



Basic Local Budget Law

Approving the Budget

2021

Finance, Taxation & Exemptions

Housekeeping

- Mute Audio/Video
- Update Display Name to your First & Last Name (Joe Smith)
- Send Questions to “Questions”
- CE Credits – Certificate will come via email





Phase 2

Budget Committee Approves the Budget

Finance, Taxation & Exemptions Team



Trains Local Officials on Local Budget Law



Answers Questions about Local Budget Law and Property Taxes



Provides Budget Manuals and Forms

Finance, Taxation & Exemptions Team



Reviews Tax Certifications



Reviews District Budgets

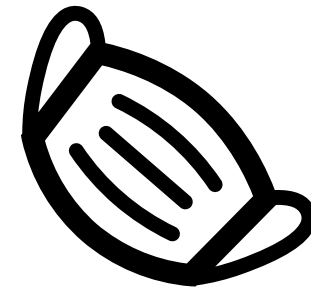


Advises County Assessors & Tax Collectors on Property Tax Law

Local Budget Law Changes for 2021

Covid-19 and Chapter 12 Oregon Laws 2020 First Special Session (HB 4212)

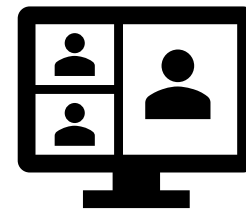
- Meetings may be held virtually
 - No requirement of physical space for public
 - Record meetings if technology available
- Social distancing for in person meetings
- Allows for alternative methods of testimony



Local Budget Law Changes for 2021

Covid-19 and Chapter 12 Oregon Laws 2020 First Special Session (HB 4212)

- Quorum excludes absences due to COVID
- Allows for emergency expenditures
- Expires 30 days after end of emergency

