malheur ESD	0.3077	Corvallis 509J School	4.4614
Blue Mountain Community College	0.6611	Greater Albany 8J School	4.5855
Treasure Valley Community College	1.2235	Harrisburg 7J School	4.6552
Baker City	6.3314	Monroe 1J School	4.6341
Haines City	1.7562	Philomath 17J School	4.8664
Halfway City	1.0373	Linn-Benton-Lincoln ESD	0.3049
Huntington City	9.6028	Willamette Regional ESD	0.2967
Richland City	1.1624	Lane Community College	0.6191
Sumpter City	0.7987	Linn-Benton Community College	0.5019
Pine Eagle Health District	0.0000	Adair Village City	2.5894
Intermountain ESD	0.6156	Albany City	6.3984
		Corvallis City	5.1067
		Monroe City	3.5566
		Philomath City	5.3005
<b>Benton County</b>		<b>Clackamas County</b>	
Benton County	2.2052	Clackamas County (Rural)	2.9766
Vineyard Mountain Park & Recreation	0.0856	Clackamas County (City)	2.4042
Brownley Marshal Road	0.9301	Lake Grove Park & Recreation	0.0420
Chinook Drive Road	0.9533	Blue Heron Recreation	0.0000
Country Estates Road	0.5606	N Clackamas Regional Park	0.5382
Mary's River Road	2.9414	Tigard Tualatin Aquatic	0.0900
McDonald Forest Road	0.6298	Portland J Port	0.0701
North F St Road	1.2086	Lake Oswego Road District 3J	0.0000
Oakwood Heights Road	0.5876		
Ridgewood Road	0.6435		

**Permanent  
rate authority  
(Dollars per \$1,000  
assessed value)**

**District name**

**Clackamas County (continued)**

Milwaukie Road District 4J	0.0000
Molalla Road District 10	0.0000
Oregon City Road District 1	0.0000
Portland Road District 12J	0.0000
Rivergrove Road District	0.0000
Sandy Road District 9	0.0000
Tualatin Road District	0.0000
West Linn Road District 2	0.0000
Wilsonville Road District	0.0000
Government Camp 2 Sanitary	0.2905
Oak Lodge 2 Sanitary	0.0000
Clean Water Services Authority J	0.0000
Clark River 2 Water	0.0000
Oak Lodge 4 Water	0.0000
Mt Scott 3J Water	0.0000
Sunrise Water	0.0000
Colton 11 Water	0.0000
Mossy Brae 12 Water	0.0000
Rivergrove 14 Water	0.0000
Lake Grove 15 Water	0.0000
Southwood Park 21 Water	0.0000
Mulino 23 Water	1.4774
Boring 24 Water	0.0000
Palatine Hill J Water	0.0038
Pleasant Home J Water	0.0000
Sleepy Hollow Water	0.0000
Alder Creek 29 Water	0.0000
Country Club Water	0.0000
Wildwood Water	0.0000
Riverside Water	0.0000
Shady Dell 2 Water Control	0.3249
Clackamas Bend 3 Water Control	0.0000
Clackamas River 4 Water Control	0.0000
Clackamas River 6 Water Control	0.0000
Clackamas Vector Control	0.0065
Clackamas County Service 1	0.0000
Clackamas County Service 1A	0.0000
Clackamas County service 1B	0.0000
Clackamas County Soil Water Conserv	0.0500
Clackamas County Extension 4H	0.0500
Metro J Service	0.0966
Dunthorpe-Riverdale 5 Service	0.0000
Tri-City Service	0.0000
S Clackamas Transit	0.0000
Tri-Met Transit	0.0000
Clackamas County Library Service	0.3974
Clackamas County Enhanced Law Enf	0.7198
Estacada Cemetery	0.0592
Estacada Library (Co Svc)	0.0000
Aurora 63J RFPD	0.8443

**Permanent  
rate authority  
(Dollars per \$1,000  
assessed value)**

**District name**

Boring 59 RFPD	2.3771
Canby 62 RFPD	1.5456
Clackamas County 1J RFPD	2.4012
Colton 70 RFPD	1.5601
Estacada 69 RFPD	2.4029
Hoodland 74 RFPD	2.6385
Lake Grove 57 RFPD	1.9092
Molalla 73 RFPD	0.7833
Monitor 58J RFPD	0.5341
Multnomah 11J RFPD	1.2361
Riverdale-Sandy 72 RFPD	2.1775
Silverton 2J RFPD	1.0397
Tualatin Valley JT RFPD	1.5252
Canby 86 School	4.5765
Centennial 28J School	4.7448
Colton 53 School	4.9801
Estacada 108 School	4.1476
Gladstone 115 School	4.8650
Gresham-Barlow 26J School	4.5268
Lake Oswego 7J School	4.4707
Molalla River 4 School	4.7001
Newberg 29J School	4.6616
North Clackamas 12 School	4.8701
Oregon City 62 School	4.9629
Oregon Trail School	4.6397
Portland 1J School	5.2781
Riverdale 51J School	3.8149
Sherwood 88J School	4.8123
Silver Falls 7J School	4.5458
Tigard-Tualatin 23J School	4.9892
West Linn-Wilsonville 3J School	4.8684
Clackamas ESD	0.3687
Jefferson ESD	0.2398
Multnomah ESD	0.4576
Northwest Regional ESD	0.1538
Willamette Regional ESD	0.2967
Clackamas Community College	0.5582
Mt Hood Community College	0.4917
Portland Community College	0.2828
Barlow City	0.5894
Canby City	3.4886
Damascus City	3.8800
Estacada City	2.6749
Gladstone City	4.8174
Happy Valley City	0.6710
Johnson City	0.0000
Lake Oswego City (Ins School)	5.0353
Lake Oswego City (Out School)	4.5884
Lake Oswego City (Bonds)	0.0000
Milwaukie City	6.5379
Molalla City	5.3058
Oregon City	5.0571

District name	Permanent rate authority (Dollars per \$1,000 assessed value)	District name	Permanent rate authority (Dollars per \$1,000 assessed value)
<b>Clackamas County (continued)</b>		Knappa School	4.6062
Portland City	4.5770	Seaside 10 School	4.4105
Rivergrove City	0.0000	Warrenton-Hammond 30 School	4.5902
Sandy City	4.1152	Northwest Regional ESD	0.1538
Tualatin City	2.2665	Clatsop Community College	0.7785
West Linn City	2.1200	Astoria City	8.1738
Wilsonville City	2.5206	Cannon Beach City	0.7049
		Gearhart City	1.0053
		Seaside City	3.1696
		Warrenton City	1.6701
<b>Clatsop County</b>		<b>Columbia County</b>	
Clatsop County	1.5338	Columbia County	1.3956
Sunset Empire Park & Recreation	0.9280	Clatskanie Park & Recreation	0.3483
Astoria Port	0.1256	Scappoose Park	0.0000
Astoria Road	0.0000	Greater St Helens Park & Recreation	0.2347
Cannon Beach Road	0.2590	Port of St Helens	0.0886
Gearhart Road	0.0602	McNulty Water PUD	0.0000
Road District #1	1.0175	Columbia Vector	0.1279
Seaside Road	0.3036	Columbia 4H & Extension	0.0571
Warrenton Road	0.2106	Columbia River PUD	0.0000
Westport Sewer	0.0000	Clatskanie PUD	0.0000
Arch Cape Sanitary	0.0000	Clatskanie Library	0.2868
Shoreline Sanitary	0.0000	Scappoose Library	0.2536
Arch Cape Water	0.0000	Rainier Cemetery	0.0709
Burnside Water	0.0000	Columbia River Fire Rescue	2.9731
Falcon Cove Beach Water	0.7344	Clatskanie RFPD	1.7198
Sunset lake Water	0.0000	Mist-Birkenfeld JT RFPD	2.0875
Wauna Water	0.0000	Sauvie Island 30 RFPD	0.7894
Wickiup Water	0.0000	Scappoose 31J RFPD	1.1145
Clatsop 4H & Extension	0.0534	Vernonia RFPD	0.9535
Clatsop County Rural Law Enf	0.7195	Columbia Health -2	0.3800
Sunset Empire Transport	0.1620	Columbia County Soil and Water Cons.	0.1000
Cannon Beach JT RFPD	0.3521	West Multnomah SWCD	0.0750
Clatskanie RFPD	1.7198	Columbia 9-1-1 Emerg Comm District	0.2554
Elsie Vinemaple RFPD	1.3009	Clatskanie 6J School	4.6062
Gearhart RFPD	0.3194	Rainier 13 School	5.4360
Hamlet RFPD	1.2429	Scappoose 1J School	4.9725
John Day-Fernhill RFPD	1.1763	St. Helens 502 School	5.0297
Knappa-Svensen Burnside RFPD	1.1845	Vernonia 47J School	5.0121
Lewis & Clark RFPD	1.0928	Northwest Regional ESD	0.1538
Mist-Birkenfeld JT RFPD	2.0875	Portland Community College	0.2828
Nehalem Bay Fire and Rescue	1.1500	Clatskanie City	6.2088
Olney-Walluski RFPD	0.8900	Columbia City	1.1346
Seaside RFPD	0.5475	Prescott City	0.3086
Warrenton RFPD	0.6318	Rainier City	5.2045
Westport-Wauna RFPD	1.9226	St. Helens City	1.9078
Clatsop Care & Rehab Center	0.1763	Scappoose City	3.2268
Clatsop County Ambulance	0.0000	Vernonia City	5.8163
Union Health	0.1365		
Astoria 1 School	4.9407		
Clatskanie 6J School	4.6062		
Jewell 8 School	3.7690		

