

74th OREGON LEGISLATIVE ASSEMBLY – 2007 Regular Session
STAFF MEASURE SUMMARY
SENATE FINANCE & REVENUE COMMITTEE

MEASURE: SB 808-A
CARRIER: Sen. Johnson

REVENUE: No Revenue Impact

FISCAL: No Fiscal Impact

Action: Do pass as amended and be printed engrossed

Vote: 3-0-2

Yeas: G. George, Monroe, Starr

Nays:

Exc.: Burdick, Deckert

Prepared By: Mary Ayala, Economist

Meeting Dates: 4/16, 5/9

WHAT THE BILL DOES: Modifies reporting requirements for municipal budget documents. Requires that the municipal budget document include an estimate of the amount required to repay the taxing district's bond obligations, pension and disability plan obligations. Requires that the municipality's budget increase estimates in order to account for anticipated constitutional limitations, tax discounts, and the failure of taxpayers to pay their taxes when they are due. Applies to tax years beginning on or after July 1, 2007. Permits the budget document to include an amount equal to payments that are due for the current and subsequent fiscal year, excluding the amount of tax needed to pay bonded indebtedness. Allows a municipal corporation to submit its budget document to its county tax assessor if the county in which the municipality is located has neither a tax supervising and conservation commission nor a county clerk. Takes effect 91 days after sine die.

ISSUES DISCUSSED:

- Clarifying language suggested as an amendment.
- That local budget laws were written before 1997. As such, they should be updated to reflect budgetary issues that pertain to constitutional limitations created by Measure 50.
- That SB 808-A will govern the budgetary practices of the Multnomah County Tax Supervising and Conservation Commission.

EFFECT OF COMMITTEE AMENDMENTS: Simplifies language. Removes the proposal that the municipal budget document for the ensuing year may reflect an amount or a rate that is less than the amount associated with the municipal corporation's permanent rate or statutory rate limit. Removes the option that, in lieu of reporting the rate or amount associated with either the permanent or statutory rate limit, the budget document may report an amount needed to balance the budget from operating taxes, which are defined statutorily as taxes derived from the permanent rate. Adds to Section 1 a paragraph stating that the budget document may include an amount equal to the payments that are due for the current and subsequent fiscal period, excluding the amount of property tax that is needed to pay bonded indebtedness.

BACKGROUND: Under current law, a municipal corporation's budget must include an estimate of the dollar amount of the property tax revenue that will be received for the ensuing year, by multiplying an estimate of the assessed value of taxable property within its boundaries by no more than whichever tax rate is applicable: (a) its constitutional permanent rate limit or (b) its municipal statutory rate limit. The budget document must also include an estimate of the rate or amount of local option property tax that will be received during the ensuing year, as well as, an estimate of the amount that will be required to repay bonded indebtedness that is not subject to constitutional property tax limitations. A copy of the budget must be submitted to the municipality's county clerk, unless the county has created a tax supervising and conservation commission for the express purpose of receiving this document.

5/16/2007 8:35:08 AM

This summary has not been adopted or officially endorsed by action of the committee.