

# Senate Bill 809

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**.

Modifies application of jurisdiction of tax supervising and conservation commissions to municipal corporations.

Modifies criteria for commissions to hold public hearings on tax measures.

## A BILL FOR AN ACT

1  
2 Relating to jurisdiction of tax supervising and conservation commissions; creating new provisions;  
3 and amending ORS 294.411, 294.430, 294.480, 294.625 and 294.655.

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

5 **SECTION 1.** ORS 294.625 is amended to read:

6 294.625. (1) The **tax supervising and conservation** commission [*shall have*] **has** jurisdiction  
7 over all municipal corporations in the county subject to the provisions of the Local Budget Law. If  
8 the territory of the municipal corporation lies in two or more counties, the municipal corporation  
9 [*shall be within*] **is under** the jurisdiction of the commission if the real market value of all property  
10 subject to taxation by the municipal corporation in a county having a commission is greater than  
11 the real market value of property subject to taxation by the municipal corporation in any other  
12 county.

13 (2) Real market value is the real market value computed according to ORS 308.207 from the  
14 assessment rolls last in the process of collection.

15 (3) **A municipal corporation that is under the jurisdiction of a commission remains under**  
16 **the jurisdiction of the commission until the real market value of property subject to taxation**  
17 **by the municipal corporation in the county with a commission is more than 10 percent less**  
18 **than the real market value of property subject to taxation in the other county.**

19 **SECTION 2.** ORS 294.655 is amended to read:

20 294.655. The **tax supervising and conservation** commission shall conduct public hearings on  
21 [*all special*] **local option** tax levies **under ORS 280.060, measures authorizing the establishment**  
22 **of a permanent rate limit under section 11 (3)(c)(A), Article XI of the Oregon Constitution,**  
23 **and bond issues, the principal of and interest on which are secured by taxes imposed on**  
24 **property or property ownership that are not subject to the limitations of sections 11 and 11b,**  
25 **Article XI of the Oregon Constitution,** proposed for elector approval by the levying boards. Any  
26 levying board proposing to ask elector approval of a [*special*] **local option** tax levy or of a bond is-  
27 sue shall notify the commission in writing of its proposal not less than 30 days prior to the filing  
28 date for the election and set forth its reasons therefor, but the commission in its discretion may  
29 permit such notification to be filed in such shorter period of time as it sees fit. Upon the receipt  
30 of the notification the commission shall fix the time and place of hearing and notify the levying

**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 board to attend the hearing and discuss the proposed [*special*] **local option** tax levy or bond issue  
 2 with the commission. The hearings provided for in this section shall be in addition to the regular  
 3 budget hearings provided for by ORS 294.640.

4 **SECTION 3.** ORS 294.411 is amended to read:

5 294.411. (1) Each municipal corporation [*having*] **that has** a population not exceeding 200,000,  
 6 *located in a county having*] **that is under the jurisdiction of** a tax supervising and conservation  
 7 commission and [*not submitting its*] **that does not submit a** budget document to the tax supervising  
 8 and conservation commission for a public hearing, pursuant to ORS 294.430 (3), shall submit its ap-  
 9 proved budget document to the tax supervising and conservation commission [*in the county*] at least  
 10 30 days prior to the date of the public hearing in accordance with ORS 294.430. [*If its territory lies*  
 11 *in two or more counties, the municipal corporation shall submit its budget to the commission if the real*  
 12 *market value of all property subject to taxation by the municipal corporation in the county having a*  
 13 *commission is greater than the real market value of all property subject to taxation by the municipal*  
 14 *corporation in any other county. Real market value is the real market value computed according to*  
 15 *ORS 308.207 from the assessment rolls last in the process of collection.*]

16 (2) Before adopting the budget, the governing body for a municipal corporation described in  
 17 subsection (1) of this section shall consider and take appropriate action on any orders, recommen-  
 18 dations or objections made by the tax supervising and conservation commission.

19 **SECTION 4.** ORS 294.430 is amended to read:

20 294.430. (1) Except as provided in subsections (2) and (3) of this section, the governing body of  
 21 a municipal corporation shall meet at the time and place designated in the notice of meeting re-  
 22 quired by ORS 294.416 for the purpose of holding a public hearing on the budget document as ap-  
 23 proved by the budget committee. At the meeting any person may appear for or against any item in  
 24 the budget document.

25 (2) Each municipal corporation [*having*] **that has** a population exceeding 200,000 and [*located in*  
 26 *a county having*] **that is under the jurisdiction of** a tax supervising and conservation commission,  
 27 shall, in lieu of the meeting provided for in subsection (1) of this section, submit its budget document  
 28 to the tax supervising and conservation commission of the county. The governing body of such mu-  
 29 nicipal corporation or its representatives shall meet with the taxpayers thereof at a public hearing  
 30 to be called and conducted by the tax supervising and conservation commission.

