

A-Engrossed
Senate Bill 916

Ordered by the Senate April 29
Including Senate Amendments dated April 29

Sponsored by Senator MORSE

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.

[Allows local governments to publish annual budget summaries by program instead of by fund or organizational unit.] Allows counties to change fees once every six months. *[Allows local governments to use their own format for annual budgets. Gives local governments more flexibility to make changes in annual budgets after adoption.]* Requires county budgets to include summaries of revenues and expenditures for programs funded in part by state resources.

Permits local governments to publish budget summary and other budget-related information by mailing information to post office box or rural route number of resident.

Authorizes local governments to transfer appropriations between funds, including from any special revenue fund to General Fund.

A BILL FOR AN ACT

1
2 Relating to local government budgets; creating new provisions; and amending ORS 203.115, 294.311,
3 294.361, 294.406, 294.421, 294.425, 294.450, 294.460 and 294.480.

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 294.305 to**
6 **294.565.**

7 **SECTION 2. County budgets must contain a summary of revenues and expenditures for**
8 **major programs funded in part by state resources. The summary must include, at a mini-**
9 **imum, functions related to assessment and taxation, community corrections, district attor-**
10 **neys, juvenile corrections and probation, public health, mental health and chemical**
11 **dependency, veterans' services, roads and economic development. The summary must pro-**
12 **vide the total expenses for each program and identify the revenues used to fund the program**
13 **from general county resources, state grants, federal grants, video lottery resources and**
14 **other resources as applicable. The summary must include the revenues and expenditures in**
15 **the adopted budget, revenues and expenditures in the prior year's adopted budget, and actual**
16 **revenue and expenditure data from the two previous years.**

17 **SECTION 3. ORS 203.115 is amended to read:**
18 203.115. A county governing body shall not change the amount of a fee it has set pursuant to
19 statute within *[one year]* **six months** after setting that fee.

20 **SECTION 4. ORS 294.311 is amended to read:**
21 294.311. As used in ORS 294.305 to 294.565, unless the context requires otherwise:
22 (1) "Accrual basis" means the recording of the financial effects on a municipal corporation of
23 transactions and other events and circumstances that have cash consequences for the municipal
24 corporation in the periods in which those transactions, events and circumstances occur, rather than

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 only in the periods in which cash is received or paid by the municipal corporation.

2 (2) "Activity" means a specific and distinguishable service performed by one or more organiza-
3 tional components of a municipal corporation to accomplish a function for which the municipal
4 corporation is responsible.

5 (3) "Appropriation" means an authorization granted by the governing body to make expenditures
6 and to incur obligations for specific purposes. An appropriation is limited to a single fiscal year for
7 municipal corporations preparing annual budgets, or to the budget period for municipal corporations
8 preparing biennial budgets.

9 (4) "Basis of accounting" means the cash basis, the modified accrual basis or the accrual basis.

10 (5) "Budget" means a plan of financial operation embodying an estimate of expenditures for a
11 given period or purpose and the proposed means of financing the estimated expenditures.

12 (6) "Budget document" means the estimates of expenditures and budget resources as set forth
13 on the estimate sheets, tax levy and the financial summary.

14 (7) "Budget period" means, for municipal corporations with the power to levy a tax upon prop-
15 erty, the two-year period commencing on July 1 and closing on June 30 of the second calendar year
16 next following, and for all other municipal corporations, an accounting period of 24 months ending
17 on the last day of any month.

18 (8) "Budget resources" means resources to which recourse can be had to meet obligations and
19 expenditures during the fiscal year or budget period covered by the budget.

20 (9) "Cash basis" means a basis of accounting under which transactions are recognized only in
21 the period during which cash is received or disbursed.

22 (10) "Current budget period" means the budget period in progress.

23 (11) "Current year" means the fiscal year in progress.

24 (12) "Encumbrance accounting" means the method of accounting under which outstanding
25 encumbrances are recognized as reductions of appropriations and the related commitments are car-
26 ried in a reserve for encumbrances until liquidated, either by replacement with an actual liability
27 or by cancellation. This method of accounting may be used as a modification to the accrual basis
28 of accounting in accordance with generally accepted accounting principles.

