

# Senate Bill 808

Sponsored by Senator JOHNSON (at the request of Multnomah County Tax Supervising and Conservation Commission)

## 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**.

Permits levies expressed as dollar amount to be included in estimation of ad valorem taxation revenues for budget period. Requires taxing district to provide copy of budget to tax supervising and conservation commission in certain circumstances.

Applies to tax years beginning on or after July 1, 2007.

Takes effect on 91st day after adjournment sine die.

## A BILL FOR AN ACT

1  
2 Relating to local budgets; creating new provisions; amending ORS 294.381 and 310.060; and pre-  
3 scribing an effective date.

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

5 **SECTION 1.** ORS 294.381 is amended to read:

6 294.381. (1) Each municipal corporation that has the power to levy an ad valorem property tax  
7 shall estimate, in the manner provided in this section, the amount of revenues that will be received  
8 in the ensuing year or ensuing budget period through the imposition of taxes upon the taxable  
9 property within the municipal corporation.

10 (2) Subject to the additional adjustments required under subsection (3) of this section, the esti-  
11 mated ad valorem taxes that will be received in the ensuing year or ensuing budget period [*is the*  
12 *sum of*] **shall be determined by** the following:

13 (a) The amount derived by multiplying the estimated assessed value for the ensuing year or each  
14 fiscal year of the ensuing budget period of the taxable property within the municipal corporation,  
15 after boundary changes have been filed in final approved form with the county assessor and the  
16 Department of Revenue as provided in ORS 308.225, by whichever of the following is applicable to  
17 the municipal corporation:

18 (A) The municipal corporation's permanent rate limit on operating taxes, as defined in ORS  
19 310.202 (7), or such lesser rate as the municipal corporation may determine to use for purposes of  
20 levying such ad valorem taxes; or

21 (B) The municipal corporation's statutory rate limit on operating taxes, as defined in ORS  
22 310.202 (10), or such lesser rate as the municipal corporation may determine to use for purposes of  
23 levying such ad valorem taxes.

24 **(b) In lieu of a rate under paragraph (a) of this subsection, the municipal corporation's**  
25 **estimate of the dollar amount required to balance the budget from operating taxes as defined**  
26 **in ORS 310.055. The tax rate calculated by the assessor to raise the amount levied cannot**  
27 **exceed the municipal corporation's applicable rate limit under paragraph (a) of this sub-**  
28 **section. If the levy certified under ORS 310.060 exceeds the rate limit, the assessor shall ex-**  
29 **tend upon the roll of the county only the part of the taxes that comply with the rate limit,**

**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.

1 **as provided in ORS 310.070 (1).**

2 [(b)] (c) If the municipal corporation is authorized to levy a local option tax that was authorized  
3 by the electors as a dollar amount, the dollar amount of such local option tax that is authorized to  
4 be levied **or a lesser amount that the municipal corporation determines to use for purposes**  
5 **of levying ad valorem taxes** in the ensuing year or ensuing budget period.

6 [(c)] (d) If the municipal corporation is authorized to levy a local option tax that was authorized  
7 by the electors as a tax rate, the amount derived by multiplying the authorized rate of such local  
8 option tax for the ensuing year or ensuing budget period **or a lesser rate that the municipal**  
9 **corporation determines to use for purposes of levying ad valorem taxes** by the estimated as-  
10 sessed value for the ensuing year or each fiscal year of the ensuing budget period of the taxable  
11 property within the municipal corporation.

12 [(d)] (e) The municipal corporation's estimate of the amount required to pay the principal and  
13 interest on **bonded indebtedness that is not subject to limitation under section 11 (11) or**  
14 **section 11b, Article XI of the Oregon Constitution** [*the amounts described in ORS 310.060 (2)(d)*  
15 *and (e), divided by the annual average percentage of taxes collected in the county in which the taxable*  
16 *property of the municipal corporation is located*]. The estimate may **also** include amounts to reimburse  
17 the municipal corporation for the payment of principal and interest on exempt bonded indebtedness  
18 that the municipal corporation made from other moneys because collections of taxes levied for ex-  
19 empt bonded indebtedness were not sufficient to pay that exempt bonded indebtedness.

20 **(f) The municipal corporation's estimate of the amount required to repay taxing district**  
21 **bond obligations or pension and disability plan obligations described in section 11 (5), Article**  
22 **XI of the Oregon Constitution.**

23 (3) The [*sum of the*] amounts determined under subsection (2)(a), [(b) and] (c) **and (d)** of this  
24 section shall be reduced by an amount equal to the estimated amount of such taxes that will not  
25 be collected as a result of:

26 (a) The discounts allowed under ORS 311.505;

27 (b) The limits imposed under ORS 310.150 (3); and

28 (c) The failure of taxpayers to pay such taxes in the year for which they are levied.

29 (4)(a) The estimated ad valorem taxes determined in accordance with [*subsections (2) and (3)*]  
30 **subsection (2)(a), (c) and (d)** of this section, **prior to adjustment by subsection (3) of this sec-**  
31 **tion**, shall be used by the municipal corporation for purposes of complying with the requirements  
32 of ORS 310.060 (1).

