

**Oregon Administrative Rules: 150-294.175 to 150-294.920
Division 294, Local Budget**

**DEPARTMENT OF REVENUE
DIVISION 294
LOCAL BUDGET**

http://arcweb.sos.state.or.us/pages/rules/oars_100/oar_150/150_294.html

The “full text” of Oregon Administrative Rules (OAR) Local Budget Law was copied by the Exploratory Committee, Hugo Neighborhood Association & Historical Society, from the Oregon Secretary of State’s web page “Department of Revenue, Division 294, Local Budget.”

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Hugo Neighborhood Association & Historical Society

<http://www.hugoneighborhood.org/justicesystemexploratorycommittee.htm>

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Local Budget Oregon Administrative Rules: 150-294.175 to 150-294.920

OAR 150-294.175. Department of Revenue Review of the County Assessment, Appeal, Collection, and Distribution of Property Taxes

(1) As used in ORS 294.175, the following definitions will apply:

(a) "Adequacy to provide the resources needed to achieve compliance" means: Appropriate and sufficient resources to maintain compliance with all laws and rules pertaining to the assessment, levying, and collection of property taxes.

(b) "Laws requiring equality and uniformity in the system of property taxation" includes administrative rules implementing those statutes.

(c) "Equality" means equity of assessments as required by the Oregon Constitution and laws to achieve fairness in property taxation.

(d) "Other laws" include but are not limited to Chapters 305 to and including 312.

(e) "Review" under ORS 294.175 may include, but is not limited to, an examination by the department of any county records, both paper and magnetic media; interviews with county staff; field review of values and procedures; and special studies.

(2) County programs operating under a department approved conference agreement or plan must maintain levels of uniformity and equity established under the agreement or plan.

(3) At the department's discretion, the department may examine any property and records to verify the accuracy of county records.

(4) For counties under the Computer Assisted Valuation program, part of the review will consist of the review required by ORS 308.027. When the department conducts a review of counties not under ORS 308.027, current appraisals will be reviewed to ensure they comply with the established standards for an appraisal contained in OAR 150-308.027(10).

(5) The department must provide written notice to the county governing body, assessor, and tax collector of any scheduled review no less than 30 days prior to the date the review is scheduled to begin. This notice must contain:

(a) The date the department will begin its review;

(b) The purpose of the review;

(c) A list of initial records the county must provide to the department. The records must be provided no later than the date specified in (a) above. The county must provide the department access to any records requested that are not available in hard copy or portable format;

(d) An estimate by the department of the number of department staff who will participate in the review. The county must make available adequate work space for the conduct of this review.

(6) The determination by the department that assessment and taxation activities, functions or services of the county are not adequate to maintain compliance or are not in compliance with a conference agreement or plan must be made no later than 40 days prior to the next fiscal quarter. The department will notify the county governing body within 10 days by certified or registered mail of its final determination of deficiency and the approximate amount of funds that will be withheld. If the department's notice is not sent in a timely manner, the funds will be withheld from the next following fiscal quarter which begins at least 40 days from the date of mailing the notice. No further notice by the department will be required. If the deficiency is corrected to the department's satisfaction at least 30 days prior to the start of the ensuing fiscal quarter, no funds will be withheld.

(a) Example 1:

Next fiscal quarter begins — October 1; Department makes determination — August 15; Department notifies county by August 15; No corrective action taken by county; Funds withheld from county beginning — October 1.

(b) Example 2:

Next fiscal quarter begins — October 1; Department makes determination — September 5; Department notifies county by September 14; No corrective action taken by county; Funds withheld from county beginning — January 1.

Stat. Auth.: ORS 305.100

Stats. Implemented: ORS 294.175

Hist.: RD 3-1989, f. 12-18-89, cert. ef. 12-31-89; REV 3-2001, f. 7-31-01, cert. ef. 8-1-01, Renumbered from 150-294.005(Note)-(D)

OAR 150-294.175-(B). Expenditures for Assessment and Taxation

(1) Expenditures include all direct costs, including personnel and supplies, associated with the assessment and appeal of property values and the collection and distribution of property taxes, as set out in ORS Chapters 305 through 312 and 321 or other statutes relating to the assessment, appeal, collection, and distribution of property taxes. Costs resulting from the performance of these functions performed in the offices of the county must be allowed.

(2) All expenditures for assessment and taxation funding will be for no more than one fiscal year.

(3) Costs incurred by the assessor's, tax collector's, and treasurer's office, or any other office in the county that are not attributable to assessment and taxation as set out in ORS Chapters 305 through 312 and 321 or any other statute or meet the requirements of section (1) of this rule must not be allowed.

(4) Direct costs as determined for the county budget include:

(a) Personnel Services.

(b) Materials and Services.

(c) Transportation. For purposes of this rule, the cost of transportation included as a direct cost must be determined using one of the following two methods:

(A) The estimate of the actual cost of operating vehicle for a twelve-month period plus a depreciation allowance for the useful life of the vehicle.

(B) The mileage rate used in the other county programs, with the estimate of number of miles to be driven based on historical information.

(d) For the purpose of section (4) of this rule, only the costs of cadastral maps or mapping necessary for the assessor's office may be included in the expenditures for assessment and taxation funding. All other costs for maps or mapping are not allowed.

(e) For the purpose of section (4) of this rule, costs for data processing support based on the actual cost of items directly relating to assessment and taxation may be included in the expenditures for assessment and taxation funding. For example:

(A) System operating costs will be allocated on a pro rata share based on the ratio of usage for assessment and taxation functions.

(B) Development of new computer applications to support the assessment and taxation functions.

(C) Technical education of assessment and taxation staff.

(D) Software changes required because of changes to laws or rules which govern the assessment, appeal, levy, collection or distribution of property taxes.

(E) Software changes requested by the user to improve or extend the functionality of the system.

(F) Elimination of reproducible errors (BUGS) in the application software.

(G) Installation of periodic software upgrades.

(H) Training of user staff in the use of new or enhanced software.

(I) Technical assistance for personal computer support.

(5) Indirect costs associated with the assessment, appeal, collection, and distribution of property taxes will be determined using one of the following methods.

(a) A percentage amount approved by a Federal Granting Agency for the county in accordance with the Cost Principles and Procedures for Establishing Cost Allocation Plans and Indirect Cost Rates for Grants and Contracts with the Federal Government. The percentage must be applied in the same manner as has been approved by the Federal Agency; or

(b) Five percent of the total direct expenditures less capital outlay.

(6) Capital outlay as determined for the county budget includes:

(a) For the purpose of this rule, automobiles purchased by the county and used for assessment and taxation functions are an exception to section (6) of this rule and should be included as an expense item under section (4)(c) of this rule. They must not be included as part of the capital outlay expenditures eligible to be certified for funding under ORS Chapter 294.

(b) The county must be limited in the amount of capital outlay expenditure to be funded by these statutes to the higher of:

(A) \$50,000; or

(B) Six percent of the total dollars certified as expenditures under the statutes for funding pursuant to ORS Chapter 294.