29 (13) "Encumbrances" means obligations in the form of purchase orders, contracts or salary
30 commitments which are chargeable to an appropriation and for which a part of the appropriation
31 is reserved. Obligations cease to be encumbrances when paid or when the actual liability is set up.

32 (14) "Ensuing budget period" means the budget period following the current budget period.

33 (15) "Ensuing year" means the fiscal year following the current year.

34 (16) "Expenditure" means, if the accounts are kept on the accrual basis or the modified accrual
35 basis, decreases in net financial resources and may include encumbrances. If the accounts are kept
36 on the cash basis, the term covers only actual disbursement, the drawing of the check or warrant
37 for these purposes and not encumbrances, except that deferred employee compensation shall be in-
38 cluded as a personal service expenditure where an approved deferred employee compensation plan
39 is in effect for a municipal corporation.

40 (17) "Fiscal year" means for municipal corporations with the power to impose ad valorem
41 property taxes, the fiscal year commencing on July 1 and closing on June 30, and for all other mu-
42 nicipal corporations, an accounting period of 12 months ending on the last day of any month.

43 (18) "Fund balance" means the excess of the assets of a fund over its liabilities and reserves
44 except in the case of funds subject to budgetary accounting where, prior to the end of a fiscal pe-
45 riod, it represents the excess of the fund's assets and estimated revenues for the period over its li-

1 abilities, reserves and appropriations for the period.

2 **(19) “General county resources” means resources from property taxes, state and federal**
3 **shared revenue, beginning balances available for expenditure and interest not required to be**
4 **allocated to specific programs or activities.**

5 [(19)] **(20) “Governing body” means the city council, board of commissioners, board of directors,**
6 **county court or other managing board of a municipal corporation including a board managing a**
7 **municipally owned public utility or a dock commission.**

8 [(20)] **(21) “Grant” means a donation or contribution of cash to a governmental unit by a third**
9 **party.**

10 [(21)] **(22) “Intergovernmental entity” means an entity created under ORS 190.010 (5). The term**
11 **includes any council of governments created prior to the enactment of ORS 190.010 (5).**

12 [(22)] **(23) “Internal service fund” means a fund properly authorized to finance, on a cost re-**
13 **imbursement basis, goods or services provided by one organizational unit of a municipal corporation**
14 **to other organizational units of the municipal corporation.**

15 [(23)] **(24) “Liabilities” means probable future sacrifices of economic benefits, arising from**
16 **present obligations of a municipal corporation to transfer assets or provide services to other entities**
17 **in the future as a result of past transactions or events. The term does not include encumbrances.**

18 [(24)(a)] **(25)(a) “Modified accrual basis” means the accrual basis of accounting adapted to the**
19 **governmental fund-type measurement focus. Under this basis of accounting, revenues and other fi-**
20 **nanical resource increments, such as bond proceeds, are recognized when they become susceptible**
21 **to accrual, that is, when they become both measurable and available to finance expenditures in the**
22 **current period.**

23 (b) As used in this subsection, “available” means collectible in the current period or soon
24 enough thereafter to be used to pay liabilities of the current period. Under this basis of accounting,
25 expenditures are recognized when the fund liability is incurred except for:

26 (A) Inventories of material and supplies that may be considered expenditures either when pur-
27 chased or when used; and

28 (B) Prepaid insurance and similar items that may be considered expenditures either when paid
29 for or when consumed.

30 [(25)] **(26) “Municipal corporation” means any county, city, port, school district, union high**
31 **school district, community college district and all other public or quasi-public corporations including**
32 **a municipal utility or dock commission operated by a separate board or commission. “Municipal**
33 **corporation” includes an intergovernmental entity or council of governments that proposes to im-**
34 **pose or imposes ad valorem property taxes.**

35 [(26)] **(27) “Net working capital” means the sum of the cash, cash equivalents, investments, ac-**
36 **counts receivable expected to be converted to cash during the ensuing year or ensuing budget pe-**
37 **riod, inventories, supplies and prepaid expenses less current liabilities and, if encumbrance**
38 **accounting is adopted, reserve for encumbrances. The term is not applicable to the cash basis of**
39 **accounting.**

40 [(27)] **(28) “Object” means, as used in expenditure classification, articles purchased including,**
41 **but not limited to, land, buildings, equipment and vehicles, or services obtained including, but not**
42 **limited to, administrative services, clerical services, professional services, property services and**
43 **travel, as distinguished from the results obtained from expenditures.**

44 [(28)] **(29) “Object classification” means a grouping of expenditures on the basis of goods or**
45 **services purchased, including, but not limited to, personal services, materials, supplies and equip-**

1 ment.