33 **(b) The amounts determined under subsection (2)(b), (e) and (f) of this section shall, for**  
34 **purposes of complying with the requirements of ORS 310.060 (1), be increased by an amount**  
35 **equal to the estimated amount of taxes that will not be collected as a result of:**

36 **(A) The discounts allowed under ORS 311.505;**

37 **(B) The limits imposed under ORS 310.150 (3); or**

38 **(C) The failure of taxpayers to pay taxes in the year for which they are levied.**

39 **SECTION 2.** ORS 310.060 is amended to read:

40 310.060. (1) Not later than July 15 of each year, every city, school district or other public cor-  
41 poration authorized to levy or impose a tax on property shall file a written notice certifying the ad  
42 valorem property tax rate or the estimated amount of ad valorem property taxes to be imposed by  
43 the taxing district and any other taxes on property imposed by the taxing district on property sub-  
44 ject to ad valorem property taxation that are required or authorized to be placed on the assessment  
45 and tax roll for the current fiscal year. The notice shall be accompanied by two copies of a lawfully

1 adopted ordinance or resolution that categorizes the tax, fee, charge, assessment or toll as subject  
2 to or not subject to the limits of section 11b, Article XI of the Oregon Constitution, identified by the  
3 categories set forth in ORS 310.150.

4 (2) For any ad valorem property taxes levied by the taxing district, the notice shall state as  
5 separate items:

6 (a) The taxing district's rate of ad valorem property taxation that is within the permanent rate  
7 limitation imposed by section 11 (3), Article XI of the Oregon Constitution, or within the statutory  
8 rate limit determined in ORS 310.236 (4)(b) or 310.237, if applicable;

9 (b) The total rate or amount of the taxing district's local option taxes imposed pursuant to ORS  
10 280.040 to 280.145 that have a term of five years or less and that are not for capital projects;

11 (c) The total amount of the taxing district's local option taxes that are for capital projects;

12 (d) The total amount levied for the payment of bonded indebtedness or interest thereon that is  
13 not subject to limitation under section 11 (11) or section 11b, Article XI of the Oregon Constitution;  
14 and

15 (e) The total amount levied that is subject to section 11b, Article XI of the Oregon Constitution,  
16 but that is not subject to the permanent ad valorem property tax rate limit described in section 11  
17 (3), Article XI of the Oregon Constitution, because the amount levied is to be used to repay:

18 (A) Principal and interest for any bond issued before December 5, 1996, and secured by a pledge  
19 or explicit commitment of ad valorem property taxes or a covenant to levy or collect ad valorem  
20 property taxes;

21 (B) Principal and interest for any other formal, written borrowing of moneys executed before  
22 December 5, 1996, for which ad valorem property tax revenues have been pledged or explicitly  
23 committed, or that are secured by a covenant to levy or collect ad valorem property taxes;

24 (C) Principal and interest for any bond issued to refund an obligation described in subparagraph  
25 (A) or (B) of this paragraph; or

26 (D) Local government pension and disability plan obligations that commit ad valorem property  
27 taxes.

28 (3)(a) The notice shall also list each rate or amount subject to the limits of section 11b, Article  
29 XI of the Oregon Constitution, identified by the categories set forth in ORS 310.150.

30 (b) If an item described in subsection (2) of this section is allocable to more than one category  
31 described in ORS 310.150, the notice shall list separately the portion of each item allocable to each  
32 category.

33 (4) For any other taxes on property imposed by the taxing district, the notice shall state:

34 (a) The total amount of money to be raised by each other tax, in the aggregate or on a property  
35 by property basis, as appropriate.

36 (b) Each amount that is subject to the limits of section 11b, Article XI of the Oregon Constitu-  
37 tion, identified by the categories set forth in ORS 310.150.

38 (5) For any district authorized by law to place any other fees, charges, assessments or tolls on  
39 the assessment and tax roll, the notice shall state the total amount of money to be raised on a  
40 property by property basis.

41 (6) In addition to the notice required under subsection (1) of this section, any taxing district that  
42 is subject to the Local Budget Law shall also provide the documents required by ORS 294.555 (3).

43 (7)(a) Not later than July 15 of each year, the taxing district shall give the notice and documents  
44 described in this section to the assessor of the county in which the principal office of the taxing  
45 district is located and, if the taxing district is located in more than one county, to the assessor of

1 each county in which any part of the taxing district is located. Not later than September 30 of each  
 2 year, the taxing district shall provide a complete copy of the budget document to the clerk of the  
 3 county in which the principal office of the taxing district is located and, if the taxing district is lo-  
 4 cated in more than one county, to the clerk of each county in which any part of the taxing district  
 5 is located.

6 (b) If there is no county clerk in a county to which a taxing district is required by paragraph  
 7 (a) of this subsection to submit a budget document, then the taxing district shall submit the budget  
 8 document to the [*tax supervising and conservation commission*] **county assessor** in that county.

9 **(c) If the taxing district is subject to the jurisdiction of a tax supervising and conserva-**  
 10 **tion commission under ORS 294.625, then the taxing district shall submit a copy of its budget**  
 11 **to the tax supervising and conservation commission in lieu of filing a copy of the budget with**  
 12 **the county clerk of the county under paragraph (a) of this subsection or with the county**  
 13 **assessor of the county under paragraph (b) of this subsection.**

14 (8) The Department of Revenue shall prescribe the form of notice required by this section. All  
 15 amounts shall be stated in dollars and cents or ad valorem property tax rates in dollars and cents  
 16 per thousand dollars of assessed value, as required by law. If the notice is given to the assessor,  
 17 clerk or tax supervising and conservation commission of more than one county, a copy of each other  
 18 such notice given shall accompany every notice given.

19 (9) For good and sufficient reason, the county assessor may extend the time for the giving of the  
 20 notice or correcting an erroneous certification for the current year up to but not later than October  
 21 1 as the county assessor considers reasonable.

22 **SECTION 3. The amendments to ORS 294.381 and 310.060 by sections 1 and 2 of this 2007**  
 23 **Act apply to tax years beginning on or after July 1, 2007.**

24 **SECTION 4. This 2007 Act takes effect on the 91st day after the date on which the reg-**  
 25 **ular session of the Seventy-fourth Legislative Assembly adjourns sine die.**