Stat. Auth.: ORS 305.100

Stats. Implemented: ORS 294.175

Hist.: RD 3-1989, f. 12-18-89, cert. ef. 12-31-89; REV 8-2000, f. & cert. ef. 8-3-00; REV 3-2001, f. 7-31-01, cert. ef. 8-1-01, Renumbered from 150-294.005(Note)-(A)(1); Renumbered from 150-294.175(1)(c), REV 4-2015, f. 12-23-15, cert. ef. 1-1-16

OAR 150-294.175-(C). Definition: Certification of Compliance. Plan to Achieve Adequacy

(1) On or before May 1 of each year, each county will file with the Department of Revenue an estimate of expenditures as required by ORS 294.175. The Department of Revenue will determine the adequacy of each county's estimates of expenditures to comply with the requirements of ORS 308.232, 308.234, ORS Ch. 309, and other laws requiring equality and uniformity in the system of property taxation. For any county whose proposed expenditures are neither at a level nor of a type to achieve adequacy as determined by the department, the county will state how it intends to comply with a plan to achieve adequacy previously approved by the department.

(2) Any county which is not in compliance as of January 1, of any year, and does not have a plan to achieve adequacy which has been approved by the department must, in lieu of the statement of compliance required under section 1 of this rule, submit a plan to achieve adequacy. After its review of the plan, the department will, if it deems necessary before approval, set a date for a meeting to be held with the county. The meeting may be for review of the plan only, or may be held in conjunction with the conference with the county governing body on their expenditure level.

(3) At the meeting the department and county governing body, assessing officials, and others as appropriate, will conduct a thorough review of the plan to identify and resolve any areas of disagreement. Before the conclusion of the meeting the department will inform the county governing body of its agreement with the plan, or modifications that may be necessary to the plan before approval. If the department and county governing body reach agreement on the county's plan, or modified plan, the department will include in its approval, based upon the plan, the number of years for the county to reach full compliance.

(4) Within ten days after the date of the meeting, the county governing body must furnish to the department a signed resolution of intent by the county governing body and assessing official to meet the provisions of the plan.

(5) If the department and county governing body cannot reach agreement on the plan, or if the signed statement of intent is not furnished to the department by June 1 of the year, the department must issue a denial of certification under ORS 294.175 (6).

Stat. Auth.: ORS 305.100

Stats. Implemented: ORS 294.005, 294.175

Hist.: RD 3-1989, f. 12-18-89, cert. ef. 12-31-89; RD 2-1995, f. 12-29-95, cert. ef. 12-31-95; REV 3-2001, f. 7-31-01, cert. ef. 8-1-01, Renumbered from 150-294.005(Note)-(B)(2)); Renumbered from 150-294.175(2), REV 4-2015, f. 12-23-15, cert. ef. 1-1-16

150-294.175(1)(c) [Renumbered to 150-294.175-(B)]

150-294.175(2) [Renumbered to 150-294.175-(C)]

OAR 150-294.175(2)-(A). Contents of Grant Application

- (1) On or before May 1 of each year, each county must file with the Department of Revenue an application in order to participate in the grant program provided through the County Assessment Function Funding Assistance Account under ORS 294.178.
- (2) The county must submit a grant application on forms provided by the department.
- (3) The application must be accompanied by a resolution from the governing body of the county.
 - (a) The grant application resolution must be signed by the chairperson or judge of the governing body, or an appointee of the governing body that is acting under the authority of the governing body.
 - (b) If the chairperson or judge does not sign the resolution, the county also must submit a copy of the minutes of the meeting in which the governing body heard and approved the grant application resolution.
 - (c) The resolution must provide that the county agrees to appropriate the budgeted dollars in the grant application based on 100 percent of the expenditures certified by the department as provided under ORS 294.175(5).
- (4) The department may reject an application that fails to meet the requirements of subsections (2) and (3).

[Publications: Publications referenced are available from the agency.]

Stat. Auth.: ORS 305.100 & 294.175

Stats. Implemented: ORS 294.175

Hist.: REV 6-2003, f. & cert. ef. 12-31-03

OAR 150-294.175(2)-(B). Estimates of Expenditures for Assessment and Taxation

- (1) On or before May 1 of each year, each county must file with the Department of Revenue an estimate of expenditures for assessment and taxation as required by ORS 294.175 in order to participate in the grant program provided under ORS 294.178 for the tax year beginning on July 1.
- (2) The county must file an amended estimate of expenditures no later than June 1 if it determines there is a need to increase or decrease its estimated expenditures.
- (3) The amended filing must be filed in the same manner as the original application.
- (4) The department will review the amended filing using the review standards and criteria for determining adequacy of resources that were applicable to the original filing.

Stat. Auth.: ORS 305.100 & 294.175

Stats. Implemented: ORS 294.175

Hist.: REV 6-2003, f. & cert. ef. 12-31-03; REV 3-2010(Temp), f. & cert. ef. 3-9-10 thru 8-31-10; Administrative correction 9-22-10; REV 17-2010, f. 12-17-10, cert. ef. 1-1-11

OAR 150-294.175(6). Certification

(1) On or before June 15 of each year, the Department of Revenue, must mail to the governing body of each county a letter of certification or of denial of participation in the County Assessment Function Funding Assistance (CAFFA) Account.

(2) The letter of certification referred to in (1) above must include the following information:

(a) The total dollar expenditures budgeted by the county and approved by the department to be funded under the County Assessment Function Funding Program for that county.

(b) A statement that the total expenditures budgeted by the county for the assessment and equalization of property values and the collection and distribution of property taxes is adequate to maintain the county property taxation system or to comply with an approved plan to bring the county property taxation system into compliance.

(c) An estimate of the total dollars to be available for distribution to the counties from the CAFFA Account in the ensuing fiscal year.

(d) An estimate of the county's percentage distribution rate. For example, County A will receive 5 percent of the total for distribution from the CAFFA Account.

(e) An estimate of the total amount the county will receive from the grant during the ensuing fiscal year.

(3) The letter of denial referred to in (1) above must include the following information:

(a) Reason(s) for the denial.

(b) Appeal process for the county, if any.

Stat. Auth.: ORS 305.100

Stats. Implemented: ORS 294.175

Hist.: RD 3-1989, f. 12-18-89, cert. ef. 12-31-89; RD 2-1995, f. 12-29-95, cert. ef. 12-31-95; REV 4-1999, f. 12-1-99, cert. ef. 12-31-99; REV 3-2001, f. 7-31-01, cert. ef. 8-1-01, Renumbered from 150-294.005(Note)-(B)(1)

OAR 150-294.181. Alternative Method for Certification

(1) If, at a conference held pursuant to notice under ORS 294.175, a county is unable to meet the level of expenditures required by the department for certification in the county assessment function funding assistance program for a particular year, that county may request that the department certify a lesser level of expenditures under the alternative method described in this rule.

(2) To meet the requirements of this alternative method of certification, a county must submit a plan that describes the actions the county will take to achieve adequacy of expenditures for the county assessment and taxation program. The department will not certify any plan submitted by a county that requires more than three tax years to comply 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.

(3) The plan submitted by the county may include any combination of increased expenditures or increased efficiencies that will lead to adequacy within the specified duration of the plan.

(4) Acceptance of the plan described in paragraph (2) of this rule is at the discretion of the department. No plan will be accepted for which compliance is conditioned only upon the county's future receipt of funding authority not in existence at the time of submission of the plan.

