

Chapter 294

2017 EDITION

County and Municipal Financial Administration

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GENERAL PROVISIONS

294.004 Definitions. For the purposes of this chapter, unless the context requires otherwise:

(1) “Local government” means any county, municipality, political subdivision or school district.

(2) “Custodial officer” means the officer having custody of the funds of any county, municipality, political subdivision or school district.

(3) “Deferred compensation plan” means a plan, established by any employer that is a county, municipality, political subdivision or school district, that has as its purposes the deferral of compensation to employees of such employer and the deferral of income taxation on such deferred compensation.

(4) “Deferred employee compensation” means funds under an agreement providing for payment at a future date by a municipal corporation for services currently rendered by an eligible employee in fixed or variable amounts for life or for a guaranteed number of years after retirement or termination of employment.

(5) “Nationally recognized statistical rating organization” has the meaning given that term in Rule 15c3-1 under the Securities Exchange Act of 1934, as amended.

(6) “Surplus funds” means all funds that are not pension funds and that are not required for immediate expenditure. [1975 c.359 §2; 1977 c.470 §1; subsection (4) enacted as 1977 c.102 §1; 1995 c.245 §1; 1997 c.179 §25]

COUNTY AND MUNICIPAL FINANCIAL ADMINISTRATION

294.005 Definitions for ORS 294.005 to 294.025. As used in ORS 294.005 to 294.025, unless the context requires otherwise:

(1) “Warrant” means a warrant issued by a subdivision.

(2) “Subdivision” means any county, municipal corporation, quasi-municipal corporation, or civil or political subdivision in this state.

294.010 Surrender of warrants upon payment. Subject to ORS 294.015, no warrant issued by a subdivision shall be paid unless such warrant is surrendered and delivered to the officer charged with the payment thereof, contemporaneously with payment or prior thereto.

294.015 Payment on lost, stolen or destroyed warrants upon affidavit of owner, payee or representative. A warrant may be paid without surrender or delivery thereof if the one claiming to be the lawful owner of the warrant:

(1) Satisfies the officer by whom payment is to be made that the warrant has been lost, stolen or destroyed prior to the owner having received value therefor or having negotiated the warrant; and

(2) Furnishes to the issuing officer a written statement signed by such person specifically alleging that the owner is the lawful owner, payee or legal representative of the lawful owner or payee of the original instrument giving the date of issue, the number, amount, for what services or claim the original instrument was issued and that the original instrument has been lost, destroyed or stolen, and has not been paid. However, if the lawful owner, payee or legal representative is (a) a bank or national bank, (b) the federal government or (c) this state or any board, department, commission or subdivision of this state, or any officer thereof in the officer’s official capacity, a certificate may be furnished in lieu of an affidavit or affirmation. The issuing officer may also, in the officer’s discretion, require the bank or national bank to furnish a satisfactory indemnity agreement executed by the bank or national bank. [Amended by 1979 c.763 §6]

294.020 [Repealed by 1979 c.763 §7]

294.025 Effect of wrongful payment; liability of officer. When any warrant is paid, other than as authorized by ORS 294.005 to 294.025, such wrongful payment does not relieve the political body issuing the warrant from liability to the true and lawful owner thereof. However, the officer or person making such wrongful payment and the sureties on the official bond of the officer or person, if any, shall be responsible to the political body represented by the officer or person in making such payment, for the full amount of the loss occasioned thereby. [Amended by 2005 c.22 §222]

294.027 Provisions relating to warrants and payment of claims. (1) In addition to any other provisions of law for the issuance and payment of warrants of any municipal or quasi-municipal corporation or civil subdivision of this state other than school districts, the governing body thereof may by resolution authorize such practices with respect to the form, issuance, delivery, indorsement and payment of warrants as it shall deem convenient, efficient and in the public interest, conforming substantially to those specified in subsection (1) or (2) of this section or in ORS 294.028.

(2) Such governing body may authorize the use of check-warrant forms, to be drawn by its appropriate warrant issuing officer or officers upon the custodian of its funds, so prepared that such custodian may, by subscribing a direction to the depository of such

funds to pay the same to the order of the payee, convert the instrument to a check or, by subscribing an indorsement that such warrant is not paid for want of funds, convert the same to an interest-bearing warrant and such governing body may direct that such check-warrants shall not be delivered to the payees therein named until such direction or indorsement shall have been subscribed by the custodian of its funds.

(3) Such governing body may provide that when funds are available for the payment of approved claims, the approval of claims for payment shall, without the issuance of any warrant, be authority to the custodian of its funds to pay such claims by check. [1953 c.664 §1]

294.028 Payment of warrants by depository. When authorized by the governing body, any custodian of funds of any municipal or quasi-municipal corporation or civil subdivision of this state other than a school district may direct the depository of such funds to pay any warrant drawn upon such custodian upon presentment of such warrant to such depository, to the same extent and with the same effect as though such warrant were a check drawn upon such depository by such custodian. Such direction shall be in writing and shall identify by name and signature the warrant issuing officer or officers and such depository may rely upon such direction and identification in the payment of such warrants. [1953 c.664 §2]

294.029 Provisions of ORS 294.027 and 294.028 not mandatory. Nothing contained in ORS 294.027 or 294.028 shall be deemed to require any municipal or quasi-municipal corporation or civil subdivision of this state or any custodian of public funds to exercise any of the powers conferred by such sections. [1953 c.664 §3]

294.030 Deductions for bonds from compensation of municipal and other employees; purchasing bonds in advance. (1) The governing body of a municipal corporation, quasi-municipal corporation or civil subdivision of the state may, with the approval of the relevant employees of the municipal corporation, quasi-municipal corporation or civil subdivision, make deductions from their salaries and wages for the purpose of purchasing for them United States War Savings Bonds or other federal obligations.

(2) The governing body shall take proper precautions for the depositing, securing and disbursing of the sums so deducted and for the delivering of all bonds or other obligations purchased.

(3) Balances to the credit of the accounts in which the sums so deducted are deposited may be used for the purchase in advance,

from the federal government or from any federal reserve bank or other authorized federal agency, of war savings bonds or other obligations of the federal government, either in blank or in inscribed form, in convenient denominations to meet the requirements of the purchasers thereof.

294.033 Investment of deferred compensation funds. Funds set aside by any local government pursuant to a deferred compensation plan may be invested in any investment enumerated in ORS 294.035 and are not subject to the collateral requirements of ORS chapter 295. [1977 c.470 §3; 1997 c.179 §26; 2005 c.91 §1]

294.035 Investment of funds of political subdivisions; approved investments.

(1) Subject to ORS 294.040 and 294.135 to 294.155, the custodial officer may invest any sinking fund, bond fund or surplus funds in the custody of the custodial officer in the bank accounts, classes of securities at current market prices, insurance contracts and other investments listed in this section, but only after obtaining from the governing body of the county, municipality, political subdivision or school district a written order that has been entered in the minutes or journal of the governing body.

(2) This section does not:

(a) Limit the authority of the custodial officer to invest surplus funds in other investments when the investment is specifically authorized by another statute.

(b) Apply to a sinking fund or a bond fund established in connection with conduit revenue bonds issued by a county, municipality, political subdivision or school district for private business entities or nonprofit corporations.

(3) Investments authorized by this section are:

(a) Lawfully issued general obligations of the United States, the agencies and instrumentalities of the United States or enterprises sponsored by the United States Government and obligations whose payment is guaranteed by the United States, the agencies and instrumentalities of the United States or enterprises sponsored by the United States Government.

(b) Lawfully issued debt obligations of the agencies and instrumentalities of the State of Oregon and its political subdivisions that have a long-term rating of A or an equivalent rating or better or are rated on the settlement date in the highest category for short-term municipal debt by a nationally recognized statistical rating organization.

(c) Lawfully issued debt obligations of the States of California, Idaho and Washington and political subdivisions of those states if

the obligations have a long-term rating of AA or an equivalent rating or better or are rated on the settlement date in the highest category for short-term municipal debt by a nationally recognized statistical rating organization.

(d) Time deposit open accounts, certificates of deposit and savings accounts in insured institutions as defined in ORS 706.008, in credit unions as defined in ORS 723.006 or in federal credit unions, if the institution or credit union maintains a head office or a branch in this state.

(e) Share accounts and savings accounts in credit unions in the name of, or for the benefit of, a member of the credit union pursuant to a plan of deferred compensation.

(f) Fixed or variable life insurance or annuity contracts as defined by ORS 731.170 and guaranteed investment contracts issued by life insurance companies authorized to do business in this state.

(g) Trusts in which deferred compensation funds from other public employers are pooled, if:

(A) The purpose is to establish a deferred compensation plan;

(B) The trust is a public instrumentality of such public employers and described in section (2)(b) of the Investment Company Act of 1940, 15 U.S.C. 80a-2(b), as amended, in effect on September 20, 1985, or the trust is a common trust fund described in ORS 709.170;

(C) Under the terms of the plan the net income from or gain or loss due to fluctuation in value of the underlying assets of the trust, or other change in such assets, is reflected in an equal increase or decrease in the amount distributable to the employee or the beneficiary thereof and, therefore, does not ultimately result in a net increase or decrease in the worth of the public employer or the state; and

(D) The fidelity of the trustees and others with access to such assets, other than a trust company, as defined in ORS 706.008, is insured by a surety bond that is satisfactory to the public employer, issued by a company authorized to do a surety business in this state and in an amount that is not less than 10 percent of the value of such assets.

(h)(A) Banker's acceptances, if the banker's acceptances are:

(i) Guaranteed by, and carried on the books of, a qualified financial institution;

(ii) Eligible for discount by the Federal Reserve System; and

(iii) Issued by a qualified financial institution whose short-term letter of credit rating is rated in the highest category by one

or more nationally recognized statistical rating organizations.

(B) For the purposes of this paragraph, "qualified financial institution" means:

(i) A financial institution that is located and licensed to do banking business in the State of Oregon; or

(ii) A financial institution that is wholly owned by a financial holding company or a bank holding company that owns a financial institution that is located and licensed to do banking business in the State of Oregon.

(C) A custodial officer shall not permit more than 25 percent of the moneys of a local government that are available for investment, as determined on the settlement date, to be invested in banker's acceptances of any qualified financial institution.

(i)(A) Corporate indebtedness subject to a valid registration statement on file with the Securities and Exchange Commission or issued under the authority of section 3(a)(2) or 3(a)(3) of the Securities Act of 1933, as amended. Corporate indebtedness described in this paragraph does not include banker's acceptances. The corporate indebtedness must be issued by a commercial, industrial or utility business enterprise, or by or on behalf of a financial institution, including a holding company owning a majority interest in a qualified financial institution.

(B) Corporate indebtedness must be rated on the settlement date P-1 or Aa or better by Moody's Investors Service or A-1 or AA or better by Standard & Poor's Corporation or equivalent rating by any nationally recognized statistical rating organization.

(C) Notwithstanding subparagraph (B) of this paragraph, the corporate indebtedness must be rated on the settlement date P-2 or A or better by Moody's Investors Service or A-2 or A or better by Standard & Poor's Corporation or equivalent rating by any nationally recognized statistical rating organization when the corporate indebtedness is:

(i) Issued by a business enterprise that has its headquarters in Oregon, employs more than 50 percent of its permanent workforce in Oregon or has more than 50 percent of its tangible assets in Oregon; or

(ii) Issued by a holding company owning not less than a majority interest in a qualified financial institution, as defined in paragraph (h) of this subsection, located and licensed to do banking business in Oregon or by a holding company owning not less than a majority interest in a business enterprise described in sub-subparagraph (i) of this subparagraph.

(D) A custodial officer may not permit more than 35 percent of the moneys of a lo-

cal government that are available for investment, as determined on the settlement date, to be invested in corporate indebtedness, and may not permit more than five percent of the moneys of a local government that are available for investment to be invested in corporate indebtedness of any single corporate entity and its affiliates or subsidiaries.

(j) Repurchase agreements whereby the custodial officer purchases securities from a financial institution or securities dealer subject to an agreement by the seller to repurchase the securities. The repurchase agreement must be in writing and executed in advance of the initial purchase of the securities that are the subject of the repurchase agreement. Only securities described in paragraph (a) of this subsection may be used in conjunction with a repurchase agreement and such securities shall have a maturity of not longer than three years. The price paid by the custodial officer for such securities may not exceed amounts or percentages prescribed by written policy of the Oregon Investment Council or the Oregon Short Term Fund Board created by ORS 294.885.

(k) Shares of stock of any company, association or corporation, including but not limited to shares of a mutual fund, but only if the moneys being invested are funds set aside pursuant to a local government deferred compensation plan and are held in trust for the exclusive benefit of participants and their beneficiaries.

(L) The investment pool as defined in ORS 294.805 and, with the approval of the State Treasurer, any other commingled investment pool that may be established in the discretion of the State Treasurer for investment of the funds of local governments. The State Treasurer may require the governing body of a local government to enter into an investment agreement with the State Treasurer as a condition of investing funds in a commingled investment pool under this paragraph. [Amended by 1957 c.53 §1; 1957 c.689 §1; 1965 c.404 §1; 1973 c.157 §1; 1973 c.288 §1; 1974 c.36 §9; 1975 c.359 §3; 1977 c.300 §1; 1981 c.804 §84; 1981 c.880 §13; 1983 c.456 §2; 1985 c.256 §2; 1985 c.440 §1; 1985 c.690 §2; 1987 c.493 §1; 1991 c.459 §379; 1993 c.59 §1; 1993 c.452 §1; 1993 c.721 §1; 1995 c.79 §102; 1995 c.245 §2; 1997 c.249 §91; 1997 c.631 §446; 1999 c.601 §1; 2001 c.377 §43; 2003 c.405 §1; 2005 c.443 §§13,13a; 2009 c.821 §25; 2013 c.192 §1; 2014 c.18 §1]

294.040 Restriction on investments under ORS 294.035. The bonds listed in ORS 294.035 (3)(a) to (c) may be purchased only if there has been no default in payment of either the principal of or the interest on the obligations of the issuing county, port, school district or city, for a period of five years next preceding the date of the investment. [Amended by 1995 c.245 §3; 2005 c.443 §21]

294.045 [Amended by 1959 c.224 §1; 1973 c.157 §2; repealed by 1975 c.359 §7]

294.046 List of approved securities for investment under ORS 294.035; distribution. The State Treasurer shall prepare and keep current a list of agencies and instrumentalities of the United States with available obligations that any county, municipality, political subdivision or school district may invest in under ORS 294.035 (3)(a) and 294.040. The list shall be distributed, upon request, to any county, municipality, political subdivision or school district. [1973 c.157 §3; 1975 c.359 §4; 1995 c.245 §4; 2005 c.443 §22]

294.047 Loss of principal on liquidation of investments. Whenever the custodial officer is forced to liquidate investments made pursuant to ORS 294.035 and 294.040 to meet current cash demands and such liquidation results in a loss of invested principal because the securities were liquidated prior to maturity under market conditions unfavorable to such liquidation, the loss shall be charged against current or future investment earnings and the custodial officer shall not be personally liable to make good such loss. [1959 c.612 §1; 1963 c.465 §1; 1975 c.359 §5]

294.048 Borrowing money when premature withdrawal or liquidation of certain investments would cause loss. When funds invested under ORS 294.035 (3)(d) are required to meet current cash demands and when withdrawal or liquidation of such investments at the time would cause a loss because the investment would be withdrawn or liquidated prior to maturity, the custodial officer may, after receiving the approval of the governing body, borrow funds on short-term promissory notes that shall be secured by pledging or assigning the investments held under ORS 294.035 (3)(d). The notes shall mature in not more than six months after date of issue. If a lender demands physical possession of the certificates of deposit or other evidence of an investment pledged or assigned under this section, the custodial officer shall deliver the certificate or other evidence to the lender. [1967 c.411 §1; 1975 c.359 §6; 1995 c.245 §5; 2005 c.443 §23]

294.050 [Amended by 1959 c.664 §29; 1969 c.616 §1; renumbered 368.717 in 2015]

294.052 Definitions; investment by municipality of proceeds of bonds. (1) As used in this section:

(a) "Bond" has the meaning given that term in ORS 287A.001.

(b) "Municipality" means a unit of local government within Oregon including, but not limited to, cities, counties, school districts, special districts, public corporations and intergovernmental corporations organized under the authority of ORS 190.010.

(2) Notwithstanding ORS 294.135 or 294.145 or any other law or charter provision, a municipality may invest proceeds of bonds and amounts held in a bond payment reserve or proceeds fund or account in float agreements, debt service deposit agreements, forward investment agreements, guaranteed investment contracts or other investment agreements if the agreements or contracts:

- (a) Produce a guaranteed rate of return;
- (b) Are fully collateralized by direct obligations of, or obligations guaranteed by, the United States; and
- (c) Require that the collateral be held by the municipality, an agent of the municipality or a third-party safekeeping agent. [1999 c.559 §21; 2001 c.537 §7; 2007 c.783 §117]

294.053 Investment by county in master warrants of county. A county treasurer may invest any sinking fund, bond fund or surplus of funds in the custody of the county treasurer in master warrants of that county issued under ORS 287A.482 to 287A.488. [1959 c.208 §1]

294.055 Use by counties of moneys received from federal government under the Mineral Leasing Act. All funds received from the United States Government under the Mineral Leasing Act and Acts amendatory thereof and distributed to counties pursuant to ORS 293.565 shall be used for the support of public schools or for the construction and maintenance of public roads in such counties.

294.060 Apportionment of moneys received by counties from federal forest reserves to road and school funds. (1) The moneys received by each county under ORS 293.560 shall be divided 75 percent to the road fund and 25 percent to the school fund of the county and, subject to subsection (2) of this section, the moneys shall be expended as other moneys in those funds are expended.

(2) The moneys apportioned to the county road fund may be applied in payment of any outstanding road bonds or may be placed in any county road bond sinking fund for the purpose of being so applied.

(3) Notwithstanding the division of receipts specified in subsection (1) of this section, in any county east of the summit of the Cascade Mountains with a population of less than 9,000 and more than 6,500, according to the 1990 federal decennial census, moneys from the road fund in excess of \$2 million may be transferred to the school fund when the amount of money credited to the road fund under subsection (1) of this section exceeds the amount needed for county roads, as determined by the board of county commissioners. Any amount received by a school district from the school fund of the county

that is in excess of the 25 percent required under subsection (1) of this section may not be considered as a receipt that would reduce the district's apportionments from the State School Fund.

(4) Notwithstanding the division of receipts specified in subsection (1) of this section, in any county east of the summit of the Cascade Mountains with a population of less than 58,000 and more than 55,000, according to the 1990 federal decennial census, if the moneys credited to the road fund under subsection (1) of this section exceed the amount needed for county roads, as determined by the county governing body, the portion of such moneys in excess of an amount specified by the county governing body may be transferred to the school fund of the county or may be transferred directly to the school districts of the county in accordance with procedures established by the county governing body. The county governing body may distribute moneys under this subsection among the several school districts without regard to the percentage of the resident average daily membership in each school district. Moneys transferred under this subsection may be transferred upon the condition that any school district receiving a share of such moneys must use the moneys only for a purpose described in ORS 328.205 (1)(a) or (c). Any amount received by a school district from the county under this subsection that is in excess of the 25 percent required under subsection (1) of this section may not be considered as a receipt that would reduce the district's apportionments from the State School Fund.

(5) Notwithstanding the division of receipts specified in subsection (1) of this section, in any county east of the summit of the Cascade Mountains with a population of less than 6,500, according to the 1990 federal decennial census, moneys received by the county under ORS 293.560 may be divided between the road fund and the school fund of the county as specified under an agreement between the county governing body and the education service district board of the county that provides for a different apportionment of those moneys. Any amount received by a school district from the school fund of the county that is in excess of the 25 percent required under subsection (1) of this section may not be considered as a receipt that would reduce the district's apportionments from the State School Fund.

(6) Notwithstanding the division of receipts specified in subsection (1) of this section, in any county west of the summit of the Cascade Mountains with a population of less than 19,500 and more than 6,500, according to the 1990 federal decennial census, moneys

from the road fund in excess of \$1 million may be transferred to the school fund when the amount of money credited to the road fund under subsection (1) of this section exceeds the amount needed for county roads, as determined by the board of county commissioners. Any amount received by a school district from the school fund of the county that is in excess of the 25 percent required under subsection (1) of this section may not be considered as a receipt that would reduce the district's apportionments from the State School Fund.

(7) As used in subsections (3) to (6) of this section, "summit of the Cascade Mountains" has the meaning for that term provided in ORS 477.001. [Amended by 1969 c.327 §1; 1971 c.539 §1; 1977 c.776 §1; 1981 c.342 §1; 1987 c.315 §1; 1989 c.579 §1; 1991 c.309 §1; 2003 c.226 §21]

294.063 [2012 c.75 §§4,5; 2013 c.479 §§4,5; renumbered 368.708 in 2015]

294.065 Use by counties of moneys received from federal government under the federal Flood Control Act. All moneys received from the United States Government under the federal Flood Control Act, and Acts amendatory thereof and supplemental thereto, and distributed to counties pursuant to ORS 293.570, shall be used for the benefit of the public schools and public roads of the counties receiving the funds.

294.070 Expenditure of Taylor Grazing Act funds; advisory board. (1) Except for moneys required to be expended through the county general fund as required by subsection (5) of this section, all moneys paid to a county under ORS 293.575 shall be deposited with the county treasurer and credited to a special fund designated the Range Improvement Fund of Grazing District No. _____. The county treasurer as ex officio district treasurer shall disburse the moneys in the Range Improvement Fund only upon the written order of the grazing advisory board.

(2) Except as provided in subsection (4) of this section, money from grazing fees of grazing districts shall be expended within such district as the grazing advisory board may direct and shall be expended only for range improvements, such as fences, reservoirs, wells, water development, maintenance and other range improvements approved by the grazing advisory board.

(3) Pending approval by the grazing advisory board of the expenditure of such money, all or any part of it may be invested in United States Government securities. In such case the securities shall be held by the county treasurer in lieu of such money so invested and subject to liquidation and expenditure when recommended by the grazing advisory board.

(4) In counties receiving funds from grazing districts containing Indian lands ceded to the United States for disposition under public land laws, funds therefrom shall be expended only for the benefit of public schools and public roads of such county.

(5) In counties in which there are leased lands but no grazing district, such funds shall be expended by the county court through the county general fund.

(6) As used in this section, "grazing advisory board" means a board appointed by the governing body of any county receiving funds under ORS 293.575 and authorized to expend those funds as provided in this section. [Formerly 606.230; 1969 c.255 §1; 1977 c.115 §1; 1981 c.42 §1; 1991 c.67 §73]

294.080 Disposition of interest earned on funds held by county treasurer. (1)

Except as provided in subsections (2) and (3) of this section, the county treasurer shall credit to the general fund of the county all interest received from any investment made from the general cash balance of any funds in the hands of the county treasurer. If the entire investment is made from a specific fund, however, the treasurer shall credit the interest to the fund from which the investment was made.

(2) The county fiscal officer of a community college district, as defined in ORS 341.005, shall credit to the general fund of the district all interest received from any investment made by funds in the hands of the county fiscal officer. If the entire investment is made from a specific fund, however, the county fiscal officer shall credit the interest to the fund from which the investment was made.

(3) Interest earned by investment of any moneys received by the county treasurer from any source, which moneys have been designated for a particular municipal corporation as defined in ORS 294.311, shall be credited to the account of the particular municipal corporation and not to any county fund. [1963 c.316 §1; 1971 c.513 §54; 1979 c.762 §8; 1997 c.308 §33]

294.085 [Amended by 1985 c.565 §49; 2011 c.62 §1; repealed by 2015 c.168 §2]

294.090 County orders and vouchers to be numbered to correspond to warrants drawn. The county clerk and clerk of the county court shall number all orders and vouchers with numbers to correspond with warrants drawn.