2 [(29)] (30) "Operating taxes" has the meaning given that term in ORS 310.055.

3 [(30)] (31) "Organizational unit" means any administrative subdivision of a municipal corpo-
4 ration, especially one charged with carrying on one or more functions or activities.

5 [(31)] (32) "Population" means the number of inhabitants of a municipal corporation according
6 to certified estimates of population made by the State Board of Higher Education.

7 [(32)] (33) "Program" means a group of related activities aimed at accomplishing a major service
8 or function for which the municipality is responsible.

9 [(33)] (34) "Public utility" means those public utility operations authorized by ORS chapter 225.

10 [(34)] (35) "Publish" or "publication" means any one or more of the following methods of giving
11 notice or making information or documents available to members of the general public:

12 (a) Publication in one or more newspapers of general circulation within the jurisdictional
13 boundaries of the municipal corporation.

14 (b) Posting through the United States Postal Service by first class mail, postage prepaid, to each
15 street address within the jurisdictional boundaries of the municipal corporation **and to each post**
16 **office box and rural route number belonging to a resident within the jurisdictional boundaries**
17 **of the municipal corporation.**

18 (c) Hand delivery to each street address within the jurisdictional boundaries of the municipal
19 corporation.

20 [(35)] (36) "Receipts" means cash received unless otherwise qualified.

21 [(36)] (37) "Reserve for encumbrances" means a reserve representing the segregation of a por-
22 tion of a fund balance to provide for unliquidated encumbrances.

23 [(37)] (38) "Revenue" means the gross receipts and receivables of a governmental unit derived
24 from taxes, licenses, fees and from all other sources, but excluding appropriations, allotments and
25 return of principal from investment of surplus funds.

26 [(38)] (39) "Special revenue fund" means a fund properly authorized and used to finance partic-
27 ular activities from the receipts of specific taxes or other revenues.

28 **SECTION 5.** ORS 294.361 is amended to read:

29 294.361. (1) Each municipal corporation shall estimate in detail its budget resources for the en-
30 suing year or ensuing budget period by funds and sources.

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

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

36 (b) Taxes;

37 (c) Fees;

38 (d) Licenses;

39 (e) Fines;

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

41 (g) Endowments;

42 (h) Annuities;

43 (i) Penalties;

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

45 (k) Delinquent taxes;

- 1 (L) Judgments;
- 2 (m) Damages;
- 3 (n) Rent;
- 4 (o) Premiums on sales of bonds;
- 5 (p) Reimbursement for services, road or other work performed for others;
- 6 (q) Transfer or reverter of unused balances of any kind;
- 7 (r) Reimbursement for services provided other funds;
- 8 (s) Rebates;
- 9 (t) Refunds of moneys heretofore paid on any account;
- 10 (u) Apportionment, grant, contribution, payment or allocation from the federal **government**,
- 11 [or] state government or any [unit of government] **other governmental units**;
- 12 (v) Taxes for the ensuing year or ensuing budget period;
- 13 (w) Interfund revenue transfers; and
- 14 (x) Revenues from any and all other sources of whatsoever kind or character.

15 (3) Budget resources do not include:

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

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

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

21 (d) Grants, gifts, bequests or devises transferred to a municipal corporation in trust for specific
22 uses in the year of transfer. However, such grants, gifts, bequests or devises shall be included as
23 budget resources if, by the time the budget committee approves the budget, the amount thereof that
24 will be received in the ensuing year or ensuing budget period can be reasonably estimated. Such
25 grants, gifts, bequests or devises may be placed in a trust and agency fund, to then be appropriated
26 from such fund or funds.