Example 1: The department determines County A's assessment program is inadequate because it fails to meet the minimum requirements under ORS 294.175. The department determines that two appraisers are necessary to satisfy the minimum requirements. Pursuant to a plan submitted under ORS 294.181, County A proposes to add two appraisers beginning in December of the fiscal year, contingent on passage of a local option tax levy in November to fund the positions. Because the plan to fund the appraisers is contingent upon passing the local option tax measure, it cannot be approved by the department.

Example 2: The department determines County B's assessment program is inadequate because it fails to meet the minimum requirements under ORS 294.175. County B submits a plan under ORS 294.181 that agrees to add two appraisers by January 1 of the first year of the plan. The department determines that this will enable County B to achieve adequacy in the assessment program by the midpoint of the second year of the plan. Accordingly, the department certifies the expenditures presented by the county under the plan. The county also proposes to add yet another appraiser (for a total of three) if a local option tax measure passes in the first year of the plan. The addition of the third appraiser is contingent upon passage of the local option tax, but the plan to add two appraisers is not so conditioned. The fact that a local option tax has been proposed to add staff or resources during the plan period will not automatically disqualify the plan submitted by the county.

(5) The department will not certify expenditures under this alternative method of certification if the expenditures for the tax year for which the filing under ORS 294.175 was made, or for any

subsequent year covered by the plan, do not demonstrate the county's ability to maintain adequacy in all of the following functions:

- (a) Accurate appraisal of real property in accordance with OAR 150-308.234;
 - (b) Assessment of new construction, subdivisions, segregations, consolidations, omitted property, and other exceptions activity described in ORS 308.146;
 - (c) Accurate processing of special assessment qualification applications and disqualifications, including but not limited to, farm, forest, and small tract forest programs;
 - (d) Accurate processing of property tax exemption and deferral applications and disqualifications;
 - (e) Accurate processing of personal property, real property, and combined property tax returns;
 - (f) Providing explanation of the process of developing real market value to a court of jurisdiction for a property tax assessment under appeal;
 - (g) Completing an annual ratio report and appraisal plan that meets the requirements of ORS 309.200, 308.234, and OAR 150-309.200-(A), (B), and (C);
 - (h) Maintaining accurate property records by timely processing deeds, including address and name changes and property transfers;
 - (i) Maintaining tax collection and distribution activity as prescribed by statute, including tax statement issuance, roll corrections, refunds, and processes related to delinquency notification, foreclosures, warrants, and bankruptcies;
 - (j) Maintaining all cadastral functions for new and existing tax lots, including lot line adjustments, consolidations, creating new maps, and updating tax code boundary changes;
 - (k) Maintaining accurate and current assessment and tax rolls; and
 - (L) Completing roll summary reports as required by ORS 309.330.
- (6) The department will notify the county governing body if it determines the plan as submitted does not meet the requirements of this rule. The notice will contain an explanation of the reasons for the determination and describe specific items required to achieve adequacy.
- (7) If the department determines that the plan submitted by the county or subsequently modified during conference meets the requirements of this rule, the department will certify to the county governing body the expenditures for assessment and taxation at the level contained in the county's estimate filed with the department pursuant to ORS 294.175 or as adjusted by the conference agreement.

(8) A county operating under an accepted plan must certify to the department not less than 15 days prior to the close of each fiscal quarter that the county is in compliance with the accepted plan. The certification must be in the form of a written status report that provides details demonstrating the county's compliance with the accepted plan.

(9) The department will deny grant funds pursuant to ORS 294.178(5) for any quarter in which the department determines the county has failed to demonstrate compliance with the accepted plan.

Stat. Auth.: ORS 305.100

Stats. Implemented: ORS 294.175, 294.178, 294.181

Hist.: REV 3-2007(Temp), f. & cert. ef. 4-5-07 thru 10-1-07; REV 4-2007, f. 7-30-07, cert. ef. 7-31-07

OAR 150-294.187. Turnovers from the CATF to the CAFFA Account

Each county must notify the Department of Revenue of the amount it deposits into the County Assessment Function Funding Assistance (CAFFA) account from the County Assessment and Taxation Fund (CATF) account at the time of deposit. The deposit must occur on or before the 10th working day of the month following the last day of the fiscal quarter.

Stat. Auth.: ORS 305.100

Stats. Implemented: ORS 294.187

Hist.: RD 11-1990, f. 12-20-90, cert. ef. 12-31-90; REV 3-2001, f. 7-31-01, cert. ef. 8-1-01, Renumbered from 150-294.005(Note)-(F); REV 6-2003, f. & cert. ef. 12-31-03; REV 8-2012, f. 12-18-12, cert. ef. 1-1-13; REV 1-2013, f. & cert. ef. 3-28-13

OAR 150-294.187(1)(c). Calculation of Interest on Late Payments

The interest rate calculation must be carried out a minimum of seven places to the right of the decimal point and rounded back to six places to the right of the decimal point. When rounding back to the sixth place, all numbers five and above increase the sixth place by one; all numbers four or less have no effect on the sixth place number.

Stat. Auth.: ORS 305.100

Stats. Implemented: ORS 294.187

Hist.: RD 3-1989, f. 12-18-89, cert. ef. 12-31-89; REV 3-2001, f. 7-31-01, cert. ef. 8-1-01, Renumbered from 150-294.005(Note)-(E)

OAR 150-294.311. Definition of Taxing Authority

(1) "Permanent Tax Rate" means the tax rate calculated by the Department of Revenue for the 1997-98 tax roll or as subsequently adjusted as provided for in ORS 310.246. In the case of districts that have never levied a tax, it is the tax rate adopted by voters as set out in Section 11(3)(c), and Section 11(8), Article XI of the Oregon Constitution.

(2) "Local Option Tax" means an ad valorem property tax that exceeds the limitation of the Article XI, Section 11, of the Oregon Constitution. The tax must be adopted by voters as set out in Section 11(4) and Section 11(8), Article XI of the Oregon Constitution.

(3) "Bond levy" means a levy for payment of bond principal and interest for general obligation bonds.

(4) "GAP Bond" means obligations which have been in existence since before December 5, 1996 as set out in Section 21(7)(a)(b)(c) of Chapter 541, Oregon Laws 1997. No new "GAP Bonds" can be created.

(5) "Local government pension and disability plan obligations that commit ad valorem property taxes" has the meaning set out in Section 11(5)(c), Article XI of the Oregon Constitution.

(6) "Urban Renewal Special Levy" means the amount an urban renewal agency can collect in addition to the amount collected by applying the rates of the taxing districts in the plan area to be increment value in the plan area in order to carry out the urban renewal program as set out in Section 34 of Chapter 541, Oregon Laws 1997.