294.095 Action or proceeding with respect to budget or levy; fiscal year with respect to which taken. Wherever it is provided by law that any action or proceeding of any county, city, school district or other municipal corporation or body politic

shall be taken with respect to a budget or tax levy for the calendar year, or for a fiscal year closing on any day other than June 30, each such action or proceeding shall be taken with respect to the fiscal year commencing on July 1 and closing on June 30.

294.100 Public official expending money in excess of amount or for different purpose than provided by law unlawful; civil liability. (1) It is unlawful for any public official to expend any moneys in excess of the amounts provided by law, or for any other or different purpose than provided by law.

(2) Any public official who expends any public moneys in excess of the amounts or for any other or different purpose than authorized by law shall be civilly liable for the return of the money by suit of the district attorney of the district in which 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.

(3) On the demand in writing of 10 taxpayers of any municipal corporation with a population exceeding 100,000 inhabitants, filed with the tax supervising and conservation commission in the county in which the municipal corporation is situated, which demand sets forth that a public official has unlawfully expended public moneys in excess of the amount or for any other or different purpose than provided by law and that the expenditure constitutes malfeasance in office or willful or wanton neglect of duty, the tax supervising and conservation commission shall make an investigation of the facts as to the expenditure. If the tax supervising and conservation commission finds that public moneys have been unlawfully expended and that the expenditure constitutes malfeasance in office or willful or wanton neglect of duty, the commission shall proceed at law in the courts against the public official who has unlawfully expended the moneys for the return of the moneys unlawfully expended to the treasury of the municipal corporation. A right of action hereby is granted to the tax supervising and conservation commission for the purposes of this section.

(4) This section does not apply to the expenditure of revenues that are allowed to be accrued from a fiscal year to the prior fiscal year under ORS 294.383. [Amended by 2001 c.399 §1; 2002 s.s.4 c.1 §§9,10]

294.105 [Amended by 1963 c.9 §15; 1973 c.315 §1; repealed by 1983 c.537 §7]

294.110 [Repealed by 1953 c.306 §18]

294.115 [1953 c.655 §1; repealed by 1963 c.576 §44]

294.120 Use of facsimile signatures. (1) When authorized to use facsimile signatures by the governing body of any county, city, district organized for public purposes or any other public corporation or political subdivision of the state, any person authorized to sign any check, warrant or other instrument on behalf of the county, city, district, public corporation or political subdivision may, in the discretion of the person, sign the check, warrant or other instrument by facsimile signature affixed by rubber stamp or by any mechanical equipment or device.

(2) Where the use of facsimile signatures is authorized under this section, the holder or drawee of any check, warrant or other instrument bearing or purporting to bear a facsimile signature shall be under no duty to determine the authority of the person who affixed the facsimile signature to use facsimile signatures. [1955 c.261 §1]

294.125 Investment of funds authorized by order of governing body; limitations. (1) Subject to ORS 294.040 and 294.135 to 294.155, the custodial officer of any county, municipality, school district or other political subdivision of this state may, after having obtained a written order from the governing body of the county, municipality, school district or other political subdivision, which order shall be spread upon the minutes or journal of the governing body, invest any sinking fund, bond fund or surplus funds belonging to that county, municipality, school district or other political subdivision in the bank accounts, classes of securities at current market prices, insurance contracts and other investments described in ORS 294.035. However, notwithstanding any provision of ORS 190.003 to 190.250, except as provided in ORS 294.035:

(a) No custodial officer of any political subdivision of this state may accept for investment or invest the funds of any other political subdivision of this state; and

(b) No such political subdivision may tender funds for investment to the custodial officer of any other such political subdivision.

(2) Subject to ORS 294.040, 294.135 to 294.155 and subsection (1) of this section, the custodial officer of a port organized under ORS chapter 777 or 778 may invest any sinking fund, bond fund or surplus funds belonging to the port in interest-bearing revenue bonds issued by an export trading corporation formed by the port under ORS 777.755 to 777.800. A custodial officer of a port shall not invest in the aggregate more than \$3 million in revenue bonds issued by an export trading corporation. [1981 c.880 §5; 1983 c.200 §17; 1995 c.245 §6]

294.135 Investment maturity dates. (1) An investment made by a custodial officer under ORS 294.035 (3)(a) to (f), (h) and (i) or 294.125 may not exceed a maturity of 18 months or the date of anticipated use of the funds by the county, municipality, school district or other political subdivision to which the funds belong, whichever period is shorter. However:

(a) The custodial officer may make investments having a maturity longer than 18 months when the governing body of the county, municipality, school district or other political subdivision to which the funds belong has adopted a written investment policy that, prior to adoption, was submitted to the Oregon Short Term Fund Board for review and comment to the governing body, that includes guidelines concerning maximum investment maturity dates and that provides by its terms for re-adoption not less than annually; or

(b) When the funds in question are being accumulated for an anticipated use that will occur more than 18 months after the funds are invested, then, upon the approval of the governing body of the county, municipality, school district or other political subdivision, the maturity of the investment or investments made with the funds may occur when the funds are expected to be used.

(2) The maximum term of any repurchase agreement transaction may not exceed 90 days. [1981 c.880 §§6,8; 1987 c.389 §1; 1989 c.303 §1; 1995 c.245 §7; 2003 c.41 §1; 2005 c.443 §24; 2009 c.821 §30]

294.145 Prohibited conduct for custodial officer. In making investments pursuant to ORS 294.035, the custodial officer may not:

(1) Make a commitment to invest funds or sell securities more than 14 business days prior to the anticipated date of settlement of the purchase or sale transaction;

(2) Enter into any agreement to invest funds or sell securities for future delivery for a fee other than interest;

(3) Lend securities to any person or institution, except:

(a) On a fully collateralized basis; and

(b) When the lending is specifically permitted under an investment policy adopted pursuant to ORS 294.135 (1)(a);

(4) Pay for any securities purchased by the custodial officer until the officer has received sufficient evidence of title to the securities. Evidence of title must be consistent with modern investment, banking and commercial practices and may include physical possession, book entry and automated recording of such title. However, the custodial

officer may instruct one or more custodial agents or banks to accept or release securities as that custodial officer considers advisable to be held in safekeeping for collection of principal and interest or other income; or

(5) Deliver securities to the purchaser of the securities upon sale prior to receiving payment in full for the securities. However, the custodial officer may deliver the securities to any custodial agent or bank upon instructions to hold the securities pending receipt by the custodial agent or bank of full payment for the securities. [1981 c.880 §7; 1991 c.88 §5; 1995 c.245 §8; 2008 c.18 §1]

294.155 Annual audit report; monthly report. (1) The custodial officer for a local government that holds and invests funds on behalf of another government unit shall at least once a year submit an audited report to that government unit for which funds are invested. An audit report shall be submitted to the local governmental unit or units within 30 days after receipt of the audit report by the custodial officer's governing body. This subsection shall not apply to municipal corporations or political subdivisions exempt from municipal audits in ORS 297.435.

(2) The custodial officer shall prepare a report not less than monthly to each county, municipality, school district and other political subdivision the segregated funds of which the custodial officer is then investing, as to changes made in the investments of the funds of that body during the preceding month. If requested by that body, the custodial officer shall furnish to it details on the investment transactions for its fund. The custodial officer shall also provide copies of any investment policy which has been adopted to the custodial officer's governing body upon request. [1981 c.880 §9; 1995 c.245 §9]

294.160 Opportunity for public comment on new fee or fee increase. (1) The governing body of a city, county or other unit of local government shall provide an opportunity for interested persons to comment on the enactment of any ordinance or resolution prescribing a new fee or a fee increase or an increase in the rate or other manner in which the amount of a fee is determined or calculated.

(2) Where a local government exercises authority to assume the responsibility for a program delivered by the state, the local government shall provide an opportunity to comment on the difference between the fee amount charged by the state for such service and the proposed local fee for the service. [1995 c.576 §5; 2007 c.71 §90]

**COUNTY ASSESSMENT FUNDING
ASSISTANCE PROGRAM**

294.175 Definitions; county expenditures for assessment; determination of adequacy; certification of adequacy; appeal of denial of certification; effect of certification. (1) As used in this section and ORS 294.178 to 294.187:

(a) "Department" means the Department of Revenue.

(b) "Expenditures" has the meaning given the term for purposes of ORS 294.305 to 294.565 and may be further defined by rule of the department. "Expenditures" does not include any item or class of items that cannot reasonably be allocated to an organizational unit.

(c) "Expenditures for assessment and taxation" means expenditures for any of the activities, functions or services required of a county in the assessment, equalization, levy, collection or distribution of property taxes under ORS chapters 305, 306, 307, 308, 308A, 309, 310, 311, 312 and 321. "Expenditures for assessment and taxation" specifically includes expenditures for appraising county-appraised industrial property, if the responsibility for making the appraisal has been delegated by the department to a county assessor under ORS 306.126 (3).

(d) "Grant" has the meaning given the term for purposes of ORS 294.305 to 294.565, and is further described under ORS 294.178.

(2) On or before May 1 of each year, each county shall file with the department a true copy of its estimates of expenditures for assessment and taxation for the ensuing year as prepared for purposes of ORS 294.388 but in accordance with any rules adopted by the department.

(3) Upon receipt of the estimate, the department shall review the estimate to determine its adequacy to provide the resources needed to achieve compliance with ORS 308.232 and 308.234, ORS chapter 309 and other laws requiring equality and uniformity in the system of property taxation within the county in order that the same equality and uniformity may be achieved throughout the state.

(4) If, upon initial review of the estimate, the department determines that the proposed expenditures, or any of them, are not at the level or of the type needed to achieve adequacy, the department shall notify the county governing body. The notice shall contain an explanation of the reasons for the determination and may describe specific items or classifications of expenditure which the department has determined are required, or are not required, in order to achieve adequacy. The notice shall fix the date upon

which a conference with the county governing body or representatives of the county governing body shall be held.

(5)(a) Subject to paragraph (b) of this subsection, if, upon initial review, or upon or after conference held on the date specified in the notice under subsection (4) of this section, or another date or dates convenient to the department and the county governing body, the department determines that the expenditures as initially filed, or that the expenditures as agreed upon at the conference, are at the level and of the type needed to achieve adequacy for that year or over a period of years under a plan presented as described under ORS 294.181, the department shall certify to the county governing body that its estimate of expenditures for assessment and taxation so determined are adequate and that the county will be included in the computation made under ORS 294.178 for the purpose of determining the amount of that county's quarterly grant. The department shall include in the certification an estimate of the percentage share of the funds available in the County Assessment Function Funding Assistance Account that the county will receive under ORS 294.178 and an estimate of the total amount of the grant that will be forthcoming to the county from that account for the ensuing year on account of the certification.

(b) The department shall not certify expenditures under this subsection that the department determines are in excess of the expenditures necessary to meet the requirements of subsection (3) of this section.

(6) Any certification issued under subsection (5) of this section shall be issued as of the June 15 following the filing of the estimate of expenditures under subsection (2) of this section. If, as of June 15, agreement has not been reached between the department and the county governing body upon the estimate, the department shall issue a denial of certification.

(7) A county may appeal the determination of the department under subsection (5)(b) of this section or the denial of certification issued under subsection (6) of this section to the Director of the Oregon Department of Administrative Services. Appeal shall be filed within 10 days after the date that the denial of certification is issued. The sole issue upon appeal shall be the adequacy of expenditures for assessment and taxation as filed with the department under subsection (2) of this section, and the determination, if any, made by the department under subsection (5)(b) of this section. If the Oregon Department of Administrative Services does not issue an order approving the expenditures before July 1 of the fiscal year for

which the expenditures are proposed, the certification for purposes of ORS 294.175 to 294.187 shall be considered denied. [1989 c.796 §2; 1995 c.748 §11; 1997 c.782 §2; 1999 c.314 §88; 2003 c.169 §9; 2015 c.36 §5; 2017 c.26 §8]

294.178 Assessment grant to county; determination of grant amount; transfer to Assessment and Taxation County Account in certain circumstances. (1) Before issuing any certificate under ORS 294.175, the Department of Revenue shall estimate the amount available in the County Assessment Function Funding Assistance Account created under ORS 294.184 for distribution as grants to counties for the ensuing fiscal year.

(2) The estimate shall be used to determine the estimated percent of the moneys available in the County Assessment Function Funding Assistance Account that each county will receive as grants and the total estimated grant that each county will receive for the ensuing fiscal year. The estimates so determined shall serve as the estimates required to be included in any certification issued under ORS 294.175 for that county.

(3) On or before the 28th day of the month following the close of each fiscal quarter, the department shall pay a percentage of the moneys in the County Assessment Function Funding Assistance Account to each county to which a certificate has been issued under ORS 294.175.

(4) Except as provided under subsections (5) and (6) of this section, the percentage to be paid to each county under subsection (3) of this section shall be the percentage that the expenditures of the county certified by the department to the county governing body under ORS 294.175 bears to the total of all expenditures of all counties certified by the department to counties under ORS 294.175. In determining the expenditures of a county or in determining the total of all expenditures for purposes of this subsection:

(a) No expenditures shall be included that have not been certified under ORS 294.175.

(b) No expenditures of any county that did not file an estimate of expenditures under ORS 294.175 shall be included.

(c) No expenditures of any county for which certification has been denied shall be included, except as provided in subsection (6)(b) of this section.

(d) No expenditures of any county that does not make its appropriation under ORS 294.456 based upon 100 percent of the expenditures certified shall be included.

(e) No expenditures of any county that does not certify compliance under ORS

294.181 shall be included, except as provided in subsection (6)(b) of this section.

(5)(a) Except as provided in paragraph (b) of this subsection, if the expenditures of a county are not included for a fiscal quarter on account of subsection (4) of this section, a grant may not be made to that county under subsection (3) of this section for that fiscal quarter. If grant funds are denied to any county under this subsection for any fiscal quarter, the percentage determined under subsection (4) of this section shall be re-determined, excluding from the computation for that fiscal quarter the certified expenditures of the county for which grant funds are denied to the end that all of the funds available in the County Assessment Function Funding Assistance Account at the time of calculating the quarterly distribution may be distributed.

(b) Percentages of grants may not be re-determined under paragraph (a) of this subsection in instances in which a distribution is made under subsection (6)(b) of this section.

(6)(a) For any county that is certified for participation in the County Assessment Function Funding Assistance Account grant program under ORS 294.175 or 294.181, and for which a distribution is not made by the department because of subsection (4)(d) or (e) of this section, the amount that would have been disbursed to the county shall be transferred to the Assessment and Taxation County Account described in ORS 306.125.

(b) For any county that is not certified for participation in the County Assessment Function Funding Assistance Account grant program:

(A) The county may not receive a percentage distribution under subsection (4) of this section, but the department shall determine a percentage distribution as if the county were eligible to receive a distribution under subsection (4) of this section;

(B) The department shall determine the percentage distribution by using the county's certified expenditures from the last year in which the county participated in the County Assessment Function Funding Assistance Account grant program; and

(C) The percentage distribution disbursement determined in subparagraphs (A) and (B) of this paragraph shall be transferred to the Assessment and Taxation County Account described in ORS 306.125 at the same time as payment of moneys is made to counties under subsection (3) of this section.

(c) For any county whose County Assessment Function Funding Assistance Account distribution is transferred under paragraph (a) or (b) of this subsection to the

Assessment and Taxation County Account described in ORS 306.125, but for which the intervention required of the department by ORS 308.062 does not occur as a result of action taken by a county court or board of county commissioners pursuant to ORS 308.062 (2) that is acceptable to the department, the total of all transfers to the Assessment and Taxation County Account described in ORS 306.125 shall be transferred back to the County Assessment Function Funding Assistance Account. [1989 c.796 §3; 1997 c.782 §3; 2003 c.273 §1; 2011 c.83 §5; 2011 c.338 §1; 2012 c.77 §2]

294.181 Alternative method for certification. (1) If, at a conference held pursuant to notice under ORS 294.175, it becomes apparent that a county will be unable to meet the level of expenditures necessary to achieve adequacy for the tax year for which the filing under ORS 294.175 was made, the Department of Revenue may certify to the county governing body expenditures for assessment and taxation at the level contained in the county's estimate on file with the department or as adjusted by the conference agreement.

(2) The department shall not certify expenditures under subsection (1) of this section if the county does not present to the department at the conference a plan to achieve adequacy in assessment and taxation within a number of years specified by the Department of Revenue.

(3) Any county for which expenditures are certified pursuant to this section shall certify to the department, not less than 15 days prior to the close of the fiscal quarter, that the county is in compliance with the conference agreement and the plan developed at the conference agreement. [1989 c.796 §4]

294.184 County Assessment Function Funding Assistance Account; sources; purpose. (1) There is created under ORS 293.445 a suspense account to be known as the County Assessment Function Funding Assistance Account. The account shall consist of:

(a) All moneys paid over by the county treasurers as provided under ORS 294.187 (2)(a); and

(b) All interest earned upon any moneys in the account.

(2) Prior to each quarterly distribution of the moneys in the account under ORS 294.178, the moneys necessary to pay the following Department of Revenue expenses shall be transferred to a suspense account of the department created under ORS 293.445 and are continuously appropriated to the department for:

(a) Expenses incurred in carrying out the purposes of ORS 294.175 to 294.184; and

(b) Appraisal expenses incurred by the department in appraising state-appraised industrial properties as defined in ORS 306.126 and property of centrally assessed companies under ORS 308.505 to 308.681.

(3) The amount of moneys transferred to the suspense account of the department under subsection (2) of this section each quarter may not exceed 10 percent of the moneys in the account.

(4) The remainder of the moneys in the account after the transfer made under subsection (2) of this section shall be used for the purpose of making the grant payments to counties as required under ORS 294.178 and are continuously appropriated to the department for that purpose. [1989 c.796 §6; 1999 c.701 §2a; 2001 c.303 §13; 2009 c.18 §3; 2011 c.83 §6; 2015 c.36 §3]

294.187 County Assessment and Taxation Fund; sources; purpose. (1) There is created in the county treasury of each county a fund to be known as the County Assessment and Taxation Fund. The fund shall consist of:

(a) Moneys deposited in and credited to the fund under ORS 311.508.

(b) Moneys deposited in and credited to the fund under ORS 205.323 (4)(b)(C).

(c) Moneys deposited in and credited to the fund under ORS 205.323 (4)(c).

(d) Interest earned upon moneys credited to the fund.

(2) The county treasurer shall pay over the moneys in the fund, determined as of the last day of the fiscal quarter, to the State Treasurer on or before the 10th working day of the month following the last day of the fiscal quarter as follows:

(a) Moneys collected under subsection (1)(a) and (b) of this section and interest earnings on those moneys must be paid over to the Department of Revenue for deposit in the County Assessment Function Funding Assistance Account created under ORS 294.184.

(b) Moneys collected under subsection (1)(c) of this section and interest earnings on those moneys must be paid over to the Department of Revenue for deposit in the Housing and Community Services Department accounts for housing-related programs as follows:

(A) 76 percent of the moneys must be deposited in the General Housing Account created under ORS 458.620;

(B) 10 percent of the moneys must be deposited in the Emergency Housing Account created under ORS 458.620; and

(C) 14 percent of the moneys must be deposited in the Home Ownership Assistance Account created under ORS 458.620.

(3) If the county treasurer fails to pay over moneys, as required under subsection (2) of this section, then any unpaid moneys shall be a debt due and owing by the county to the state and the county shall pay the legal rate of interest thereon from the due date until paid. Payment of interest under this section shall not relieve the county treasurer from any penalty imposed by law for failure to make the payments, and in addition, the county treasurer shall be liable under ORS 311.375 (4)(a) and (b).

(4) ORS 294.305 to 294.565 do not apply to a fund created under this section. [1989 c.796 §7; 2003 c.273 §2; 2009 c.18 §4; 2011 c.338 §2]

294.205 [Amended by 1963 c.544 §13; repealed by 1971 c.267 §16]

294.210 [Amended by 1963 c.544 §14; repealed by 1971 c.267 §16]

294.215 [Repealed by 1971 c.267 §16]

294.220 [Repealed by 1971 c.267 §16]

294.225 [Repealed by 1971 c.267 §16]

294.230 [Amended by 1957 c.153 §1; 1959 c.243 §1; 1963 c.504 §1; 1983 c.310 §17; 1991 c.683 §2; repealed by 1999 c.654 §37]

294.235 [Amended by 1957 c.153 §2; repealed by 1999 c.654 §37]

294.240 [Amended by 1957 c.153 §3; repealed by 1999 c.654 §37]

294.245 [Amended by 1957 c.153 §4; repealed by 1999 c.654 §37]

PUBLICATION OF FINANCIAL REPORTS

294.250 Publication by county governing body of schedule of expenditures and statement of proceedings; manner of publication; notice. (1) The county governing body of each county shall cause to be made out and published at the expense of the county not later than the last day of each month a schedule of those expenditures of the county which singly exceed \$500 for the previous month. The schedule shall also include expenditures made to claimants who receive in excess of \$500 for the previous month in return for a combination of articles or services which individually cost less than \$500. The publication shall also include a concise statement of the proceedings of the governing body in the transaction of county business entered of record during the previous month.

(2) The schedule of expenditures shall state the names of all claimants, the general purpose of the article or service for which payment is claimed in each bill and the amount ordered paid. The statement of proceedings shall be a true reflection of actions

taken at any public meeting of the county governing body.

(3) Except as otherwise provided in this subsection, the county shall not be required to publish any claim for personal services of regular county officers and employees occupying budgeted positions. Once each year the county shall publish the actual individual gross monthly salary of all regular officers and employees occupying budgeted positions. The county shall identify each budgeted position by the title of the position.

(4) The publications required under subsection (1) of this section shall not apply to any counties having a tax supervising and conservation commission.

(5) The publications required under subsection (1) of this section shall be made by posting, singly or in any combination:

(a) In the county courthouse.

(b) At public libraries in the county.

(c) On the Internet.

(6) The county shall also publish at least once each month in a newspaper of general circulation in the county, on the Internet, or both, a notice stating:

(a) That the information required to be published under this section is posted and available for review;

(b) The locations where it may be viewed; and

(c) That copies of all or part of the posted information may be obtained from the county upon request and upon payment of a fee not exceeding the actual costs incurred by the county in making copies of the posted information. [Amended by 1963 c.360 §1; 1979 c.651 §1; 1987 c.435 §1; 1991 c.285 §1; 2011 c.172 §1; 2013 c.217 §1]

294.255 [Repealed by 1991 c.285 §2]

294.260 [Repealed by 1991 c.285 §2]

LOCAL BUDGET LAW

294.305 Sections constituting Local Budget Law. ORS 294.305 to 294.565 shall be known as the Local Budget Law.

294.310 [Amended by 1959 c.262 §1; repealed by 1963 c.576 §44]

294.311 Definitions for ORS 294.305 to 294.565. As used in ORS 294.305 to 294.565, unless the context requires otherwise:

(1) “Accrual basis” means the recording of the financial effects on a municipal corporation of transactions and other events and circumstances that have cash consequences for the municipal corporation in the periods in which those transactions, events and circumstances occur, rather than only in the periods in which cash is received or paid by the municipal corporation.

(2) “Activity” means a specific and distinguishable service performed by one or more organizational components of a municipal corporation to accomplish a function for which the municipal corporation is responsible.

(3) “Appropriation” means an authorization granted by the governing body to make expenditures and to incur obligations for specific purposes. An appropriation is limited to a single fiscal year for municipal corporations preparing annual budgets, or to the budget period for municipal corporations preparing biennial budgets.

(4) “Basis of accounting” means the cash basis, the modified accrual basis or the accrual basis.

(5) “Budget” means a plan of financial operation embodying an estimate of expenditures for a given period or purpose and the proposed means of financing the estimated expenditures.

(6) “Budget document” means the estimates of expenditures and budget resources as set forth on the estimate sheets, tax levy and the financial summary.

(7) “Budget period” means, for municipal corporations with the power to levy a tax upon property, the two-year period commencing on July 1 and closing on June 30 of the second calendar year next following, and for all other municipal corporations, an accounting period of 24 months ending on the last day of any month.

(8) “Budget resources” means resources to which recourse can be had to meet obligations and expenditures during the fiscal year or budget period covered by the budget.