**Permanent  
rate authority  
(Dollars per \$1,000  
assessed value)**

**Coos County**

Coos County	1.0799
Millicoma River Park & Recreation	0.4577
Bandon Port	0.3249
Coos Bay Port	0.6119
Coquille River (J) Port	0.1116
Baker Riverton Special Road	1.4144
Commann Road	2.1990
Carlson Heights Road	0.2007
Coos Ranchettes Road	2.0474
Garden Drive Road	1.0710
Gladewood Heights Road	0.0000
Pacific Riviera Road	0.5775
Shorewood Road	0.5951
Stewart's Road	1.0865
Woods Road District	1.0000
Bunker Hill Sanitary	1.9952
Charleston Sanitary	0.3116
Dean Minard Water	0.0000
Lakeside Water	0.7065
SRCA Water	1.5369
Coos County Airport	0.2400
Coos County Library	0.7289
Coos 4H/Extension	0.0888
Bandon 8 RFPD	1.2534
Bridge 16 RFPD	0.7390
Bunker 1 RFPD	2.1873
Coquille 3 RFPD	0.8670
Charleston 6 RFPD	4.0715
Dora Sitkum RFPD	0.9846
Fairview 14 RFPD	2.1741
Greenacres 7 RFPD	1.6791
Hauser 12 RFPD	1.9584
Lakeside 4J RFPD	0.9945
Libby 13 RFPD	2.6049
Millington 5 RFPD	1.3449
Myrtle Point 18 RFPD	1.4450
North Bay 9 RFPD	1.1197
Sumner 11 RFPD	1.5650
Timber Park 17 RFPD	2.2285
Bay Area Hospital	0.0000
Coquille Valley Health	1.5299
South Coos Health	0.8892
Myrtle Point Health	0.2035
Powers Health	1.8723
Bandon 54 School	3.9702
Coos Bay 9 School	4.5276
Coquille 8 School	4.2522
Myrtle Point 41 School	4.5152
North Bend 13 School	4.1626
Port Orford-Langlois 2J School	3.9596

**Permanent  
rate authority  
(Dollars per \$1,000  
assessed value)**

**District name**

Powers 31 School	4.4483
South Coast 7 ESD	0.4432
Southwestern OR Community College	0.7017
Bandon City	0.4580
Coos Bay City	6.3643
Coquille City	6.1038
Lakeside City	0.0000
Myrtle Point City	7.9950
North Bend City	6.1831
Powers City	7.3946

**Crook County**

Crook County (City Rate)	3.8702
Crook County Park & Recreation	0.7569
Hahlen Road	0.8500
Prineville Lake Road	1.8913
Juniper Canyon Water	0.0000
Ochoco West Water and Sanitary	2.8146
Crook Vector Control	0.2114
Agricultural Extension Service	0.1207
Crook County Cemetery	0.0994
Crook County Fire & Rescue	1.5900
Deschutes 1 JT RFPD	1.7542
Crook County School	4.7856
High Desert ESD	0.0964
Central Oregon Community College	0.6204
Prineville City	3.0225

**Curry County**

Curry County	0.5996
Brookings Port	0.1316
Gold Beach Port	0.4132
Port Orford Port	0.3591
Road-Mountain Drive	1.4700
Camelia Park Sanitary	0.0000
Harbor Sanitary	0.0000
Wedderburn Sanitary	0.6701
Harbor Water	0.0000
Langlois Water	1.4414
Nesika Beach-Ophir Water	0.0000
Curry Soil & Water	0.0000
Curry County 4H Service	0.1021
Agness Library	0.6634
Chetco Community Library	0.4256
Curry Public Library	0.6609
Langlois Library	0.7707
Port Orford Library	0.4975
Langlois Cemetery	0.0847
Pistol River Cemetery	0.1254
Port Orford Cemetery	0.0451



**Permanent  
rate authority  
(Dollars per \$1,000  
assessed value)**

**District name**

**Curry County (Continued)**

Rogue River Cemetery	0.0772
South Curry Cemetery	0.0368
Curry Sixes RFPD	0.5150
Gold Beach-Wedderburn RFPD	1.2609
Harbor RFPD	0.2332
Langlois RFPD	1.5974
Ophir RFPD	0.6868
Pistol River RFPD	0.9873
Port Orford RFPD	1.3202
Suburban RFPD (Brookings)	0.3345
Cedar Valley North Bank RFPD	0.6312
Upper Chetco RFPD	0.7126
Winchuck RFPD	0.8971
Cape Ferrelo RFPD	0.4811
Curry Health	0.7425
Brookings-Harbor 17 School	3.2494
Central Curry 1 School	3.9171
Port Orford-Langlois 2J School	3.9596
South Coast 7 ESD	0.4432
Southwestern Oregon Comm College	0.7017
Brookings City	3.7630
Gold Beach City	2.3360
Port Orford City	2.2688

**Deschutes County**

Deschutes County	1.2783
Bend Metro Park & Recreation	1.4610
Redmond Area Park & Recreation	0.3717
Lapine Park & Recreation	0.3000
Sisters Org for Activity/Recreation	0.2200
Beaver Special Road	1.2013
Bend Cascade V EST TR 2 Rd	1.3569
Crooked River Ranch J Rd	0.8140
DRRH Unit #8 Part 3 Road	0.0000
Fall River EST Special Rd	0.9786
Forest View Sub Special Rd	1.2765
Howell Hilltop Acres Sp Rd	2.2525
Lazy River Special Rd	4.2147
Newberry Estate Special Rd	0.7831
Panoramic Access Special Rd	1.1860
Pinewood Estates SRD	2.5000
Ponderosa Pine East Road	1.0469
River Bend Estates Special Rd	3.1949
River Forest Acres Special Rd	1.5610
Special Road District #1	1.9820
Special Road District #6 DRRH	1.3502
Special Road District # 8	1.6239
Spring River Road District	0.9400
Sun Mountain Ranches Road	3.6500

**Permanent  
rate authority  
(Dollars per \$1,000  
assessed value)**

**District name**

Vandevort Acres Road District	1.6123
Starwood Sanitary District	0.0000
Sunrise Village Sanitary District	0.0000
Terrebonne Dom Water District	0.0000
Ponderosa Water Company	0.0000
Laidlaw Water District	0.0000
Lapine Water District	0.0000
Chaparral Water Control	0.0000
Four River Vector Control	0.2895
Deschutes County Extension Service	0.0224
Black Butte Service	1.0499
Sunriver Service	3.4500
Deschutes County Library	0.5500
Deschutes County Law Enforcement	1.2500
Deschutes County Rural Law Enforcement	1.5500
Bend Library	0.0000
Redmond Library	0.0000
Sisters Library	0.0000
Sun River Library	0.0000
Lapine Library	0.0000
Black Butte Ranch RFPD	1.4677
Cloverdale RFPD	1.0924
Crooked River Ranch JT RFPD	1.8379
Redmond Fire and Rescue	1.7542
Deschutes (Bend) 2 RFPD	1.4366
Lapine RFPD	1.5397
Sisters Camp Sherman JT RFPD	2.7317
Deschutes County Operation 911	0.1618
Bend 1 School	4.7641
Crook County School JT	4.7856
Redmond 2J School	5.0251
Sisters 6J School	4.0997
High Desert ESD	0.0964
Central Oregon Comm College	0.6204
Bend City	2.8035
Lapine City	1.9800
Redmond City	6.1643
Sisters City	2.6417