Stat. Auth.: ORS 305.100

Stats. Implemented: ORS 294.311

Hist.: RD 5-1985, f. 12-26-85, cert. ef. 12-31-85; RD 2-1994, f. 12-15-94, cert. ef. 12-31-94; REV 4-1998 f. & cert. ef. 6-30-98

OAR 150-294.311(6). Definition of Budget Document

(1) The complete copy of the budget document filed with the county clerk under ORS 294.458 must include the following:

(a) A copy of the two notices of the budget committee meeting showing the dates published, or an affidavit of publication, accompanying a copy of the actual publications;

(b) A copy of the notice of budget hearing showing the date published, or an affidavit of publication, accompanying a copy of the actual publications;

(c) A copy of all of the budget detail sheets;

(d) A copy of the resolution statements or ordinance that adopt the budget, and make appropriations;

(e) If the district is imposing taxes on property subject to ad valorem property taxation, a copy of the resolution statement or ordinance that imposes the tax;

(f) If the district is imposing taxes on property subject to ad valorem property taxation, a copy of the resolution statement or ordinance that categorizes the tax for purposes of Article XI, section 11(b), of the Oregon Constitution;

(g) If the district is imposing taxes on property subject to ad valorem property taxation, a copy of the Notice of Property Tax Levy form;

(h) Sample ballots of any new ad valorem tax authority approved by the voters and being used for the first time by the district.

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

Stat. Auth.: ORS 305.100

Stats. Implemented: ORS 294.311

Hist.: REV 3-2001, f. 7-31-01, cert. ef. 8-1-01; Renumbered from 150-310.060(7), REV 7-2012, f. 7-26-12, cert. ef. 8-1-12

150-294.311(30) [Renumbered to 150-294.311(31)]

OAR 150-294.311(31). Definition of Organizational Unit

As used in ORS 294.305 to 294.565, an organizational unit is an administrative subdivision of a municipal corporation accountable for specific services, functions, or activities.

Example 1: Cities may allocate expenditures within the general fund to organizational units such as: City Recorder, Police Department, Fire Department, Library, etc.

Example 2: Counties may allocate expenditures within the general fund to organizational units such as: Assessor's Office, Treasurer's Office, Clerk's Office, Health Department, etc.

Example 3: For municipalities other than cities or counties, the governing body may identify organizational units within the general fund by the responsibilities assigned, e.g., General Administration, Plant Maintenance, etc.

Stat. Auth.: ORS 305.100 & 294.495

Stats. Implemented: ORS 294.311

Hist.: 12-1-77, Renumbered from 150-294.311(19); TC 18-1979, f. 12-20-79, cert. ef. 12-31-79, REV 4-1998, f. & cert. ef. 6-30-98, Renumbered from 150-294.311(23); Renumbered from 150-294.311(26) by REV 6-2003, f. & cert. ef. 12-31-03; REV 4-2004, f. 7-30-04 cert. ef. 7-31-04; Renumbered from 150-294.311(30) by REV 7-2014, f. 12-23-14, cert. ef. 1-1-15

OAR 150-294.338(2). Budgeting Grants, Gifts, Bequests, and Devises

(1) All grants, gifts, bequests, and devises that have been partially received in a prior year must be included with the budget document. Similarly when the receipt and the amount of such items are known for the ensuing year, they also must be included although the grant, gift, bequest, or devise is for a specific purpose.

(2) Those grants, gifts, bequests, and devises for a specific purpose that have been received on a regular basis, that are expected to be received in the ensuing year, but the actual amount is uncertain, should be budgeted at an amount reasonably expected to be received. Monies received

in amounts above those estimated in the budget document may be expended through the special provisions of ORS 294.338(2), after a resolution or ordinance providing the appropriation of such amounts is made. Those grants, gifts, bequests, and devises for a specific purpose that have not been received on a regular basis should also be included within the budget document where there exists a degree of certainty as to the receipt and amount for the ensuing year.

Stat. Auth.: ORS 305.100

Stats. Implemented: ORS 294.338

Hist.: f. & cert. ef. 12/31/77; REV 4-1998, f. & cert. ef. 6-30-98, Renumbered from OAR 150-294.326(2);

Renumbered from OAR 150-294.336-(B); Renumbered from 150-294.326(3), REV 7-2012, f. 7-26-12, cert. ef. 8-1-12

OAR 150-294.346. Establishing a Financial Reserve Fund

Reserves funds under ORS 294.346 may be established only for those purposes set out in ORS 280.050; i.e., for the financing of a service, project, property or equipment which the municipal corporation is authorized to perform, construct or acquire and for repairs and improvements thereto and maintenance and replacement thereof. Reserves for undefined purposes or projects are not permitted.

Stat. Auth.: ORS 305.100

Stats. Implemented: ORS 294.346

Hist.: REV 4-1999, f. 12-1-99, cert. ef. 12-31-99, Renumbered from 150-280.100; Renumbered from 150-294.525,

REV 7-2012, f. 7-26-12, cert. ef. 8-1-12

OAR 150-294.346-(A). "Reserved for Future Expenditure" Requirement

(1) "Reserved for future expenditure" means a budget requirement which is not intended to be expended during the fiscal year or budget period in which it is budgeted. This requirement shows the amount a municipal corporation plans to "save" for future financing of a service, project, property or equipment which the municipal corporation is authorized to perform, construct or acquire.

(2) An amount reserved for future expenditure may be appropriated during the fiscal year or budget period if the situation meets the conditions for a supplemental budget outlined in ORS 294.471(1) or as otherwise authorized by law.

Stat. Auth.: ORS 305.100

Stats. Implemented: ORS 294.346

Hist.: REV 4-1999, f. 12-1-99, cert. ef. 12-31-99, Renumbered from 150-280.100(A); REV 2-2002, f. 6-26-02, cert.

ef. 6-30-02; REV 4-2011, f. 12-30-11, cert. ef. 1-1-12; Renumbered from 150-294.525-(A), REV 7-2012, f. 7-26-12, cert. ef. 8-1-12

OAR 150-294.358. Detail Sheets for Biennial Budgets

(1) The detail sheets containing the estimates of resources and expenditures for a biennial budget must show the total estimated expenditures for both years of the ensuing budget period.

(2) The detail sheets containing the estimates of resources and expenditures for a biennial budget must show actual expenditures for the two budget periods preceding the current period, the estimated expenditures for the current budget period, and the estimated expenditures for the ensuing budget period. For the first three budget periods after changing from a fiscal year budget period to a biennial budget period, the sheet should contain a mix of single year data and biennial data. The fiscal year data will appear in the columns that represent budget periods that occurred before changing to biennial budgeting. This fiscal year data must not be "doubled" or "interpolated" to make it comparable to the data reported in the columns that represent biennial budget periods.

Stat. Auth.: ORS 305.100

Stats. Implemented: ORS 294.358

Hist: REV 2-2002, f. 6-26-02, cert. ef. 6-30-02); Renumbered from 150-294.376, REV 7-2012, f. 7-26-12, cert. ef. 8-1-12

OAR 150-294.361(1)-(A). Resources Are Not Required to Be Budgeted

Resources are not considered budget resources and are not required to be budgeted if the following three criteria are met:

(1) The municipal corporation holds the resources merely for safekeeping;

(2) Expenditure of resources is not under the control of the municipal corporation or a third party chosen by the municipal corporation; and

(3) The resources are expended for the purpose other than that for which the municipal corporation levies a tax or expends funds.

(4) In addition, resources are not budgeted resources if the criteria of ORS 294.361(3) and 294.338(2) are met.