(9) “Cash basis” means a basis of accounting under which transactions are recognized only in the period during which cash is received or disbursed.

(10) “Current budget period” means the budget period in progress.

(11) “Current year” means the fiscal year in progress.

(12) “Encumbrance accounting” means the method of accounting under which outstanding encumbrances are recognized as reductions of appropriations and the related commitments are carried in a reserve for encumbrances until liquidated, either by replacement with an actual liability or by cancellation. This method of accounting may be used as a modification to the accrual basis of accounting in accordance with generally accepted accounting principles.

(13) “Encumbrances” means obligations in the form of purchase orders, contracts or salary commitments which are chargeable to

an appropriation and for which a part of the appropriation is reserved. Obligations cease to be encumbrances when paid or when the actual liability is set up.

(14) “Ensuing budget period” means the budget period following the current budget period.

(15) “Ensuing year” means the fiscal year following the current year.

(16) “Expenditure” means, if the accounts are kept on the accrual basis or the modified accrual basis, decreases in net financial resources and may include encumbrances. If the accounts are kept on the cash basis, the term covers only actual disbursement, the drawing of the check or warrant for these purposes and not encumbrances, except that deferred employee compensation shall be included as a personnel service expenditure where an approved deferred employee compensation plan is in effect for a municipal corporation.

(17) “Fiscal year” means for municipal corporations with the power to impose ad valorem property taxes, the fiscal year commencing on July 1 and closing on June 30, and for all other municipal corporations, an accounting period of 12 months ending on the last day of any month.

(18) “Fund balance” means the excess of the assets of a fund over its liabilities and reserves except in the case of funds subject to budgetary accounting where, prior to the end of a fiscal period, it represents the excess of the fund’s assets and estimated revenues for the period over its liabilities, reserves and appropriations for the period.

(19) “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.

(20) “Governing body” means the city council, board of commissioners, board of directors, county court or other managing board of a municipal corporation including a board managing a municipally owned public utility or a dock commission.

(21) “Grant” means a donation or contribution of cash to a governmental unit by a third party.

(22) “Intergovernmental entity” means an entity created under ORS 190.010 (5). The term includes any council of governments created prior to the enactment of ORS 190.010 (5).

(23) “Internal service fund” means a fund properly authorized to finance, on a cost reimbursement basis, goods or services provided by one organizational unit of a

municipal corporation to other organizational units of the municipal corporation.

(24) "Liabilities" means probable future sacrifices of economic benefits, arising from present obligations of a municipal corporation to transfer assets or provide services to other entities in the future as a result of past transactions or events. The term does not include encumbrances.

(25)(a) "Modified accrual basis" means the accrual basis of accounting adapted to the governmental fund-type measurement focus. Under this basis of accounting, revenues and other financial resource increments, such as bond proceeds, are recognized when they become susceptible to accrual, that is, when they become both measurable and available to finance expenditures in the current period.

(b) As used in this subsection, "available" means collectible in the current period or soon enough thereafter to be used to pay liabilities of the current period. Under this basis of accounting, expenditures are recognized when the fund liability is incurred except for:

(A) Inventories of material and supplies that may be considered expenditures either when purchased or when used; and

(B) Prepaid insurance and similar items that may be considered expenditures either when paid for or when consumed.

(26) "Municipal corporation" means any county, city, port, school district, union high school district, community college district and all other public or quasi-public corporations including a municipal utility or dock commission operated by a separate board or commission. "Municipal corporation" includes an intergovernmental entity or council of governments that proposes to impose or imposes ad valorem property taxes.

(27) "Net working capital" means the sum of the cash, cash equivalents, investments, accounts receivable expected to be converted to cash during the ensuing year or ensuing budget period, inventories, supplies and prepaid expenses less current liabilities and, if encumbrance accounting is adopted, reserve for encumbrances. The term is not applicable to the cash basis of accounting.

(28) "Object" means, as used in expenditure classification, articles purchased including, but not limited to, land, buildings, equipment and vehicles, or services obtained including, but not limited to, administrative services, clerical services, professional services, property services and travel, as distinguished from the results obtained from expenditures.

(29) "Object classification" means a grouping of expenditures on the basis of

goods or services purchased, including, but not limited to, personnel services, materials, supplies and equipment.

(30) "Operating taxes" has the meaning given that term in ORS 310.055.

(31) "Organizational unit" means any administrative subdivision of a municipal corporation, especially one charged with carrying on one or more functions or activities.

(32) "Population" means the number of inhabitants of a municipal corporation according to certified estimates of population made by Portland State University.

(33) "Program" means a group of related activities aimed at accomplishing a major service or function for which the municipality is responsible.

(34) "Public utility" means those public utility operations authorized by ORS chapter 225.

(35) "Publish" or "publication" means any one or more of the following methods of giving notice or making information or documents available to members of the general public:

(a) Publication in one or more newspapers of general circulation within the jurisdictional boundaries of the municipal corporation.

(b) Posting through the United States Postal Service by first class mail, postage prepaid, to each street address within the jurisdictional boundaries of the municipal corporation and to each post office box and rural route number belonging to a resident within the jurisdictional boundaries of the municipal corporation.

(c) Hand delivery to each street address within the jurisdictional boundaries of the municipal corporation.

(d) In the case of publishing notice for an election involving a local option tax measure or a general obligation bond measure, filing with the Secretary of State for publication on the electronic filing system adopted under ORS 260.057.

(36) "Receipts" means cash received unless otherwise qualified.

(37) "Reserve for encumbrances" means a reserve representing the segregation of a portion of a fund balance to provide for unliquidated encumbrances.

(38) "Revenue" means the gross receipts and receivables of a governmental unit derived from taxes, licenses, fees and from all other sources, but excluding appropriations, allotments and return of principal from investment of surplus funds.

(39) “Special revenue fund” means a fund properly authorized and used to finance particular activities from the receipts of specific taxes or other revenues. [1963 c.576 §3; 1971 c.513 §55; 1975 c.319 §2; 1977 c.102 §4; 1977 c.305 §1; 1979 c.686 §1; 1997 c.308 §3; 1997 c.541 §322; 1999 c.632 §1; 2001 c.104 §102; 2001 c.135 §3; 2003 c.235 §1; 2009 c.477 §4; 2011 c.473 §27; 2013 c.768 §106h; 2017 c.552 §1]

294.315 [Repealed by 1963 c.576 §44]

294.316 Exclusions from scope. The provisions of ORS 294.305 to 294.565 do not apply to the following municipal corporations and entities:

(1) Drainage districts organized under ORS chapter 547;

(2) District improvement companies organized under ORS chapter 554;

(3) Highway lighting districts organized under ORS chapter 372;

(4) Irrigation districts organized under ORS chapter 545;

(5) Road districts organized under ORS chapter 371;

(6) Soil and water conservation districts organized under ORS chapter 568 that will not levy an ad valorem tax during the ensuing year or ensuing budget period;

(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 or ensuing budget period;

(8) Housing authorities created under ORS 456.055 to 456.235 that are not carrying out urban renewal activities using a division of ad valorem taxes under ORS 457.440 during the ensuing year or ensuing budget period;

(9) Water control districts organized under ORS chapter 553 that will not levy an ad valorem tax during the ensuing year or ensuing budget period;

(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 ORS chapter 551;

(13) Health districts organized under ORS 440.315 to 440.410;

(14) Intergovernmental entities created under ORS 190.010, including councils of governments described in ORS 294.900 to 294.930, except that an intergovernmental entity or a council of governments that proposes to impose ad valorem property taxes for the ensuing year or budget period is sub-

ject to ORS 294.305 to 294.565 for the budget prepared for that year or period; and

(15) Historic ghost towns as defined in ORS 221.862. [1963 c.576 §35; 1965 c.451 §1; 1979 c.621 §8a; 1979 c.686 §9; 1981 c.918 §5; 1983 c.200 §18; 1985 c.361 §1; 1999 c.632 §2; 2001 c.135 §4; 2001 c.251 §3; 2003 c.235 §2; 2017 c.26 §4]

294.320 [Repealed by 1963 c.576 §44]

294.321 Purposes. The purposes of ORS 294.305 to 294.565 are:

(1) To establish standard procedures for the preparation, presentation, administration and appraisal of budgets of municipal corporations;

(2) To provide for a brief description of the programs of a municipal corporation and the fiscal policy which is to accomplish these programs;

(3) To provide for estimation of revenues, expenditures and proposed taxes;

(4) To provide specific methods for obtaining public views in the preparation of fiscal policy;

(5) To provide for the control of revenues and expenditures for the promotion of efficiency and economy in the expenditure of public funds; and

(6) 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. [1963 c.576 §2; 1997 c.308 §4; 1997 c.541 §323]

294.323 Budget period. (1) A municipal corporation, by ordinance, resolution or charter, may provide that the budget and budget documents for the municipal corporation be prepared for a period of 24 months. Unless so authorized by ordinance, resolution or charter, a municipal corporation may not prepare a budget and budget documents for a period longer than one fiscal year.

(2) When the governing body of a municipal corporation prepares a biennial budget, the governing body shall certify to the assessor for each fiscal year of the budget period the ad valorem property tax amount or rate for the ensuing fiscal year. [2001 c.135 §2]

294.325 [Amended by 1961 c.397 §1; repealed by 1963 c.576 §44]

294.326 [1963 c.576 §4; 1965 c.451 §2; 1977 c.102 §2; 1979 c.310 §1; 1987 c.280 §1; 1991 c.902 §110; 1995 c.333 §8; 1997 c.308 §5; 1997 c.541 §324; 1999 c.632 §3; 2001 c.135 §5; 2003 c.195 §25; 2005 c.443 §14; 2007 c.783 §118; 2011 c.473 §1; renumbered 294.338 in 2011]

294.330 [Repealed by 1963 c.576 §44]

294.331 Budget officer. 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. [1963 c.576 §5]

294.333 Basis of accounting used by municipal corporation; change of basis.

(1) A municipal corporation shall record its revenues and expenditures, on a fund by fund basis, using the cash basis, the modified accrual basis or the accrual basis of accounting, at the discretion of the municipal corporation.

(2) The basis of accounting used by a municipal corporation must be used in the current year or period and in each succeeding year or period until the basis is changed in a subsequent budget.

(3) A change in a municipal corporation's basis of accounting must be published as required under ORS 294.438. [Formerly 294.445]

294.335 [Repealed by 1963 c.576 §44]

294.336 [1963 c.576 §6; 1973 c.61 §1; 1979 c.310 §2; 1997 c.308 §6; 2001 c.135 §32; renumbered 294.414 in 2011]

294.338 Compliance with Local Budget Law required prior to expenditure or tax certification; exceptions.

(1) A municipal corporation may not expend money or certify to the assessor an ad valorem tax rate or estimated amount of ad valorem taxes to be imposed in any year unless the municipal corporation has complied with ORS 294.305 to 294.565.

(2) Subsection (1) of this section does not apply to the expenditure of grants, gifts, bequests or devises transferred to a municipal corporation in trust for specific purposes or to other special purpose trust funds at the disposal of municipal corporations. A municipal corporation may not make an expenditure under this subsection unless the governing body of the municipal corporation enacts appropriation ordinances or resolutions authorizing the expenditure.

(3) Subsection (1) of this section does not apply:

(a) To the extent that maintenance, repair or self-insurance reserves authorized by ORS 294.373 or nontax funds are available or may be made available; and

(b) If the governing body of a municipal corporation:

(A) Adopts an ordinance or resolution to appropriate excess expenditures for a specific purpose or purposes; and

(B)(i) Declares the existence of an occurrence or condition that could not have been foreseen at the time of the preparation of the budget for the current year or current budget period;

(ii) Could not have foreseen a pressing necessity for the expenditure at the time of the preparation of the budget for the current year or current budget period; or

(iii) Receives a request for services or facilities, the cost of which is supplied by a private individual, corporation or company or by another governmental unit necessitating a greater expenditure of public money for any specific purpose or purposes than the amount budgeted in order to provide the services for which the governing body of the municipal corporation was responsible.

(4) Subsection (1) of this section does not apply to the expenditure during the current year or current budget period of the proceeds of the sale of the following bonds, as defined in ORS 287A.001, or to the expenditure during the current year or current budget period of other funds to pay debt service on those bonds:

(a) Bonds that are issued under ORS 287A.150 and for which the referral period described in ORS 287A.150 ended after the preparation of the budget of the current year or current budget period;

(b) Bonds that were approved by the electors during the current year or current budget period; or

(c) Bonds issued during the current year or current budget period to refund previously issued bonds or obligations.

(5) Subsection (1) of this section does not apply to:

(a) Expenditures of funds received from the sale of conduit revenue bonds or other borrowings issued for private business entities or nonprofit corporations by public bodies, as defined in ORS 287A.001, or the State of Oregon or to pay debt service on the bonds;

(b) Expenditures of funds that have been irrevocably placed in escrow for the purpose of defeasing and paying bonds;

(c) Expenditures of assessments or other revenues to redeem bonds that are payable from the assessments or other revenues, when the assessments or other revenues are received as a result of prepayments or other unforeseen circumstances; or

(d) Expenditures of funds that are held as debt service reserves for bonds if the expenditures are made to:

(A) Pay debt service on the bonds;

(B) Redeem the bonds; or

(C) Fund an escrow or trust account to defease or pay the bonds.

(6) Subsection (1) of this section does not apply to expenditures of funds received from assessments against benefited property for

local improvements as defined in ORS 223.001 to the extent that the cost of the improvements is payable by owners of benefited property.

(7) Subsection (1) of this section does not apply to the expenditure of funds accumulated to pay deferred employee compensation.

(8) Subsection (1) of this section does not apply to refunds or the interest on refunds granted by counties under ORS 311.806.

(9) Subsection (1) of this section does not apply to refunds received by a municipal corporation when purchased items are returned after an expenditure has been made. A municipal corporation may not make an expenditure under this subsection unless the governing body of the municipal corporation enacts appropriate appropriation ordinances or resolutions authorizing the expenditure.

(10) Subsection (1) of this section does not apply to a newly formed municipal corporation during the fiscal year in which it was formed. If a new municipal corporation is formed between March 1 and June 30, subsection (1) of this section does not apply to the municipal corporation during the fiscal year immediately following the fiscal year in which it was formed. [Formerly 294.326]

294.340 [Repealed by 1963 c.576 §44]

294.341 [1963 c.576 §7; 1997 c.308 §7; 2005 c.417 §1; 2007 c.670 §1; renumbered 294.423 in 2011]

294.343 Internal service funds. (1) A municipal corporation may establish by ordinance or resolution one or more internal service funds. The ordinance or resolution creating the fund shall set forth in detail the following:

(a) The appropriation or appropriations to be charged in order to provide the initial money for financing the fund;

(b) The object or purpose of the fund;

(c) The methods for controlling of expenditures and encumbering of such funds; and

(d) The sources from which the fund shall be replenished.

(2) No person shall expend or encumber or authorize expenditure or encumbrance from funds created in accordance with subsection (1) of this section in excess of the balance of that fund, or for a purpose for which there is no appropriation or source of reimbursement authorized at that time.

(3) The anticipated expenditure for the ensuing year or ensuing budget period from an internal service fund created in accordance with subsection (1) of this section shall be budgeted as any other fund in accordance with ORS 294.305 to 294.565, appropriations shall be made for each internal service fund in accordance with ORS 294.456

and expenditures from the internal service fund shall be regulated thereby.

(4) Notwithstanding the limitations in ORS 294.305 to 294.565 applicable to increasing the appropriations of funds during the current year or current budget period, the governing body may increase appropriations of the internal service funds by ordinance or resolution.

(5) The charges for services shall be computed to cover all costs for such services and the charges shall be periodically revised to eliminate any element of profit or loss. [Formerly 294.470]

294.345 [Amended by 1953 c.715 §2; 1955 c.250 §1; 1957 c.673 §3; repealed by 1963 c.576 §44]

294.346 Reserve fund established without vote; review of need for reserve fund; unexpended balances; application to system development charges. (1) Any municipal corporation, by ordinance or resolution of its governing body, may establish one or more reserve funds to hold moneys to be accumulated and expended for the purposes specified in ORS 280.050, without submitting the question of establishing the reserve fund to a vote of the electors. The municipal corporation may cause to be credited to any reserve fund all or any portion of the revenues derived from taxes levied under ORS 280.060 and any other taxes, charges or revenues as the governing body may determine. The municipal corporation may also limit the crediting of such taxes, charges or revenues to a reserve fund to a specific period of time designated by the governing body.

(2) Not less frequently than every 10th anniversary of the date upon which a reserve fund is established under subsection (1) of this section, the governing body of the municipal corporation shall review the reserve fund and determine whether the fund will be continued or abolished. When the governing body determines, by resolution, that it is no longer necessary to maintain such a reserve fund:

(a) Commencing with the next succeeding fiscal year, the political subdivision shall discontinue the levy of any taxes under ORS 280.060 that would otherwise be required to be credited to such fund; and

(b) There shall be transferred to the general fund or any other fund of the political subdivision that the governing body determines is appropriate:

(A) Any unexpended balance in the fund to be abolished that is not required to be held for subsequent expenditure for the purposes for which the fund was established; and

(B) Any subsequent receipts from tax levies that are otherwise required to be

credited to such fund, together with any penalties and interest thereon.

(3) This section does not apply to system development charges imposed under ORS 223.297 to 223.314, and no system development charges shall be credited to any reserve fund established under this section. [Formerly 294.525]

294.347 [1953 c.715 §3; repealed by 1963 c.576 §44]

294.348 [1957 c.673 §2; repealed by 1963 c.576 §44]

294.350 [Amended by 1953 c.715 §2; 1957 c.673 §4; repealed by 1963 c.576 §44]

294.351 [1963 c.576 §8; 1965 c.451 §3; 1971 c.516 §1; 1979 c.310 §3; repealed by 1979 c.686 §2 (294.352 enacted in lieu of 294.351)]

294.352 [1979 c.686 §3 (enacted in lieu of 294.351); 2001 c.135 §6; 2011 c.473 §2; renumbered 294.388 in 2011]

294.353 Elimination of unnecessary fund; disposition of balance. Subject to the provisions contained in the charter of any city or county or in any law relating to municipal corporations, when the necessity for maintaining any fund of the municipal corporation has ceased to exist and a balance remains in the fund, the governing body shall so declare by ordinance or other order and upon such declaration such balance shall forthwith be transferred to the general fund of the municipal corporation unless other provisions have been made in the original creation of the fund. [Formerly 294.475]

294.355 [Repealed by 1963 c.576 §44]

294.356 [1963 c.576 §§8a,9; 1971 c.513 §56; 1979 c.686 §4; 1993 c.112 §1; 2011 c.473 §3; renumbered 294.393 in 2011]

294.358 Expenditure and resource estimate sheets; made part of budget document. (1) The sheet or sheets containing the estimate of expenditures shall also show in parallel columns the actual expenditures for the two fiscal years next preceding the current year or the actual expenditures for the two budget periods preceding the current budget period, the estimated expenditures for the current year or current budget period and the estimated expenditures for the ensuing year or ensuing budget period.

(2) The sheet or sheets containing the estimate of budget resources shall also show in parallel columns the actual budget resources of the two fiscal years next preceding the current year or the actual budget resources for the two budget periods preceding the current budget period, the estimated budget resources for the current year or current budget period and the estimated budget resources for the ensuing year or ensuing budget period.

(3) The estimate sheets shall be made a part of the budget document. [Formerly 294.376]

294.360 [Amended by 1957 c.673 §5; 1963 c.576 §22; renumbered 294.416]

294.361 Contents of estimate of budget resources. (1) Each municipal corporation shall estimate in detail its budget resources for the ensuing year or ensuing budget period by funds and sources.

(2) Budget resources include but are not limited to:

(a) The balance of cash, cash equivalents and investments (in the case of a municipal corporation on the cash basis) or the net working capital (in the case of a municipal corporation on the accrual or modified accrual basis of accounting) that will remain in each fund on the last day of the current year or current budget period;

(b) Taxes;

(c) Fees;

(d) Licenses;

(e) Fines;

(f) Interest on deposits or on securities of any kind;

(g) Endowments;

(h) Annuities;

(i) Penalties;

(j) Sales of property or other assets or products of any kind;

(k) Delinquent taxes;

(L) Judgments;

(m) Damages;

(n) Rent;

(o) Premiums on sales of bonds;

(p) Reimbursement for services, road or other work performed for others;

(q) Transfer or reverter of unused balances of any kind;

(r) Reimbursement for services provided other funds;

(s) Rebates;

(t) Refunds of moneys heretofore paid on any account;

(u) Apportionment, grant, contribution, payment or allocation from the federal government, state government or any other governmental units;

(v) Taxes for the ensuing year or ensuing budget period;

(w) Interfund revenue transfers; and

(x) Revenues from any and all other sources of whatsoever kind or character.

(3) Budget resources do not include:

(a) The estimate for the ensuing year or ensuing budget period of discounts under ORS 311.505.

(b) The estimate of uncollectible amounts of taxes, fees or charges for the ensuing year or ensuing budget period.

(c) Moneys accumulated under an approved employee deferred compensation plan and interest or investment returns earned on such moneys.

(d) Grants, gifts, bequests or devises transferred to a municipal corporation in trust for specific uses in the year of transfer. However, such grants, gifts, bequests or devises shall be included as budget resources if, by the time the budget committee approves the budget, the amount thereof that will be received in the ensuing year or ensuing budget period can be reasonably estimated. Such grants, gifts, bequests or devises may be placed in a trust and agency fund, to then be appropriated from such fund or funds.

(e) Amounts deducted from taxes pursuant to ORS 294.632. [1963 c.576 §10; subsection (4) enacted as 1965 c.604 §11; 1969 c.612 §3; 1977 c.102 §3; 1979 c.310 §4; 1997 c.308 §8; 1999 c.632 §4; 1999 c.1051 §268; 2001 c.135 §7; 2005 c.22 §223; 2009 c.477 §5; 2009 c.596 §9]

294.363 [1971 c.516 §10; repealed by 1979 c.686 §10]

294.365 [Amended by 1957 c.310 §2; 1959 c.262 §2; 1961 c.299 §1; 1961 c.678 §1; 1963 c.576 §23; renumbered 294.421]

294.366 [1963 c.576 §12; 2005 c.22 §224; renumbered 294.373 in 2011]

294.368 Determination of estimated tax revenues. (1) Each municipal corporation that has the power to levy an ad valorem property tax shall estimate, in the manner provided in this section, the amount of revenues that will be received in the ensuing year or ensuing budget period through the imposition of taxes upon the taxable property within the municipal corporation.

(2) Subject to the additional adjustments required under subsection (4) of this section, the estimated ad valorem taxes that will be received in the ensuing year or ensuing budget period shall not exceed the following:

(a) The amount derived by multiplying the estimated assessed value for the ensuing year or each fiscal year of the ensuing budget period of the taxable property within the municipal corporation, after boundary changes have been filed in final approved form with the county assessor and the Department of Revenue as provided in ORS 308.225, by whichever of the following is applicable to the municipal corporation:

(A) The municipal corporation's permanent rate limit on operating taxes, as defined in ORS 310.202 (7); or

(B) The municipal corporation's statutory rate limit on operating taxes, as defined in ORS 310.202 (10).

(b) If the municipal corporation is authorized to levy a local option tax that was authorized by the electors as a dollar

amount, the dollar amount of such local option tax that is authorized to be levied in the ensuing year or ensuing budget period.

(c) If the municipal corporation is authorized to levy a local option tax that was authorized by the electors as a tax rate, the amount derived by multiplying the authorized rate of such local option tax for the ensuing year or ensuing budget period by the estimated assessed value for the ensuing year or each fiscal year of the ensuing budget period of the taxable property within the municipal corporation.

(d) Subject to subsection (3) of this section, the municipal corporation's estimate of the amount required to pay the principal and interest on bonded indebtedness that is not subject to limitation under section 11 (11) or section 11b, Article XI of the Oregon Constitution.