**Douglas County**

Douglas County	1.1124
Lower Umpqua Park & Recreation	0.2416
North Douglas Park & Recreation	0.4702
River Bend Park & Recreation	0.0000
Riddle Park & Recreation	0.0000
Sutherlin Park & Recreation	0.0000
Yoncalla Park	0.1552
Coquille River (J) Port	0.1116
Umpqua Port	0.3441
Bar L Ranch Road	5.2396
Humphrey Add Road	7.1340

**Permanent  
rate authority  
(Dollars per \$1,000  
assessed value)**

**District name**

**Douglas County (continued)**

Joelson Road	2.5000
Moorea Drive Road	0.0000
Oakwood Road	0.0000
Overlook-Scotview Road	2.5000
Raccoon Road	2.5000
Roaring Camp Road	0.0000
Sable Drive Road	0.6933
SE Booth Ave Road	1.0000
Spring Brook Road	2.4881
Standley Road	1.7264
Sunshine Acres Road	1.5000
Terrace Drive Road	1.3978
Upper Cleveland Rapid Road	2.6898
Canyonville Sanitary	0.0000
Gardiner Sanitary	1.4191
Green Sanitary	0.0000
Oak Hill Sanitary	0.0000
Rice Hill sanitary	0.0000
Roseburg Urban Sanitary	0.0000
Union Gap Sanitary	0.0000
Winchester Bay Sanitary	0.0000
Roberts Creek Water	0.0000
Tri City Water & Sanitation	0.7378
Canyonville Water	0.0000
Indian Spring Water	0.0000
Lawson Acres Water	0.0000
Lookingglass-Olalla Water	0.0000
Ridgewood Water	0.0000
Union Gap Water	0.0000
Winston-Dillard Water	0.0000
Winchester Water	0.0000
Sutherlin Water Control	0.5079
Riddle Cemetery	0.0412
Azalea RFPD	1.1860
Calapooya RFPD	1.5555
Camas Valley RFPD	0.6937
Canyonville/South Umpqua RFPD	0.6857
Days Creek RFPD	0.7881
Douglas 2 RFPD	3.1651
Elkton RFPD	1.1029
Fair Oaks RFPD	1.1058
Gardiner RFPD	2.0026
Glendale RFPD	0.5718
Glide RFPD	1.0708
Kellogg RFPD	0.8100
Lakeside 4J RFPD	0.9945
Lookingglass RFPD	0.5077
Milo Volunteer RFPD	1.6845
Myrtle Creek RFPD	0.4937
North Douglas Fire & Emergency	1.2190

**Permanent  
rate authority  
(Dollars per \$1,000  
assessed value)**

**District name**

Oakland RFPD	1.0211
Riddle RFPD	1.4623
Scottsburg RFPD	0.9970
Siuslaw 1J RFPD	1.5417
Ten-Mile RFPD	1.5689
Tiller RFPD	2.8082
Tri-City RFPD	1.2746
Winchester Bay RFPD	1.6546
Winston-Dillard 5 RFPD	4.6453
Lower Umpqua Hospital	3.9729
Glendale Ambulance	1.7500
Camas Valley 21 School	4.6977
Days Creek 15 School	4.8367
Elkton 34 School	4.3624
Fern Ridge 28J School	4.8240
Glendale 77 School	4.7431
Glide 12 School	4.5037
North Douglas 22 School	4.7844
Oakland 1 School	4.6397
Reedsport 105 School	4.3788
Riddle 70 School	4.6635
Roseburg 4 School	4.0327
South Lane 45J School	4.7532
South Umpqua 19 School	4.7091
Sutherlin 130 School	4.0815
Winston-Dillard 116 School	4.3994
Yoncalla 32 School	4.6884
Siuslaw 97J School	3.8928
South Coast 7 ESD	0.4432
Douglas ESD	0.5296
Lane ESD	0.2232
Lane Community College	0.6191
Southwestern OR Community College	0.7017
Umpqua Community College	0.4551
Canyonville City	3.2303
Drain City	1.5235
Elkton City	2.3277
Glendale City	4.7127
Myrtle Creek City	6.5088
Oakland City	6.4096
Reedsport City	6.1882
Riddle City	6.4885
Roseburg City (Downtown)	8.9230
Roseburg City (Outside Downtown)	8.4774
Sutherlin City	5.6335
Winston City	4.2718
Yoncalla City	1.4587

**Gilliam County**

Roseburg UR Special Levy	0.0000
Gilliam County	3.8450



**Permanent  
rate authority  
(Dollars per \$1,000  
assessed value)**

**District name**

**Gilliam County (continued)**

Arlington Port	0.1425
Northern OR Regional Corrections	0.0000
North Gilliam Cemetery	0.1610
South Gilliam Cemetery	0.3699
North Gilliam County RFPD	0.5311
South Gilliam RFPD	0.3332
North Gilliam Health	0.9425
South Gilliam Health	0.8293
Arlington 3 School	3.1662
Condon 25J School	3.3143
Morrow 1 School	4.0342
Ione School	4.0342
North Central ESD	2.0193
Arlington City	7.1192
Condon City	7.2820

**Grant County**

Grant County	2.8819
Grant County Park & Recreation	0.7484
Grant County Extension Service	0.2598
Dayville Cemetery	0.2570
Fox Cemetery	0.7619
Long Creek Cemetery	0.3230
Mid-County Cemetery	0.3010
Monument Cemetery	0.5660
Prairie Cemetery	0.1673
John Day RFPD	0.5941
Mt. Vernon RFPD	1.0012
Prairie RFPD	0.4901
Blue Mountain Hospital	2.1329
Dayville 16J School	2.2213
John Day 3 School	1.6468
Long Creek 17 School	1.6643
Monument 8 School	1.8868
Prairie City 4 School	1.5913
Grant ESD	3.7557
Canyon City	3.9998
Dayville City	1.1554
John Day City	2.9915
Long Creek City	2.2776
Monument City	2.7052
Mt. Vernon City	2.5348
Prairie City	4.0826
Seneca City	6.0017

**Harney County**

Harney County	4.5016
High Desert Park & Recreation	0.4143

**Permanent  
rate authority  
(Dollars per \$1,000  
assessed value)**

**District name**

Harney County Hospital	1.9314
Crane 4 School	2.4165
Crane UHJ School	2.4397
Diamond 7 School	2.9315
Double O 28 School	0.8176
Drewsey 13 School	1.8867
Frenchglen 16 School	1.7223
Harney Burns 3 School	4.8662
Pine Creek 5 School	3.2660
South Harney 33 School	1.2358
Suntex 10 School	1.3219
Harney ESD	0.8969
Burns City	4.6390
Hines City	4.2922

**Hood River County**

Hood River County	1.4171
Hood River Park & Recreation	0.3498
Cascade Locks Port	0.0256
Hood River Port	0.0332
Odell Sanitary	0.0000
Parkdale Sanitary	0.0000
Hood River County Transit	0.0723
Northern OR Regional Corrections	0.0000
Dee RFPD	1.4819
Odell RFPD	1.0702
Parkdale RFPD	1.5512
West Side RFPD	0.7810
Hood River County 911	0.5644
Hood River 1 School	4.8119
Wasco ESD	0.4678
Columbia Gorge Community College	0.2703
Mt Hood Community College	0.4917
Cascade Locks City	2.7050
Hood River City	2.8112
Hood River UR Special Levy	0.0000
Cascade Locks UR Special Levy	0.0000

**Jackson County**

Jackson County	2.0099
Jackson Vector	0.0429
Rogue Valley Transit	0.1772
Jackson County Soil & Water Cons	0.0500
White City Lighting District	0.4700
White City Enhanced Law Enf	2.0211
Applegate Valley JT RFPD #9	1.6787
Central Point RFPD #3	3.1194
Colestein RFPD	1.9455
Evans Valley RFPD #6	1.2905
Lake Creek RFPD (Jackson)	1.4740

**Permanent  
rate authority  
(Dollars per \$1,000  
assessed value)**

**District name**

**Jackson County (Continued)**

Medford RFPD #2	2.4938
Prospect RFPD	0.9902
Rogue River RFPD #1	1.9313
Shady Cove-Trail RFPD #4	2.0181
Talent RFPD #5	3.1976
Ashland SD #5	4.1601
Butte Falls SD #91	4.5749
Central Point SD #6	4.4134
Eagle Point SD #9	4.7170
Medford School District 549c	4.4123
Phoenix/Talent SD #4	4.2422
Pinehurst School District 94	4.8235
Prospect SD #59	4.3628
Rogue River SD #35	4.0787
Three Rivers SD #40J	3.7262
Southern OR ESD	0.3524
Rogue Community College	0.5128
Ashland City	4.2865
Butte Falls City	7.2494
Central Point City	5.8328
Eagle Point City	2.4584
Gold Hill City	1.6792
Jacksonville City	1.8417
Medford City	5.2953
Phoenix City	3.6463
Rogue River City	3.1492
Shady Cove City	0.5474
Talent City	3.2316