27 **SECTION 6.** ORS 294.406 is amended to read:

28 294.406. (1) The budget committee shall approve the budget document as submitted by the budget
29 officer or the budget document as revised and prepared by the budget committee. The budget docu-
30 ment as approved by the budget committee shall specify the ad valorem property tax amount or rate
31 for all funds.

32 (2) In addition to the meetings held under ORS 294.401 (1), the budget committee may meet from
33 time to time at its discretion. All meetings of the budget committee shall be open to the public.
34 Except for a meeting of the budget committee held under ORS 294.401 (1), prior notice of each
35 meeting of the budget committee shall be given at the same time as is required for notice of
36 meetings of the governing body of the municipal corporation and may be given in the same manner
37 as notice of meetings of the governing body or by any one or more of the methods described in ORS
38 294.311 [(34)] (35).

39 (3) The budget committee may demand and receive from any officer, employee or department of
40 the municipal corporation any information the committee requires for the revision and preparation
41 of the budget document. The budget committee may compel the attendance of any such officer or
42 employee at its meetings.

43 **SECTION 7.** ORS 294.421 is amended to read:

44 294.421. (1) Subject to subsections (3) to (6) of this section, the summary of the budget document
45 approved by the budget committee shall be published at least once prior to the time appointed for

1 the proposed meeting of the governing body in accordance with ORS 294.430.

2 (2) Subject to subsections (3) to (6) of this section, the notice of the time and place at which the
3 budget document as approved by the budget committee may be discussed shall be published by one
4 or more of the methods described in ORS 294.311 [(34)] (35) not less than five days and not more
5 than 30 days prior to the date of the meeting required by ORS 294.430.

6 (3) If no newspaper is published in the municipal corporation, a municipal corporation whose
7 aggregate of estimated budget expenditures for the ensuing fiscal year does not exceed \$50,000 or
8 for the ensuing budget period does not exceed \$100,000 may, in lieu of the publication and notice
9 provided in subsections (1) and (2) of this section and in lieu of publication by one or more of the
10 methods described in ORS 294.311 [(34)] (35), post the summaries and notices provided by ORS
11 294.416 or 294.418 in three conspicuous places in the municipal corporation for at least 20 days prior
12 to the date of the meeting provided in ORS 294.430 and publish the notice provided by subsection
13 (4) of this section.

14 (4) If notice is given as provided in subsection (3) of this section, the municipal corporation shall
15 publish, by one or more of the methods described in ORS 294.311 [(34)] (35), a notice of the following:

16 (a) The date, time and place of the meeting provided by ORS 294.430;

17 (b) The place where the complete budget document is available for inspection by the general
18 public during regular office hours;

19 (c) Total budget requirements and taxes proposed to be levied;

20 (d) Changes in the amount or rate of proposed ad valorem property taxes; and

21 (e) The place where copies of the complete budget or parts thereof may be obtained.

22 (5) The notice provided in subsection (4) of this section shall be published not less than five days
23 and not more than 30 days prior to the date of the meeting provided in ORS 294.430.

24 (6) A municipal corporation having a population exceeding 200,000 inhabitants, or a municipal
25 corporation with 200,000 or fewer inhabitants that requests the tax supervising and conservation
26 commission to conduct the public hearing outlined in ORS 294.430, shall, in lieu of the publication
27 and notice prescribed in subsection (1) of this section, submit its budget document, as approved by
28 the budget committee, to the tax supervising and conservation commission within its county, if there
29 is such a commission, at least 20 days prior to the legal date of the public hearing before the tax
30 supervising and conservation commission on the budget, and the budget document shall thereupon
31 be open to inspection by any taxpayer or citizen. The municipal corporation shall also publish a
32 notice as provided in subsections (4) and (5) of this section.