(e) The municipal corporation's estimate of the amount required to repay taxing district bond obligations or pension and disability plan obligations described in section 11 (5), Article XI of the Oregon Constitution.

(3)(a) The estimate described in subsection (2)(d) of this section may include:

(A) An amount equal to the total of the payments on the principal and interest on bonded indebtedness that are due and payable in the fiscal period following the fiscal period for which the budget is being prepared and before a sufficient amount of property taxes to pay the bonded indebtedness are collected in that fiscal period, pursuant to ORS 294.398.

(B) Amounts to reimburse the municipal corporation for the payment of principal and interest on exempt bonded indebtedness that the municipal corporation made from other moneys because collections of taxes levied for exempt bonded indebtedness were not sufficient to pay the exempt bonded indebtedness.

(b) 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, as amended and in effect on June 25, 2009, the payments described in paragraph (a) of this subsection may include deposits that the municipal corporation has agreed to make in a sinking fund that is dedicated to pay the bonded indebtedness.

(4) The amounts determined under subsection (2)(a), (b) and (c) of this section shall be reduced by an amount equal to the estimated amount of such taxes that will not be collected as a result of:

(a) The discounts allowed under ORS 311.505;

(b) The limits imposed under ORS 310.150 (3); and

(c) The failure of taxpayers to pay such taxes in the year for which they are levied.

(5)(a) The estimated ad valorem taxes determined in accordance with subsection (2)(a), (b) and (c) of this section, prior to adjustment by subsection (4) of this section, shall be used by the municipal corporation for purposes of complying with the requirements of ORS 310.060 (1).

(b) The amounts determined under subsection (2)(d) and (e) of this section shall, for purposes of complying with the requirements of ORS 310.060 (1), be increased by an amount equal to the estimated amount of taxes that will not be collected as a result of:

(A) The discounts allowed under ORS 311.505;

(B) The limits imposed under ORS 310.150 (3); or

(C) The failure of taxpayers to pay taxes in the year for which they are levied. [Formerly 294.381]

294.370 [Amended by 1961 c.678 §2; repealed by 1963 c.576 §44]

294.371 [1963 c.576 §13; 1965 c.451 §4; 1997 c.308 §9; 2001 c.135 §8; 2011 c.473 §4; renumbered 294.398 in 2011]

294.373 Reserving receipts from revenue-producing property or facility; deposit in special fund. (1) Any port or dock commission may reserve any portion of the receipts from any revenue-producing property or facility. Any city may reserve any portion of the receipts from any public utility operation of such city. Any such port, dock commission or city may reserve any proceeds from the sale of any such property for future maintenance, alteration, repair, equipment, relocation or replacement of such properties or facilities of the general nature and type from which the proceeds or receipts were received or for insurance funds or retirement pension funds, as the governing body may deem necessary or appropriate. However, if money is received from the sale of property that has been purchased with the proceeds from the sale of bonds or utility certificates, the governing body shall first apply the receipts from the sale of such property to the payment of any applicable outstanding bonded indebtedness before allocation of any portion of the receipts to a reserve fund.

(2) Moneys reserved under subsection (1) of this section shall be placed in a special fund or funds. [Formerly 294.366]

294.375 [Repealed by 1963 c.576 §44]

294.376 [1963 c.576 §14; 2001 c.135 §9; renumbered 294.358 in 2011]

294.378 Certain interest to be included in budget; method. In the exercise of the authority granted by ORS 287A.180, 328.565 and 341.715, specific provision for interest must be contained in duly adopted budgets. However, reporting of anticipated loan proceeds and related principal repayments within a particular fiscal year or budget period may be accomplished in narrative form or by footnoted schedules to the duly adopted budget and need not be included as a budgetary resource or requirement. Such narrative or footnoted disclosure must indicate that principal repayments are a liability of the applicable fund from which they are made. [Formerly 294.443]

294.380 [Amended by 1959 c.262 §3; repealed by 1963 c.576 §44]

294.381 [1963 c.576 §15; 1979 c.762 §1; 1991 c.459 §5; 1997 c.308 §10; 1997 c.541 §328; 1999 c.186 §7; 1999 c.632 §5; 2001 c.135 §10; 2001 c.138 §1; 2003 c.46 §1; 2005 c.443 §31; 2007 c.894 §1; 2009 c.538 §16; renumbered 294.368 in 2011]

294.383 Inclusions in accrued revenues of school, education service, community college and community college service districts using accrual basis of accounting; State School Fund grant calculations. (1) As used in this section, “extended ADMw” means:

(a) For a school district, the district extended ADMw as calculated under ORS 327.013.

(b) For an education service district, the sum of the extended ADMw of the school districts located within the territory of the education service district.

(2) Notwithstanding ORS 294.333, a school district or education service district that uses the accrual basis method of accounting may include as accrued revenues in the budget and financial statement of the school district or education service district, for any fiscal year, an amount from the next fiscal year that is to be received in the next fiscal year. The amount accrued under this section may not be greater than the amount calculated under subsection (3)(b) or (c) of this section multiplied by the extended ADMw of the school district or education service district.

(3)(a) For each fiscal year, the Department of Education shall calculate the amount available in the State School Fund for grants and distributions to school districts and the amount available for grants and distributions to education service districts under ORS 327.008, 327.013 and 327.019 based on the appropriations and allocations made to the State School Fund for that fiscal year by the Legislative Assembly in regular session. The department may not include in the amount calculated to be available for

school districts and education service districts under this paragraph the amounts received by the Youth Corrections Education Program and the Juvenile Detention Education Program under ORS 327.026 from the State School Fund.

(b) The department shall calculate for school districts an amount equal to (the amount calculated under paragraph (a) of this subsection for school districts ÷ 12) ÷ the total statewide extended ADMw of all school districts.

(c) The department shall calculate for education service districts an amount equal to (the amount calculated under paragraph (a) of this subsection for education service districts ÷ 12) ÷ the total statewide extended ADMw of all education service districts.

(d) The department may adjust the calculations under this subsection based on current data for the factors used to calculate the State School Fund distribution to school districts and education service districts under ORS 327.008, 327.013 and 327.019.

(e) Notwithstanding paragraph (d) of this subsection, the department may not adjust the calculation under paragraph (a) of this subsection based on changes made to the appropriations or allocations to the State School Fund by the Legislative Assembly in special session or by rule of the Oregon Department of Administrative Services relating to allotting funds.

(4) Notwithstanding ORS 294.333, a community college district or community college service district that uses the accrual basis method of accounting may include as accrued revenues in the budget and financial statement of the community college district or community college service district, for any fiscal year, an amount from the next fiscal year that is to be received in the next fiscal year. The amount accrued under this section may not be greater than 25 percent of the amount the community college district or community college service district received as a Community College Support Fund grant for the fiscal year for which the revenues are to be accrued. [Formerly 294.447; 2013 c.577 §6]

294.385 [Repealed by 1963 c.576 §44]

294.386 [1963 c.576 §16; 1979 c.686 §5; 1997 c.308 §11; 1997 c.541 §329; 2007 c.783 §119; repealed by 2011 c.473 §31]

294.388 Estimates and reconciliation of expenditures and other requirements; form and contents. (1) Each municipal corporation shall prepare estimates of expenditures and other requirements for the ensuing year or budget period. The estimates must be reconciled so that the total amount of expenditures and other requirements in each

fund equals the total amount of resources in the fund for the same period.

(2) Estimates required under subsection (1) of this section must be prepared by organizational unit or by program. For purposes of preparing the estimates, "organizational unit" does not apply to hospitals, school districts or education service districts.

(3) Estimates prepared by organizational unit pursuant to subsection (2) of this section must be detailed under separate object classifications of personnel services, materials and services and capital outlay. Separate estimates must be made for operating expenses and general capital outlays that cannot reasonably be allocated to an organizational unit and for special payments, debt service and interfund revenue transfers.

(4) Estimates prepared by program pursuant to subsection (2) of this section must be arranged for each activity of a program. Estimates under each activity must be detailed under separate object classifications of personnel services, materials and services and capital outlay. Separate estimates must be made for operating expenses and general capital outlays that cannot reasonably be allocated to an activity within a program and for special payments, debt service and interfund revenue transfers.

(5) Estimates of expenditures for personnel services must include for each organizational unit or activity the total budgeted cost of all officers and employees and the number of related full-time equivalent positions. Upon request, a municipal corporation shall make available the current salary of each officer and employee, other than persons who receive an hourly wage or who are hired on a part-time basis. For the purpose of preparing a list of salaries, employees of like classification and salary range may be listed by the number of employees, the highest and lowest salaries and the total amount of all salaries, in each salary range.

(6) Debt service estimates must include separate amounts for principal and interest for each bond issue in each fund.

(7) The estimate for a fund may include an estimate for general operating contingencies. [Formerly 294.352]

294.390 [Repealed by 1963 c.576 §44]

294.391 [1963 c.576 §17; 1997 c.308 §12; 2001 c.135 §11; 2011 c.473 §5; renumbered 294.403 in 2011]

294.393 Preparation of estimates by school, education service and community college districts and by municipal corporations operating public utility or hospital. (1) Each school district and each education service district shall prepare the estimates of expenditures required under

ORS 294.388 in accordance with the classification of revenue and expenditure accounts prescribed by the Department of Education in consultation with the Department of Revenue. The Department of Revenue is responsible for determining the district's compliance with this subsection.

(2) Each community college district shall prepare the estimates of expenditures required under ORS 294.388 in accordance with the classification of revenue and expenditure accounts prescribed by the Office of Community Colleges and Workforce Development in consultation with the Department of Revenue. The Department of Revenue is responsible for determining the district's compliance with this subsection.

(3) Notwithstanding ORS 294.388 (2), each municipal corporation that operates a public utility or hospital shall prepare estimates for the operations of each public utility or hospital in accordance with:

(a) The applicable generally accepted system of accounts for the operations; or

(b) The general system of accounts in ORS 294.305 to 294.565. [Formerly 294.356; 2015 c.366 §72]

294.395 [Repealed by 1963 c.576 §44]

294.396 [1963 c.576 §18; 2001 c.135 §12; renumbered 294.408 in 2011]

294.398 Estimate of unappropriated ending fund balance for each fund. A municipal corporation may include in its budget an estimate of unappropriated ending fund balance for each fund, for use in the fiscal period following that for which the budget is being prepared. The estimate authorized by this section represents cash or net working capital which will be carried over into the year following the ensuing fiscal year or ensuing budget period for which the budget is being prepared. It shall not in any way reduce the cash balance or net working capital which becomes part of the budget resources provided in ORS 294.361 (1) to (3). The unappropriated ending fund balance authorized by this section shall become a budget resource at the close of the ensuing fiscal year or ensuing budget period for the succeeding year or budget period. Except as provided in ORS 294.338 (2) and 294.481, no appropriation or expenditure shall be made in the year or budget period for which the budget is applicable for the amount estimated pursuant to this section. [Formerly 294.371]

294.400 [Amended by 1953 c.40 §2; 1959 c.168 §1; repealed by 1963 c.576 §44]

294.401 [1963 c.576 §19; 1965 c.451 §5; 1971 c.516 §2; 1989 c.504 §1; 1997 c.308 §13; 1999 c.632 §6; 2011 c.473 §6; renumbered 294.426 in 2011]

294.403 Budget message. A budget message shall be prepared by or under the direction of the executive officer of the municipal corporation or, where no executive officer exists, by or under the direction of the presiding officer of the governing body. The budget message shall be delivered at a meeting of the budget committee as provided in ORS 294.426 (1). The budget message shall:

(1) Explain the budget document;

(2) Contain a brief description of the proposed financial policies of the municipal corporation for the ensuing year or ensuing budget period;

(3) Describe in connection with the financial policies of the municipal corporation, the important features of the budget document;

(4) Set forth the reason for salient changes from the previous year or budget period in appropriation and revenue items;

(5) Explain the major changes in financial policy; and

(6) Set forth any change contemplated in the municipal corporation's basis of accounting and explain the reasons for the change and the effect of the change on the operations of the municipal corporation. [Formerly 294.391]

294.405 [Repealed by 1953 c.306 §18]

294.406 [1963 c.576 §20; 1965 c.451 §6; 1997 c.308 §14; 1997 c.541 §336a; 1999 c.632 §7; 2001 c.104 §103; 2001 c.135 §13; 2009 c.477 §6; renumbered 294.428 in 2011]

294.408 Time of making budget message and document. The budget message and budget document shall be prepared a sufficient length of time in advance to allow the adoption of the budget by the close of the current fiscal year or current budget period. [Formerly 294.396]

294.410 [Repealed by 1963 c.576 §44]

294.411 [1963 c.576 §21; 1969 c.155 §1; 1991 c.459 §6; 1997 c.308 §15; 1999 c.632 §8; 2009 c.596 §3; 2011 c.473 §7; renumbered 294.431 in 2011]

294.413 [1971 c.516 §9; 1983 c.549 §1; 1993 c.742 §46; 1997 c.308 §16; renumbered 294.433 in 2011]

294.414 Budget committee. (1) Except as provided in ORS 294.423, the governing body of each municipal corporation shall establish a budget committee in accordance with the provisions of this section.

(2) The budget committee shall consist of the members of the governing body and a number, equal to the number of members of the governing body, of electors of the municipal corporation appointed by the governing body; if there are electors fewer than the number required, the governing body and the electors who are willing to serve shall be the budget committee; and if there are no electors willing to serve, the governing body shall be the budget committee.

(3) The members of the budget committee shall receive no compensation for their services as members of such committee.

(4) Appointive members of the budget committee may not be officers, agents or employees of the municipal corporation.

(5) Appointive members of a budget committee that prepares an annual budget shall be appointed for terms of three years. The terms shall be staggered so that, as near as practicable, one-third of the terms of the appointive members end each year.

(6) Appointive members of a budget committee that prepares a biennial budget shall be appointed for terms of four years. The terms shall be staggered so that, as near as practicable, one-fourth of the terms of the appointive members end each year.

(7) If any appointive member is unable to serve the term for which the member was appointed, or an appointive member resigns prior to completion of the term for which the member was appointed, the governing body of the municipal corporation shall fill the vacancy by appointment for the unexpired term.

(8) If the number of members of the governing body is reduced or increased by law or charter amendment, the governing body of the municipal corporation shall reduce or increase the number of appointive members of the budget committee so that the number thereof shall be equal to but not greater than the number of members of the governing body. To effect a reduction, the governing body of the municipal corporation may remove such number of appointive members as may be necessary. The removals shall be made so that the number remaining will be divided into three, if the terms of the appointive members are governed by subsection (5) of this section, or four, if the terms of the appointive members are governed by subsection (6) of this section, equal or approximately equal groups as to terms. In case of an increase, additional appointive members shall be appointed for such terms so that they, together with the members previously appointed, will be divided into three or four, as appropriate under this section, equal or approximately equal groups as to terms.

(9) The budget committee shall at its first meeting after its appointment elect a presiding officer from among its members. [Formerly 294.336]

294.415 [Renumbered 294.425]

294.416 [Formerly 294.360; 1965 c.451 §7; 1971 c.516 §3; 1979 c.686 §6; 1997 c.308 §17; 2001 c.135 §14; 2011 c.473 §8; renumbered 294.438 in 2011]

294.418 [1971 c.516 §5; 1979 c.686 §7; 1997 c.308 §18; 1997 c.541 §330; 2001 c.135 §15; repealed by 2011 c.473 §31]

294.419 [2009 c.477 §2; renumbered 294.444 in 2011]

294.420 [Renumbered 294.555]

294.421 [Formerly 294.365; 1965 c.451 §8; 1967 c.525 §1; 1969 c.155 §2; 1971 c.516 §6; 1991 c.459 §7; 1997 c.308 §19; 1997 c.541 §331; 1999 c.632 §9; 2001 c.104 §104; 2001 c.135 §16; 2009 c.477 §7; 2009 c.596 §4; 2011 c.473 §11; renumbered 294.448 in 2011]

294.423 Governing body of certain municipal corporations to be budget committee; exception. (1) The governing body of each municipal corporation having a population exceeding 200,000 and that is located in a county having a tax supervising and conservation commission shall be the budget committee for the municipal corporation unless the governing body of the municipal corporation elects by resolution to create a budget committee as provided in ORS 294.414.

(2) The governing body of a city with a population of more than 400,000 is the budget committee of an urban renewal agency created by the city under ORS 457.035. [Formerly 294.341]

294.425 [Formerly 294.415; 1997 c.308 §20; 1997 c.541 §336b; 1999 c.632 §10; 2001 c.104 §105; 2001 c.135 §17; 2009 c.477 §8; renumbered 294.451 in 2011]

294.426 Budget committee meeting; notice; receipt of budget message and document; provision of copies of document. (1) The budget committee established under ORS 294.414 shall hold one or more meetings for the following purposes:

(a) Receiving the budget message prepared under ORS 294.403 and the budget document; and

(b) Providing members of the public with an opportunity to ask questions about and comment on the budget document.

(2)(a) If a budget committee holds more than one meeting under subsection (1) of this section, the budget message and the budget document must be received at the first meeting.

(b) If the budget committee does not provide members of the public with an opportunity to ask questions about and comment on the budget document at the first meeting, the budget committee must provide the public with the opportunity at a subsequent meeting.

(3)(a) Except as provided in paragraph (b) of this subsection, the budget officer designated under ORS 294.331 shall publish prior notice of each meeting of the budget committee held pursuant to subsection (1) of this section. The notice must contain the information described in subsection (4) of this section and must be published by one of the methods described in subsection (5) of this section.

(b)(A) If the budget committee holds more than one meeting for the purposes described in subsection (1) of this section, the budget

officer may publish a combined notice for all the meetings.

(B) If the budget committee holds more than one meeting for the purpose described in subsection (1)(b) of this section, the budget officer may publish notice of only the first meeting. Notice of subsequent meetings may be given as provided in ORS 294.428 (2). If notice is published for a meeting under this subparagraph and it is subsequently determined that the meeting is unnecessary, notice of cancellation of the meeting must be published as provided in ORS 294.428 (2).

(4) The notice required under subsection (3) of this section must state:

(a) The purpose, time and place of the meeting or meetings and the place where the budget document is available;

(b) That the meeting is a public meeting where deliberations of the budget committee will take place; and

(c) If the meeting described in the notice is a meeting at which the budget committee will receive questions and comments from members of the public, that any person may ask questions about and comment on the budget document at that time.

(5)(a) If the notice required under subsection (3) of this section is published only by publication in a newspaper, the notice must be published at least two separate times, not more than 30 days before the meeting date and not less than five days before the meeting date.

(b) The notice may be published once in a newspaper, not more than 30 days before the meeting date and not less than five days before the meeting date, and once on the municipal corporation's Internet website, in a prominent manner and maintained on the website for at least 10 days before the meeting date. The newspaper notice must contain the Internet website address at which the notice is posted.

(c) If the notice is published by mailing or hand delivery, the notice must be placed with the United States Postal Service or hand delivered not less than 10 days before the meeting date.

(6)(a) At any time before the first meeting required under subsection (1) of this section, the budget officer may provide one copy of the budget document to each member of the budget committee solely for the information and use of the individual members. The budget committee may not deliberate on the budget document as a body before the first meeting.

(b) If the budget officer does not provide copies of the budget document to the members of the budget committee under para-

graph (a) of this subsection, the budget officer shall provide copies at the first meeting required under subsection (1) of this section.

(7) 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 the members of the budget committee under subsection (6) of this section. The copy is a public record of the municipal corporation.

(8) 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. [Formerly 294.401]

294.428 Budget committee hearings; approval of budget document. (1) The budget committee shall approve the budget document as submitted by the budget officer or the budget document as revised and prepared by the budget committee. The budget document as approved by the budget committee shall specify the ad valorem property tax amount or rate for all funds.

(2) In addition to the meetings held under ORS 294.426 (1), the budget committee may meet from time to time at its discretion. All meetings of the budget committee shall be open to the public. Except for a meeting of the budget committee held under ORS 294.426 (1), prior notice of each meeting of the budget committee shall be given at the same time as is required for notice of meetings of the governing body of the municipal corporation and may be given in the same manner as notice of meetings of the governing body or by any one or more of the methods described in ORS 294.311 (35).

(3) The budget committee may demand and receive from any officer, employee or department of the municipal corporation any information the committee requires for the revision and preparation of the budget document. The budget committee may compel the attendance of any such officer or employee at its meetings. [Formerly 294.406]

294.430 [1963 c.576 §24; 1969 c.155 §3; 1991 c.459 §8; 1997 c.308 §21; 2011 c.473 §12; renumbered 294.453 in 2011]

294.431 Submission of budget document to tax supervising and conservation commission before date of public hearing.

(1) A municipal corporation that has a population not exceeding 200,000, is located in a county having a tax supervising and conservation commission, has not made an election under ORS 294.625 (2) and has not submitted its approved budget document to the tax supervising and conservation commission for a public hearing pursuant to ORS 294.453 (3) shall submit its approved budget document to

the tax supervising and conservation commission in the county at least 30 days before the date of the public hearing in accordance with ORS 294.453.

(2) A municipal corporation that has a population exceeding 200,000, or a municipal corporation that has a population not exceeding 200,000, has not made an election under ORS 294.625 (2) and requests the tax supervising and conservation commission to conduct the public hearing described in ORS 294.453, shall submit its approved budget document to the tax supervising and conservation commission in the county at least 20 days before the date of the public hearing in accordance with ORS 294.453.

(3) If the real market value of all property subject to taxation by a municipal corporation in a county having a tax supervising and conservation commission is greater than the real market value of all property subject to taxation by the municipal corporation in any other county, the municipal corporation shall submit its approved budget document to the tax supervising and conservation commission pursuant to subsection (1) or (2) of this section. As used in this subsection, "real market value" means the real market value computed according to ORS 308.207 from the assessment rolls last in the process of collection.

(4) Upon timely application in writing by a municipal corporation, a tax supervising and conservation commission may for good cause allow the municipal corporation to submit its approved budget document later than required under subsections (1) and (2) of this section. [Formerly 294.411]

294.433 Format for notices and summaries. Format for publication of notices and summaries required by ORS 294.438 shall be prescribed by the Department of Revenue. [Formerly 294.413]

294.435 [1963 c.576 §25; 1965 c.451 §9; 1969 c.682 §1; 1971 c.516 §7; 1977 c.305 §2; 1979 c.310 §5; 1979 c.686 §8a; 1993 c.270 §3; 1997 c.308 §22; 1997 c.541 §332; 1999 c.632 §11; 2001 c.135 §18; 2001 c.753 §5; 2003 c.14 §145; 2011 c.473 §13; renumbered 294.456 in 2011]

294.437 [2001 c.753 §4; 2007 c.350 §1; renumbered 294.476 in 2011]

294.438 Publication of notice of meeting, financial summary and budget summary; requirements of financial summary and notice of meeting; rules. (1) Not more than 30 days and not less than five days before the meeting of the governing body of a municipal corporation under ORS 294.453, a notice of the meeting and a financial summary of the budget as approved by the budget committee and compared with the actual expenditures and budget resources of the preceding year or preceding budget period

and the budget summary of the current year or current budget period must be published by one or more of the methods described in ORS 294.311 (35) at least once. The notice and financial summary may be published in accordance with forms prescribed by the Department of Revenue or in a narrative format that includes all the information required under subsections (2) to (8) of this section.

(2) Except as provided in ORS 294.441, the financial summary required under subsection (1) of this section must state separately the total amount of resources included in the budget in each of the following categories:

(a) Beginning fund balance or net working capital;

(b) Income from fees, licenses, permits, fines, assessments and all other service charges imposed by the municipal corporation;

(c) Property taxes approved by the budget committee for the ensuing year, or as increased by the governing body of the municipal corporation as provided in ORS 294.456;

(d) Federal, state and other grants, gifts, allocations and donations;

(e) Proceeds from bonds and other borrowings;

(f) Interfund revenue transfers and reimbursements for internal services; and

(g) The total of all other budget resources.