**Jefferson County**

Jefferson County	3.5662
Madras Aquatic Center	0.2500
Crooked River Ranch J Road	0.8140
Camp Sherman 18 Road	0.1389
Deschutes Valley WD	0.0000
Jefferson County Library	0.4349
Crooked River Ranch JT RFPD	1.8379
Deschutes 1 JT RFPD	1.7542
Jefferson County RFPD	1.1847
Sisters Camp Sherman JT RFPD	2.7317
Three Rivers RFPD	1.6500
Mt View Hospital	0.2508
Deschutes County Operation 911	0.1618
Ashwood 8 School	5.1380
Black Butte 41 School	3.0137
Culver 4 School	4.8766
Culver 4 School (1994 bond)	0.0000
Madras 509J School	4.5871
Redmond 2J School	5.0251

**Permanent  
rate authority  
(Dollars per \$1,000  
assessed value)**

**District name**

Sisters 6J School	4.0997
High Desert ESD	0.0964
Jefferson ESD	0.2398
Central Oregon Community College	0.6204
Culver City	6.2643
Madras City	4.1262
Metolius City	3.6296

**Josephine County**

Josephine County	0.5867
Josephine County Extension	0.0459
Applegate Valley JT RFPD #9	1.6787
Illinois Valley 1 RFPD	1.8701
Williams RFPD	1.0552
Wolf Creek RFPD	2.1865
Grants Pass 7 School	4.5248
Three Rivers SD #40j	3.7262
Southern OR ESD	0.3524
Rogue Community College	0.5128
Cave Junction City	1.8959
Grants Pass City	4.1335

**Klamath County**

Klamath County	1.7326
Bonanza Big Springs Park & Recreation	0.1769
Malin Park & Recreation	1.2834
Merrill Park & Recreation	0.8202
Poe Valley Park & Recreation	0.2544
Wiard Park & Recreation	0.2161
Antelope Meadows Road	1.5571
Cedar Trails Road	1.1206
Goldfinch Road	2.7952
Green Knoll Estates Road District	4.0000
Jack Pine Pillage Road	0.0000
Keno Pines Road	2.0114
Klamath Forest Estates RD#1	2.8000
Klamath Forest Estates RD#2	2.7820
Klamath River Acres Road	1.5621
Nimrod River Park Road	0.0000
Pine Grove Highland Road	1.6482
Rainbow Park Road	1.6658
River Pines Estate Road	1.4276
Sun Forest Estates Road	1.1280
Sprague River Pines Road	0.0000
Two Rivers North Road	0.9922
Valley Acres Road	1.7158
Woodland Park Road	1.0654
Yonna Woods Road	0.0000
Bly Sanitary	1.6015
Crescent Sanitary	1.0321

**Permanent  
rate authority  
(Dollars per \$1,000  
assessed value)**

**District name**

**Klamath County (Continued)**

South Suburban Sanitary	0.0000
Modoc Point Sanitary	0.0000
Nimrod Park Sanitary	0.0000
Falcon Heights Water & Sewer	3.5000
Bly Water	1.4626
Pine Grove Water	2.5000
Moyina Water	0.0000
Klamath County Drainage	0.0000
Basin View Drainage	0.0000
Bly Vector Control	1.7031
Bonanza Vector	0.8796
Chiloquin Vector	0.1807
Klamath Vector	0.1805
Poe Valley Vector	1.8726
Basin Transit	0.4822
Klamath County Library	0.4900
Bonanza Cemetery	0.0968
Malin Cemetery	0.1000
Merrill Cemetery	0.1100
Mt Laki Cemetery	0.1041
Bly RFPD	2.8261
Bonanza RFPD	0.6202
Central Cascades Fire and EMS	2.2470
Chemult RFPD	2.2397
Chiloquin RFPD	0.9040
Crescent RFPD	1.6326
Rocky Point Fire & Emergency	1.1866
Keno RFPD	1.6149
Klamath 1 RFPD	2.8822
Klamath 3 RFPD	0.9869
Klamath 4 RFPD	1.1013
Klamath 5 RFPD	1.9583
Lapine RFPD	1.5397
Malin RFPD	0.3948
Merrill RFPD	0.3948
North Klamath County RFPD	0.0000
Oregon Outback RFPD	1.2500
Klamath County Emergency Comm	0.1541
Klamath Falls School Zone 1	3.1127
Klamath Falls School Zone 2	1.0376
Klamath County School Zone 1	4.0519
Klamath County School Zone 2	2.7013
Southern OR ESD	0.3524
Central Oregon Community College	0.6204
Klamath Community College	0.4117
Bonanza City	1.7706
Chiloquin City	5.2766
Klamath Falls City	5.4423
Malin City	5.0642
Merrill City	3.1210

**Permanent  
rate authority  
(Dollars per \$1,000  
assessed value)**

**District name**

**Lake County**

Lake County	3.7619
Christmas Valley Park & Recreation	2.0019
Christmas Valley Water	1.3392
Lakeview Sub Dom Water	2.1171
Lake County Extension	0.2392
Lake County Library	0.4546
Lake County Cemetery	0.2289
Christmas Valley RFPD	2.2278
Lakeview Suburban RFPD	0.8342
New Pine Creek RFPD	2.5355
Silver Lake RFPD	1.1763
Thomas Creek-Westside RFPD	0.9054
Lake County Health	2.0311
North Lake Health	0.8500
Lakeview 7 School	4.5724
North Lake 14 School	3.8550
Painsley 11 School	4.5517
Plush 18 School	2.5416
Adel 21 School	4.3686
Lake ESD	0.6364
Central Oregon Community College	0.6204
Lakeview City	6.5437
Paisley City	1.5739

**Lane County**

Lane County	1.2793
River Road Park & Recreation	3.0559
Willamalane Park & Recreation	2.0074
Siuslaw Port	0.1474
Blue River Water	0.9488
Glenwood Water	4.1425
Heceta Water	0.0000
Marcola Water	0.4037
Rainbow Water & Fire	2.0631
River Road Water	1.9694
McKenzie Palisades Water	0.6988
Junction City J Water Control	0.2523
River Road Sub 1 Water Control	0.2796
Shangri La Water	3.5000
Fern Ridge Library	0.3824
Siuslaw Public Library	0.5163
Lane Library District	0.5900
Bailey-Spencer RFPD	2.3930
Coburg RFPD	1.3277
Dexter RFPD	1.4151
Eugene 1 RFPD	2.5417
Goshen RFPD	1.7196
Hazeldell RFPD	2.7115

**Permanent  
rate authority  
(Dollars per \$1,000  
assessed value)**

**District name**

**Lane County (Continued)**

Junction City RFPD	0.9844
Lake Creek RFPD (Lane)	3.0757
Lane County 1 RFPD	1.9848
Lane Rural Fire & Rescue	2.1174
Lorane RFPD	2.2952
Lowell RFPD	2.6970
Mapleton RFPD	1.3869
McKenzie RFPD	1.6106
Mohawk Valley RFPD	1.9126
Monroe 5J RFPD	1.6854
Pleasant Hill RFPD	1.1031
Santa Clara RFPD	1.0439
Siuslaw Valley Fire and Rescure	1.5417
South Lane County RFPD	1.0335
Swisshome RFPD	2.1452
Upper McKenzie RFPD	1.1951
Willakenzie RFPD	3.0669
Zumwalt RFPD	2.3419
Western Lane Ambulance	0.3198
Alsea 7J School	5.0811
Bethel 52 School	4.5067
Blachly 90 School	5.1023
Creswell 40 School	4.6426
Crow-Applegate-Lorane School	4.9255
Eugene 4J School	4.7485
Fern Ridge 28J School	4.8240
Harrisburg 7J School	4.6552
Junction 69 School	4.5604
Lincoln CU School	4.9092
Lowell 71 School	5.0409
Mapleton 32 School	4.8917
Marcola 79J School	4.6687
McKenzie 68 School	4.6915
Monroe 1J School	4.6341
Pleasant Hill 1 School	4.6414
Oakridge 76 School	4.8223
Siuslaw 97J School	3.8928
SouthLane 45J School	4.7532
Springfield 19 School	4.6412
Lane ESD	0.2232
Llinn-Benton-Lincoln ESD	0.3049
Lane Community College	0.6191
Coburg City	3.7506
Cottage Grove City	7.2087
Creswell City	2.6705
Eugene City	7.0058
Florence City	2.8610
Junction City	6.0445
Lowell City	2.1613
Oakridge City	7.1996