Stat. Auth.: ORS 305.100

Stats. Implemented: ORS 294.361

Hist.: RD 9-1986, f. & cert. ef. 12-31-86; RD 5-1989, f. 12-18-89, cert. ef. 12-31-89, Renumbered from 150-294.361(1); RD 2-1995, f. 12-29-95, cert. ef. 12-31-95; REV 4-1998, f. & cert. ef. 6-30-98

OAR 150-294.361(1)-(B). Negative Resources

A municipal corporation when estimating its budget resources shall not show negative amounts. Resource amounts should be the net amount that the municipal corporation anticipates to receive.

Stat. Auth.: ORS 305.100
Stats. Implemented: ORS 294.361
Hist.: RD 5-1989, f. 12-18-89, cert. ef. 12-31-89

OAR 150-294.361(2). Budget Resources

Budget resources of a county shall not include proceeds and interest arising under ORS 275.090 to 275.310 which will be distributed to any municipal corporation. However, any proceeds and interest distributed under ORS 275.090 to 275.310 shall be considered a budget resource for the municipal corporation receiving the distribution, including the county.

Stat. Auth.: ORS 305.100
Stats. Implemented: ORS 294.361
Hist.: RD 5-1985, f. 12-26-85, cert. ef. 12-31-85

OAR 150-294.368(2). Estimating Tax Revenue for Biennial Budgets

(1) When estimating the amount of tax revenue in a biennial budget, follow the procedure in ORS 294.368 for both years of the ensuing budget period and then add the two single-year amounts to get the biennial total.

(2) Each year during the biennial budget period, when certifying the tax levy for the ensuing year, use the single-year estimate for the corresponding year for the purposes of complying with ORS 310.060.

Stat. Auth.: ORS 305.100
Stats. Implemented: ORS 294.368
Hist.: REV 2-2002, f. 6-26-02, cert. ef. 6-30-02); Renumbered from 150-294.381(2), REV 7-2012, f. 7-26-12, cert. ef. 8-1-12

OAR 150-294.388. Proposed Expenditures-Required Presentation

Proposed expenditures presented within a traditional budget or a program budget must be detailed fully by object of expenditure and as a minimum, be classified by organization unit or program, and categorized into the object classifications listed in ORS 294.388(3) and (4) or according to the classification of accounts approved by the Department of Revenue under ORS 294.393. Organizational unit has the same meaning as found in OAR 150-294.311(31).

Stat. Auth.: ORS 305.100
Stats. Implemented: ORS 294.388
Hist.: 12-31-77, Renumbered from 150.294.351; TC 18-1979, f. 12-20-79, cert. ef. 12-31-79; Renumbered from 150-294.352, REV 7-2012, f. 7-26-12, cert. ef. 8-1-12

OAR 150-294.388(1)-(A). Governmental Fund Definitions

(1) For the purpose of this rule "fund" means a fiscal and accounting entity with self-balancing accounts to record cash and other financial resources, related liabilities, balances and changes, all segregated for specific, regulated activities and objectives.

(2) Municipal corporations organized and operated on a fund accounting system shall prepare estimates of expenditures for the ensuing year using the following types of funds:

(a) The General Fund — To account for all financial resources except those required to be accounted for in another fund.

(b) Special Revenue Funds — To account for the proceeds of specific revenue sources (other than special assessments, expendable trusts, or for major capital projects) that are legally restricted to expenditure for specific purposes. Funds as defined in ORS 294.311(39) and 280.040(2) are examples of special revenue funds.

(c) Capital Projects Funds — To account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Proprietary Funds, Special Assessment Funds and Trust Funds).

(d) Debt Service Funds — To account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

(e) Special Assessment Funds -- To account for the financing of public improvements or services deemed to benefit the properties against which special assessments are levied.

(f) Enterprise Funds — To account for operations:

(A) That are financed and operated in a manner similar to private business enterprises — where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or

(B) Where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

(g) Internal Service Funds — To account for the financing of goods or services provided by one department or agency to other departments or agencies of the governmental unit, or to other governmental units, on a cost-reimbursement basis.

(h) Trust and Agency Funds — To account for assets held by a governmental unit in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds. These include:

(A) Expendable Trust Funds;

(B) Nonexpendable Trust Funds;

(C) Pension Trust Funds; and

(D) Agency Funds.

(3) Estimates of expenditures and resources are not required to be budgeted if the following three criteria are met:

(a) The municipal corporation holds the resources merely for safekeeping;

(b) Expenditure of the resources is not under the control of the municipal corporation or a third party chosen by the municipal corporation; and

(c) The resources are expended for a purpose other than that for which the municipal corporation levies a tax or expends funds.

(4) Estimates of expenditures and resources are not budgeted if the criteria of ORS 294.361(3) and 294.338(2) are met.

(5) It is the intention of this administrative rule to adopt governmental fund definitions that are recognized as generally accepted governmental accounting principles.

Stat. Auth.: ORS 305.100

Stats. Implemented: ORS 294.388

Hist.: RD 9-1986, f. & cert. ef. 12-31-86; REV 4-1998, f. & cert. ef. 6-30-98, Renumbered from 150-294.352(1);

Renumbered from 150-294.352(1)-(A), REV 7-2012, f. 7-26-12, cert. ef. 8-1-12

OAR 150-294.388(7). General Operating Contingencies

(1) An estimate for general operating contingency may be included in any operating fund. The general operating contingency is not a fund, but an appropriation within a fund. This type of appropriation is allowed on the assumption that in the operation of any municipal corporation certain expenditures will become necessary which cannot be foreseen and planned in the budget.

(a) The estimate for a general operating contingency, like other budget estimates, must be a good faith estimate. The estimate must be reasonable and based on past experience, comparable information, or through the use of risk analysis.

(b) The estimate for general operating contingencies must not be used to compensate for improper estimating practices in the preparation of the budget.

(2) A fund that finances an activity, the cost of which can be accurately estimated, must not include an appropriation for a general operating contingency.

Example 1: A debt service fund for general obligation bonds cannot include a general operating contingency. The requirements for a debt service fund are known at the time the budget is prepared. Therefore, there is no unknown or unascertainable aspect to the expenditures from the fund.

(3) A non-operating fund must not have an estimate for general operating contingencies.

Example 2: A reserve fund is used to save money for future expenditure. Since this is a type of nonoperating fund, it must not have an estimate for a general operating contingency.⁴) An expenditure must not be made directly from the general operating contingency appropriation. The amount must be transferred from the general operating contingency appropriation to another existing appropriation. The general operating contingency is then reduced, and the appropriation in question is increased correspondingly.

(a) The amount, in aggregate, that may be transferred by resolution of the governing body during any fiscal year or budget period is limited to 15 percent of the total appropriations budgeted in the fund, per ORS 294.463(2).

(b) Total transfers may exceed 15 percent of the total appropriation budgeted in a fund following the adoption of a supplemental budget prepared for that purpose. See ORS 294.471 for the supplemental budget process.

Example 3: The General Fund has total appropriations in the amount of \$100,000, including a \$20,000 appropriation for the general operating contingency. Only \$15,000 of the general operating contingency may be transferred (by one or more transfers) by a resolution of the governing body. Any portion of the remaining \$5,000 can be transferred only through a supplemental budget.