(3) Except as provided in ORS 294.441, the financial summary required under subsection (1) of this section must state separately the total amount of expenditures and other requirements included in the budget in each of the following categories:

(a) Personnel services;

(b) Materials and services;

(c) Capital outlay;

(d) Debt service;

(e) Special payments;

(f) Interfund revenue transfers;

(g) Operating contingencies; and

(h) Unappropriated ending fund balance and reserves.

(4)(a) Except as provided in ORS 294.441, the financial summary required under subsection (1) of this section must state the estimated total amount of expenditures and other requirements and the estimated total number of employees stated in full-time equivalent positions for the ensuing year or ensuing budget period for each organizational unit or program of the municipal corporation.

(b) For purposes of this subsection, “organizational unit” does not apply to hospitals.

(5)(a) The financial summary required under subsection (1) of this section must describe in narrative format the prominent changes from the current year or current budget period in the activities and financing of the major organizational units or major programs.

(b) For purposes of this subsection, “organizational unit” does not apply to hospitals.

(6) The financial summary required under subsection (1) of this section must state the municipal corporation’s operating tax rate or amount and the rate or amount of all other ad valorem property taxes to be certified to the assessor, including separate rates or amounts for local option taxes and ad valorem property taxes for meeting payments on bond principal and interest and for meeting other obligations of the municipal corporation described in section 11 (5), Article XI of the Oregon Constitution. Tax rates must be stated as a rate per thousand dollars of assessed value.

(7) The following statements must be published with the financial summary required under subsection (1) of this section:

(a) A classified statement of outstanding indebtedness excluding indebtedness that has been defeased as provided in ORS 287A.195; and

(b) A classified statement of all indebtedness authorized but not incurred.

(8) The meeting notice required under subsection (1) of this section must:

(a) State the time and place of the budget hearing at which the approved budget document may be discussed with the governing body of the municipal corporation;

(b) State the place where the complete budget document is available during regular business hours for inspection by the general public and where and when copies of the complete budget document may be obtained;

(c) State that the budget has been prepared in accordance with the basis of accounting used in the preceding year or preceding budget period unless a change in the basis of accounting is anticipated; and

(d) If a change in the basis of accounting is to be made, explain the change and the effects of the change.

(9) The Department of Revenue may adopt rules to implement the provisions of this section. [Formerly 294.416; 2013 c.420 §1]

294.440 [1963 c.576 §26; 1971 c.513 §58; 1983 c.740 §84; 2011 c.473 §14; renumbered 294.478 in 2011]

294.441 Requirements for financial summaries of school, education service and community college districts. (1) For a school district or an education service district, the financial summary required under ORS 294.438 (1) must state separately the total amount of resources included in the budget in each of the following categories:

- (a) Beginning fund balance;
- (b) Property taxes other than local option taxes;
- (c) Local option taxes;
- (d) Local sources;
- (e) Intermediate sources;
- (f) State sources;
- (g) Federal sources;
- (h) Interfund revenue transfers; and
- (i) The total of all other budget resources.

(2) For a school district or an education service district, the financial summary required under ORS 294.438 (1) must state separately the total amount of expenditures and other requirements included in the budget in each of the following objects:

- (a) Salaries;
- (b) Associated payroll cost;
- (c) Purchased services;
- (d) Supplies and materials;
- (e) Capital outlay;
- (f) Other objects other than debt service;
- (g) Debt service;
- (h) Interfund transfers;
- (i) Operating contingencies; and
- (j) Unappropriated ending fund balance and reserves.

(3) For a school district or an education service district, the financial summary required under ORS 294.438 (1) must state separately the total amount of expenditures and other requirements and the total number of employees stated in full-time equivalent positions included in the budget in each of the following functions:

- (a) Instruction;
- (b) Support services;
- (c) Enterprise and community services;
- (d) Facilities acquisition and construction;
- (e) Other uses other than debt service and interfund transfers;
- (f) Debt service;
- (g) Interfund transfers;
- (h) Operating contingencies; and

(i) Unappropriated ending fund balance and reserves.

(4) For a community college district, the financial summary required under ORS 294.438 (1) must state separately the total amount of resources included in the budget in each of the following categories:

- (a) Beginning fund balance;
- (b) Property taxes other than local option taxes;
- (c) Local option taxes;
- (d) Tuition and fees;
- (e) Other local sources;
- (f) State sources;
- (g) Federal sources;
- (h) Interfund revenue transfers; and
- (i) The total of all other budget resources.

(5) For a community college district, the financial summary required under ORS 294.438 (1) must state separately the total amount of expenditures and other requirements included in the budget in each of the following objects:

- (a) Personnel services;
- (b) Materials and services;
- (c) Financial aid;
- (d) Capital outlay;
- (e) Debt service;
- (f) Other requirements;
- (g) Transfers;
- (h) Operating contingencies; and
- (i) Unappropriated ending fund balance and reserves.

(6) For a community college district, the financial summary required under ORS 294.438 (1) must state separately the total amount of expenditures and other requirements and the total number of employees stated in full-time equivalent positions included in the budget in each of the following functions:

- (a) Instruction;
- (b) Instructional support;
- (c) Student services other than student loans and financial aid;
- (d) Student loans and financial aid;
- (e) Community services;
- (f) College support services other than facilities acquisition and construction;
- (g) Facilities acquisition and construction;
- (h) Interfund transfers;
- (i) Other objects;
- (j) Operating contingencies; and

(k) Unappropriated ending fund balance and reserves. [2011 c.473 §10; 2013 c.420 §2]

294.443 [1985 c.356 §3; 1993 c.97 §16; 2001 c.135 §19; 2007 c.783 §120; renumbered 294.378 in 2011]

294.444 County budget summary of revenues and expenditures funded in part by state resources. 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. [Formerly 294.419]

294.445 [1963 c.576 §28; 1977 c.305 §3; 1997 c.308 §23; 2001 c.135 §20; 2011 c.473 §15; renumbered 294.333 in 2011]

294.447 [2002 s.s.4 c.1 §5; 2003 c.96 §§1,2; 2011 c.705 §17; renumbered 294.383 in 2011]

294.448 Manner of publication; alternative requirements in certain cases. (1) If no newspaper is published in a municipal corporation the aggregate estimated budget expenditures of which do not exceed \$100,000 for the ensuing fiscal year or \$200,000 for the ensuing budget period, the municipal corporation may post the notice of the meeting and financial summary of the budget required under ORS 294.438 (1) in three conspicuous places in the municipal corporation for at least 20 days before the date of the meeting required under ORS 294.453.

(2) Notwithstanding ORS 294.438, a municipal corporation having a population exceeding 200,000 and located in a county having a tax supervising and conservation commission or a municipal corporation having a population not exceeding 200,000 that has not made an election under ORS 294.625 (2) and that requests the tax supervising and conservation commission to conduct the public hearing described in ORS 294.453 shall, not less than five days and not more than 30 days before the date of the meeting required under ORS 294.453, publish a notice stating:

(a) The date, time and place of the meeting required under ORS 294.453;

(b) The place where the complete budget document is available during regular business hours for inspection by the general public;

(c) Total budget requirements and taxes to be levied;

(d) Changes in the amount or rate of proposed ad valorem property taxes; and

(e) The place where copies of the complete budget or parts of the complete budget may be obtained. [Formerly 294.421]

294.450 [1963 c.576 §27; 1975 c.569 §1; 1979 c.310 §6; 1997 c.308 §24; 1999 c.632 §12; 2001 c.135 §21; 2009 c.477 §9; 2011 c.473 §16; renumbered 294.463 in 2011]

294.451 Sufficiency of publication of budget documents; notice to governing body and assessor of publication error. (1) When a notice, budget summary or other document is required to be published under any provision of ORS 294.305 to 294.565, publication of the document shall be considered sufficient for all purposes if a good faith effort is made by the budget officer of the municipal corporation to publish by any one or more of the methods described in ORS 294.311 (35), notwithstanding any defect in the publication, including but not limited to:

(a) Typographical or scriveners' errors in the published material;

(b) Failure of the published materials to be mailed or hand delivered to each street and postal mailing address within the jurisdictional boundaries of the municipal corporation;

(c) Arithmetic errors in computing numerical information, including tax levies or tax rates;

(d) Calculations of ad valorem property taxes not made in accordance with the applicable requirements of law; or

(e) Failure to publish within the time periods required by law.

(2) At the first regularly scheduled meeting of the governing body of the municipal corporation that is held following the discovery of any publication error described in subsection (1)(a), (c) or (d) of this section, the budget officer shall advise the governing body in writing of the error and shall correct the error by testimony before the governing body at the meeting. If the error relates to the calculation of ad valorem property taxes, the budget officer shall immediately notify the county assessor of the error in writing, identifying the correct ad valorem property tax. [Formerly 294.425]

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

hearing on the budget document as approved by the budget committee. At the meeting any person may appear for or against any item in the approved budget document.

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

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

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

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

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

(c) Notwithstanding paragraph (b) of this subsection, unless the amended budget document is republished pursuant to ORS 294.438

or 294.448 in the same manner as the original budget and another public hearing is held pursuant to ORS 294.453 (1), or except to the extent ad valorem property taxes may be increased under ORS 294.476:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(c) Notwithstanding paragraph (a) of this subsection, the governing body may certify operating taxes as defined in ORS 310.055 (1) as a rate or an amount if less than the full authority is needed to balance the fund that will receive the taxes. [Formerly 294.435; 2013 c.420 §3; 2015 c.366 §73; 2017 c.26 §5]

294.458 Filing copy of budget and certain documents with county assessor and Department of Revenue; records. (1) On or before July 15 of each year, or upon such other date as the Department of Revenue shall designate, each civil subdivision in the state that does not levy an ad valorem prop-

erty tax, that is subject to the Local Budget Law and that prepares an annual budget shall file with the Department of Revenue a copy of the resolution adopting the budget and of the resolution making appropriations.

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

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

(a) Two copies each of the notice required under ORS 310.060 and the categorization certification.

(b) Two copies of a statement confirming the ad valorem property taxes approved by the budget committee.

(c) Two copies each of the ordinances or resolutions to adopt the budget, to make the appropriations, to itemize and categorize the taxes and to certify the taxes.

(4) As soon as the county assessor receives the documents listed in subsection (3) of this section, the county assessor shall forward one copy of each document to the Department of Revenue.

(5)(a) Not later than September 30 of each year, a municipal corporation that certifies a tax on property under ORS 310.060 shall provide a complete copy of the budget document of the municipal corporation to the clerk of the county in which the principal office of the taxing district is located and, if the taxing district is located in more than one county, to the clerk of each county in which any part of the taxing district is located.

(b) Notwithstanding paragraph (a) of this subsection, a municipal corporation located in a county in which there is no county clerk shall submit the budget document to the county assessor in the county.

(c) Notwithstanding paragraphs (a) and (b) of this subsection, a municipal corporation that is subject to the jurisdiction of a tax supervising and conservation commission under ORS 294.625 shall submit a copy of the budget document to the commission.

(6)(a) Each civil subdivision and municipal corporation that is subject to the Local Budget Law shall retain a true copy of its budget:

(A) If an annual budget is prepared, for two years following the end of the fiscal year; or

(B) If a biennial budget is prepared, for two budget periods following the end of the budget period for which the biennial budget was prepared.

(b) During the period of retention, the civil subdivision or municipal corporation shall send a copy of the budget to the county assessor, the Department of Revenue or the Division of Audits upon request. [Formerly 294.555]

294.460 [1963 c.576 §§27b,27c; 1979 c.310 §7; 1999 c.632 §13; 2001 c.135 §23; 2009 c.477 §10; renumbered 294.468 in 2011]

294.461 Tax certification contrary to law voidable by Oregon Tax Court; appeal procedure. (1) Any ad valorem property tax made contrary to the provisions of ORS 294.305 to 294.565 or any other law relating to the making of tax levies shall be voidable as provided in subsection (2) of this section and ORS 310.070.

(2) The county assessor, county court, board of county commissioners, the Department of Revenue, tax supervising and conservation commission or 10 or more interested taxpayers may appeal to the regular division of the Oregon Tax Court and such appeal shall be perfected in the following manner only:

(a) Within 30 days after the certification of ad valorem property taxes is filed with the county assessor under ORS 310.060, the appealing party shall file a complaint with the clerk of the tax court at its principal office in Salem, Oregon. Such filing in the tax court shall constitute the perfection of the appeal. Service upon the Department of Revenue shall be accomplished by the clerk of the tax court filing a copy of the complaint with the Director of the Department of Revenue and with the secretary or clerk of the municipal corporation. When a complaint is filed under this section by 10 or more interested taxpayers, if following perfection of the court's jurisdiction to hear the case:

(A) One or more of the taxpayers withdraws from the proceedings, and five or more of the taxpayers do not withdraw, the court shall nevertheless retain jurisdiction to hear the matter; or

(B) One or more of the taxpayers withdraws from the proceedings, and fewer than five of the taxpayers remain parties and do not withdraw, the court shall not retain jurisdiction to hear the matter but shall dismiss the case with prejudice.

(b) The complaint shall state the facts and the grounds upon which the plaintiff contends the tax should be voided or modi-

fied. The case shall proceed thereafter in the manner provided in ORS 305.405 to 305.494.

(3) If the tax court finds that the budget and the tax certification in question were not prepared and made in substantial compliance with ORS 294.305 to 294.565 and any other applicable law relating to the making of ad valorem property taxes, it shall declare void or modify any such tax and shall direct that such action be taken, all as in the circumstances it shall deem appropriate. [Formerly 294.485]

294.463 Transfers of appropriations within fund or between funds. Subject to the provisions of the charter of a city or county or a law relating to municipal corporations:

(1) Except as provided in subsection (2) of this section, transfers of appropriations may be made within a fund when authorized by ordinance or resolution of the governing body of a municipal corporation. The ordinance or resolution must state the need for the transfer, the purpose for the authorized expenditure and the amount transferred.

(2) Transfers of general operating contingency appropriations that in aggregate during a fiscal year or budget period exceed 15 percent of the total appropriations of the fund contained in the original budget adopted by the governing body of the municipal corporation for the fiscal year or budget period may be made only after adoption of a supplemental budget prepared for the purpose.

(3) Transfers of appropriations or of appropriations and an equal amount of budget resources may be made between funds of the municipal corporation when authorized by ordinance or resolution of the governing body. The ordinance or resolution must state the need for the transfer, the purpose for the authorized expenditures in the appropriation and the amount transferred.

(4) This section applies only to transfers made after a budget has been approved and during the fiscal year or budget period for which the appropriations are made. [Formerly 294.450]

294.465 [1963 c.576 §29; repealed by 1999 c.632 §30]

294.466 Appropriation of pass-through revenues. (1) A municipal corporation imposing taxes, fees or charges that in accordance with applicable law or an intergovernmental agreement under ORS chapter 190 must be paid on a pass-through basis to another municipal corporation shall include the taxes, fees or charges in its budget and appropriate the estimated amount generated by the taxes, fees or charges.

(2) The appropriation required under subsection (1) of this section must take the

form of an expense of the municipal corporation imposing the taxes, fees or charges.

(3) If the actual amount collected from the taxes, fees or charges during a fiscal year or budget period exceeds the estimated amount included in the budget of the municipal corporation imposing the taxes, fees or charges for the fiscal year or budget period, upon determining that the excess exists, the governing body of the municipal corporation shall appropriate the excess by means of an ordinance or resolution and no further action is required under ORS 294.305 to 294.565 to budget, appropriate or expend the excess. [2011 c.473 §18]

294.468 Loans from one fund to another; commingling cash balances of funds. (1) It shall be lawful to loan money from any fund to any other fund of the municipal corporation whenever the loan is authorized by official resolution or ordinance of the governing body. The loans shall be made in compliance with the applicable requirements and limitations of this section. Loans made under this section shall not be made from:

(a) Debt service reserve funds created to provide additional security for outstanding bonds or other borrowing obligations that the municipal corporation has covenanted with the holders of such bonds or other borrowing obligations to maintain at certain specified levels. However, nothing in this paragraph is intended or shall be construed to prohibit loans from any such debt service reserve fund to the extent that the aggregate outstanding amount of the loans does not exceed the amount by which the amount in such debt service reserve fund exceeds the amount the municipal corporation has covenanted to maintain in the reserve fund with the holders of the related bonds or other borrowing obligations;

(b) Debt service funds created to account for moneys needed to make annual debt service payments on outstanding bonds or other borrowing obligations; or

(c) Moneys credited to any fund when, under applicable constitutional provisions, the moneys are restricted to specific uses unless the purpose for which the loan is to be made is a use allowed under such constitutional provisions.

(2) The resolution or ordinance authorizing any interfund loan permitted under this section shall:

(a) State the fund from which the loan is to be made, the fund to which the loan is to be made, the purpose for which the loan is to be made and the principal amount of the loan.

(b) If the interfund loan is a capital loan, set forth a schedule under which the principal amount of the loan, together with interest thereon at the rate provided for in paragraph (c)(B) of this subsection, is to be budgeted and repaid to the lending fund. The schedule shall provide for the repayment in full of the loan over a term not to exceed 10 years from the date the loan is made.

(c) If the interfund loan is a capital loan, provide that the loan shall bear interest at an annual rate equal to:

(A) The rate of return on moneys invested in the investment pool under ORS 294.805 to 294.895, as reported under ORS 294.875, immediately prior to the adoption of the ordinance or resolution authorizing the loan; or

(B) Such other rate as the governing body may determine.

(d) If the interfund loan is an operating loan, provide that the money loaned shall be budgeted and repaid to the fund from which the money was borrowed by the end of the ensuing year or ensuing budget period.

(3) The payment of any operating loans not repaid in the year or budget period in which the operating loan was made shall be budgeted as a requirement in the ensuing year or ensuing budget period.

(4) It shall be lawful to commingle cash balances of funds so long as all such fund moneys are segregated in the budget and accounting records.

(5) As used in this section:

(a) "Capital loan" means 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.

(b) "Operating loan" means any interfund loan, or portion thereof, that is not a capital loan, including any interfund loan, or portion thereof, made for the purpose of paying operating expenses. [Formerly 294.460; 2013 c.338 §14]

294.470 [1963 c.576 §30; 1975 c.319 §1; 1997 c.308 §26; 2001 c.135 §24; renumbered 294.343 in 2011]

294.471 Supplemental budget in certain cases; no increase in property taxes permitted. (1) Notwithstanding requirements as to estimates of and limitation on expenditures, during the fiscal year or budget period for which the original budget was adopted, the governing body of a municipal corporation may make one or more supplemental budgets under any of the following circumstances:

(a) An occurrence or condition that is not ascertained when preparing the original budget or a previous supplemental budget for

the current year or current budget period and that requires a change in financial planning.

(b) A pressing necessity that could not reasonably be foreseen when preparing the original budget or a previous supplemental budget for the current year or current budget period and that requires prompt action.

(c) Funds that are made available by another unit of federal, state or local government and the availability of which could not reasonably be foreseen when preparing the original budget or a previous supplemental budget for the current year or current budget period.

(d) A request for services or facilities the cost of which is to be supplied by a private individual, corporation or company or by another governmental unit and the amount of which could not be accurately estimated when preparing the original budget or a previous supplemental budget for the current year or current budget period.

(e) Proceeds from the involuntary destruction, involuntary conversion, or sale of property that necessitates the immediate purchase, construction or acquisition of different facilities in order to carry on governmental operations.

(f) Ad valorem property taxes that are received during the fiscal year or budget period in an amount sufficiently greater than the amount estimated to be collected such that the difference will significantly affect the level of government operations to be funded by the taxes as provided in the original budget or a previous supplemental budget for the current year or current budget period.

(g) A local option tax described in ORS 294.476 that is certified for extension on the assessment and tax roll under ORS 310.060 for the fiscal year or budget period in which the local option tax measure is approved by voters.

(h) A reduction in available resources that requires the governing body to reduce appropriations in the original budget or a previous supplemental budget for the current year or current budget period.

(i) The original budget of the municipal corporation adopted under ORS 294.456 did not include estimated requirements to pay debt service pursuant to ORS 294.477 or the actual requirements are different from the estimated requirements included in the original budget or a previous supplemental budget.

(2) A supplemental budget may not extend beyond the end of the fiscal year or budget period during which it is submitted.

(3)(a) If the amended estimated expenditures contained in an individual fund that is being changed by a supplemental budget differ by 10 percent or less from the expenditures in the budget as most recently amended prior to the supplemental budget, the governing body of the municipal corporation may adopt the supplemental budget at a regular meeting of the governing body.

(b) Notice of a regular meeting convened pursuant to paragraph (a) of this subsection, including a statement that a supplemental budget will be considered at the meeting, must be published not less than five days before the meeting.

(c) Additional expenditures contained in a supplemental budget described in this subsection may not be made unless the governing body of the municipal corporation enacts appropriation ordinances or resolutions authorizing the expenditures. The ordinances or resolutions must state the need for and the purpose and amount of the appropriation.

(4) Except as provided in ORS 294.476, the making of a supplemental budget does not authorize the governing body to increase the municipal corporation's total ad valorem property taxes above the amount or rate published with the regular budget and certified to the assessor under ORS 310.060 in conjunction with the regular budget for the fiscal year or for each fiscal year of the budget period to which the supplemental budget applies. [Formerly 294.480; 2013 c.420 §4; 2017 c.26 §3]

294.473 Procedure when supplemental budget changes estimated expenditures by more than 10 percent.

(1)(a) If the amended estimated expenditures contained in an individual fund that is being changed by a supplemental budget made under ORS 294.471 differ by more than 10 percent from the expenditures in the budget as most recently amended prior to the supplemental budget, the governing body of the municipal corporation shall hold a public hearing on the supplemental budget.

(b) Notice of the hearing required under paragraph (a) of this subsection, including a summary of the changes proposed in the funds that differ by more than 10 percent from the expenditures in the budget as most recently amended prior to the supplemental budget, must be published not less than five days before the meeting.

(c) After the hearing, additional expenditures contained in the supplemental budget described in this subsection may not be made unless the governing body of the municipal corporation enacts appropriation ordinances or resolutions authorizing the expenditures. The ordinances or resolutions must state the

need for and the purpose and amount of the appropriation.

(2) In counties having a tax supervising and conservation commission:

(a) The governing body of a municipal corporation may adopt a supplemental budget without submitting the budget to the commission prior to adoption.

(b) The commission is not required to hold a hearing on the budget.

(3) The Department of Revenue shall prescribe the form of the notice required under subsection (1) of this section. [2011 c.473 §22; 2013 c.420 §5]

294.474 Requirement to file materials related to measure proposing local option tax or general obligation bond. If a municipal corporation places a local option tax measure or a general obligation bond measure on the ballot to be voted on by the electors of the corporation, the chief elections officer of a city, governing body of a county or district elections authority responsible for filing materials relating to the measure under ORS 254.095 (2), 254.103 (1) or 255.085 (1) shall file the materials with the appropriate county elections officer. The county elections official shall file a copy of the materials with the Secretary of State for publication on the electronic filing system adopted under ORS 260.057. [2017 c.552 §3]

294.475 [1963 c.576 §31; renumbered 294.353 in 2011]

294.476 Local option tax or bond measure approved after adoption of budget; supplemental budget. (1) This subsection applies to the period following a municipal corporation's adoption under ORS 294.456 of a budget that does not include revenue from a proposed local option tax. If the municipal corporation places a local option tax measure on the ballot for an election held in September and the electors of the municipal corporation approve the measure, in order to impose the local option tax during the current fiscal year or current budget period, the governing body of the municipal corporation must:

(a) Adopt an ordinance or resolution to determine, make and declare the local option tax and to categorize the local option tax amount or rate as provided in ORS 310.060;

(b) Receive from the assessor of the county in which the municipal corporation is located (or, if the municipal corporation is located in more than one county, from the assessor of each county in which the municipal corporation is located) written approval to file a supplemental notice of property tax as described in ORS 310.060 (9); and

(c) File with the assessor of the county in which the municipal corporation is located

(or, if the municipal corporation is located in more than one county, with the assessor of each county in which the municipal corporation is located) two copies of the ordinance or resolution described in paragraph (a) of this subsection, two copies of the supplemental notice of property tax required under ORS 310.060 and two copies of the approved local option tax measure.