**Permanent  
rate authority  
(Dollars per \$1,000  
assessed value)**

**District name**

Springfield City	4.7403
Veneta City	5.6364
West Fir City	9.3036

**Lincoln County**

Lincoln County	2.8202
Alsea Port	0.0333
Newport Port	0.0609
Toledo Port	0.2345
Bayshore Road	0.5064
Bear Creek Hideout #2 Spec Road	1.5000
Bear Valley Spec RD District	1.5000
Belle Mer Sigl Tract Road	0.0000
Boulder Creek Retreat Road	1.4585
California St RD District	0.8500
Coronado Shores Road	0.0000
For Far Road	0.8966
Gleneden Beach Road	0.2258
Idaho Point Special Road	1.0000
Lake Point Road	0.4669
Little Switzerland Road	2.1525
Lost Creek Park Road	1.6015
Makai Special Road	1.0534
Miroco Road	0.4097
NE San Marine Spec RD	1.0000
Pacific Shores Road	0.8125
Panther Creek Road	0.8608
Salmon River Park Spec Road	1.2000
Sandpiper Village Road	0.5676
Silver Sands Special Road	0.6000
Starr Creek Road	0.9978
Surfland 1 Road	0.3458
Waldport 3 Road	0.6960
Westwood Village Road	0.3625
Windy Bend Special Road	0.2095
Carmel-Foul Sanitary	0.0000
Gleneden Beach Sanitary	0.0000
Olalla Acres Sanitary	0.0000
Roads End Sanitary	0.0000
Siletz Keys Sanitary	1.7346
Salishan Sanitary	0.0000
Sal-La-Sea Sanitary	0.0000
Beverly Beach Water	0.8626
Car-mel Beach Water	0.0000
Devils Lake Water Imp (Out)	0.1280
Devils Lake Water Imp (In)	0.2499
Kernvl-Gndl Bch-Lncln Water	0.0000
Lower Siletz Water	0.0000
Otter Rock Water	0.0000
Panther Creek Water	1.1397
Roads End Water	0.0000

**Permanent  
rate authority  
(Dollars per \$1,000  
assessed value)**

**District name**

**Permanent  
rate authority  
(Dollars per \$1,000  
assessed value)**

**District name**

**Lincoln County (Continued)**

Seal Rock Water	0.1259
SW Lincoln Water	0.0000
Lincoln County Extension	0.0451
Lincoln County Extension Waste Disposal	0.0000
Lincoln County Library	0.2465
Lincoln County Transport	0.0974
Alsea 7J RFPD	1.1363
Central Oregon Coast RFPD	0.8209
Depoe Bay RFPD	0.8323
Newport RFPD	0.9634
North Lincoln JT Fire & Rescue	0.6783
Seal Rock RFPD	0.4634
Siletz RFPD	1.3331
Toledo RFPD	1.0522
Yachats RFPD	0.2896
North Lincoln Hospital	0.5184
Pacific Communities Hospital	0.3625
Lincoln CU School	4.9092
Linn-Benton-Lincoln ESD	0.3049
Oregon Coast Community College	0.1757
Depoe Bay City	0.0000
Lincoln City	4.0996
Newport City	5.5938
Siletz City	0.2376
Toledo City	5.1800
Waldport City	2.3328
Yachats City	0.1717

Corvallis 1J RFPD	2.1140
Gates 4J RFPD	1.3967
Halsey-Shedd 5 RFPD	0.9894
Harrisburg 6 RFPD	1.1299
Idanha 7J RFPD	1.6592
Jefferson 8J RFPD	1.1955
Lebanon 9 RFPD	2.2600
Lyons 10 RFPD	1.6469
Mill City 11J RFPD	1.3048
Mohawk Valley RFPD	1.9126
Monroe 5J RFPD	0.0000
Scio 12 RFPD	1.2745
Stayton 13J RFPD	1.3133
Sweet Home Fire/Ambulance Z1	1.5000
Sweet Home Fire/Ambulance Z2	0.3500
Tangent 15 RFPD	2.5739
Central Linn 552 School	4.6179
Corvallis 509J School	4.4614
Eugene 4J School	4.7485
Greater Albany 8J School	4.5855
Harrisburg 7J School	4.6552
Jefferson 14J School	4.8468
Lebanon Community 9 School	4.9925
Monroe 1J School	0.0000
Marcola 79J School	4.6687
North Santiam 27J School	4.3973
Santiam Canyon J School	4.8880
Scio 95 School	4.5080
Sweet Home 55 School	5.0057
Lane ESD	0.2232
Linn-Benton-Lincoln ESD	0.3049
Willamette Regional ESD	0.2967
Chemeketa Community College	0.6259
Lane Community College	0.6191
Linn-Benton Community College	0.5019
Albany City	6.3984
Brownsville City	6.9597
Gates City	0.2824
Halsey City	5.6014
Harrisburg City	3.1875
Idanha City	2.5029
Lebanon City	5.1364
Lyons City	1.8926
Mill City	4.1578
Millersburg City	3.5000
Scio City	4.9057
Sodaville City	0.4552
Sweet Home City	1.4157
Tangent City	0.0000
Waterloo City	0.0000

**Linn County**

Linn County	1.2736
Jefferson Park & Recreation	0.2914
Lebanon Aquatic	0.2400
Lyons-Mehama J Water	0.0000
Santiam Water	0.0000
Linn SWCD	0.0000
Dever-Connor Water Control	0.1614
Grand Prairie Water Control	0.0000
Grand Prairie Water Control II	0.0000
North Lebanon Water Control	0.1420
South Santiam J Water Control	1.0044
Little Muddy Creek	0.0000
Oakville Community Center	0.0000
Benton County Library	0.3947
Linn County 4H & Extension	0.0520
Chemeketa Library	0.0818
Emerald PUD	0.0000
Sweet Home Cemetery	0.2166
Albany 1 RFPD	2.1500
Brownsville 2 RFPD	1.1985



**Permanent  
rate authority  
(Dollars per \$1,000  
assessed value)**

**District name**

**Malheur County**

Malheur County	2.5823
Nyssa 2 Road	0.0000
Ontario 3 Road	0.0000
Juntura 4 Road	0.0000
Ironside 5 Road	0.0000
Dell-Brogan Cemetery	0.5253
Fairview Cemetery	0.1171
Hilltop Memorial Cemetery	0.4080
Ironside Cemetery	0.6616
Jordan Valley Cemetery	0.3780
Owyhee Cemetery	0.1208
Valley View Cemetery	0.3454
Adrian RFPD	0.3699
Annex RFPD	0.4926
Nyssa RFPD	0.9425
Ontario RFPD	0.6667
Quinn RFPD	0.0000
Malheur Memorial Hospital	0.8634
Pioneer Nursing Home Hospital	0.0000
Adrian 61 School	3.7424
Annex 29 School	4.0643
Arock 81 School	4.6844
Burnt River 30J School	5.2650
Crane UH1J School	2.4397
Harper 66 (code 16,17,44) School	3.8880
Harper 66 (code 23) School	1.6575
Huntington 16J School	4.5332
Jordan Valley 3 School	5.0446
Juntura 12 (Code 5&21) School	4.7692
Juntura 12 (Code 22) School	1.7094
Mcdermitt 51 School	4.5972
Nyssa 26 School	3.8654
Ontario 8 School	3.9293
Vale 84 School	4.0433
Harney ESD	0.8969
Malheur ESD	0.3077
Malheur ESD (Code 22,23)	0.1396
Intermountain ESD	0.6156
Treasure Valley Community College	1.2235
Adrian City	0.0000
Jordan Valley City	1.1650
Nyssa City	6.5148
Ontario City	4.8347
Vale City	7.6847