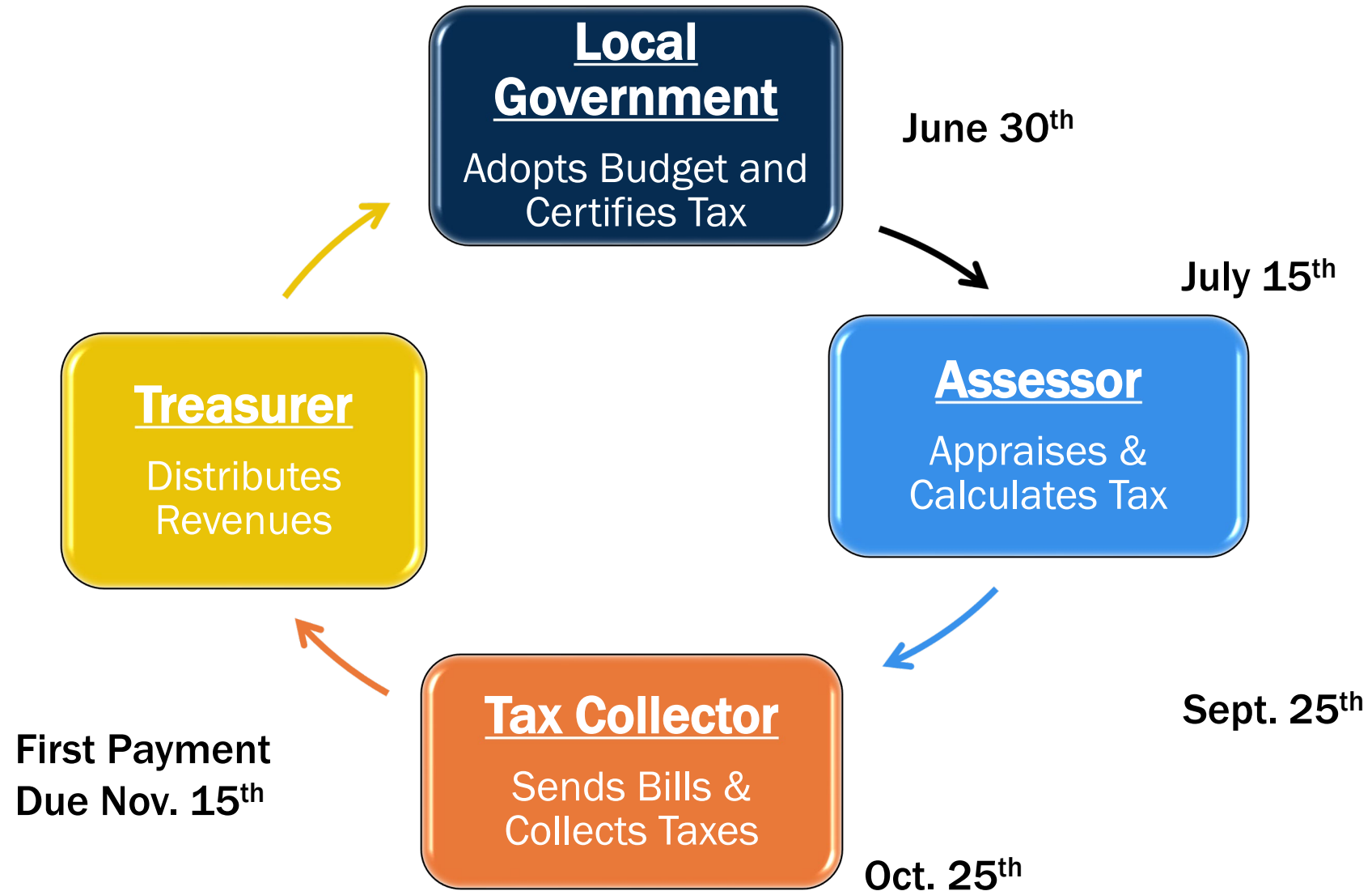


Local Budget Law Changes for 2021

Wildfires
&
Proration of Tax



Property Tax Cycle



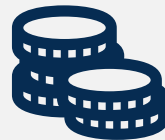
Purpose of Local Budget Law



Establish standard procedures



Outline programs & fiscal policies



Require estimates of resources and expenditures

Purpose of Local Budget Law



Encourage citizen involvement



Control expenditure of public funds



ORS 294.321



Why Follow Local Budget Law?

- A district that doesn't follow local budget law may not lawfully:
 - Expend money (with some exceptions)
 - Certify property taxes to the county assessor





Why follow Local Budget Law?

- A property tax made contrary to LBL is voidable by the Oregon Tax Court if appealed by:
 - County Assessor
 - County Court
 - County Board of Commissioners
 - The Department of Revenue
 - Ten or more interested taxpayers

ORS 294.461



DOR v Umatilla County, otc2519 (1986)

A portion of the 1986-87 tax levy was voided by the court.

Umatilla County failed to republish its budget summary to allow the board to impose a levy amount higher than the amount published in its budget summary.



Civil Liability

Any public official who expends public monies in excess of the amounts or for any other purpose than authorized by law shall be civilly liable for the return of the money, if there is malfeasance in office or willful or wanton neglect of duty.



ORS 294.100

Districts Not Subject to Local Budget Law

ORS 261 People's utility districts

ORS 440 Health districts

ORS 545 Irrigation districts

ORS 551 Diking districts

ORS 553 Water control districts*

ORS 554 District improvement companies or corporations

ORS 568 Soil and water conservation districts*

ORS 371 Special and Assessment road districts

ORS 371 County Road district*

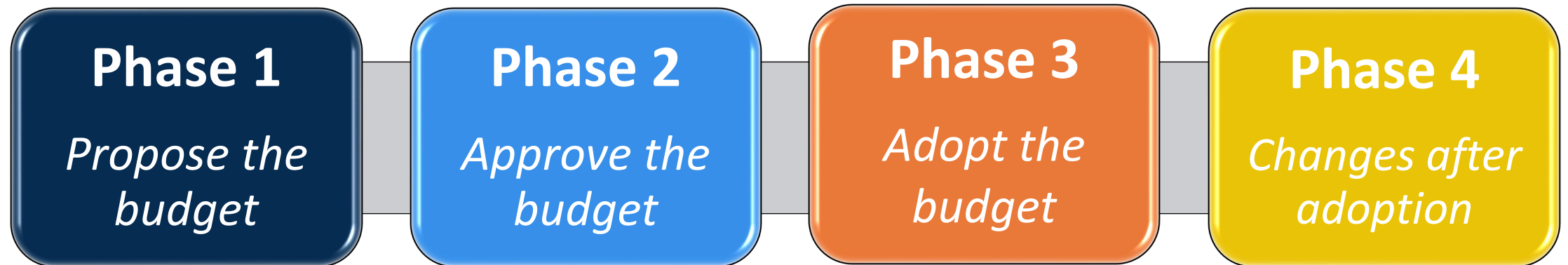
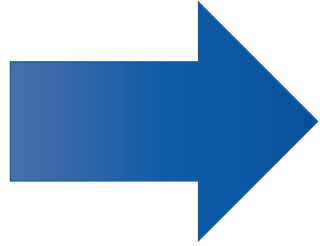
ORS 372 Highway lighting districts