(2) This subsection applies to the period following a municipal corporation's adoption under ORS 294.456 of a budget that does not include revenue from a proposed local option tax or taxes to pay principal and interest on exempt bonded indebtedness. If the municipal corporation places a local option tax measure or a general obligation bond measure on the ballot for an election, other than an election held in September, next following adoption of the budget and the electors of the municipal corporation approve the measure, in order to impose the tax during the second fiscal year of a biennial budget period, the governing body of the municipal corporation must:

(a) Adopt an ordinance or resolution to determine, make and declare the tax and to categorize the tax amount or rate as provided in ORS 310.060; and

(b) Include with the certification required under ORS 310.060 for the second fiscal year of the biennial budget period two copies of the ordinance or resolution described in paragraph (a) of this subsection and two copies of the approved local option tax measure or general obligation bond measure.

(3) Funds raised by a local option tax described in this section may not be expended by the municipal corporation unless the municipal corporation has adopted a supplemental budget in accordance with ORS 294.471. Funds may be expended only in accordance with the supplemental budget so adopted.

(4) As soon as received, the county assessor shall forward one copy of each of the documents described in subsection (1)(c) of this section to the Department of Revenue. [Formerly 294.437; 2017 c.26 §12]

294.477 Inclusion in budget of estimated requirements for bonds approved at May election. (1) If the voters of a municipal corporation approve the issuance of general obligation bonds at a May election, the budget of the municipal corporation adopted under ORS 294.456 or a supplemental budget adopted under ORS 294.471 may include estimated requirements to pay debt service on the bonds during the ensuing year or each of the years of the ensuing budget period.

(2) On or after July 1 and before September 15 following the election described in subsection (1) of this section, the governing body of the municipal corporation may adopt an ordinance or resolution imposing and categorizing a tax levy necessary to pay the estimated debt service on the bonds described in subsection (1) of this section. The portion of an ordinance or resolution that is adopted under this subsection does not become effective until the debt is incurred.

(3) The assessor of the county in which the municipal corporation is located shall accept a written notice certifying the estimated amount of ad valorem property taxes to be imposed by the municipal corporation pursuant to an ordinance or resolution adopted under subsection (2) of this section, or of a subsequent ordinance or resolution imposing and categorizing a tax levy in an amount that is less than the amount imposed under subsection (2) of this section, on or before September 15 of the property tax year, provided the governing body of the municipal corporation timely files for an extension under ORS 310.060. [2017 c.26 §2]

294.478 School or community college district expending federal or state funds in emergency. (1)(a) The board of directors of a school district or the board of education of a community college district may not make an emergency expenditure for specific purposes that is greater than the amount appropriated for the purposes under ORS 294.456 unless the board:

(A) Declares the existence of an emergency necessitating a greater expenditure of public money for one or more of the purposes described in subsection (2) of this section; and

(B) Adopts a resolution appropriating funds for the emergency expenditure.

(b) An emergency expenditure under paragraph (a) of this subsection is allowable to the extent that all funds for the emergency expenditure are:

(A) Advanced or committed to the district by apportionment, grant, contribution or allocation from the United States or an agency of the United States; or

(B) Made available to a common or union high school district by the education service district board from an emergency aid fund established under ORS 334.370.

(2) A school district or a community college district may appropriate an emergency expenditure under this section for the specific purposes of providing, maintaining and operating school or college facilities, supplies and personnel for the instruction of the pupils attending the public schools or college

in the district during the remainder of the budget year.

(3) For purposes of subsection (1)(b)(A) of this section, a school district or community college district may enter into and carry out a plan of financing sponsored by the United States or an agency of the United States upon terms and conditions and subject to rules and regulations prescribed by the United States or the agency. [Formerly 294.440]

294.480 [1963 c.576 §32; 1979 c.689 §1; 1991 c.459 §9; 1991 c.573 §1; 1993 c.270 §5; 1997 c.308 §27; 1997 c.541 §333; 1999 c.632 §14; 2001 c.104 §106; 2001 c.135 §25; 2001 c.753 §6; 2009 c.477 §11; 2009 c.596 §5; 2011 c.473 §20; renumbered 294.471 in 2011]

294.481 Authorization to receive grants or borrow or expend moneys to respond to public emergency. (1) As necessary to respond to an emergency situation, the governing body of a municipal corporation may:

(a) Adopt an ordinance or resolution authorizing the municipal corporation to receive grants or borrow moneys not included in the budget of the municipal corporation for the current year or current budget period; and

(b) Make appropriations for estimated expenditures out of any source of available funds, including unappropriated fund balances, by ordinance or resolution in the same manner as provided in ORS 294.463 (1), or by supplemental budget as provided in ORS 294.471 (3) or 294.473.

(2) If a meeting of the governing body of a municipal corporation is not practical in an emergency situation, the chief executive officer of the municipal corporation may, by written order, authorize the immediate expenditure of funds from any available source to respond to a threat to public health or safety.

(3) As used in this section, “emergency situation” means:

(a) Involuntary conversion or destruction of the property of a municipal corporation;

(b) Civil disturbance;

(c) Natural disaster; or

(d) Any public calamity. [Formerly 294.455; 2013 c.420 §6]

294.483 [1993 c.97 §4; 1995 c.333 §9; 1997 c.308 §28; 2001 c.135 §26; 2003 c.195 §26; 2005 c.443 §28; 2007 c.783 §121; repealed by 2011 c.473 §31]

294.485 [1963 c.576 §33; 1967 c.78 §12; 1977 c.250 §1; 1993 c.270 §6; 1995 c.79 §103; 1995 c.650 §101; 1997 c.541 §334; 1999 c.340 §7; 1999 c.632 §15; 2005 c.225 §1; renumbered 294.461 in 2011]

294.490 Department of Revenue not to interfere with fiscal policy of municipal corporation. The department’s authority pursuant to ORS 294.495 to 294.510 shall be limited to obtaining compliance with ORS

294.305 to 294.565 and shall not interfere in any way with the fiscal policy of a municipal corporation as established by its governing body or budget committee. [1963 c.576 §34c]

294.495 Department of Revenue to construe Local Budget Law; rules. Notwithstanding ORS 294.695, the Department of Revenue shall:

(1) Construe ORS 294.305 to 294.565 and any other law relating to the making of tax levies when requested by any interested person or by any officer acting under such laws and shall instruct such officers as to their duties under such laws. Such officers shall submit to the department all questions arising with them which affect the construction of laws of this state relating to local budgetary procedures.

(2) Make such rules and regulations and prescribe such forms as it considers proper to effectually carry out the purposes of ORS 294.305 to 294.565 or any other law relating to the making of tax levies. [1963 c.576 §34]

294.500 Declaratory ruling by Department of Revenue as to its rules; rules. (1) On petition by 10 interested taxpayers or a municipal corporation, the Department of Revenue may issue a declaratory ruling with respect to the validity or applicability to any person, municipal corporation or state of facts of any rule adopted by the department.

(2) The Department of Revenue shall adopt rules prescribing the form, content and procedure for submission, consideration and disposition of petitions under subsection (1) of this section.

(3) The Department of Revenue must afford interested parties a full opportunity for hearing on the subject of a petition before issuing a declaratory ruling under subsection (1) of this section.

(4)(a) A declaratory ruling issued under subsection (1) of this section binds the department and all parties to the proceedings on the state of facts alleged, unless it is altered or set aside by a court.

(b) A declaratory ruling is subject to review in the Oregon Tax Court in the manner provided by ORS 294.515 and is subject to the same limitations under ORS 294.515 as appeals. [1963 c.576 §34d; 2011 c.473 §23]

294.505 Division of Audits to issue notification of budgetary irregularities; Department of Revenue to advise municipal corporation of correct procedures. (1) The Division of Audits created by ORS 297.020 shall notify the municipal corporation and Department of Revenue of any irregularities in the budget procedure of the municipal corporation which is brought to its attention in the audits prepared by the division or

brought to its attention in audits which are required to be filed with the division.

(2) If the Department of Revenue finds from the information submitted by the Division of Audits pursuant to subsection (1) of this section that ORS 294.305 to 294.565 have not been followed, the Department of Revenue shall order the municipal corporation to correct its procedures in the preparation of its subsequent budgets. The order shall set forth the irregularities and the steps necessary to prevent such irregularities from happening in the future. Such order shall be a public record. [1963 c.576 §34a]

294.510 Order for revision of budgetary procedures; enforcement. (1) The Department of Revenue may order a municipal corporation to revise its budget procedures to conform with ORS 294.305 to 294.565 when irregularities in the procedures of the municipal corporation are called to its attention.

(2) The Department of Revenue may require the municipal corporation in its order to file for inspection a copy of the budget document at any stage in the procedure of the budget preparation.

(3) If the municipal corporation or officer or employee thereof neglects or refuses to comply with the department order, the department may apply to the judge of the Oregon Tax Court for an order returnable within five days from the date thereof, to compel such municipal corporation, public officer or employee to comply with such order or to show cause why the order should not be complied with.

(4) Any order issued by the judge pursuant to subsection (3) of this section may be appealed from as provided by ORS 305.445, except that the appeal shall be filed within 10 days of the entering of the order. The Supreme Court shall hear and determine the appeal expeditiously, as may be appropriate for the timely and orderly completion of the budgetary process of the municipal corporation and the extension of its levy upon the assessment and tax roll.

(5) The remedy provided in this section is cumulative and shall not preclude the department from exercising any power or right otherwise provided by law. [1963 c.576 §34b; 1977 c.221 §1]

294.515 Appeal by municipal corporation from Department of Revenue order. Any municipal corporation aggrieved by and directly affected by an order of the Department of Revenue relating to the preparation of budgets or the extension of any tax levy may appeal to the Oregon Tax Court in the manner provided by ORS 305.404 to 305.560. [1963 c.576 §33a; 1979 c.689 §2; 1995 c.650 §102]

294.520 Priority of appeals under Local Budget Law. The appeal filed with the Oregon Tax Court pursuant to ORS 294.461, 294.500 and 294.515 shall have priority over all other cases pending before the Oregon Tax Court and shall be heard and decided as soon after coming to issue as is reasonably possible. [1963 c.576 §33b]

294.525 [1997 c.308 §2; 1999 c.632 §16; renumbered 294.346 in 2011]

294.555 [Formerly 294.420; 1965 c.451 §11; 1973 c.333 §1; 1977 c.884 §2; 1985 c.319 §1; 1995 c.79 §104; 1997 c.154 §4; 1997 c.541 §336; 2001 c.135 §27; 2011 c.473 §24; renumbered 294.458 in 2011]

294.565 Failure to file copy of required budget, reports or other documents; effect. If any city shall fail to file its documents or reports required by ORS 294.458 or 297.405 to 297.555 with the Department of Revenue or Secretary of State, as the case may be, within 30 days after a request therefor has been made by certified mail to the city, the Department of Revenue or Secretary of State may certify to the officer responsible for disbursing funds to cities under ORS 323.455, 366.785 to 366.820 and 471.810 the fact of such failure to file the documents or reports. Notwithstanding the requirements under ORS 323.455, 366.785 to 366.820 and 471.810 for prompt payment of funds due a city, such officer shall withhold payment to the city of any funds ordinarily payable to it under ORS 323.455, 366.785 to 366.820 and 471.810 until notified by the Department of Revenue or Secretary of State that the required document or report has been received as required by law. A copy of such certification and request shall be furnished the delinquent city. [1973 c.252 §1; 1977 c.774 §18; 1979 c.286 §5]

TAX SUPERVISING AND CONSERVATION COMMISSION

294.605 Definitions for ORS 294.605 to 294.705. As used in ORS 294.605 to 294.705, unless the context otherwise requires:

(1) “Commission” means the tax supervising and conservation commission.

(2) “Commissioner” means a member of the tax supervising and conservation commission.

(3) “Municipal corporations” means the county, and any city, town, port, school district, union high school district, road district, irrigation district, water district, dock commission, and all other public and quasi-public municipal corporations that have power to levy a tax within the county.

(4) “Levying board” means the common council, board of commissioners, board of directors, county court or other managing board of the county, or of any city, town, port, school district, union high school dis-

trict, road district, irrigation district, water district, dock commission, and of all other public or quasi-public corporations that have power to levy a tax within the county.

(5) “County court” means the county court or board of county commissioners of the county.

(6) “Fiscal year” means the calendar year ending on December 31, or any period of 12 months ending during the calendar year on the last day of any month other than December.

(7) “Assessor” means the county assessor or other officer charged by law with the duty of extending taxes upon the assessment and tax roll.

(8) “Current year” means the present year.

294.608 Populous counties; establishment of tax supervising and conservation commission or submission of financial summary. (1) The governing body of a county with a population of 500,000 or more inhabitants, based on the most recently available data published or officially provided by the Portland State University Population Research Center, shall:

(a) Establish a tax supervising and conservation commission under ORS 294.710; or

(b) Require each municipal corporation that would be under the jurisdiction of a tax supervising and conservation commission if a commission were established in the county under paragraph (a) of this subsection to submit to the county a financial summary of the proposed budget in the format required under ORS 294.438.

(2) A municipal corporation required to submit a financial summary of the municipal corporation must comply with the requirement before the date of the first budget committee meeting of the municipal corporation under ORS 294.426.

(3)(a) The financial summary submitted to the county under this section must be in an electronic format that is compatible with Internet publication.

(b) The county shall publish all financial summaries received from municipal corporations under this section on the Internet website of the county. [2005 c.750 §7; 2011 c.473 §25]

294.610 Tax supervising and conservation commission; members; appointment; qualifications; term; removal; filling vacancies. (1) A tax supervising and conservation commission shall consist of five members appointed by the Governor. The commissioners appointed shall be citizens of the United States and of Oregon and residents in the county for which they are ap-

pointed and shall be electors therein. The commissioners shall serve wholly without compensation.

(2) Unless sooner removed by the Governor, as provided in this section, the commissioners shall hold office for a term of four years and until their successors are appointed and qualified. The term of office of the members of the commission shall commence on January 1.

(3) The Governor may, for good and sufficient cause, remove any commissioner at any time and appoint a successor.

(4) In case of death, resignation or inability of any member of the commission to serve, or of removal of any member of the commission from office, the Governor shall make an appointment to fill the balance of the unexpired term of that commissioner. [Amended by 1961 c.644 §2; 1973 c.61 §2; 1991 c.80 §1; 2005 c.750 §3]

294.615 Oath of commissioner. Before taking office each commissioner shall take and subscribe the following oath, before an officer qualified to administer oaths, in substantially the following form:

State of Oregon)
) ss.
County of _____)

I, _____, being first duly sworn, depose and say that for the term of _____ year (s), to which I have been appointed as a member of the tax supervising and conservation commission for _____ County, I will faithfully and impartially discharge the duties of my said office; that I will support the Constitution of the United States and the Constitution of the State of Oregon and all laws passed in pursuance of either; that I will endeavor to secure economical expenditure of public funds sufficient in amount to afford efficient and economical administration of government in the county for which I have been appointed, and in each city, town, port, school district, union high school district, road district, irrigation district, water district, dock commission and all other municipal corporations within the territorial limits of my county; and that I will perform said duty without fear, favor or compulsion, and without hope of reward.

Subscribed and sworn to before me this _____ day of _____, 2____.

Notary Public of Oregon

My commission expires _____.

294.620 Office of commission; employment and compensation of assistants. (1) The county court shall furnish an office in the county courthouse or other convenient place for the use of the commission, as is furnished to other departments.

(2) The commission may employ and fix the salaries of such clerks and other assistants as in their judgment shall seem meet and proper to keep the records of the commission and perform any other service to which they may be assigned by the commission. Such clerks and assistants shall be paid out of the general fund of the county in the same manner as other county officers and employees are paid.

294.625 Jurisdiction of commission. (1) The tax supervising and conservation commission has jurisdiction over all municipal corporations that have a population exceeding 200,000 and that are subject to the provisions of the Local Budget Law. If the territory of the municipal corporation lies in two or more counties, the municipal corporation shall be within the jurisdiction of the commission if the real market value of all property subject to taxation by the municipal corporation in a county having a commission is greater than the real market value of property subject to taxation by the municipal corporation in any other county. Real market value is the real market value computed according to ORS 308.207 from the assessment rolls last in the process of collection.

(2)(a) The commission has jurisdiction over a municipal corporation with a population not exceeding 200,000 unless an election is made under this subsection.

(b) The governing body of a municipal corporation electing not to be under the jurisdiction of the commission must make the election and communicate its intention to the commission not later than January 1 of the calendar year in which the fiscal year for which the budget is proposed will begin.

(c) An election under this subsection is effective for a period of not less than three years. [Amended by 1961 c.678 §3; 1965 c.451 §12; 1969 c.155 §4; 1981 c.623 §1; 1991 c.459 §10; 2009 c.596 §6]

294.630 Tax supervising and conservation commission account. (1) There hereby is created an account to be known as the tax supervising and conservation commission account in the general fund of each county subject to ORS 294.605 to 294.705.

(2)(a) The tax supervising and conservation commission shall on or before April 1 of each year submit certified budgets for the ensuing fiscal year to the county court or board of county commissioners. The budget shall contain a complete and detailed esti-

mate of the proposed expenditures of the commission for all purposes.

(b) Following the receipt of the budget, the county court or board of county commissioners shall include the budget as submitted as a part of the county budget and shall make an appropriation for the tax supervising and conservation commission account sufficient to cover the proposed expenditures, but no appropriation shall be made in any county in any year for such purpose in excess of \$280,000. The maximum amount of the appropriation shall be increased by three percent each fiscal year, beginning with the fiscal year starting July 1, 2011. The county court or board of county commissioners shall not reduce the amount of the budget as presented by the tax supervising and conservation commission, within the amount stated in this section, nor shall it refuse to approve any lawful request for disbursement of money from the tax supervising and conservation commission account. [Amended by 1955 c.263 §1; 1961 c.644 §1; 1969 c.363 §1; 1973 c.68 §1; 1975 c.116 §1; 1977 c.88 §1; 1981 c.96 §1; 1985 c.228 §1; 1989 c.222 §1; 1999 c.632 §20; 2009 c.596 §7]

294.632 Commission calculation and report of costs; municipal corporation reimbursement of commission costs. (1) Not later than August 30 of each year, the tax supervising and conservation commission shall calculate the net cost of commission operations for the preceding fiscal year. The calculation shall include:

(a) Actual expenditures paid out of the tax supervising and conservation commission account established in ORS 294.630;

(b) A provision for the cost to the county of providing office space for use by the commission, as required by ORS 294.620; and

(c) A deduction for an estimate of the amount received by the county under ORS 294.175 to 294.187 attributable to the expenditures in the grant submitted by the county for activities, functions or services of the tax supervising and conservation commission.

(2) Municipal corporations, other than the county, that are within the county and that are subject to the jurisdiction of a tax supervising and conservation commission shall reimburse the county 50 percent of the net costs calculated under subsection (1) of this section. The amounts allocable to each municipal corporation required to reimburse the county under this subsection shall be determined as follows:

(a)(A) Fifty percent of the amount allocated shall be based on the taxes imposed for the preceding fiscal year for taxes certified to the county assessor under ORS 310.060 (2)(a) from the permanent rate limitations of the municipal corporations after reductions necessary to comply with section 11b, Article

XI of the Oregon Constitution, and funds raised pursuant to the notice provided to the county assessor under ORS 457.440 (2) for an urban renewal agency located in a municipal corporation subject to this subsection.

(B) The amount allocated under this paragraph shall be prorated based on each municipal corporation's share of the total tax imposed from the permanent rate limitation of municipal corporations that are subject to the jurisdiction of the tax supervising and conservation commission.

(C) A minimum amount of \$250 shall be allocated to any municipal corporation under this paragraph.

(D) Municipal corporations that do not levy ad valorem taxes are exempt from proration under this paragraph.

(b)(A) Fifty percent of the amount allocated shall be based on the expenditures, as defined in ORS 294.311, for the current fiscal year for each municipal corporation required to reimburse the county under this subsection.

(B) The amount allocated under this paragraph shall be prorated based on each municipal corporation's share of the total expenditures for those municipal corporations that are under the jurisdiction of the tax supervising and conservation commission.

(C) A minimum amount of \$250 shall be allocated to any municipal corporation under this paragraph.

(D) Municipal corporations with budgeted expenditures of \$50,000 or less and urban renewal agencies formed under ORS chapter 457 are exempt from proration under this paragraph.

(E) If a municipal corporation has adopted a biennial budget, the calculation of the proration under this paragraph shall use fiscal year expenditures. If the budget document adopted by the municipal corporation does not indicate fiscal year expenditures, then 45 percent of the biennial expenditures shall be used for the proration in the first fiscal year of the municipal corporation's budget period and 55 percent of the biennial expenditures shall be used for the proration in the second year of the budget period.

(3) Not later than August 30 of each fiscal year, the tax supervising and conservation commission shall distribute to each municipal corporation an accounting of the calculations under this section showing:

(a) The net costs under subsection (1) of this section;

(b) The 50 percent of net costs allocable to municipal corporations, except the county, under subsection (2) of this section; and

(c) The amounts prorated to each municipal corporation under subsection (2) of this section.

(4) Not later than September 15 of each fiscal year, the tax supervising and conservation commission shall send to the county tax collector, or other county official responsible for preparing the percentage schedule under ORS 311.390, a list of municipal corporations subject to proration under this section and the amounts prorated under this section.

(5) If a municipal corporation subject to proration under this section does not certify a property tax to the county assessor under ORS 310.060, the county shall, not later than November 30 of each year, send the municipal corporation a billing for the amount prorated and owed to the county under this section. [2009 c.596 §2]

294.635 Submission of budget estimates by levying boards. (1) In each county that has a tax supervising and conservation commission, the levying boards of all municipal corporations that have a population exceeding 200,000 and municipal corporations that have not made an election under ORS 294.625 (2) shall, on or before May 15 of each fiscal year or on or before May 15 of the first fiscal year of a budget period, submit their detailed estimates of the budget deemed necessary to be expended by the municipal corporations, respectively, for all purposes for the next ensuing fiscal year or ensuing budget period. The tax supervising and conservation commission may, if a good and sufficient reason exists therefor and if application is made to the commission in writing, grant any municipal corporation such extension of time for filing its budget as may seem to the commission just and reasonable.

(2) The budget estimates required by this section to be filed with the commission shall be in writing and shall be certified to as correct and shall be so prepared and arranged as to show in plain and succinct language each particular item of proposed expenditure. There shall be attached to each budget, and made a part thereof, the levying board's estimate of the probable receipts of the municipal corporation from all other sources than direct tax levy and bond issues during the fiscal years for which the budget has been prepared. The budget estimates shall show in parallel columns the actual expenditures for the two fiscal years next preceding the current year, the estimated expenditures for the current year and the estimated expenditures for the next ensuing fiscal year. [Amended by 1961 c.678 §4; 1963 c.576 §37; 1977 c.431 §2; 1991 c.80 §2; 2001 c.135 §28; 2005 c.750 §4; 2009 c.596 §8]

294.640 Hearing on budget. Every levying board shall be entitled to a hearing by the commission upon the budget submitted by it. The commission shall set times and places for such hearings, which shall be open to the public. The commission shall give notice, in such form and manner as it shall prescribe, of such hearing to every levying body entitled to such hearing. The levying boards shall meet with the commission at such times and places fixed by the commission for such hearings and discuss the budget with the commission.

294.645 Consideration of budget by commission; certifying objections or recommendations to levying board; procedure where municipality holds hearing in place of commission. (1) After the hearings have been held the commission shall carefully consider the proposed budgets and shall by majority vote of the members of the commission certify in writing to the levying board of any municipal corporation, on or before June 25 of each fiscal year, or on or before June 25 of the first fiscal year of a budget period, any objections which the commission may have to the adoption of the budget, or any item therein, or any recommendations which the commission may desire to make regarding the budget. If the commission does not desire to make any recommendations or objections, it shall certify that fact to the levying board. The responsibility of the commission shall be advisory only.

