

REVENUE: No revenue impact

FISCAL: No fiscal impact

Action: Do pass with amendments to the A-engrossed bill and be printed engrossed

Vote: 9-0-0

Yeas: Berger, Bruun, Butler, Gelser, Olson, Read, Rosenbaum, Witt, Barnhart

Nays:

Exc.:

Prepared By: Mary Ayala, Economist

Meeting Dates: 5/25, 6/12

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. Enables Douglas and Lane Counties to use monies described in ORS 294.060(1) until January 2, 2014 for the purpose of patrolling county roads by law enforcement officials. Enables a mass transit district to enter into transactions with entities for the supply or delivery of electricity or diesel fuel on an economic and cost-effective basis. Prohibits investing surplus funds for the purposes of receiving interest or other earnings from an investment; or that is for any purpose other the supply or delivery of electricity or diesel fuel on a cost-effective basis. Takes effect 91 days after sine die

ISSUES DISCUSSED:

- Testimony from a representative of the Multnomah County Tax Supervising Commission that this SB allows a municipal corporation to submit its annual budget to a county assessor, if there is no county clerk or tax supervising commission to which it can be submitted; and it updates current budget laws and reporting requirements to conform to Oregon's current property tax system. That is, before Measure 50 was adopted by voters in 1997, Oregon's property tax system was levy based. After Measure 50, the property tax system became a hybrid that can be both levy and rate based. As such, this SB changes the budget reporting requirements to conform to the terminology that describes Oregon's current property tax system.
- That this SB will assist 2 counties that will be losing federal forest revenues that are a major source of their local revenues. That other counties are aware of this amendment.
- That this SB will help stabilize the mass transit district's funding.

EFFECT OF COMMITTEE AMENDMENTS: Enables both Douglas County and Lane County to use monies described in ORS 294.060(1) for patrolling county roads by law enforcement officials until January 2, 2014. ORS 294.060 pertains to the apportionment of federal forest reserves to each county's road funds and school funds. Enables a mass transit district to enter into transactions with entities for the supply or delivery of electricity or diesel fuel on an economic and cost-effective basis. Prohibits this District from investing surplus funds for the purposes of receiving interest or other earnings from an investment, or using these funds for any purpose other the supply or delivery of electricity or diesel fuel on a cost-effective basis.

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.

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