

**Enrolled**  
**House Bill 3126**

Sponsored by Representative THATCHER; Representative NELSON (at the request of Ray Fields,  
Chairman, McMinnville Rural Fire Protection District)

CHAPTER .....

AN ACT

Relating to financial affairs of municipal corporations; creating new provisions; amending ORS 297.435; and declaring an emergency.

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

**SECTION 1.** ORS 297.435 is amended to read:

297.435. (1) Subject to ORS 297.445, [*the provisions of*] ORS 297.425 [*shall*] **does** not apply to any municipal corporation, except a county or a school district, if, with respect to any one calendar year or fiscal year, the municipal corporation meets all the conditions in either subsection (2) or (3) of this section.

(2)(a) Total [*receipts from all sources and*] expenditures for all purposes, including [*money obtained from borrowing and money*] **moneys** expended for debt retirement, did not exceed \$150,000 for the year;

(b) The municipal corporation has submitted financial statements for the year to the Secretary of State within 90 days following the end of the year; and

(c) A certificate has been submitted with the financial statements stating that the principal responsible official of the municipal corporation was covered during the entire year by a fidelity or faithful performance bond in an amount at least equal to the total amount of [*money*] **moneys** received by the municipal corporation during the year.

(3)(a) Total [*receipts from all sources and*] expenditures for all purposes, including [*money obtained from borrowing and money*] **moneys** expended for debt retirement, exceeded \$150,000 but did not exceed \$500,000 for the year;

(b) The municipal corporation has submitted financial statements for the year to the Secretary of State within 180 days following the end of the year, and the financial statements have been reviewed by an accountant or the Secretary of State in accordance with standards prescribed by the Secretary of State; and

(c) A certificate has been submitted with the financial statements stating that the official responsible for receiving and disbursing moneys on behalf of the municipal corporation was covered during the entire year by a fidelity or faithful performance bond in an amount at least equal to 10 percent of the total receipts for the year, but not less than \$10,000.

(4) The financial statements required by this section shall be in a form prescribed by the Secretary of State and shall be considered audit reports for the purpose of the filing fee required by ORS 297.485.

(5) The provisions of ORS 297.466 apply to financial statements for cities reviewed under subsection (3) of this section.

**SECTION 2.** The amendments to ORS 297.435 by section 1 of this 2007 Act apply to audits or reviews of municipal corporations conducted for calendar or fiscal years that begin on or after the effective date of this 2007 Act.

**SECTION 3.** This 2007 Act being necessary for the immediate preservation of the public peace, health and safety, an emergency is declared to exist, and this 2007 Act takes effect on its passage.

Passed by House June 7, 2007

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Chief Clerk of House

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Speaker of House

Passed by Senate June 18, 2007

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President of Senate

Received by Governor:

.....M.,....., 2007

Approved:

.....M.,....., 2007

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Governor

Filed in Office of Secretary of State:

.....M.,....., 2007

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Secretary of State