



Oregon

Kate Brown, Governor

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HB 2278 with -1 Amendment – Local Budget Law (LBL) Cleanup

What the Measure Does: Addresses three issues related to Local Budget Law (ORS Chapter 294); aligns statutes to current practice regarding budget requirements for general obligation bonds that pass in a May election, excepts certain ghost towns from budgeting requirements, and creates flexibility for community college appropriations.

Background:

- a) There is a timing issue related to general obligation bonds that are approved by voters at a May election. Taxing districts are required to adopt their budget (which includes anticipated revenues) by June 30th and certify the tax imposed to the assessor by July 15th. Because the tax may not be certified until after bonds have been sold/issued, this creates a problem if sale doesn't occur by June 30th.
- b) Ghost towns that are incorporated cities are required to follow Local Budget Law (LBL). Certain requirements of LBL related to the budget committee and public meetings are nearly impossible for the ghost towns to comply with.
- c) Community colleges are allowed by law to budget by organizational unit, but are required to appropriate by program or function, which is inconsistent.

Solution:

- a) Specifically allow contingent tax resolution and follow-up resolution after bond sale for bonds approved in May and sold after July 1. Allow for late certification to county assessor per ORS 310.060 by September 15 (changed from September 1 by the -1 amendment). The -1 amendment also clarifies that the supplemental budget process may be used to reconcile May bonds.
- b) Create a ghost town exception from LBL requirements consistent with that already existing for other local government entities that generally do not impose property tax or have relatively small, simple budgets.
- c) Broaden (and align) the appropriation options to the budgeting options for community colleges.

Note: Legislative Counsel has included non-substantive changes to correct statutory references and clarify other areas of local budget law. The DOR does not object.

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