

House Bill 2074

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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**.

Divides responsibility for funding tax supervising and conservation commission between county and municipal corporations within county. Permits county to receive reimbursement for net costs of tax supervising and conservation commission from amounts scheduled to be paid to municipal corporations as part of distribution of tax collection moneys.

A BILL FOR AN ACT

1
2 Relating to the tax supervising and conservation commission; creating new provisions; and amending
3 ORS 294.361, 294.630 and 311.390.

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

5 **SECTION 1. Section 2 of this 2009 Act is added to and made a part of ORS 294.605 to**
6 **294.705.**

7 **SECTION 2. (1) No later than August 30 of each year, the tax supervising and conserva-**
8 **tion commission shall calculate the net cost of commission operations for the preceding fis-**
9 **cal year. The calculation shall include:**

10 (a) **Actual expenditures paid out of the tax supervising and conservation commission ac-**
11 **count established in ORS 294.630;**

12 (b) **A provision for the cost to the county of providing office space for use by the com-**
13 **mission, as required by ORS 294.620; and**

14 (c) **A deduction for an estimate of the amount received by the county under ORS 294.175**
15 **to 294.187.**

16 (2) **Municipal corporations, other than the county, that are within the county and that**
17 **are subject to the jurisdiction of a tax supervising and conservation commission shall reim-**
18 **burse the county 50 percent of the net costs calculated under subsection (1) of this section.**
19 **The amounts allocable to each municipal corporation required to reimburse the county under**
20 **this subsection shall be determined as follows:**

21 (a)(A) **Fifty percent of the amount allocated shall be based on the taxes imposed for the**
22 **preceding fiscal year for taxes certified to the county assessor under ORS 310.060 (2)(a) from**
23 **the permanent rate limitations of the municipal corporations after reductions necessary to**
24 **comply with section 11b, Article XI of the Oregon Constitution.**

25 (B) **The amount allocated under this paragraph shall be prorated based on each municipal**
26 **corporation's share of the total tax imposed from the permanent rate limitation of municipal**
27 **corporations that are subject to the jurisdiction of the tax supervising and conservation**
28 **commission.**

29 (C) **A minimum amount of \$250 shall be allocated to any municipal corporation under this**
30 **paragraph.**

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 **(D) Municipal corporations that do not levy ad valorem taxes are exempt from proration**
 2 **under this paragraph.**

3 **(b)(A) Fifty percent of the amount allocated shall be based on the expenditures, as de-**
 4 **defined in ORS 294.311, for the current fiscal year for each municipal corporation required to**
 5 **reimburse the county under this subsection.**

6 **(B) The amount allocated under this paragraph shall be prorated based on each municipal**
 7 **corporation's share of the total expenditures for those municipal corporations that are under**
 8 **the jurisdiction of the tax supervising and conservation commission.**

9 **(C) A minimum amount of \$250 shall be allocated to any municipal corporation under this**
 10 **paragraph.**

11 **(D) Municipal corporations with budgeted expenditures of \$50,000 or less and urban re-**
 12 **newal agencies formed under ORS chapter 457 are exempt from proration under this para-**
 13 **graph.**

14 **(E) If a municipal corporation has adopted a biennial budget, the calculation of the pro-**
 15 **ration under this paragraph shall use fiscal year expenditures. If the budget document**
 16 **adopted by the municipal corporation does not indicate fiscal year expenditures, then 45**
 17 **percent of the biennial expenditures shall be used for the proration in the first fiscal year**
 18 **of the municipal corporation's budget period and 55 percent of the biennial expenditures shall**
 19 **be used for the proration in the second year of the budget period.**

20 **(3) Not later than August 30 of each fiscal year, the tax supervising and conservation**
 21 **commission shall distribute to each municipal corporation an accounting of the calculations**
 22 **under this section showing:**

23 **(a) The net costs under subsection (1) of this section;**

24 **(b) The 50 percent of net costs allocable to municipal corporations, except the county,**
 25 **under subsection (2) of this section; and**

26 **(c) The amounts prorated to each municipal corporation under subsection (2) of this**
 27 **section.**

28 **(4) Not later than September 15 of each fiscal year, the tax supervising and conservation**
 29 **commission shall send to the county tax collector, or other county official responsible for**
 30 **preparing the percentage schedule under ORS 311.390, a list of municipal corporations subject**
 31 **to proration under this section and the amounts prorated under this section.**

32 **SECTION 3.** ORS 294.630 is amended to read:

33 294.630. **(1)** There hereby is created an account to be known as the tax supervising and con-
 34 **servation commission account in the general fund of each county subject to ORS 294.605 to 294.705.**

35 **(2)(a)** The tax supervising and conservation commission shall on or before April 1 of each year
 36 submit certified budgets for the ensuing fiscal year to the county court or board of county commis-
 37 sioners. The budget shall contain a complete and detailed estimate of the proposed expenditures of
 38 the commission for all purposes.

39 **(b)** Following the receipt of the budget, the county court or board of county commissioners shall
 40 include the budget as submitted as a part of the county budget and shall make an appropriation for
 41 the tax supervising and conservation commission account sufficient to cover the proposed expen-
 42 ditures, but no appropriation shall be made in any county in any year for such purpose in excess
 43 of \$280,000. **The maximum amount of the appropriation shall be increased by 1.03 percent each**
 44 **fiscal year, beginning with the fiscal year starting July 1, 2011.** The county court or board of
 45 county commissioners shall not reduce the amount of the budget as presented by the tax supervising

1 and conservation commission, within the amount stated in this section, nor shall it refuse to approve
 2 any lawful request for disbursement of money from the tax supervising and conservation commission
 3 account.