31 (3) Any municipal corporation [*having*] **that has** a population not exceeding 200,000 and [*located*  
 32 *in a county having*] **that is under the jurisdiction of** a tax supervising and conservation commis-  
 33 sion, may, in lieu of the meeting provided for in subsection (1) of this section, submit its budget  
 34 document to the tax supervising and conservation commission [*of the county*] for a public hearing.  
 35 The governing body of [*such*] **the** municipal corporation or its representatives shall meet with the  
 36 taxpayers thereof at a public hearing to be called and conducted by the tax supervising and con-  
 37 servation commission.

38 [(4) *If its territory lies in two or more counties, a municipal corporation subject to subsection (2)*  
 39 *of this section shall, and a municipal corporation subject to subsection (3) of this section may, submit*  
 40 *its budget document to the tax supervising and conservation commission for public hearing if the real*  
 41 *market value of all property subject to taxation by the municipal corporation in the county with a*  
 42 *commission is greater than the real market value of all property subject to taxation by the municipal*  
 43 *corporation in any other county. Real market value is the real market value computed according to*  
 44 *ORS 308.207 from the assessment rolls last in the process of collection.*]

45 **SECTION 5.** ORS 294.480 is amended to read:

1       294.480. (1) Notwithstanding requirements as to estimates of and limitation on expenditures, the  
2 governing body of any municipal corporation may make a supplemental budget for the fiscal year  
3 or budget period for which the regular budget has been prepared under one or more of the following  
4 circumstances:

5       (a) An occurrence or condition which had not been ascertained at the time of the preparation  
6 of a budget for the current year or current budget period which requires a change in financial  
7 planning.

8       (b) A pressing necessity which was not foreseen at the time of the preparation of the budget for  
9 the current year or current budget period which requires prompt action.

10       (c) Funds were made available by another unit of federal, state or local government and the  
11 availability of such funds could not have been ascertained at the time of the preparation of the  
12 budget for the current year or current budget period.

13       (d) A request for services or facilities, the cost of which shall be supplied by a private individ-  
14 ual, corporation or company or by another governmental unit and the amount of the request could  
15 not have been accurately ascertained at the time of the preparation of the budget for the current  
16 year or current budget period.

17       (e) Proceeds from the involuntary destruction, involuntary conversion, or sale of property has  
18 necessitated the immediate purchase, construction or acquisition of different facilities in order to  
19 carry on the governmental operation.

20       (f) Ad valorem property taxes are received during the fiscal year or budget period in an amount  
21 sufficiently greater than the amount estimated to be collected that the difference will significantly  
22 affect the level of government operations to be funded by those taxes as provided in the budget for  
23 the current year or current budget period.

24       (g) A local option tax described in ORS 294.437 is certified for extension on the assessment and  
25 tax roll under ORS 310.060 for the fiscal year or budget period in which the local option tax measure  
26 is approved by voters.

27       (2) A supplemental budget may not extend beyond the end of the fiscal year or budget period  
28 during which it is submitted.

29       (3) When the estimated expenditures contained in a supplemental budget for a fiscal year or  
30 budget period differ by less than 10 percent of any one of the individual funds contained in the  
31 regular budget for that fiscal year or budget period that is being changed in the supplemental  
32 budget, the governing body of the municipal corporation may adopt the supplemental budget at a  
33 regular meeting of the governing body. Notice of such regular meeting, including sufficient detail  
34 on revenues and expenditures, shall be published by one or more of the methods permitted under  
35 ORS 294.311 (34) not less than five days prior to the meeting. Following such meeting, the governing  
36 body shall make additional appropriations and may thereafter make additional expenditures as au-  
37 thorized by such appropriations.

38       (4) When the estimated expenditures contained in a supplemental budget for a fiscal year or  
39 budget period differ by 10 percent or more of any one of the individual funds contained in the reg-  
40 ular budget for that fiscal year or budget period that is being changed in the supplemental budget,  
41 the supplemental budget, or a summary thereof, shall be published, or, *[in counties having]* **if the**  
42 **municipal corporation is under the jurisdiction of** a tax supervising and conservation commis-  
43 sion, shall be submitted to the tax supervising and conservation commission *[within the county]*. The  
44 governing body, or, where applicable, the tax supervising and conservation commission shall then  
45 hold a public hearing on the supplemental budget. Publication of the budget and notice of the

1 hearing shall be given in the manner provided in ORS 294.421. Following such hearing, the gov-  
2 erning body shall make additional appropriations and may thereafter make additional expenditures  
3 as authorized by such appropriations.

4 (5) Except as provided in ORS 294.437, the making of a supplemental budget does not authorize  
5 the governing body to increase the municipal corporation's total ad valorem property taxes above  
6 the amount or rate published with the regular budget and certified to the assessor under ORS  
7 310.060 in conjunction with the regular budget for the fiscal year or for each fiscal year of the  
8 budget period to which the supplemental budget applies.

9 **SECTION 6. The amendments to ORS 294.655 by section 2 of this 2007 Act apply to a**  
10 **public hearing of a tax supervising and conservation commission scheduled on or after the**  
11 **effective date of this 2007 Act.**

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