**Marion County**

Marion County	3.0252
Jefferson Park & Recreation	0.2914
Brooks Sewer	0.0000

**Permanent  
rate authority  
(Dollars per \$1,000  
assessed value)**

**District name**

Lyons-Mehama J Water	0.0000
Suburban East Salem Water	0.0000
South Santiam J Water Cont	1.0044
Marion Soil & Water	0.0500
Salem Area J Transit	0.7609
Chemeketa Library	0.0818
Silver Falls Library	0.5748
Monitor 58J RFPD	0.5341
Aumsville RFPD	1.3612
Aurora 63J RFPD	0.8443
Drakes Crossing RFPD	1.7548
Gates 4J RFPD	1.3967
Hubbard RFPD	0.8042
Idanha 7J RFPD	1.6592
Jefferson 8J RFPD	1.1955
Keizer RFPD	1.3526
Marion 1 RFPD	1.9045
Mill City 11J RFPD	1.3048
Mount Angel RFPD	1.0146
Polk 1J RFPD	1.5038
Salem Suburban JT RFPD	1.0958
St Paul RFPD	1.0622
Silverton 2J RFPD	1.0397
Stayton 13J RFPD	1.3133
Sublimity RFPD	1.7948
Turner RFPD	1.7997
Woodburn RFPD	1.6009
Cascade 5 School	4.6405
Central 13J School	4.8834
Gervais 1 School	4.6427
Jefferson 14J School	4.8468
Mt Angel 91 School	4.6268
North Marion 15 School	3.3333
North Santiam 27J School	4.3973
Salem 24J School	4.5210
Santiam Canyon J School	4.8880
Silver Falls 7J School	4.5458
St Paul 45 School	4.7763
Woodburn 103 School	4.5247
Linn-Benton-Lincoln ESD	0.3049
Willamette Regional ESD	0.2967
Chemeketa Community College	0.6259
Aumsville City	3.6327
Aurora City	2.4849
Detroit City	1.1521
Donald City	0.8752
Gates City	0.2824
Gervais City	8.0853
Hubbard City	3.9772
Idanha City	2.5029
Jefferson City	2.1583
Keizer City	2.0838



District name	Permanent rate authority (Dollars per \$1,000 assessed value)	District name	Permanent rate authority (Dollars per \$1,000 assessed value)
<b>Marion County (Continued)</b>		Clean Water Services J	0.0000
Mill City	4.1578	Mt Scott 3 J Water	0.0000
Mount Angel City	4.1918	Sunrise Water	0.0000
Salem City	5.8315	Alto Park Water	1.5985
Scotts Mills City	0.4292	Burlington Water	3.4269
Silverton City	3.6678	Corbett Water	0.5781
Stayton City	3.3280	Lusted Water	0.2423
St. Paul City	0.6157	Palatine Hill J Water	0.0038
Sublimity City	0.7135	Pleasant Home J Water	0.0000
Turner City	3.5116	Powell Valley Water	0.0000
Woodburn City	6.0534	Rockwood PUD	0.0000
		Valley View Water	1.7389
		West Slope J Water	0.0000
		Interlachen Water	0.0000
		East Mult SWCD	0.1000
		West Multnomah SWCD	0.0750
		Dunthorpe-Riverdale 1 SVC	0.0000
		Metro J Service	0.0966
		Tri-Met Transit	0.0000
		Clackamas County 1J RFPD	2.4012
		Multnomah 10 RFPD	2.8527
		Corbett 14 RFPD	1.2624
		Riverdale Multnomah 11JT RFPD	1.2361
		Sauvie Island 30 RFPD	0.7894
		Scappoose 31J RFPD	1.1145
		Tualatin Valley JT RFPD	1.5252
		Beaverton 48J School	4.6930
		Centennial 28J School	4.7448
		Corbett 39 School	4.5941
		David Douglas 40 School	4.6394
		Gresham-Garlow 26J School	4.5268
		Hillsboro 1J School	4.9749
		Lake Oswego 7J School	4.4707
		Parkrose 3 School	4.8906
		Portland 1J School	5.2781
		Reynolds 7 School	4.4626
		Riverdale 51J School	3.8149
		Scappoose 1J School	4.9725
		Clackamas ESD	0.3687
		Northwest Regional ESD	0.1538
		Multnomah ESD	0.4576
		Mt Hood Community College	0.4917
		Portland Community College	0.2828
		Fairview City	3.4902
		Gresham City	3.6129
		Lake Oswego City (Ins. School)	5.0353
		Lake Oswego City (OUT School)	4.5884
		Maywood Park City	1.9500
		Milwaukie City	6.5379
		Portland City	4.5770
		Troutdale City	3.7652
		Wood Village City	3.1262
<b>Morrow County</b>			
Morrow County	4.1347		
Boardman Park & Recreation	0.2989		
Irrigon Park & Recreation	0.4061		
Morrow County Unified Recreation	0.4560		
Willow Creek Park	0.3813		
Port of Morrow	0.0841		
Heppner Water Control	0.1693		
Morrow Vector Control	0.1899		
Oregon Trail Library	0.2536		
Boardman Cemetery	0.0284		
Heppner Cemetery	0.5413		
Ione-Lexington Cemetery	0.2401		
Irrigon Cemetery	0.1022		
Boardman RFPD	0.7464		
Heppner RFPD	0.7906		
Ione RFPD	0.7385		
Irrigon RFPD	0.8389		
Pilot Rock RFPD	0.7807		
South Gilliam RFPD	0.3332		
Morrow County Health	0.6050		
Morrow Umatilla Radio and Data	0.1700		
Morrow 1 School	4.0342		
Ione School	4.0342		
Intermountain ESD	0.6156		
Blue Mountain Community College	0.6611		
Boardman City	4.2114		
Heppner City	10.6209		
Ione City	4.4288		
Irrigon City	3.6782		
Lexington City	0.7289		
<b>Multnomah County</b>			
Multnomah County	4.3434		
Port of Portland	0.0701		
Skyline Crest Road	0.4775		
Ramsey-Walmer Road	0.7267		

**Permanent  
rate authority  
(Dollars per \$1,000  
assessed value)**

**Polk County**

Polk County	1.7160
Grand Ronde Sewer	0.0000
American Bottom WCD	0.0000
Ash Creek Water Control	0.1069
Polk Soil/Water CD	0.0500
Salem Area J transit	0.7609
Polk Senior Transit District	0.0000
Chemeketa Library	0.0818
Buell Red Prairie	0.0000
Dallas Cemetery	0.0547
Fir Crest Cemetery	0.0472
Hilltop Cemetery	0.1132
Pedee Cemetery	0.1520
Salt Creek CD	0.0000
Amity JT RFPD	0.8403
Dayton Fire District	1.2302
Hoskins-Kings Valley 8J RFPD	2.4165
Polk 1J RFPD	1.5038
Salem Suburban JT RFPD	1.0958
Sheridan JT RFPD	1.1188
Southwest RFPD	0.8612
Spring Valley RFPD	0.5366
West Valley JT RFPD	0.8936
Amity 4J School	4.7796
Central 13J School	4.8834
Dallas 2 School	4.5527
Falls City 57 School	4.2052
Perrydale 21 School	4.5657
Philomath 17J School	4.8664
Salem 24J School	4.5210
Sheridan 48J School	4.7882
Willamina 30j School	5.0022
Linn-Benton-Lincoln ESD	0.3049
Willamette Regional ESD	0.2967
Chemeketa Community College	0.6259
Dallas City	4.1954
Falls City	2.9202
Independence City	4.5897
Monmouth City	3.6107
Salem City	5.8315
Willamina City	4.2039

**Sherman County**

Sherman County	8.7141
Biggs Service	4.0061
Northern OR Regional Correct	0.0000
Sherman County SWCD	0.2600
Moro RFPD	0.8464
North Sherman County RFPD	0.8452

**Permanent  
rate authority  
(Dollars per \$1,000  
assessed value)**

**District name**

South Sherman County RFPD	0.5747
Sherman County Health	0.4780
Sherman 1J School	3.4203
North Central ESD	2.0193
Grass Valley City	3.1383
Moro City	5.5232
Rufus City	2.8447
Wasco City	3.0306

