

House Bill 2649

Sponsored by Representative BARNHART

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Allows certain municipal corporations to publish budget summary on website.

A BILL FOR AN ACT

Relating to Internet posting of municipal budget summaries; amending ORS 294.311.

Be It Enacted by the People of the State of Oregon:

SECTION 1. ORS 294.311 is amended to read:

294.311. 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

NOTE: Matter in **boldfaced** type in an amended section is new; matter *[italic and bracketed]* is existing law to be omitted. New sections are in **boldfaced** type.

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 personal 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) "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.

(20) "Grant" means a donation or contribution of cash to a governmental unit by a third party.

(21) "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).

(22) "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.

(23) "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.

(24)(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

1 for or when consumed.

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

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

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

15 (28) "Object classification" means a grouping of expenditures on the basis of goods or services
16 purchased, including, but not limited to, personal services, materials, supplies and equipment.

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

18 (30) "Organizational unit" means any administrative subdivision of a municipal corporation, es-
19 pecially one charged with carrying on one or more functions or activities.

20 (31) "Population" means the number of inhabitants of a municipal corporation according to
21 certified estimates of population made by the State Board of Higher Education.

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

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

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

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

29 (b) Posting through the United States Postal Service by first class mail, postage prepaid, to each
30 street address within the jurisdictional boundaries of the municipal corporation.

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

33 **(d) Posting on an Internet website, in addition to publication in one or more newspapers**
34 **of general circulation within the jurisdictional boundaries of the municipal corporation of the**
35 **title of the budget summary and the Uniform Resource Locator (URL) of the website.**

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

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

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

42 (38) "Special revenue fund" means a fund properly authorized and used to finance particular
43 activities from the receipts of specific taxes or other revenues.