Stat. Auth.: ORS 305.100 & 294.495

Stats. Implemented: ORS 294.388

Hist.: 2-66; 12-67; RD 11-1984, f. 12-5-84, cert. ef. 12-31-84; REV 4-2004, f. 7-30-04 cert. ef. 7-31-04);

Renumbered from 150-294.352(8), REV 7-2012, f. 7-26-12, cert. ef. 8-1-12

OAR 150-294.398. Unappropriated Ending Fund Balance

(1) A municipal corporation may include an estimate for unappropriated ending fund balance in its budget. This estimate is intended to provide the municipal corporation with the working capital or cash balance to finance activities for the period between July 1 of the ensuing fiscal year and the time when sufficient new revenues become available to meet cash flow needs of the fund. When calculating the amount of the unappropriated ending fund balance, the municipal corporation will determine the cash requirements of the ensuing fiscal year that must be met prior to the receipt of sufficient revenues. If all other resources estimated to be received during the same period are not sufficient to meet these needs an unappropriated fund balance may be budgeted. The maximum amount of cash or net working capital that may be budgeted as an unappropriated ending fund balance is the difference between the budget requirements except the unappropriated ending fund balance and the total resources of the fund.

(2) Unless unexpected expenditures result from civil disturbance, other calamity, or natural disaster defined in ORS 294.481, expenditure cannot be made from the unappropriated ending fund balance in the year or budget period in which it is budgeted. Except for the specific conditions cited in ORS 294.481, no action may be taken through resolution, ordinance or supplemental budget to spend these monies. It is not necessary to include the unappropriated ending fund balance in the schedule of appropriations. Any amount carried over by reason of an unappropriated ending fund balance becomes a budget resource in the fiscal year or budget period following the one for which the unappropriated ending fund balance is being budgeted.

(3) For those municipal corporations that adopt a biennial budget, an unappropriated ending fund balance may be included to cover the cash requirements that must be met prior to the receipt of sufficient revenues only in the first year of the ensuing budget period. Cash requirements in the second year of a biennial budget must be estimated, budgeted, and appropriated.

Stat. Auth.: ORS 305.100

Stats. Implemented: ORS 294.398

Hist.: 2-66; 12-67; TC 18-1979, f. 12-20-79, cert. ef. 12-31-79; RD 15-1982, f. 12-6-82, cert. ef. 12-31-82; RD 11-1984, f. 12-5-84, cert. ef. 12-31-84; REV 4-1998, f. & cert. ef. 6-30-98; REV 2-2002, f. 6-26-02, cert. ef. 6-30-02); Renumbered from 150-294.371, REV 7-2012, f. 7-26-12, cert. ef. 8-1-12

OAR 150-294.414. Quorum Necessary to Hold Meeting

A budget committee must have a quorum, or majority of the total membership of the committee, present in order to hold a meeting. To take any action requires the affirmative vote of a majority of the total budget committee membership. Majority is defined as one more than half unless otherwise specified by law.

Stat. Auth.: ORS 305.100

Stats. Implemented: ORS 294.414

Hist.: RD 5-1989, f. 12-18-89, cert. ef. 12-31-89; REV 4-1998, f. & cert. ef. 6-30-98, Renumbered from OAR 150-294.336-(B); Renumbered from 150-294.336, REV 7-2012, f. 7-26-12, cert. ef. 8-1-12

OAR 150-294.426(8). Charging for Budget Document Copies

(1) The budget document of a municipal corporation becomes a public record as defined under ORS 192.410(4) at the time the proposed budget is filed with the office of the governing body. It remains a public record throughout the budget process and after adoption. Municipal corporation budget documents are not exempt from disclosure under Oregon law so they may be inspected by interested individuals. ORS 192.440 authorizes the custodian of any public record to give a copy of the record to a person when requested.

(2) A municipal corporation may charge a fee for a copy of any version of the budget under ORS 192.440.

Stat. Auth.: ORS 305.100

Stats. Implemented: ORS 294.426

Hist.: RD 5-1989, f. 12-18-89, cert. ef. 12-31-89; REV 4-1998, f. & cert. ef. 6-30-98); Renumbered from 150-294.401(7), REV 7-2012, f. 7-26-12, cert. ef. 8-1-12

OAR 150-294.438. Reporting Historical Data for Published Budget Summaries

(1) For purposes of complying with ORS 294.438, the published budget summary for a biennial budget must show the total amount of estimated budget resources and expenditures for both years of the ensuing biennial budget period as approved by the budget committee.

(2) The summary of the ensuing biennial budget must be compared to the actual expenditures and budget resources of the most recent preceding budget period and to the estimates for the current budget period.

(3) When changing from a fiscal year budget to a biennial budget, there will be several budget periods in which the published budget summary contains a mix of single year data and two-year biennial data. This fiscal year data must not be "doubled" or "interpolated" to make it comparable to the data reported in the columns that represent biennial budget periods.

Stat. Auth.: ORS 305.100

Stats. Implemented: ORS 294.438

Hist.: REV 2-2002, f. 6-26-02, cert. ef. 6-30-02); Renumbered from 150-294.416, REV 7-2012, f. 7-26-12, cert. ef. 8-1-12

OAR 150-294.453(1). Quorum Necessary to Hold Meeting

To hold a budget hearing there must be a quorum, or majority of the total governing board membership present. To take any action requires the affirmative vote of a majority of the total governing board. Majority is defined as one more than half unless otherwise specified by law.

Stat. Auth.: ORS 305.100

Stats. Implemented: ORS 294.453

Hist.: RD 5-1989, f. 12-18-89, cert. ef. 12-31-89); Renumbered from 150-294.430(1), REV 7-2012, f. 7-26-12, cert. ef. 8-1-12

OAR 150-294.456(1)-(A). Property Taxes Certified

(1) The amount or rate of any property tax proposed to be certified by a municipal corporation which is subject to Local Budget Law cannot exceed the amount or rate approved by the budget committee. The budget committee must approve the amount or the rate of each tax to be lawfully certified to the assessor. Any portion of the certified tax exceeding the amount or the rate approved by the budget committee that was not included in a budget summary republished as required by ORS 294.456(1)(c) will not be extended by the assessor on the assessment roll except as provided in 294.476.

(2) The budget committee of a municipal corporation which is subject to Local Budget Law that adopts a biennial budget must approve the total amount or the rate of each tax to be certified each year. Taxes must be certified in each year of the budget period. Any portion of the certified tax exceeding the amount or the rate approved by the budget committee for either year of the budget period that was not included in a republished budget summary will not be extended by the assessor on the assessment roll except as provided in ORS 294.476.

(3) The budget document must include a complete detail of proposed expenditures requiring levy of property taxes.