**Tillamook County**

Tillamook County	1.4986
North County Recreation	0.3861
Garibaldi Port	0.2620
Nehalem Port	0.1136
Tillamook Bay Port	0.0364
Three-Rivers 7 Road	2.8719
Cloverdale Sanitary	0.1726
Neskowin Regional Sanitary	0.5900
Netarts-Oceanside Sanitary	0.0360
Nehalem Bay Sanitary	0.4088
Twin Rocks Sanitary	0.0000
Beaver Water	0.0000
Cloverdale Water	1.3883
Falcon Cove J Water	0.7344
Fairview Water	0.1498
Hunt WD	0.0000
Kilchis WD	0.0000
Neah-Kah-Nie Water	0.6438
Neskowin Water	0.3831
Netarts Bay Water	0.0000
Northwood WD	0.0000
Pacific City Water	0.0374
Tone WD	0.0000
Twin Rocks Water	4.3077
Watseco Barview Water	0.0000
Wilson River Water	1.5060
Tillamook County 4H & Extension	0.0690
Hebo JT Sanitary & Water	0.0000
Tillamook County Transport	0.2000
Cannon Beach JT RFPD	0.3521
Garibaldi RFPD	0.4813
Nedonna RFPD	0.2668
Nehalem Bay Fire & Rescue	1.1500
Nestucca RFPD	0.9176
Netarts-Oceanside RFPD	1.6207
North Lincoln JT Fire & Rescue	0.6783
Tillamook RFPD	0.6999
Nehalem Bay Health	0.0309
Tillamook County Emergency 911	0.1883
Tillamook 9 School	5.0969
Neah-Kah-Nie 56 School	4.5002

District name	Permanent rate authority (Dollars per \$1,000 assessed value)	District name	Permanent rate authority (Dollars per \$1,000 assessed value)
<b>Tillamook County (Continued)</b>		Athena-Weston 29J School	4.3937
Nestucca Valley 101J School	4.8580	Echo 5 School	4.6747
Willamina 30j School	5.0022	Helix 1 School	4.5542
Northwest Regional ESD	0.1538	Hermiston 8 School	4.8877
Willamette Regional ESD	0.2967	Milton-Freewater 7 School	4.7953
Tillamook Bay Community College	0.2636	Pendleton 16 School	4.4537
Bay City	1.5375	Pilot Rock 2 School	4.7632
Garibaldi City	2.8468	Stanfield 61 School	4.1263
Manzanita City	0.4233	Ukiah 80 School	4.8146
Nehalem City	1.4658	Umatilla 6 School	4.9224
Rockaway City	0.9880	Intermountain ESD	0.6156
Tillamook City	1.8021	Blue Mountain Community College	0.6611
Wheeler City	2.2213	Adams City	4.1176
		Athena City	7.5678
		Echo City	4.2332
		Helix City	6.8007
		Hermiston City	6.0860
		Milton-Freewater City	3.7499
		Pendleton City	6.5771
		Pilot Rock City	2.8958
		Stanfield City	2.5894
		Ukiah City	2.6800
		Umatilla City	2.9191
		Weston City	5.6614
<b>Umatilla County</b>		<b>Union County</b>	
Umatilla County	2.8487	Union County	2.9668
Helix Park & Recreation	0.4805	Elgin Park & Recreation	0.8222
Watson-Athena Park	0.0826	Island City Area Sanitary	0.5814
Pilot Rock Park & Recreation	0.0880	Union County Vector Control	0.0239
Port of Umatilla	0.1539	Union County 4H Extension	0.1619
Rieth Water Supply	4.2916	Cove Cemetery	0.1462
Birch Creek Water Control	0.1446	Elgin Cemetery	0.1233
Lower McKay Creek Water Control	0.2094	Island City Cemetery	0.0931
Milton Freewater Water Control	0.0737	La Grande Cemetery	0.2828
Riverside-Mission Water Control	0.8388	North Powder Cemetery	0.3197
Umatilla River North 1 Water Control	0.5724	Summerville Cemetery	0.3433
West Umatilla Vector Control	0.2021	Union Cemetery	0.3953
East Umatilla Chemical Control	0.0421	Cove RFPD	0.6231
Umatilla County Special Library	0.3682	Elgin RFPD	0.4985
Athena 1 Cemetery	0.3174	Imbler RFPD	0.9000
Echo 7 Cemetery	0.3816	La Grande RFPD	0.9355
Helix 4 Cemetery	0.1730	North Powder JT RFPD	0.6633
Hermiston 8 Cemetery	0.0923	Union RFPD	1.2292
Milton Freewater 3 Cemetery	0.0566	Elgin Health District	0.5000
Pilot Rock 5 Cemetery	0.1741	Athena-Weston 29J School	4.3937
Stanfield 6 Cemetery	0.0971	Baker 5J School	4.6051
Weston 2 Cemetery	0.3254	Cove 15 School	4.8120
East 5 Umatilla 7-412 RFPD	1.0012	Elgin 23 School	5.0890
Echo 7-403 RFPD	0.5853	Imbler 11 School	4.7110
Helix 7-411 RFPD	0.4397	La Grande 1 School	4.6282
Hermiston 7-404 RFPD	1.2025		
Lower McKay 7-409 RFPD	3.7237		
McKay Dam 7-410 RFPD	2.8080		
Pilot Rock 7-401 RFPD	0.7807		
Riverside 7-406 RFPD	2.7521		
Stanfield 7-402 RFPD	2.0651		
Umatilla 7-405 RFPD	0.8511		
Umatilla Hospital	0.4820		
East Umatilla Health	0.1443		
Morrow Umatilla Radio and Data	0.1700		

**Permanent  
rate authority  
(Dollars per \$1,000  
assessed value)**

**District name**

**Union County (Continued)**

North Powder 8J School	4.9135
Union 5 School	5.0640
Intermountain ESD	0.6156
Cove City	0.4007
Elgin City	6.9383
Imbler City	0.3669
Island City	1.5171
La Grande City	7.4392
North Powder City	4.3114
Summerville City	0.3964
Union City	1.5752

**Wallowa County**

Wallowa County	2.5366
Wallowa Lake Service	0.0000
Wallowa County 4-H & Extension	0.1625
Wallowa County Animal Control	0.0567
Wallowa County Weed Control	0.1900
Enterprise Cemetery	0.1091
Joseph Cemetery	0.0561
Lostine Cemetery	0.3204
Wallowa Cemetery	0.3075
Alder Cemetery	0.2228
Wallowa RFPD	0.4703
Wallowa Lake RFPD	0.9500
Wallowa County Health Care	1.0497
Joseph 6 School	1.4439
Wallowa 12 School	1.6597
Enterprise 21 School	1.6911
Troy 54 School	0.9362
Wallowa ESD	3.7930
Enterprise City	5.0089
Joseph City	2.9867
Lostine City	0.3534
Wallowa City	3.7643

**Wasco County**

Wasco County	4.2523
Dufur Park & Recreation	0.5453
Northern Wasco Park & Recreation	0.6799
Port of the Dalles	0.2007
Wasco County Soil Conservation	0.2500
Jefferson County Library	0.4349
Wasco County 4-H Extension	0.2500
Wasco County Library District	0.6800
Northern OR Regional Correct	0.0000
Juniper Flat RFPD	2.3486
Mosier RFPD	0.2100

**Permanent  
rate authority  
(Dollars per \$1,000  
assessed value)**

**District name**

Mid-Columbia Fire & Rescue	2.1004
White River Health	0.2500
Dufur 29 School	4.4659
Fossil 21J School	4.3963
Madras 509J School	4.5871
North Wasco 21 School	5.2399
Sherman 1J School	3.4203
South Wasco County 1 School	4.6651
Jefferson ESD	0.2398
Wasco ESD	0.4678
North Central ESD	2.0193
Central Oregon Community College	0.6204
Columbia Gorge Comm College	0.2703
Antelope City	1.6944
Dufur City	2.0377
Maupin City	5.3573
Mosier City	1.4128
Shaniko City	0.0000
The Dalles City	3.0155

**Washington County**

Washington County	2.2484
Tualatin Hills Park & Recreation	1.3073
Tigard Tualatin Aquatic	0.0900
Portland J Port	0.0701
Rainbow Lanes Special Road	0.4888
Urban Road Maintenance	0.2456
Clean Water Services J	0.0000
WTR14 Rivergrove	0.0000
Raleigh Water	0.0000
West Slope J Water	0.0000
Wolsborn Farm Water	0.0000
Tualatin Valley Water	0.0000
Metro J Service	0.0966
North Bethany Service	1.2500
Tri-Met Transit	0.0000
Enhanced Sheriff Patrol	0.6365
Banks RFPD	1.0831
Cornelius RFPD	0.6164
Forest Grove RFPD	1.2766
Gaston JT RFPD	1.0921
Tualatin Valley JT RFPD	1.5252
Washington County 2 RFPD	1.1219
Banks 13 School	5.0152
Beaverton 48J School	4.6930
Forest Grove 15 School	4.9142
Gaston 511J School	5.0494
Hillsboro 1J School	4.9749
Lake Oswego 7J School	4.4707
Newberg 29J School	4.6616
Portland 1J School	5.2781