4 **SECTION 4.** ORS 294.361 is amended to read:

5 294.361. (1) Each municipal corporation shall estimate in detail its budget resources for the en-
 6 suing year or ensuing budget period by funds and sources.

7 (2) Budget resources include but are not limited to:

8 (a) The balance of cash, cash equivalents and investments (in the case of a municipal corpo-
 9 ration on the cash basis) or the net working capital (in the case of a municipal corporation on the
 10 accrual or modified accrual basis of accounting) that will remain in each fund on the last day of the
 11 current year or current budget period;

12 (b) Taxes;

13 (c) Fees;

14 (d) Licenses;

15 (e) Fines;

16 (f) Interest on deposits or on securities of any kind;

17 (g) Endowments;

18 (h) Annuities;

19 (i) Penalties;

20 (j) Sales of property or other assets or products of any kind;

21 (k) Delinquent taxes;

22 (L) Judgments;

23 (m) Damages;

24 (n) Rent;

25 (o) Premiums on sales of bonds;

26 (p) Reimbursement for services, road or other work performed for others;

27 (q) Transfer or reverter of unused balances of any kind;

28 (r) Reimbursement for services provided other funds;

29 (s) Rebates;

30 (t) Refunds of moneys heretofore paid on any account;

31 (u) Apportionment, grant, contribution, payment or allocation from the federal or state govern-
 32 ment or any unit of government;

33 (v) Taxes for the ensuing year or ensuing budget period;

34 (w) Interfund revenue transfers; and

35 (x) Revenues from any and all other sources of whatsoever kind or character.

36 (3) Budget resources do not include:

37 (a) The estimate for the ensuing year or ensuing budget period of discounts under ORS 311.505.

38 (b) The estimate of uncollectible amounts of taxes, fees or charges for the ensuing year or en-
 39 suing budget period.

40 (c) Moneys accumulated under an approved employee deferred compensation plan and interest
 41 or investment returns earned on such moneys.

42 (d) Grants, gifts, bequests or devises transferred to a municipal corporation in trust for specific
 43 uses in the year of transfer. However, such grants, gifts, bequests or devises shall be included as
 44 budget resources if, by the time the budget committee approves the budget, the amount thereof that
 45 will be received in the ensuing year or ensuing budget period can be reasonably estimated. Such

1 grants, gifts, bequests or devises may be placed in a trust and agency fund, to then be appropriated
2 from such fund or funds.

3 **(e) Amounts deducted from taxes pursuant to section 2 of this 2009 Act.**

4 **SECTION 5.** ORS 311.390 is amended to read:

5 311.390. (1)(a) When the tax collector receives the assessor's certificate pursuant to ORS
6 311.115, the tax collector shall prepare and file with the county treasurer a percentage schedule of
7 the ratio of taxes on property, as defined in ORS 310.140, and other amounts to be collected, after
8 reductions necessary to comply with section 11b, Article XI of the Oregon Constitution, after making
9 adjustments in accordance with ORS 311.105 (1)(c), for each governmental unit as shown in such
10 certificate, compared to the total of each of those amounts.

11 **(b) If a tax supervising and conservation commission has submitted to the tax collector**
12 **a list of municipal corporations subject to proration and the amounts prorated under section**
13 **2 of this 2009 Act, before the tax collector calculates the ratio of taxes on property under this**
14 **subsection, the tax collector shall deduct the amounts submitted by the tax supervising and**
15 **conservation commission from the amounts scheduled for distribution under this section for**
16 **municipal corporations subject to the jurisdiction of the tax supervising and conservation**
17 **commission. The amount deducted from the distribution to the municipal corporations shall**
18 **be added to the amount distributed to the county.**

19 **(c)** [*Such*] **The** schedule shall be approved by the county accountant, if one exists in the county,
20 or by the county clerk before filing. Except as provided in subsections (2) and (3) of this section, the
21 distribution of collections by the tax collector shall be made on the basis of the ratios computed
22 pursuant to this section. The ratios computed pursuant to this section for a given fiscal year shall
23 be used for the distribution of all taxes on property or penalties that have been imposed, collected
24 and received for that fiscal year, regardless of the actual date of receipt, except for moneys retained
25 by a county to pay bankruptcy costs under ORS 311.484. Interest earned on moneys in the unseg-
26 regated tax collections account shall be distributed according to the ratio applicable to the year in
27 which the moneys are distributed.

28 (2) If, after the ratios are computed pursuant to this section, the amount of a levy or other tax
29 on property is changed, or a levy or other tax on property is filed with the assessor pursuant to
30 ORS 310.060 that had not been included in the tax distribution schedule for that year, the tax col-
31 lector shall revise the percentages provided in subsection (1) of this section to reflect the corrected
32 or added levy or tax and shall adjust the amounts previously distributed and to be distributed
33 thereafter to reflect the revision in percentages.

34 (3) If, in the opinion of the tax collector, it is not feasible to make the revisions described in
35 subsection (2) of this section, the tax collector shall treat the amount of the change in levy or tax
36 or the additional levy or tax as a separate tax collection and segregate the moneys collected for the
37 particular district or districts in the periodic statement of tax collections given to the county
38 treasurer pursuant to ORS 311.395.

39 (4) If the percentage schedule is revised, a copy shall be filed with the county treasurer after
40 approval by the county accountant, if one exists in the county, or by the county clerk.

41 (5) If, after the ratios are computed under this section, a levy or tax is changed or a levy or tax
42 is filed with the assessor pursuant to ORS 310.060, that was not included in the tax distribution
43 schedule for that year, future distributions of interest shall be based on the revised percentages that
44 reflect the corrected or added levy or tax. No adjustments shall be made for previously distributed
45 interest.