(2) Certification of a budget for a municipal corporation holding its own hearing shall be made in the same manner as required by subsection (1) of this section, except that any recommendations or objections shall be certified to the levying board prior to the date of the hearing. [Amended by 1961 c.678 §5; 1963 c.576 §38; 1999 c.632 §17; 2001 c.135 §29]

294.650 Striking unauthorized items from budget; reducing total amount to within limits permitted by law and Constitution. (1) If in the examination of any budget of any municipal corporation the commission finds that any item is an expenditure not authorized by law to be made by the municipal corporation, the commission may order the item to be stricken from the budget. The levying board of the municipal corporation thereupon shall strike the item from the budget and shall not thereafter levy any tax for the payment of the same.

(2) If, after the hearing, the commission finds that the total amount of the tax levy of any municipal corporation exceeds the amount permitted by law or any provision of the Constitution of this state to be levied by the municipal corporation, the commission shall order that the total amount of the budget be reduced to within the limits permitted

by law or constitutional limitation, and shall file certified copies of such order with the county assessor and county clerk. The levying board of the municipal corporation thereupon shall comply with the order of the commission by so reducing the total amount of the budget.

294.655 Hearing on special tax levies and bond issues proposed for elector approval. The commission shall conduct public hearings on all special tax levies and bond issues proposed for elector approval by the levying boards. Any levying board proposing to ask elector approval of a special tax levy or of a bond issue shall notify the commission in writing of its proposal not less than 30 days prior to the filing date for the election and set forth its reasons therefor, but the commission in its discretion may permit such notification to be filed in such shorter period of time as it sees fit. Upon the receipt of the notification the commission shall fix the time and place of hearing and notify the levying board to attend the hearing and discuss the proposed special tax levy or bond issue with the commission. The hearings provided for in this section shall be in addition to the regular budget hearings provided for by ORS 294.640. [Amended by 1999 c.632 §18]

294.660 Compiling information as to indebtedness; including in annual report. The commission shall compile accurate statistical and other information as to bonded or other indebtedness within the county and of all municipal corporations within the county and shall keep a permanent record thereof. The commission shall issue a statement thereof as of June 30 of each year, in the annual report of the commission. The statement shall show also the interest charges for the ensuing year on account of such indebtedness and the amount of principal to be retired in that year.

294.665 Levying board to submit audit report or financial statements annually. The levying board of each municipal corporation under the jurisdiction of the commission shall annually submit a copy of the full report of its independent auditor under ORS 297.425, or a copy of the financial statements submitted to the Secretary of State under ORS 297.435, as soon as practicable after the close of each fiscal year. [Amended by 1999 c.632 §19]

294.670 Commission may inquire into management, books and systems; rules. (1) The commission may inquire into the management, books of account and systems employed, of each municipal corporation, and of each department thereof within its respective county.

(2) Notwithstanding ORS 294.495 (2), the commission may prescribe such rules and regulations as are considered proper to effectually carry out the purposes of ORS 294.305 to 294.705. In any case where rules adopted pursuant to this subsection conflict with rules adopted by the Department of Revenue, rules adopted by the department shall prevail. [Amended by 1975 c.669 §1]

294.675 Calling joint meetings of levying boards. The commission may call joint meetings of the levying boards subject to ORS 294.605 to 294.705 and may require their attendance for the purpose of discussing problems common to two or more municipal corporations under the jurisdiction of the commission, including long range financial planning, building programs, special levies, bond issues and cooperative ventures such as joint purchasing.

294.680 Certifying excessive or unauthorized expenditures to district attorney; action by district attorney. If at any time the commission finds that any municipal corporation, or public official thereof, has expended any public money in excess of the amounts or for any other or different purpose or purposes than is authorized by law, the commission shall certify to the district attorney for the county that fact, and the district attorney shall proceed for the recovery thereof as by law provided.

294.685 Annual report by commission. A complete and comprehensive report of the budgets as presented by the several levying boards, as provided by ORS 294.635 to 294.650, and of any and all other information pertaining to the administration of government in the county and to the expenditures and conservation of public funds, shall be made annually by the commission and published in document form for the information of the electors and taxpayers. Copies of the report shall be filed with the Governor and with the county court.

294.690 Records and files of commission open to public inspection. The public shall have access to the records and files of the commission at the office of the commission at all times during office hours.

294.695 Attorney General as legal advisor and counsel to commission. The Attorney General shall be the legal advisor and counsel of the commission and shall represent it in all suits and actions and other legal proceedings in any court in this state. The Attorney General shall receive compensation for any services rendered in such capacity. [Amended by 1969 c.363 §2; 1973 c.775 §6]

294.700 Proceedings to collect penalties. The penalties provided for in ORS 294.990 (2) and (3) shall be recovered by ac-

tions at law instituted in the name of the commission by the district attorney. Any proceedings against a municipal corporation shall be taken against the municipal corporation, as such, and the penalty when recovered shall be deducted from any money in the county treasury to the credit of the municipal corporation. Any proceeding against a levying board shall be taken against the individual members of the levying board who are responsible for the failure, neglect or refusal to comply. [Amended by 1971 c.267 §14]

294.705 Tax supervising and conservation commission fund. There is established the tax supervising and conservation commission fund in the county treasury. The fund shall consist of any penalties recovered under ORS 294.700.

294.710 Procedures for establishing commission; annual appropriations. (1) Any county with a population of less than 500,000 inhabitants, based on the most recently available data published or officially provided by the Portland State University Population Research Center, may establish, with the approval of a majority of its electors voting on the question, a tax supervising and conservation commission that substantially conforms to the provisions of ORS 294.605 to 294.705.

(2) Any county with a population of 500,000 or more inhabitants, based on the most recently available data published or officially provided by the Portland State University Population Research Center, may establish a tax supervising and conservation commission that substantially conforms to the provisions of ORS 294.605 to 294.705 provided the county obtains the approval of a majority of the members of its governing body voting on the question.

(3) Notwithstanding ORS 294.630, a county under this section may establish its own maximum annual appropriation to a tax supervising and conservation commission in the ordinance creating the commission. [1977 c.431 §1; 1991 c.80 §3; 2005 c.750 §5]

LOCAL GOVERNMENT EMPLOYER BENEFIT TRUST FUND

294.725 Definitions for ORS 294.725 to 294.755. For the purposes of ORS 294.725 to 294.755:

(1) “Account balance” means the amount a political subdivision has paid into the Local Government Employer Benefit Trust Fund less the amount of unemployment benefits paid by the Employment Department on behalf of the political subdivision.

(2) “Account reserve ratio” means the ratio, expressed as a percent carried to four decimal places, that is equal to:

(a) The account balance of the political subdivision on June 30, divided by gross wages paid by the political subdivision to individuals subject to ORS chapter 657 during the four calendar quarters ending on June 30; or

(b) For purposes of a redetermination made pursuant to ORS 294.735 (2)(b), the account balance of the political subdivision on the date of the request, divided by gross wages paid by the political subdivision to individuals subject to ORS chapter 657 during the last four-calendar-quarter period ending before the date of the request.

(3) “Aggregate benefit cost rate” means the total unemployment benefits paid during a cost rate period that is attributable to wages paid by all political subdivisions divided by the gross wages paid to individuals subject to ORS chapter 657 during the cost rate period by all political subdivisions. The rate shall be expressed as a percent and rounded to the nearest one-tenth of one percent.

(4) “Benefit cost rate” means the total unemployment benefits paid during a cost rate period that is attributable to wages paid by a political subdivision divided by gross wages paid to individuals subject to ORS chapter 657 during the cost rate period by the political subdivision. The rate shall be expressed as a percent and carried to four decimal places.

(5) “Cost rate period” means:

(a) The prior three-year period ending June 30 of each year; or

(b) For purposes of a redetermination made pursuant to ORS 294.735 (2)(b), the three-year period ending on the last day of the last four-calendar-quarter period that ends before the date of the request.

(6) “Department” means the Employment Department.

(7) “Director” means the Director of the Employment Department.

(8) “Erroneous benefit payments” means any amount paid to an individual to which the individual is not entitled due to:

(a) Any error, whether or not due to misrepresentation or nondisclosure of material fact by the claimant; or

(b) An initial decision to pay benefits that is subsequently reversed by a decision finding the individual was not eligible for the benefits and the decision has become final.

(9) “Local Government Employer Benefit Trust Fund” or “fund” means the fund created by ORS 294.730.

(10) “Political subdivision” means a political subdivision as defined by ORS 657.097.

(11) "Unemployment benefits" or "benefits" means regular and extended benefits paid under ORS chapter 657. [1977 c.491 §3; 1989 c.135 §1; 1993 c.344 §9; 2007 c.71 §91; 2011 c.569 §1]

294.730 Fund created; State Treasurer as custodian; use of moneys; distribution of earnings. (1) There is created a Local Government Employer Benefit Trust Fund, separate and distinct from the General Fund. The State Treasurer shall be the custodian of such fund and the fund shall consist of:

(a) All moneys received from political subdivisions under the provisions of ORS 293.701, 294.725 to 294.755 and 657.513;

(b) Interest earned upon any moneys in the fund;

(c) Moneys transferred from other funds to cover shortages in the fund; and

(d) All other moneys received from a political subdivision to be applied against benefit payment charges for any period the political subdivision has requested the Employment Department to reimburse the Unemployment Compensation Trust Fund on its behalf.

(2) Moneys in the fund are continuously appropriated to the department and, notwithstanding ORS 657.505, shall be the sole source of funds for payment to the Unemployment Compensation Trust Fund for benefits attributable to a political subdivision during its period of participation in the fund and repayment of advances and the interest thereon due to any shortages in the fund.

(3) Interest earned upon any moneys in the fund is continuously appropriated to the department for the payment of:

(a) Administrative expenses of ORS 293.701, 294.725 to 294.755 and 657.513 and expenses incurred in the investment of the fund in the amount authorized by ORS 293.718;

(b) Erroneous benefit payments determined during the period in which a political subdivision is a participant in the fund; and

(c) Benefits attributed to a political subdivision that has ceased to exist, has no positive account balance and has no successor.

(4) When insufficient interest exists to pay obligations under subsection (3) of this section, such amounts may be paid from the fund. When the fund again begins earning interest, all obligations paid pursuant to this subsection shall be repaid to the fund before any allocation is made under subsection (5) of this section.

(5) As soon as possible after the end of each calendar quarter, the State Treasurer shall review the applicable quarterly interest earnings and payments made therefrom and distribute any excess interest earnings to the

political subdivision accounts that had a positive balance on the last day of the applicable quarter. Such allocation shall be in a ratio that the political subdivision positive account balance on the last day of the calendar quarter bears to the total balance of all political subdivisions with positive account balances on the last day of the calendar quarter. The amounts distributed for the quarter ending June 30 shall be included in the account reserve ratio determination for such June 30.

(6) The Director of the Employment Department is authorized to requisition from the fund such amounts determined to be necessary for the payment of benefits attributable to wages of political subdivisions.

(7) Interest accrued each quarter on advances pursuant to subsection (2) of this section shall be allocated each quarter to those political subdivision accounts with a negative balance on the last day of such calendar quarter. The allocation shall be in a ratio that the political subdivision negative account balance on the last day of the calendar quarter bears to the total balance of all political subdivisions with negative account balances on the last day of the calendar quarter. The amounts allocated for the quarter ending June 30 shall be included in the account reserve ratio determination for such June 30. [1977 c.492 §4; 1983 c.53 §1; 1989 c.135 §2; 1989 c.966 §22]

294.735 Payments to fund by political subdivisions; benefit cost rate, account reserve ratio and percentage rate determinations and redeterminations; effect of negative balance; refunds; extended plans of additional payments. (1) A political subdivision shall pay into the Local Government Employer Benefit Trust Fund an amount equal to the percentage rate of the political subdivision, as determined under subsections (2) to (5) of this section, multiplied by the gross wages the political subdivision pays to individuals in employment subject to ORS chapter 657, except that minor adjustments to wages in a calendar quarter on which payments have previously been made may not result in either a credit to the political subdivision or an additional amount due the fund.

(2)(a) As soon as possible after June 30 of each year, the Employment Department shall determine for each political subdivision the benefit cost rate, the account reserve ratio and the percentage rate, applicable as of that June 30.

(b) Notwithstanding paragraph (a) of this subsection, upon the written request of a political subdivision, the Director of the Employment Department or an authorized representative of the director may redetermine

at any time the benefit cost rate, the account reserve ratio and the percentage rate of the political subdivision.

(3)(a) The percentage rate assigned to a political subdivision whose account has been potentially chargeable with benefits for each of the last four calendar quarters ending on the June 30 immediately preceding the determination shall be the benefit cost rate of the political subdivision plus one-third of the difference obtained by subtracting the political subdivision's account reserve ratio from 1.5 times the political subdivision's benefit cost rate. The resulting percentage rate shall be rounded up to the nearest one-tenth of one percent. A political subdivision's percentage rate shall be at least one-tenth of one percent but no more than five percent.

(b) The percentage rate assigned to a political subdivision whose account has not been potentially chargeable with benefits for each of the last four calendar quarters ending on the immediately preceding June 30 shall be the greater of one percent or 1.5 times the aggregate benefit cost rate.

(4) Notwithstanding subsection (3) of this section, a local government employer with an account balance on June 30 that is less than five percent of the taxable wage base currently in effect may not be assigned a percentage rate of:

(a) Less than two percent if the payroll of the employer was less than \$25,000 during the four most recently completed calendar quarters;

(b) Less than one percent if the payroll of the employer was \$25,000 or more but less than \$50,000 during the four most recently completed calendar quarters;

(c) Less than one-half of one percent if the payroll of the employer was \$50,000 or more but less than \$100,000 during the four most recently completed calendar quarters; or

(d) Less than two-tenths of one percent if the payroll of the employer was \$100,000 or more during the four most recently completed calendar quarters.

(5) Percentage rates determined or redetermined in subsections (3) and (4) of this section apply until July 1 next following the determination or redetermination.

(6)(a) In addition to the payment made into the fund under subsection (1) of this section, a political subdivision that has a negative account balance at the end of a calendar quarter and had a negative account balance at the end of each of the three immediately preceding calendar quarters shall make additional payments into the fund during each of the next four calendar quarters.

(b) The additional payment required under this subsection shall be computed as follows, with all computations omitting cents:

(A) Multiply the gross payroll reported by the employer during the four most recent calendar quarters by the current percentage rate of payment into the fund.

(B) Subtract the amount of benefits attributable to the employer that was reimbursed from the fund during the most recent four calendar quarters from the product computed under subparagraph (A) of this paragraph.

(C) If the remainder computed under subparagraph (B) of this paragraph is more than zero, subtract the remainder from the negative balance of the account.

(D) If the remainder computed under subparagraph (B) of this paragraph is zero or less, make no adjustment to the amount of the negative balance of the account.

(E) Divide the amounts computed under either subparagraph (C) or (D) of this paragraph by four. The resulting quotient is the additional payment required for each quarter.

(c) One computation under this subsection may be made for an employer in each calendar quarter. If the negative balance is eliminated before the end of the four quarters in which the additional payments were determined necessary, further additional payments may not be required under this subsection.

(7) During the first four calendar quarters in which a political subdivision is a participant in the fund, additional payments shall be required if the account balance of the political subdivision is negative at the end of any of the four calendar quarters. The additional payment shall be computed in the same manner described in subsection (6) of this section except that the computation in subsection (6)(b)(A) and (B) of this section shall include only those calendar quarters in which the political subdivision was a participant in the fund.

(8) Employers subject to this section may request a refund of amounts in excess of the amount determined using the minimum percentage rate.

(9)(a) Notwithstanding subsection (6) of this section, a political subdivision that has an account reserve ratio equal to or less than zero and a percentage rate assigned under subsection (3) of this section equal to or greater than three percent may request in writing that the Director of the Employment Department grant an extended plan of additional payments.

(b) An extended plan of additional payments granted under this subsection may not

exceed a period of 12 consecutive calendar quarters. [1977 c.491 §5; 1981 c.5 §1; 1983 c.53 §2; 1989 c.135 §3; 1993 c.778 §3; 2007 c.71 §92; 2011 c.569 §2]

294.740 Refund of account balances; payment of deficits; erroneous benefit payments. (1) The Employment Department shall refund to a political subdivision electing to cancel its request as provided by ORS 657.513 any account balance remaining after the department has made all payments to the Unemployment Compensation Trust Fund required to be made on behalf of the political subdivision.

(2) A political subdivision canceling a request having a negative account balance shall make such additional payments into the fund as necessary to maintain a zero account balance.

(3) Erroneous benefit payments determined after June 30, 1978, and attributable to wages paid by a political subdivision making payments under ORS 294.735 shall be excluded from the account balance determination and the determination of the benefit cost rate of that political subdivision. [1977 c.491 §§6,7; 1989 c.135 §4]

294.745 Analysis of fund receipts and expenditures; report to Legislative Assembly. The Employment Department shall investigate the experience of political subdivision participation in operations of the fund, including the relationship of fund receipts to fund expenditures and report the results of the investigation to the legislature at least 30 days prior to the convening of the odd-numbered year regular session of the Legislative Assembly. The report shall include any recommended changes in the provisions of ORS 293.701, 294.725 to 294.755 and 657.513. [1977 c.491 §8; 1989 c.135 §5; 2011 c.545 §39]

294.750 Experience and liability of successor political subdivisions; unpaid assessment. (1) The experience and liabilities of a political subdivision that has ceased to exist shall be acquired by the successor political subdivision.

(2) Notwithstanding subsection (1) of this section, all units of government who are parties to an agreement to form a political subdivision shall be liable for any unpaid assessments of that political subdivision and for such amounts as necessary to maintain the account balance of the political subdivision, if no longer in existence, at zero dollars. [1977 c.491 §9]

294.755 Payment on quarterly basis; remedies for collection. Political subdivisions electing to participate in the Local Government Employer Benefit Trust Fund shall pay into the fund on a quarterly basis and are subject to all remedies for the col-

lection of delinquent taxes provided in ORS chapter 657. [1977 c.491 §10]

LOCAL AND TRIBAL GOVERNMENT INVESTMENT POOL

294.805 Definitions for ORS 294.805 to 294.895. As used in ORS 294.805 to 294.895:

(1) "Board" means the Oregon Short Term Fund Board.

(2) "Council" means the Oregon Investment Council created under ORS 293.706.

(3) "Funds" means funds under the control or in the custody of any local government official or tribal government official by virtue of office that are not required to meet current demands.

(4) "Investment officer" means the State Treasurer in capacity as investment officer for the council and the investment pool.

(5) "Investment pool" means the aggregate of all funds from local government officials and tribal government officials that are placed in the custody of the investment officer for investment and reinvestment as provided under ORS 294.805 to 294.895.

(6) "Local government official" means each officer or employee of any agency, political subdivision or public corporation of this state, including the Oregon State Bar, who by law is made the custodian of or has control of any funds.

(7) "Oregon Indian tribe" means each of the Burns Paiute Tribe, the Confederated Tribes of Coos, Lower Umpqua and Siuslaw Indians, the Confederated Tribes of the Grand Ronde Community of Oregon, the Confederated Tribes of Siletz Indians of Oregon, the Confederated Tribes of the Umatilla Indian Reservation, the Confederated Tribes of the Warm Springs Reservation of Oregon, the Coquille Indian Tribe, the Cow Creek Band of Umpqua Tribe of Indians and the Klamath Tribes, as long as each remains a federally recognized Indian tribe.

(8) "Public body" means:

(a) A public body as defined in ORS 287A.001; or

(b) An Oregon Indian tribe.

(9) "Tribal government" means the governing body of an Oregon Indian tribe.

(10) "Tribal government official" means each officer or employee of a tribal government who by law is made the custodian of or has control of any funds. [1973 c.748 §1; 1981 c.880 §14; 1987 c.381 §1; 2013 c.338 §1]

294.810 Local and tribal governments authorized to place limited funds in pool.

(1)(a) Subject to paragraph (b) of this subsection, with the consent of the governing body, a local government official or tribal

government official may place in the aggregate up to \$30 million of the funds of the local government or tribal government in the investment pool, or, if the assets of the investment pool have been transferred pursuant to ORS 294.882, for investment and reinvestment by the investment officer as provided under ORS 293.701 to 293.857 or 294.805 to 294.895, as the case may be.

(b) The investment officer may require the governing body of the local government or tribal government to enter into an investment agreement as a condition of placing funds with the investment officer pursuant to this subsection.

(2) The \$30 million limitation in this section does not apply either to funds of a governing body that are placed in the investment pool on a pass-through basis or to funds invested on behalf of another government unit. Local governments must remove pass-through funds that result in an account balance in the pool in excess of \$30 million within 10 business days. County governments and tribal governments must remove such excess funds within 20 business days.

(3) The investment officer shall annually adjust the \$30 million limitation in this section by multiplying \$30 million by the percentage, if any, by which the monthly averaged U.S. City Average Consumer Price Index for the 12 consecutive months ending August 31 of the current calendar year exceeds the monthly averaged U.S. City Average Consumer Price Index for the 12 consecutive months ending August 31, 1995. [1973 c.748 §2; 1981 c.880 §15; 1987 c.381 §2; 1995 c.245 §10; 2009 c.11 §38; 2009 c.821 §26; 2013 c.338 §2; 2014 c.18 §2; 2015 c.33 §1]

294.815 Period of investments; withdrawal of funds. Subject to the right of the unit of local government or the tribal government to specify the period in which its funds may be held in the investment pool for investment and reinvestment, the investment officer by rule shall prescribe the time periods for investments in the investment pool and the procedure for withdrawal of funds. [1973 c.748 §3; 2013 c.338 §3]

294.820 Establishment of investment pools by intergovernmental agreement; conditions; powers. If the State Treasurer and the Oregon Investment Council terminate the operation of all investment pools created under ORS 293.863, public bodies may establish by written agreement under ORS chapter 190 one or more pools for the investment of proceeds for the purposes identified in ORS 293.861. In establishing one or more such pools, the participating public bodies may exercise those powers conferred on the State Treasurer and the Oregon In-

vestment Council by ORS 293.863. [1973 c.748 §4; 1979 c.608 §1; 1995 c.245 §11; 2007 c.783 §122; 2013 c.338 §4]

294.825 State Treasurer as investment officer; bond; employment of personnel; rules. (1) The State Treasurer is the investment officer for the Oregon Investment Council and the investment pool, and shall perform functions in that capacity as authorized or required by law and, consistent with law, by the council.

(2) The bond of the State Treasurer required from the State Treasurer by law shall be deemed to extend to the faithful performance of all functions of the office of investment officer under ORS 294.805 to 294.895.

(3) The investment officer may:

(a) Subject to any applicable provision of the State Personnel Relations Law, employ, prescribe the functions and fix the compensation of personnel necessary to facilitate and assist in carrying out the functions of the council, investment officer and investment pool.

(b) Require a fidelity bond of any person employed by the investment officer who has charge of, handles or has access to any of the moneys in the investment pool. The amounts of the bonds shall be fixed by the investment officer, except as otherwise provided by law, and the sureties shall be approved by the investment officer. The premiums on the bonds shall be an expense of the State Treasurer.

(4) Subject to review by the board, the investment officer may, pursuant to ORS chapter 183, make reasonable rules necessary for the administration of ORS 294.805 to 294.895. [1973 c.748 §§5,18]

294.830 [1973 c.748 §7; repealed by 1979 c.608 §2 (294.831 enacted in lieu of 294.830)]

294.831 Investment objective; limit on maturity dates. (1) The investment officer shall seek to obtain a competitive return on investments of the investment pool subject to the standards set forth in ORS 294.835 and consistent with the liquidity requirements demanded by the short term nature of local government and tribal government deposits in the pool.

(2) The investment officer shall at all times hold investments which mature in three years or less, in an amount not less than an amount equal to the aggregate of all funds placed with the investment officer by local governments and tribal governments under ORS 294.805 to 294.895, which investments shall be from the funds defined in ORS 293.701 (2)(o).

