

House Bill 2254

Sponsored by Representative RESCHKE, Senator FINDLEY; Representatives EVANS, MORGAN, Senator MAN-
NING JR (at the request of Special Districts Association of Oregon) (Presession filed.)

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**.

Increases expenditure threshold for exemption of municipal corporation from audit requirement.

A BILL FOR AN ACT

1
2 Relating to municipal audits; amending ORS 297.435.

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

4 **SECTION 1.** ORS 297.435 is amended to read:

5 297.435. (1) Subject to ORS 297.445, ORS 297.425 does not apply to any municipal corporation,
6 except a county or a school district, if, with respect to any one calendar year or fiscal year, the
7 municipal corporation meets all the conditions in either subsection (2) or (3) of this section.

8 (2)(a) Total expenditures for all purposes, including moneys expended for debt retirement, did
9 not exceed [*\$150,000*] **\$250,000** for the year;

10 (b) The municipal corporation has submitted financial statements for the year to the Secretary
11 of State within 90 days following the end of the year; and

12 (c) A certificate has been submitted with the financial statements stating that the principal re-
13 sponsible official of the municipal corporation was covered during the entire year by a fidelity or
14 faithful performance bond in an amount at least equal to the total amount of moneys received by
15 the municipal corporation during the year.

16 (3)(a) Total expenditures for all purposes, including moneys expended for debt retirement, ex-
17 ceeded [*\$150,000*] **\$250,000** but did not exceed \$500,000 for the year;

18 (b) The municipal corporation has submitted financial statements for the year to the Secretary
19 of State within 180 days following the end of the year, and the financial statements have been re-
20 viewed by an accountant or the Secretary of State in accordance with standards prescribed by the
21 Secretary of State; and

22 (c) A certificate has been submitted with the financial statements stating that the official re-
23 sponsible for receiving and disbursing moneys on behalf of the municipal corporation was covered
24 during the entire year by a fidelity or faithful performance bond in an amount at least equal to 10
25 percent of the total receipts for the year, but not less than \$10,000.

26 (4) The financial statements required by this section shall be in a form prescribed by the Sec-
27 retary of State and shall be considered audit reports for the purpose of the filing fee required by
28 ORS 297.485.

29 (5) The provisions of ORS 297.466 apply to financial statements for cities reviewed under sub-
30 section (3) of this section.

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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.