

HB 2278 -1 STAFF MEASURE SUMMARY

House Committee On Revenue

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Meeting Dates: 2/6, 2/22

WHAT THE MEASURE DOES:

Allows budget of municipal corporation to include estimated requirements to pay debt service on bonds when bonds were approved at a May election. Allows municipal corporation, on or after July 1 and before September 1, to adopt ordinance or resolution imposing and categorizing tax levy necessary to pay estimated debt service of bonds. Requires assessor to accept municipal corporation's timely filed certification of estimated amount of ad valorem property taxes to be imposed. Removes requirement of Historic Ghost Towns to comply with Local Budget Law statutes. Allows community college appropriations to be separated by organizational unit. Makes non-substantive modifications to Local Budget Law statutes. Takes effect on 91st day following adjournment sine die.

ISSUES DISCUSSED:

- Requirement to sell bonds prior to certifying
- Ensuring bonds are owed
- Scenario where certification to impose tax is provided but bonds are not sold
- Timing of assessment and certification under current law and how that compares to proposed changes
- Ability to sell bonds prior to July deadline to certify local budget
- Existing law limitation(s) on bond levies
- Explanation of current law budgeting process in instances where bond levy is approved in May.

EFFECT OF AMENDMENT:

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Allows governing body of a municipal corporation to make supplemental budget if original budget of the municipal corporation did not include estimated requirements to pay debt service of general obligation bonds approved at a May election per Section 2 of measure.

Extends deadline, from September 1 to September 15, to adopt ordinance or resolution and timely file with assessor per Section 2 of measure.

Eliminates approval requirement of municipal corporation in filing written notice certifying estimated amount of ad valorem property taxes for an extension under ORS 310.060 in instances described in Section 2 of measure (May bond approval).

BACKGROUND:

The term *municipal corporation* includes local government districts such as: cities, counties, school districts and education service districts and special districts. Regardless of a local government's decision to budget either on a one-year or a two-year cycle, certification of property tax levies and a copy of a resolution or ordinance levying and categorizing taxes for the ensuing year must be submitted to the county assessor every year by July 15.

Local governments may schedule levy elections in either, March, May, September or November with elections held in either March or September being subject to "double majority" requirements where 50 percent of the registered voters eligible to vote must cast a ballot and a majority of those voting must approve the levy.

Historic ghost town is defined in ORS 221.862 as: an incorporated city within this state that:

(1) Is on land acquired under a United States patent;

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(2) Does not have a sufficient number of registered electors permanently residing within the city to fill all offices provided for under its charter; and

(3) Is of historic interest.

PRELIMINARY