(3) Notwithstanding subsection (2) of this section, the investment officer may purchase legally issued general obligations of the

United States and of the agencies and instrumentalities of the United States if the seller of the obligations agrees to repurchase the obligations within 90 days following the date on which the investment officer makes the investment. The price paid by the investment officer for such obligations may not exceed amounts or percentages prescribed by written policy of the Oregon Investment Council or the Oregon Short Term Fund Board created by ORS 294.885.

(4) Investments and commitments of the investment pool which do not conform to the quality or maturity requirements set forth in ORS 294.805 to 294.895 shall be liquidated by the investment officer once the market value of such investments and commitments reaches book value, or as soon as is practicable thereafter. [1979 c.608 §3 (enacted in lieu of 294.830); 1981 c.880 §16; 1987 c.381 §3; 1993 c.18 §61; 1995 c.40 §1; 2009 c.541 §14; 2013 c.338 §5]

294.835 Standard of care; investment in certain stocks prohibited. (1) In investing and reinvesting moneys in the investment pool and in acquiring, retaining, managing and disposing of investments of the investment pool there shall be exercised the judgment and care under the circumstances then prevailing, which individuals of prudence, discretion and intelligence exercise in the management of their own affairs, not in regard to speculation but in regard to the permanent disposition of their funds, considering the probable income as well as the probable safety of their capital. Within the limitations of the foregoing standard and subject to subsection (2) of this section, there may be acquired, retained, managed and disposed of as investments of the investment pool every kind of investment which individuals of prudence, discretion and intelligence acquire, retain, manage and dispose of for their own account.

(2) Notwithstanding subsection (1) of this section, moneys in the investment pool may not be invested in the stock of any company, association or corporation. [1973 c.748 §8; 1979 c.608 §4; 2005 c.294 §2]

294.840 Investment policies; review; separate policies for individual public bodies. Subject to the objective set forth in ORS 294.831 and the standards set forth in ORS 294.835, the Oregon Investment Council shall formulate policies for the investment and reinvestment of moneys in the investment pool and the acquisition, retention, management and disposition of investments of the investment pool. The council, from time to time, shall review those policies and make changes therein as it considers necessary or desirable. The council may formulate separate policies for any funds from any sin-

gle public body included in the investment pool. [1973 c.748 §9; 2007 c.783 §122a]

294.845 Investment officer to invest, reinvest pool funds. In amounts available for investment purposes and subject to the policies formulated by the Oregon Investment Council, the investment officer shall invest and reinvest moneys in the investment pool and acquire, retain, manage, including exercise of any voting rights, and dispose of investments of the investment pool. [1973 c.748 §10]

294.847 Prohibited conduct for investment officer. In making investments pursuant to ORS 294.805 to 294.895, the investment officer may not:

(1) Make a commitment to invest funds or sell securities more than 14 business days prior to the anticipated date of settlement of the purchase or sale transaction;

(2) Enter into any agreement to invest funds or sell securities for future delivery for a fee other than interest;

(3) Lend securities to any person or institution, except on a fully collateralized basis;

(4) Pay for any securities purchased by the investment officer until the investment officer has received physical possession, or other sufficient evidence, as determined under ORS 293.751 (1), of title to the securities. However, the investment officer may instruct any custodial agent or bank to accept securities on the investment officer's behalf against payment for the securities previously deposited with the custodial agent or bank by the investment officer; or

(5) Deliver securities to the purchaser of the securities upon sale prior to receiving payment in full for the securities. However, the investment officer may deliver the securities to any custodial agent or bank upon instructions to hold the securities pending receipt by the custodial agent or bank of full payment for the securities. [1981 c.880 §11; 1991 c.88 §6; 2007 c.871 §27; 2008 c.18 §§2,3]

294.850 Contracts with persons to perform investment functions; compensation; bond. The Oregon Investment Council may enter into contracts with one or more persons whom the council determines to be qualified, whereby the persons undertake, in lieu of the investment officer, to perform the functions specified in ORS 294.845 to the extent provided in the contract. Performance of functions under contract so entered into shall be paid for out of the gross interest or other income of the investments with respect to which the functions are performed, and the net interest or other income of the investments after that payment shall be considered income of the

investment pool. The council may require a person contracted with to give to the state a fidelity bond in a penal sum as may be fixed by law or, if not so fixed, as may be fixed by the council, with corporate surety authorized to do business in this state. Contracts so entered into and functions performed thereunder are not subject to the State Personnel Relations Law or ORS 279A.140. [1973 c.748 §11; 2003 c.794 §251]

294.855 Legal opinions; investment counseling services; mortgage services.

(1) In the acquisition or disposition of bonds with which approving legal opinions ordinarily are furnished, the investment officer may require an original or certified copy of the written opinion of a reputable bond attorney or attorneys, or the written opinion of the Attorney General, certifying to the legality of the bonds.

(2) The Oregon Investment Council may arrange for the furnishing to the investment officer of investment counseling services. The furnishing and acquisition of those services are not subject to the State Personnel Relations Law or ORS 279A.140.

(3) The investment officer, with the approval of the council, may arrange for services with respect to mortgages in which moneys in the investment pool are invested. Those services shall be paid for out of the gross interest of the mortgages with respect to which the services are furnished, and the net interest of the mortgages after that payment shall be considered income of the investment pool. The furnishing and acquisition of those services are not subject to the State Personnel Relations Law or ORS 279A.140. [1973 c.748 §12; 2003 c.794 §252]

294.860 Custody of investment documents; collection and distribution of income; calculation and allocation of profit and loss; defaulted payments of principal and interest, collection, compromise.

(1) Except as provided in ORS 294.850 and this subsection, all instruments of title of all investments of the investment pool shall remain in the custody of the investment officer. The investment officer may deposit with one or more custodial agents or banks those instruments of title that the State Treasurer considers advisable, to be held in safekeeping by the agents or banks for collection of the principal and interest or other income, or of the proceeds of sale or maturity. For purposes of this section, instruments of title of investments of the investment pool may include such evidence of title as the investment officer shall consider secure and consistent with modern investment, banking and commercial practices, and may include book entry and automated recordation of such title.

(2) Except as provided in ORS 294.850 and 294.855 (3) and subsections (1) and (3) of this section, the investment officer shall collect the principal and interest or other income of investments of the investment pool, title of which is in the investment officer's custody, when due and payable, and shall pay to the appropriate local government official or tribal government official the principal and interest or other income, within 30 days after the last day of the calendar quarter in which the principal and interest or other income accrues. Not less often than quarterly and without regard to whether the short-term investments were made with moneys placed by local government officials, by tribal government officials or by other sources, the investment officer shall compute the amount by which the current fair market value exceeds or is less than the net purchase price of all short-term investments administered by the investment officer that mature more than 270 days from the date computation is made. The investment officer shall compute the fair market value of such investments based upon the mean value of the bid and ask price of such investments as of the date of computation, based upon quotations from reputable dealers or financial institutions dealing in such investments. If the amount so computed by the investment officer totals more than one percent of the balance of the pool, either in terms of a gain or loss, the investment officer shall allocate the amount to all pool participants. Any addition to or deduction from amounts to be distributed shall be allocated among the municipalities and tribal governments participating in the pool at any time during the month in proportion to their average daily balances of funds invested through the pool. Investments maturing 270 days or less from the date of computation shall not be subject to the foregoing computation, but for other purposes shall be valued at book value or original purchase price.

(3) In the event of default in the payment of principal or interest or other income of any investment of the investment pool, the investment officer, with the approval of the council, may:

(a) Institute the proper proceedings to collect the matured principal or interest or other income.

(b) Accept for exchange purposes refunding bonds or other evidences of indebtedness at interest rates to be agreed upon by the investment officer and obligor.

(c) Make compromises, adjustments or disposition of the matured principal or interest or other income as the investment officer considers advisable for the purpose of protecting the moneys invested.

(d) Make compromises or adjustments as to future payments of principal or interest or other income as the investment officer considers advisable for the purposes of protecting the moneys invested. [1973 c.748 §13; 1979 c.475 §2; 1987 c.381 §4; 1991 c.88 §1; 1995 c.40 §2; 2013 c.338 §6]

294.865 Monthly deductions from income received for payment of expenses. The State Treasurer may deduct monthly a maximum of 0.435 basis points of the most recent market value of assets under the management of the investment pool. Amounts so deducted shall pay the State Treasurer for expenses of the State Treasurer as investment officer and to the extent the amounts deducted are so used shall be deposited into the Miscellaneous Receipts Account established in the General Fund for the State Treasurer, and are continuously appropriated for payment of the expenses of the State Treasurer as investment officer. [1973 c.748 §6; 1975 c.740 §9; 1977 c.266 §11; 1991 c.88 §2; 1995 c.288 §2; 1999 c.1043 §3; 2001 c.716 §25]

294.870 Separate accounts for public bodies; reports on investment changes and monthly financial statements required. (1) The investment officer shall keep, for each public body with funds in the investment pool, a separate account, which shall record the individual amounts and the totals of all investments of its moneys in the investment pool.

(2) The investment officer shall report monthly to the local government official or tribal government official of a public body with funds in the investment pool the changes in its account made during the preceding month for the investment pool. The investment officer shall also furnish a financial report monthly to each participating governmental unit investor in the investment pool. The financial report shall include, but not be limited to, such comparative data for the preceding six months operation of the investment pool as will provide a basis for analyzing trends and comparing operating results and financial position. A monthly statement shall be distributed within 30 days after the end of that month. [1973 c.748 §§14,15; 1979 c.608 §5; 1989 c.569 §4; 2007 c.783 §122b; 2013 c.338 §7]

294.875 Monthly report of investments of pool funds; distribution. Not later than 15 days after the last day of each month, the investment officer shall submit to the Oregon Investment Council and the Oregon Short Term Fund Board a report of the investments made during the preceding month. The report shall include a detailed summary of investment, reinvestment, purchase, sale and exchange transactions, setting forth, among other matters, the investments bought, sold and exchanged, the dates thereof, the prices

paid and obtained, the names of the dealers involved and a statement of the accounts referred to in ORS 294.870 (1). The reports shall include a description of every investment in the portfolio of assets in the investment pool showing issuer, coupon, purchase date, maturity date, yield to maturity, book value, market value as of the end of the month for which the report is rendered and the method used to value pool investments; a computation of the average life of the portfolio of assets in the investment pool weighted according to the market value of each investment that matures more than 270 days from the report date as of the end of the month for which the report is rendered; and a computation of the annualized rate of return of the investment pool portfolio, net of expense. A copy of the reports shall be made available to each county, municipality, school district and other political subdivision and tribal government the funds of which are then being invested by the investment officer. The investment officer may send copies of the report to investment bankers and brokers recommended by the council. [1973 c.748 §16; 1981 c.880 §17; 1987 c.381 §5; 2013 c.338 §8]

294.880 Program examination and audit; report; distribution. An examination and audit of the investment pool shall be made separately from the audit of the treasurer for submission to the Oregon Investment Council, public bodies that are investors in the pool, the Legislative Assembly and the Oregon Short Term Fund Board at least once a year and at other times as the council may require. An audit report shall be submitted to the individuals and public bodies specified within 60 days after the end of the fiscal year or as soon as practical. The report shall include a statement prepared by the State Treasurer of the investment rules governing investments authorized by the council. [1973 c.748 §17; 1979 c.608 §6; 2007 c.783 §122c; 2013 c.338 §9]

294.882 Merger or subsequent separation of investment pool and Oregon Short Term Fund; preconditions. (1) It is recognized that a time may come when the interest of local governments and tribal governments diminishes to the extent that participation in the investment pool no longer warrants its operation as a separate fund. If the investment pool decreases to a level below \$125 million, the State Treasurer may transfer the assets of the pool to the Oregon Short Term Fund established under ORS 293.728. In that event, the investment pool participant accounts will be treated as are other state funds and accounts in receiving a proportionate share of the earnings of the Oregon Short Term Fund. Notwithstanding ORS 294.805 to 294.895, but subject to ORS 294.810, when the State Treasurer transfers

the assets of the investment pool to the Oregon Short Term Fund, the distributions of income to local governments and tribal governments, payment of related expenses and the reporting, program examination and audit functions with respect to the investment pool participant accounts shall be administered in accordance with ORS 293.353 and 293.701 to 293.857.

(2) The State Treasurer, at the discretion of the treasurer, may reestablish the investment pool as a separate fund if the participant accounts increase to over \$125 million and, in the State Treasurer's judgment, sufficient interest by local government and tribal government exists to ensure the investment pool will remain over \$125 million. Prior to reestablishing the pool as a separate fund, the State Treasurer shall first present a plan for operation, including the reasons for such action, to the Oregon Investment Council at a regularly scheduled meeting for its review and comment. The State Treasurer shall publish notice in the Secretary of State's administrative rules bulletin of the treasurer's intent to reestablish the pool as a separate fund at least 30 days prior to the meeting at which the Oregon Investment Council shall review the proposal, and notice of the meeting time and location of the Oregon Investment Council at which the proposal will be discussed. [1979 c.608 §9; 1980 c.19 §7; 1983 c.456 §3; 1993 c.18 §62; 1997 c.129 §1; 1999 c.1043 §7; 2009 c.541 §15; 2009 c.821 §27; 2013 c.338 §10]

294.885 Oregon Short Term Fund Board; members; appointment; term; vacancies. (1) There is created the Oregon Short Term Fund Board consisting of seven members.

(2) One member shall be the State Treasurer or the treasurer's designated representative. Three members, who are qualified by training and experience in the field of investment or finance and who do not hold any other public office or employment, shall be appointed by the State Treasurer. Three members, who are treasurers, finance or fiscal officers or business managers of any county, city or school district, shall be appointed by the Governor. In making the appointment, the Governor may consider persons recommended by:

- (a) The Association of Oregon Counties.
- (b) The League of Oregon Cities.
- (c) The Oregon School Boards Association.
- (d) One or more tribal governments with tribal government officials.

(3) The term of office of each appointed member of the board is four years, but each appointed member serves at the pleasure of the appointing authority. A vacancy in the

appointed membership occurring other than by expiration of term shall be filled in the same manner as the original appointment, but for the unexpired term only. [1973 c.748 §19; 1979 c.608 §7; 1981 c.880 §18; 1989 c.1006 §2; 2013 c.338 §11]

294.890 Board members serve without compensation; selection of chairperson.

(1) A member of the Oregon Short Term Fund Board shall serve without compensation.

(2) The board shall select one of its members as chairperson, for a term and with the powers and duties necessary for the performance of the functions of the office as the board shall determine. [1973 c.748 §20]

294.895 Board duties, generally. The Oregon Short Term Fund Board shall:

(1) Advise the Oregon Investment Council and the investment officer in the management of the investment pool and in the investment of moneys deposited in the Oregon Short Term Fund established under ORS 293.728 and invested pursuant to ORS 293.701 to 293.857.

(2) Review the rules promulgated by the investment officer as authorized under ORS 294.825 (4).

(3) Consult with the council and the investment officer on any matter relating to the investment and reinvestment of funds in the investment pool and on any matter relating to the investment or reinvestment of moneys deposited in the Oregon Short Term Fund and invested by the State Treasurer. [1973 c.748 §21; 1981 c.880 §19; 1993 c.18 §63; 2009 c.541 §16; 2009 c.821 §28]

COUNCILS OF GOVERNMENTS

294.900 "Council of governments" defined. As used in ORS 294.900 to 294.930, "council of governments" means an entity organized by units of local government under an intergovernmental agreement under ORS 190.003 to 190.130, which does not act under the direction and control of any single member government and does provide services directly to individuals. [1987 c.666 §1]

Note: 294.900 to 294.930 were enacted into law by the Legislative Assembly but were not added to or made a part of ORS chapter 294 or any series therein by legislative action. See Preface to Oregon Revised Statutes for further explanation.

294.905 Budget committee; membership; term; vacancies; officers; meetings to be public. (1) A council of governments shall establish a budget committee in accordance with the provisions of this section.

(2) The budget committee shall consist of the members of the governing body of the council of governments and an equal number of representatives of the services provided by

the council of governments. If there are fewer representatives of the services than the number of members of the governing body of the council, the governing body and the representatives willing to serve shall be the budget committee. If there are no representatives willing to serve, the governing body shall be the budget committee.

(3) The members of the budget committee shall receive no compensation for their services as members of such committee.

(4) Appointive members of the budget committee shall not be officers, agents or employees of the council of governments or providers of the services.

(5) The appointive members of the budget committee shall be appointed for terms of three years. The terms shall be staggered so that one-third or approximately one-third of the terms of the appointive members end each year.

(6) If any appointive member is unable to serve the term for which the member was appointed, or an appointive member resigns prior to completion of the term for which the member was appointed, the governing body of the council of governments shall fill the vacancy by appointment for the unexpired term.

(7) The budget committee, at its first meeting after its appointment, shall elect a chairperson and a secretary from among its members.

(8) Meetings of the budget committee shall comply with the requirements of ORS 192.610 to 192.690. [1987 c.666 §2]

Note: See note under 294.900.

294.910 Estimates of expenditures; organization and format; matters to be included. (1) Each council of governments shall prepare estimates of expenditures for the ensuing year.

(2) The estimates required by subsection (1) of this section shall be prepared by organizational unit or by program.

(3) Estimates required by subsection (1) of this section and prepared by organizational unit shall be detailed under separate object classifications of personnel services, materials and services and capital outlay. Separate estimates shall be made for special payments, debt service, interfund revenue transfers, operating expenses and general capital outlays which cannot reasonably be allocated to an organizational unit.

(4) Estimates required by subsection (1) of this section and prepared by program shall be arranged for each activity of a program. Estimates under each activity shall be detailed under separate object classifications

of personnel services, materials and services and capital outlay. Separate estimates shall be made for each program for special payments, debt service, interfund revenue transfers, operating expenses and general capital outlays which cannot reasonably be allocated to an activity within a function.

(5) Estimates of expenditures for personnel services, other than services of persons who receive an hourly wage or who are hired on a part-time basis, shall list the salary for each officer and employee, except that employees of like classification and salary range in each organizational unit or activity may be listed by the number of those employees, the limits of each salary range and the amount of their combined salaries.

(6) The general capital outlay estimate shall include separate amounts for land, buildings, improvements to land other than buildings and machinery and equipment which cannot be reasonably allocated to an organizational unit or activity.

(7) The debt service estimates shall include separate amounts for principal and interest of each bond issue in each fund.

(8) If the estimates required by subsection (1) of this section are not prepared by fund, there shall be prepared a summary which cross-references programs or organizational units to the appropriations required by ORS 294.456. [1987 c.666 §3; 2011 c.473 §28]

Note: See note under 294.900.

294.915 Notice of budget committee meeting; public availability of documents.

(1) Not less than eight days and not more than 14 days prior to the meeting of the budget committee of the council of governments, notice of the meeting shall be published in a newspaper of general circulation within each county represented by the council of governments. The notice shall contain the purpose, time and place of the meeting and the place where the budget document is available. The notice shall also state that the meeting is a public meeting where deliberations of the budget committee will take place and that any person may discuss proposed programs with the budget committee at that time.

(2) The governing body shall either provide the means of duplicating the budget or part thereof, in those situations where the budget document or portion thereof may be quickly reproduced, or shall provide copies of the budget document or part thereof so that a copy of the budget document or part thereof may be readily obtained by any individual interested in the affairs of the council of governments. [1987 c.666 §4]

Note: See note under 294.900.

294.920 Hearing on budget document.

(1) Each council of governments shall hold a public hearing on the budget document as approved by the budget committee.

(2) Not less than eight days and not more than 14 days prior to the meeting held as required by subsection (1) of this section, notice of the meeting shall be published in a newspaper of general circulation within each county represented by the council of governments. The notice shall contain the time and place of the meeting and the place where the budget document, as approved by the budget committee, is available. The notice shall also state that the meeting is a public meeting where any person may appear for or against any item in the budget document. [1987 c.666 §5]

Note: See note under 294.900.

294.925 Supplemental budget; conditions; term; publication. (1) Notwithstanding requirements as to estimates of and limitation on expenditures, any council of governments may make a supplemental budget for the fiscal year for which the regular budget has been prepared under one or more of the following circumstances:

(a) An occurrence or condition which had not been ascertained at the time of the preparation of a budget for the current year which requires a change in financial planning.

(b) A pressing necessity which was not foreseen at the time of the preparation of the budget for the current year which requires prompt action.

(c) Funds were made available by another unit of federal, state or local government and the availability of such funds could not have been ascertained at the time of the preparation of the budget for the current year.

(d) A request for services or facilities, the cost of which shall be supplied by a private individual, corporation or company or by another governmental unit and the amount of the request could not have been accurately ascertained at the time of the preparation of the budget for the current year.

(e) 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 governmental operation.

(2) A supplemental budget shall not extend beyond the end of the fiscal year during which it is submitted.

(3) The supplemental budget shall be published. [1987 c.666 §6; 1989 c.171 §40]

Note: See note under 294.900.

294.930 Authority of Department of Revenue; budget records maintained by council of governments.

(1) The Department of Revenue shall exercise the same powers and authority with regard to councils of governments and the budgets and budget committees of councils of governments as the department exercises under ORS 294.495 to 294.510 with regard to municipal corporations.

(2) Each council of governments shall keep for a period of two years following the end of the fiscal year for which the budget was adopted:

(a) A copy of the budget as finally adopted;

(b) Copies of the notices required to be published under ORS 294.915 and 294.920; and

(c) A copy of the resolution adopting the budget.

(3) If requested by the Department of Revenue, the Division of Audits or a county assessor within the two-year period described in subsection (2) of this section, a council of governments shall send copies of the budget, notices and resolution to the entity making the request. [1987 c.666 §7; 2007 c.198 §1]

Note: See note under 294.900.

MISCELLANEOUS**294.950 County revenue sharing with cities.**

(1) Subject to the limitation contained in subsection (3) of this section, a county may give, out of its general fund, moneys that are not otherwise obligated for county purposes to any city situated in whole or in part within the county. Such moneys may be used by the city for general municipal purposes.

(2) Subject to the limitation contained in subsection (3) of this section, a county may share the proceeds of any tax or excise described in section 3a, Article IX of the Oregon Constitution, with any city situated in whole or in part within the county for the purposes stated in that section.

(3) In any fiscal year, moneys given to a city under this section shall not exceed the amount of revenue raised in any manner by the county within the boundaries of that city.

(4) Any sharing of revenues between a county and city under this section is declared to be for a public purpose. [1981 c.335 §2]

294.960 Collection and disposition of amounts due counties.

Pursuant to ORS 293.250, a county may collect any moneys owed to the county pursuant to a judgment obtained under ORS 169.151. The county

shall provide to the Department of Revenue the amount owed and the name, Social Security number and address of the person who owes the moneys. [2001 c.641 §1]

Note: 294.960 was enacted into law by the Legislative Assembly but was not added to or made a part of ORS chapter 294 or any series therein by legislative action. See Preface to Oregon Revised Statutes for further explanation.

PENALTIES

294.990 Penalties. (1) Any officer willfully violating any of the provisions of ORS 51.340 shall, upon conviction thereof, be fined not more than \$25 for each offense, to be paid into the county treasury for the benefit of the common schools.

(2) Unless the time is extended by the commission, any municipal corporation subject to ORS 294.605 to 294.705 which fails,

neglects or refuses to submit its annual or biennial budget to the commission on or before May 15 of each fiscal year, or on or before May 15 of the first fiscal year of a budget period, as provided in ORS 294.635, shall forfeit to the use of the tax supervising and conservation commission fund \$50 for each day of such failure, refusal or neglect.

(3) Any levying board subject to ORS 294.605 to 294.705 which fails, neglects or refuses to attend any budget hearing at the time and place fixed by the commission, or to be represented by counsel thereat, shall forfeit to the use of the tax supervising and conservation commission fund \$25 for each member of such levying board responsible for such failure, neglect or refusal. [Amended by 1953 c.306 §17; 1971 c.267 §15; 1999 c.654 §26; 2001 c.135 §30]