33 **SECTION 8.** ORS 294.425 is amended to read:

34 294.425. (1) When a notice, budget summary or other document is required to be published under
35 any provision of ORS 294.305 to 294.565, publication of the document shall be considered sufficient
36 for all purposes if a good faith effort is made by the budget officer of the municipal corporation to
37 publish by any one or more of the methods described in ORS 294.311 [(34)] (35), notwithstanding any
38 defect in the publication, including but not limited to:

39 (a) Typographical or scriveners' errors in the published material;

40 (b) Failure of the published materials to be mailed or hand delivered to each street **and postal**
41 **mailing** address within the jurisdictional boundaries of the municipal corporation;

42 (c) Arithmetic errors in computing numerical information, including tax levies or tax rates;

43 (d) Calculations of ad valorem property taxes not made in accordance with the applicable re-
44 quirements of law; or

45 (e) Failure to publish within the time periods required by law.

1 (2) At the first regularly scheduled meeting of the governing body of the municipal corporation
 2 that is held following the discovery of any publication error described in subsection (1)(a), (c) or (d)
 3 of this section, the budget officer shall advise the governing body in writing of the error and shall
 4 correct the error by testimony before the governing body at the meeting. If the error relates to the
 5 calculation of ad valorem property taxes, the budget officer shall immediately notify the county
 6 assessor of the error in writing, identifying the correct ad valorem property tax.

7 **SECTION 9.** ORS 294.450 is amended to read:

8 294.450. Subject to the provisions contained in the charter of any city or county or in any law
 9 relating to municipal corporations:

10 (1) Except as provided in subsection (2) of this section, transfers of appropriations may be made
 11 within a given fund when authorized by official resolution or ordinance of the governing body. The
 12 resolution or ordinance shall state the need for the transfer, the purpose for the authorized ex-
 13 penditure and the amount of appropriation transferred.

14 (2) Transfers of general operating contingency appropriations which in aggregate during a fiscal
 15 year or budget period exceed 15 percent of the total appropriations of the fund may be made only
 16 after adoption of a supplemental budget prepared for that purpose. All other transfers of general
 17 operating contingencies are subject to subsection (1) of this section.

18 (3) Transfers of appropriations or of appropriations and a like amount of budget resources may
 19 be made [*from the general fund*] **between funds** of the municipal corporation [*to any other fund*]
 20 when authorized by an official resolution or ordinance of the governing body. The resolution or or-
 21 dinance shall state the need for the transfer, the purpose for the authorized expenditures embodied
 22 in the appropriation and the amount of appropriation transferred.

23 [(4) *It shall be unlawful to transfer appropriations from any special revenue fund to the general*
 24 *fund or any other special revenue fund.*]

25 [(5)] (4) The transfers referred to in this section apply to transfers which occur after the budget
 26 has been approved and which are made during the fiscal year or budget period for which the ap-
 27 propriations are made. Nothing in this section shall prohibit or regulate lawful transfers which have
 28 been budgeted in accordance with the local budget law.

29 [(6)] (5) When a municipal corporation imposes taxes, fees or charges that, in accordance with
 30 applicable law or an intergovernmental agreement under ORS chapter 190, are required to be paid,
 31 on a pass-through basis, to another municipal corporation, the municipal corporation that imposes
 32 the taxes, fees or charges shall include the taxes, fees or charges in its budget and shall appropriate
 33 the estimated amount generated thereby. The appropriation shall take the form of an expense of the
 34 municipal corporation that imposes the taxes, fees or charges. If the actual amount collected from
 35 the taxes, fees or charges during a fiscal year or budget period exceeds the estimated amount in-
 36 cluded in the imposing municipal corporation's budget for the fiscal year or budget period, then upon
 37 determining that such excess exists the municipal corporation imposing the taxes, fees or charges
 38 shall appropriate such excess by means of a resolution or ordinance of its governing body, and no
 39 further action shall be required under ORS 294.305 to 294.565 to lawfully budget, appropriate or
 40 expend such excess.