Stat. Auth.: ORS 305.100 & 294.495

Stats. Implemented: ORS 294.456

Hist.: 2-69; TC 10-1978, f. 12-5-78, cert. ef. 12-31-78, Renumbered from 150-294.435; REV 4-1998, f. & cert. ef. 6-30-98; REV 2-2002, f. 6-26-02, cert. ef. 6-30-02; REV 17-2008, f. 12-26-08, cert. ef. 1-1-09; REV 4-2011, f. 12-30-11, cert. ef. 1-1-12); Renumbered from 150-294.435(1)-(A), REV 7-2012, f. 7-26-12, cert. ef. 8-1-12

OAR 150-294.456(1)-(C). Publishing of Amended Budget Document

When publishing an amended budget document, the governing body must include the following information using the same publishing procedures as the original summary described under ORS 294.448:

- (1) The date, time, and place of the hearing on the amended budget.
- (2) The place and times the amended budget document is available for inspection.
- (3) A financial summary of the total budget described in ORS 294.438, as amended by the governing body.
- (4) A reference to the date and publication that the budget as approved by the budget committee was originally published. For example: "To review the budget as approved by the budget committee prior to this amendment, see page 5 in the May 1, 2003, edition of the Beach Bugle."

Stat. Auth.: ORS 305.100 & 294.495

Stats. Implemented: ORS 294.456

Hist.: REV 6-2003, f. & cert. ef. 12-31-03; REV 4-2011, f. 12-30-11, cert. ef. 1-1-12; Renumbered from 150-294.435(1)-(C), REV 7-2012, f. 7-26-12, cert. ef. 8-1-12

OAR 150-294.456(3). Manner of Appropriations

- (1)(a) Except as otherwise permitted or required by statute or rule, amounts must be appropriated by organizational unit or program of each fund, with one appropriation amount for each organizational unit or program.
- (b) Notwithstanding section (1)(a), municipal corporations may appropriate a separate amounts for an activity within an organizational unit or program as long as the organizational unit or program to which the separately appropriated amount is allocated is also clearly identified.
- (2) Separate amounts in each fund must be appropriated for any operating expenses for personnel services, materials and services, or capital outlay that cannot be allocated to a specific organizationsl unit or program and for debt service, special payments, interfund revenue transfers, and operating contingencies.

(3) If a municipal corporation is permitted by statute to estimate expenditures in a manner other than by organizational unit or program under ORS 294.388(2) and no other statute or rule prescribes the manner for appropriation of such expenditures, then it must appropriate by personnel services, materials and services, capital outlay, debt service, special payments, interfund revenue transfers, and operating contingencies for each fund.

(4) When adopting a biennial budget the appropriated amount is the total for the fund for both years of the ensuing budget period.

(5) When adopting an annual budget the appropriated amount is the total for the ensuing fiscal year.

Stat. Auth.: ORS 305.100

Stats. Implemented: ORS 294.456

Hist.: 12-31-77; TC 10-1978, f. 12-5-78, cert. ef. 12-31-78, Renumbered from 150-294.435; TC 18-1979, f.

12-20-79, cert. ef. 12-31-79; REV 2-2002, f. 6-26-02, cert. ef. 6-30-02; Renumbered from 150-294.435(3), REV

7-2012, f. 7-26-12, cert. ef. 8-1-12; REV 3-2014, f. & cert. ef. 7-31-14

OAR 150-294.458(3)-(A). Documents to File When Certification Cannot Be Certified By July 15

(1) In those instances where the municipal corporation cannot certify to the assessor by July 15, the municipal corporation shall submit, to the county assessor, a written request for an extension stating the reason for request.

(2) Not later than the extension date granted by the assessor, the municipal corporation shall file two copies of the following documents with the county assessor, and where required, one copy with the Tax Supervising and Conservation Commission:

(a) Notice of categorization and certification, (LB-50, UR-50 or ED-50);

(b) The final resolution or ordinance adopting the budget, making the appropriations, and declaring and categorizing the tax for each fund;

(c) Sample ballots of all local option tax levies recently approved by the voters to be imposed for the first time; and

(d) Sample ballots of all newly established permanent rates approved by the voters and to be imposed for the first time.

Stat. Auth.: ORS 305.100

Stats. Implemented: ORS 294.458

Hist.: TC 10-1978, f. 12-5-78, cert. ef. 12-31-78, Renumbered from 150-294.555; TC 18-1979, f. 12-20-79, cert. ef.

12-31-79; RD 11-1984, f. 12-5-84, cert. ef. 12-31-84; RD 5-1985, f. 12-26-85, cert. ef. 12-31-85; RD 12-1987, f.

12-18-87, cert. ef. 12-31-87; RD 9-1990, f. 12-20-90, cert. ef. 12-31-90; REV 4-1998, f. & cert. ef. 6-30-98;

Renumbered from 150-294.555(2)-(A), REV 7-2012, f. 7-26-12, cert. ef. 8-1-12

OAR 150-294.458(3)-(B), Budget Certification Document to Be Submitted

(1) Local governments imposing a tax on property shall submit two copies of the following documents to the assessor's office:

(a) The resolution statements that adopt the budget, make appropriations, categorize the tax and levy the taxes.

(b) The notice of property tax certification form (LB-50, UR-50 or ED-50).

(c) Voter approved ballot measures for new local option taxes.

(d) Voter approved ballot measure for the establishment of a permanent rate.

(2) Local governments that do not levy an ad valorem tax but are subject to Local Budget Law (ORS 294.305 to 294.565) shall file directly with the Oregon Department of Revenue a copy of the resolution adopting the budget and making appropriations.

Stat. Auth.: ORS 305.100

Stats. Implemented: ORS 294.458

Hist.: RD 5-1989, f. 12-18-89, cert. ef. 12-31-89; RD 9-1990, f. 12-20-90, cert. ef. 12-31-90; RD 8-1992, f. 12-29-92, cert. ef. 12-31-92; RD 2-1994, f. 12-15-94, cert. ef. 12-31-94; REV 4-1998, f. & cert. ef. 6-30-98; Renumbered from 150-294.555(2)-(B), REV 7-2012, f. 7-26-12, cert. ef. 8-1-12

OAR 150-294.463(3). Transfers of Appropriations

(1) A transfer of appropriation is a decrease of one existing appropriation and a corresponding increase of another existing appropriation category.

(2) During the fiscal year or budget period the governing body of a municipal corporation may transfer from one existing appropriation category within a fund to another existing appropriation category in the same fund when a resolution or ordinance is adopted that authorizes this transfer. The resolution or ordinance must state the purpose of the transfer, and the amount of the transfer. The appropriation reductions must equal the appropriation increases. The net effect of this change on the total appropriation in the fund must be zero.

(3) Transfer of appropriations and a like amount of budget resources may be made between funds by governing body resolution or ordinance. Transfer of appropriation and a like amount of resources to another fund is accomplished by increasing or creating, a "transfer to other funds" appropriation category in the fund from which the transfer is made. The amount of this increased or created appropriation must be offset by reductions in one or more other appropriation categories in the fund from which the transfer is made. The net effect of this change on the total appropriation in the fund from which the transfer is made must be zero. Appropriation categories in the receiving fund are increased by the amount of the transfer, and the budget resources available to that fund are increased by the amount of resources transferred from the fund from which the transfer is made.

(4) Transfers referred to in this rule apply to transfers that occur after the budget has been approved and that are made during the fiscal year or budget period for which the appropriations are made. Nothing in this rule prohibits or regulates lawful transfers that have been budgeted in accordance with local budget law.