District name	Permanent rate authority (Dollars per \$1,000 assessed value)	District name	Permanent rate authority (Dollars per \$1,000 assessed value)
<b>Washington County (Continued)</b>		Yamhill County Extension	0.0449
Scappoose 1J School	4.9725	Chemeketa Library	0.0818
Sherwood 88J School	4.8123	Amity JT RFPD	0.8403
Tigard Tualatin 23J School	4.9892	Carlton Fire (New)	1.0500
Vernonia 47J School	5.0121	Dayton JT RFPD	1.2302
West Linn 3J School	4.8684	Dundee RFPD	0.5580
Clackamas ESD	0.3687	Gaston JT RFPD	1.0921
Northwest Regional ESD	0.1538	McMinnville RFPD	0.9576
Multnomah ESD	0.4576	Newberg RFPD	0.4329
Willamette Regional ESD	0.2967	Sheridan JT RFPD	1.1188
Portland Community College	0.2828	West Valley JT RFPD	0.8936
Banks City	1.9700	Yamhill Fire	0.9081
Beaverton City	4.6180	Yamhill 911 Emergency Com	0.1400
Cornelius City	3.9836	Amity 4J School	4.7796
Durham City	0.4927	Dayton 8 School	5.0892
Forest Grove City	3.9554	Gaston 511J School	5.0494
Gaston City	6.6146	Hillsboro 1J School	4.9749
Hillsboro City	3.6665	McMinnville 40 School	4.1494
King City	1.5261	Nestucca Valley 10J School	4.8580
Lake Oswego City (Ins School)	5.0353	Newberg 29J School	4.6616
Lake Oswego City (Out School)	4.5884	Sheridan 48J School	4.7882
North Plains City	2.1712	Sherwood 88J School	4.8123
Portland City	4.5770	Willamina 30J School	5.0022
Rivergrove City	0.0000	Yamhill-Carlton 1 School	4.7818
Sherwood City	3.2975	Northwest Regional ESD	0.1538
Tigard City	2.5131	Willamette Regional ESD	0.2967
Tualatin City	2.2665	Chemeketa Community College	0.6259
Wilsonville City	2.5206	Portland Community College	0.2828
		Amity City	3.6105
		Carlton City	5.0098
		Dayton City	1.7057
		Dundee City	2.3115
		Lafayette City	3.4857
		McMinnville City	5.0200
		Newberg City	4.3827
		Sheridan City	2.1307
		Willamina City	4.2039
		Yamhill City	3.7389
<b>Wheeler County</b>			
Wheeler County	8.5266		
Wheeler County 4-H Extension	0.5584		
NE Wheeler County Health	1.0084		
Condon 25J School	3.3143		
Dayville 16J School	2.2213		
Fossil 21J School	4.3963		
Spray 1 School	4.3311		
Mitchell 55 School	3.9020		
Grant ESD	3.7557		
North Central ESD	2.0193		
Fossil City	4.8542		
Mitchell City	2.5433		
Spray City	6.0888		
<b>Yamhill County</b>			
Yamhill County	2.5775		
Chehalem Park & Recreation	0.9076		
Otter Creek Hylands Road	0.4193		
Yamhill County Soil and Water	0.0354		



# Appendix E

## Community college local option limits

	1997-98 Measure 5 authority	1997-98 Measure 50 authority	Limit on local option levy
Clackamas Community College	\$8,759,125	\$7,309,672	\$1,449,453
Clatsop Community College	\$2,627,280	\$2,133,278	\$494,002
Southwestern Oregon Comm College	\$3,310,149	\$2,892,975	\$417,174
Central Oregon Community College	\$5,941,089	\$5,565,873	\$375,216
Umpqua Community College	\$1,944,620	\$1,673,814	\$270,806
Rogue Community College	\$6,666,834	\$5,722,572	\$944,262
Klamath Community College	\$1,156,945	\$942,058	\$214,887
Lane Community College	\$10,110,196	\$8,743,824	\$1,366,372
Oregon Coast Community College	\$714,129	\$606,982	\$107,147
Linn-Benton Community College	\$4,692,817	\$4,215,383	\$477,434
Treasure Valley Comm College	\$1,318,172	\$1,143,050	\$175,122
Chemeketa Community College	\$10,731,411	\$9,109,754	\$1,621,657
Mt Hood Community College	\$6,820,105	\$5,846,064	\$974,041
Portland Community College	\$17,616,507	\$14,674,934	\$2,941,573
Tillamook Bay Community College	\$602,457	\$529,600	\$72,857
Blue Mountain Community College	\$2,303,572	\$2,079,155	\$224,417
Columbia Gorge Community College	\$313,535	\$273,519	\$40,016
	\$85,628,943	\$73,462,507	\$12,166,436

Source: Research Section, Oregon Department of Revenue 07-05-99



# Appendix F

## Chapter 294 renumbering table

<b>Subject of local budget law section</b>	<b>New order of statutes listed by previous ORS number</b>	<b>New ORS numbers</b>
Local Budget Law Series	294.305	Unchanged
Definitions	294.311	Stays the same
Application	294.316	Stays the same
Purposes	294.321	Stays the same
Budget Period	294.323	Stays the same
Budget Officer	294.331	Stays the same
Basis of Accounting	294.445	294.333
Compliance	294.326	294.338
Internal Service Funds	294.470	294.343
Reserve Funds	294.525	294.346
Elimination of Funds	294.475	294.353
Budget Detail Sheets	294.376	294.358
Estimating Resources	294.361	Stays the same
Property Tax Revenues	294.381	294.368
Revenue from Revenue Producing Property	294.366	294.373
Interest Revenue	294.443	294.378
School District's Accrued Revenue	294.447	294.383
Estimating Expenditures	294.352	294.388
Education District's Expenditures	294.356	294.393
Ending Fund Balances	294.371	294.398
Budget Message	294.391	294.403
Timing of Budget Message	294.396	294.408
Budget Committee	294.336	294.414
Budget Committee in Certain Counties	294.341	294.423
Budget Committee Meeting	294.401	294.426
Budget Committee Hearing	294.406	294.428
Budget Filed with tax commission	294.411	294.431
Financial Summary	294.386	Repealed
Format of Notice/Summary (DOR)	294.413	294.433
Financial Summary	294.416	294.438
Education District's Financial Summary	HB 2425, section 10	294.441
Education District's Financial Summary	HB 2425, section 10	294.441
Alternative Financial Summary	294.418	Repealed
County Shared Services Summary	294.419	294.444
Publication of Summary	294.421	294.448
Sufficiency of Publication	294.425	294.451
Public Hearing	294.430	294.453

## Appendix F (continued)

Subject of local budget law section	New order of statutes listed by previous ORS number	New ORS numbers
Adoption of Budget	294.435	294.456
Filing Budget with assessor/DOR	294.555	294.458
Property Tax Contrary to Law	294.485	294.461
Transfers	294.450	294.463
Pass-through transfers	HB 2425, section 18	294.466
Interfund Loans	294.460	294.468
Supplemental Budgets	294.480	294.471
Supplemental Budget > 10%	HB 2425, section 22	294.473
Supplemental Budget Not Required	294.483	Repealed
September Local Option Levy Election	294.437	294.476
Education District's Emergency Spending	294.440	294.478
Natural Disaster Spending	294.455	294.481
DOR Authority Limited	294.490	Stays the same
DOR to Make Rules/Forms	294.495	Stays the same
DOR Declaratory Ruling	294.500	Stays the same
Division of Audits to Note Budget Irregularities	294.505	Stays the same
DOR May Order Changes in Budget	294.510	Stays the same
Appeals from DOR Change Order	294.515	Stays the same
Appeals a Priority w/ Tax Court	294.520	Stays the same
Failure to File Budget Documents	294.565	Stays the same

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**IMPORTANT:** The Department of Revenue does not mail a paper copy of the annual booklet “Local Budget Law and Notice of Property Tax Forms and Instructions for Municipal Corporations” or the corresponding booklets for education districts or urban renewal agencies, unless the local government requests a paper copy. If you want a paper copy of the annual forms booklet, you must request one by November 15th. Otherwise we will assume that you will download your forms from our web site at <http://www.oregon.gov/dor/ptd/pages/localb.aspx>. You may request your paper copy by calling 503-945-8293, or by e-mail at [finance.taxation@state.or.us](mailto:finance.taxation@state.or.us). Be sure to give your district’s name and the mailing address where your forms booklet should be sent. You will need to request a paper copy every year that you need one.