41 **SECTION 10.** ORS 294.460 is amended to read:

42 294.460. (1) It shall be lawful to loan money from any fund to any other fund of the municipal
 43 corporation whenever the loan is authorized by official resolution or ordinance of the governing
 44 body. The loans shall be made in compliance with the applicable requirements and limitations of this
 45 section. Loans made under this section shall not be made from:

1 (a) Debt service reserve funds created to provide additional security for outstanding bonds or
2 other borrowing obligations that the municipal corporation has covenanted with the holders of such
3 bonds or other borrowing obligations to maintain at certain specified levels. However, nothing in
4 this paragraph is intended or shall be construed to prohibit loans from any such debt service reserve
5 fund to the extent that the aggregate outstanding amount of the loans does not exceed the amount
6 by which the amount in such debt service reserve fund exceeds the amount the municipal corpo-
7 ration has covenanted to maintain in the reserve fund with the holders of the related bonds or other
8 borrowing obligations;

9 (b) Debt service funds created to account for moneys needed to make annual debt service pay-
10 ments on outstanding bonds or other borrowing obligations; or

11 (c) Moneys credited to any fund when, under applicable constitutional provisions, the moneys
12 are restricted to specific uses unless the purpose for which the loan is to be made is a use allowed
13 under such constitutional provisions.

14 (2) The resolution or ordinance authorizing any interfund loan permitted under this section
15 shall:

16 (a) State the fund from which the loan is to be made, the fund to which the loan is to be made,
17 the purpose for which the loan is to be made and the principal amount of the loan.

18 (b) If the interfund loan is a capital loan, set forth a schedule under which the principal amount
19 of the loan, together with interest thereon at the rate provided for in paragraph (c)(B) of this sub-
20 section, is to be budgeted and repaid to the lending fund. The schedule shall provide for the repay-
21 ment in full of the loan over a term not to exceed [*five*] **10** years from the date the loan is made.

22 (c) If the interfund loan is a capital loan, provide that the loan shall bear interest at an annual
23 rate equal to:

24 (A) The rate of return on moneys invested in the local government investment pool under ORS
25 294.805 to 294.895, as reported under ORS 294.875, immediately prior to the adoption of the ordi-
26 nance or resolution authorizing the loan; or

27 (B) Such other rate as the governing body may determine.

28 (d) If the interfund loan is an operating loan, provide that the money loaned shall be budgeted
29 and repaid to the fund from which the money was borrowed by the end of the ensuing year or en-
30 suing budget period.

31 (3) The payment of any operating loans not repaid in the year or budget period in which the
32 operating loan was made shall be budgeted as a requirement in the ensuing year or ensuing budget
33 period.

34 (4) It shall be lawful to commingle cash balances of funds so long as all such fund moneys are
35 segregated in the budget and accounting records.

36 (5) As used in this section:

37 (a) "Capital loan" means any interfund loan, or portion thereof, made for the purpose of fi-
38 nancing the design, acquisition, construction, installation or improvement of real or personal prop-
39 erty and not for the purpose of paying operating expenses.

40 (b) "Operating loan" means any interfund loan, or portion thereof, that is not a capital loan,
41 including any interfund loan, or portion thereof, made for the purpose of paying operating expenses.

42 **SECTION 11.** ORS 294.480 is amended to read:

43 294.480. (1) Notwithstanding requirements as to estimates of and limitation on expenditures, the
44 governing body of any municipal corporation may make a supplemental budget for the fiscal year
45 or budget period for which the regular budget has been prepared under one or more of the following

1 circumstances:

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

5 (b) A pressing necessity which [*was*] **could** not **reasonably be** foreseen at the time of the
6 preparation of the budget for the current year or current budget period which requires prompt
7 action.

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

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

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

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

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

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

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

36 (4) When the estimated expenditures contained in a supplemental budget for a fiscal year or
37 budget period differ by 10 percent or more of any one of the individual funds contained in the reg-
38 ular budget for that fiscal year or budget period that is being changed in the supplemental budget,
39 the supplemental budget, or a summary thereof, shall be published, or, in counties having a tax
40 supervising and conservation commission, shall be submitted to the tax supervising and conservation
41 commission within the county. The governing body, or, where applicable, the tax supervising and
42 conservation commission shall then hold a public hearing on the supplemental budget. Publication
43 of the budget and notice of the hearing shall be given in the manner provided in ORS 294.421.
44 Following such hearing, the governing body shall make additional appropriations and may thereafter
45 make additional expenditures as authorized by such appropriations.

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