Stat. Auth.: ORS 305.100

Stats. Implemented: ORS 294.463

Hist.: RD 5-1985, f. 12-26-85, cert. ef. 12-31-85; REV 2-2002, f. 6-26-02, cert. ef. 6-30-02; REV 11-2010, f.

7-23-10, cert. ef. 7-31-10; Renumbered from 150-294.450(3), REV 7-2012, f. 7-26-12, cert. ef. 8-1-12

OAR 150-294.471. Supplemental Budget Procedures

(1) During the fiscal year or budget period, the governing body may find that an unanticipated condition requires adjustments to the budget. If the condition meets the requirements of ORS 294.471, the governing body may prepare a supplemental budget.

(2) A supplemental budget may only authorize additional expenditures during the current fiscal year or budget period. It must not authorize expenditures for a past or future fiscal year or budget period.

(3) A supplemental budget that is being prepared to create or increase an appropriation must be adopted before any expenditures are made in excess of the current annual budget appropriations.

(4) Only one supplemental budget may be prepared as a result of a single situation or condition that meets the requirements of ORS 294.471.

(5) When the estimated expenditures in the supplemental budget differ by 10 percent or less from the expenditures of the adopted annual or biennial budget for each fund being adjusted, the governing body may adopt the supplemental budget at one of its regular meetings. Fund expenditures do not include unappropriated ending fund balance, amounts reserved for future expenditure, interfund transfers, or contingency amounts.

(a) Notice of the regular meeting at which the supplemental budget will be adopted must be published by one of the methods in ORS 294,311(35) not less than 5 days before the meeting. The notice must include a statement that a supplemental budget will be considered at the meeting.

(b) The resolution adopting and appropriating the supplemental budget may take place at the same regular meeting.

(6) When a new fund is being established or when the estimated expenditures in the supplemental budget differ by more than 10 percent from the expenditures in the budget as most recently amended prior to the supplemental budget, the governing body must publish notice and hold a public hearing before adopting the supplemental budget. The notice of the hearing must include for each fund being adjusted by more than 10 percent: the name of the fund; and the new total for each resource line item or appropriation category being changed, added or deleted.

Example: (This example is of the published summary of a supplemental budget. in which the new total expenditure in the Utility Fund differs by more than 10 percent from the amount currently budgeted.) The supplemental budget transfers \$20,000 in resources and appropriation authority from the General Fund to the Utility Fund Materials and Services, increasing that appropriation and the total expenditure in the Utility Fund to a new total of \$40,000.

Stat. Auth.: ORS 305.100

Stats. Implemented: ORS 294.471

Hist.: TC 10-1978, f. 12-5-78, cert. ef. 12-31-78; RD 1-1992, f. 5-28-92, cert. ef. 6-1-92; REV 4-1998, f. & cert. ef. 6-30-98; REV 8-2000, f. & cert. ef. 8-2-00; REV 2-2002, f. 6-26-02, cert. ef. 6-30-02; REV 5-2009, f. & cert. ef. 7-31-09; REV 4-2011, f. 12-30-11, cert. ef. 1-1-12; Renumbered from 150-294.480, REV 7-2012, f. 7-26-12, cert. ef. 8-1-12

OAR 150-294.900. Councils of Governments Subject to Certain Budgetary Requirements

(1) A group of government units is a council of governments that must comply with ORS 294.900 to 294.930 if the group:

- (a) Is operating under an intergovernmental agreement authorized by ORS 190.003 to 190.110;
- (b) Functions under the direction and control of more than one member government;
- (c) Provides services directly to individuals.

(2) "Services Directly to Individuals" means any act performed, without working through another governmental unit, which contributes to the advantage of an individual. A service is still provided directly to the public if a Council of Governments contracts with a private entity to provide a service.

(3) The organization is subject to ORS 294.900-294.930 if the nature of the activity provided directly to individuals is similar, but is not limited to the following examples:

(a) Services to Individual Employers. Marketing, financial packaging, development of training sites.

(b) Services to Individual Trainees or Employees. Recruitment, eligibility determination, orientation, information, referral, adult and youth occupational training.

(c) Services to Individual Senior Citizens. Senior employment programs, home-delivered meals, assistance by escort, shopping or transportation services, programs for the aging.

(d) Services to Individuals by Offering Basic Needs Assistance. Food and commodities distribution, low-income relief, weatherization, family professional services (legal, medical, psychiatric, etc.), operation/maintenance of sewerage facilities.

(e) Services to Individuals by Providing Public Safety Assistance. Communicating, dispatching, relaying or call transferring in the furtherance of public safety.

(f) Services to Individuals toward Economic Development. Low-interest loans to businesses, capital for small business start-ups, assistance with expansion/diversification projects, goods and services information, grant applications.

(g) Services to Individuals by Offering a benefit through centralization. Operating public educational TV channels, photocopy services, computer applications to individual businesses, regional information system data to individuals, library services to individuals, recreational programs.

Stat. Auth.: ORS 305.100

Stats. Implemented: ORS 294.900

Hist.: RD 5-1989, f. 12-18-89, cert. ef. 12-31-89

OAR 150-294.905(2). Members of the Budget Committee: Governing Body and Appointees. Definition of Representatives of the Services Provided for a Council of Government

(1) Not all of the governing body members are required to participate on the budget committee. The number of governing body representatives may be determined by each council of governments.

(2) For the purpose of appointive representation on the budget committee as described in ORS 294.905(2), a "representative of services provided" means a person who is not prohibited from serving by OAR 150-294.905(4) and who is willing to be a delegate for a general classification of services provided. As an example: It is not necessary to seek a member from each senior citizen program (senior employment, home-delivered means, senior transportation, etc.). The member(s) may be appointed from the general classification of "senior citizen services" or "public safety services" or "job training services." A good faith effort should be made to obtain a number of appointive representatives equal to the number of governing body representatives.

Stat. Auth.: ORS 305.100

Stats. Implemented: ORS 294.905

Hist.: RD 5-1989, f. 12-18-89, cert. ef. 12-31-89

OAR 150-294.905(4). Restrictions on Appointive Budget Committee Members for a Council of Government

In order to avoid bias in favor of a service provider or any unit of government, the following are prohibited from serving as an appointive budget committee member: Officers, agents or employees of the council of governments or of the providers of services. Appointive members shall be lay persons who represent a general service classification.

Stat. Auth.: ORS 305.100

Stats. Implemented: ORS 294.905

Hist.: RD 5-1989, f. 12-18-89, cert. ef. 12-31-89

OAR 150-294.915. Duties of the Budget Committee of a Council of Government

The budget committee shall notify the public of the time and place of public meetings on the budget and shall make the budget available. The budget committee must approve a budget document prior to any council of government hearings on that document.

Stat. Auth.: ORS 305.100

Stats. Implemented: ORS 294.915

Hist.: RD 5-1989, f. 12-18-89, cert. ef. 12-31-89

OAR 150-294.920. Duties the Governing Body of a Council of Government

The council of governments notifies the public of the time and place of a public hearing on a budget document as approved by the budget committee. The council of governments must pass a resolution adopting a budget document as approved by the budget committee or as modified by the council of governments.

Stat. Auth.: ORS 305.100

Stats. Implemented: ORS 294.920

Hist.: RD 5-1989, f. 12-18-89, cert. ef. 12-31-89

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