ORS 547 Drainage districts

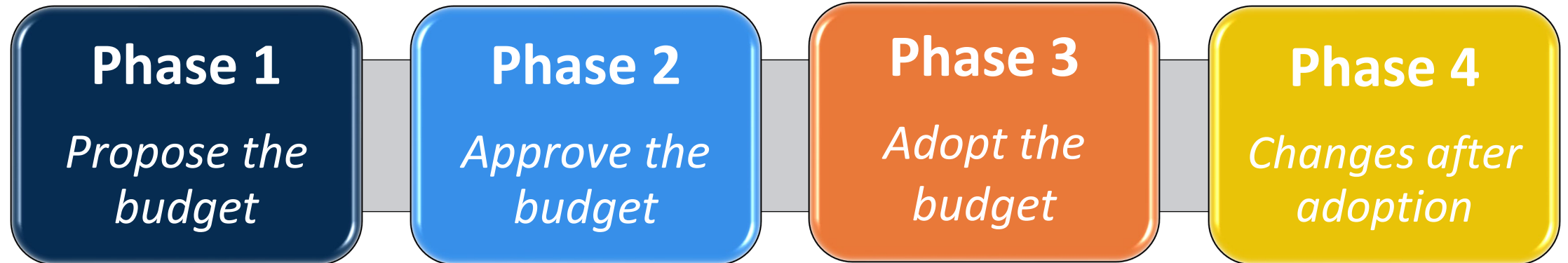
ORS 221 Historic ghost towns

** That will not impose taxes during the ensuing year. If district does impose property tax any year, it is subject to Local Budget Law.*

The Budget Process



The Budget Process



Who's on the Budget Committee

**The Governing Body
+
an Equal Number of Appointed Electors**

Appointed Members

- “Electors” are registered voters in the district
- Cannot be officers, agents or employees
- Appointed for staggered 3-year terms
- All members have the same authority
- If you can't fill all appointed positions, committee can be fewer

ORS 294.414

Notice of Budget Committee Meeting

- Publish notice of the first meeting at which the budget and the budget message are presented, and public comments and questions are heard.
- If public comments are not heard at the first meeting, give notice of both meetings
- In Washington County, also submit summary of proposed budget for publication on the county website (contact the Finance Department).





Publication Methods

- Printing twice in a newspaper of general circulation:
5 - 30 days before meeting
- Posting notice on your website:
*At least 10 days before meeting, AND
Printing once in a newspaper 5 – 30
days before meeting*
- Mailing by U.S. Postal Service first class:
*To each street address, PO Box and RRN
in district at least 10 days before Meeting*
- Hand delivery
*To each street address in district at least
10 days before meeting*

Public Comment at First Meeting

A	Use this notice if public comment will be taken at this meeting.
----------	--

NOTICE OF BUDGET COMMITTEE MEETING

A public meeting of the Budget Committee of the City of East Cupcake, Macaron County, State of Oregon,
(District Name) (County)

to discuss the budget for the fiscal year July 1, 2021 to June 30, 2022, will be held at East Cupcake City Hall,
(Location)

12345 Croissant Lane, East Cupcake. The meeting will take place on May 6, 2021 at 6:00 ☐ am
(Address) (Date) (Time) ☒ pm

The purpose of the meeting is to receive the budget message and to receive comment from the public on the budget.

This is a public meeting where deliberation of the Budget Committee will take place. Any person may appear at the meeting and discuss the proposed programs with the Budget Committee.

A copy of the budget document may be inspected or obtained on or after May 1, 2021 at 12345 Croissant Lane, East Cupcake
(Date) (Location)

X am ☐ am

between the hours of 8:00 AM ☐ pm and 4:30 ☒ pm
(Time) (Time)

Public Comment at Later Meeting

B	Use this notice if public comment will be taken at a later meeting.
----------	---

NOTICE OF BUDGET COMMITTEE MEETING

A public meeting of the Budget Committee of the City of East Cupcake, Macaron County, State of Oregon,
(District Name) (County)

on the budget for the fiscal year July 1, 2021 to June 30, 2022, will be held at East Cupcake City Hall,
(Location)

☐ am
☒ pm

12345 Croissant Lane, East Cupcake. The meeting will take place on May 6, 2021 at 6:00
(Address) (Date) (Time)

The purpose of the meeting is to receive the budget message. This is a public meeting where deliberation of the Budget Committee will take place.

An additional, separate meeting of the Budget Committee will be held to take public comment. Any person may appear at the meeting and discuss the proposed programs with the Budget Committee. The meeting for public comment will be on:

☐ am

Date: May 12, 2021 Time: 6:00 ☒ pm Location: 12345 Croissant Lane, East Cupcake

A copy of the budget document may be inspected or obtained on or after May 1, 2021 at 12345 Croissant Lane, East Cupcake
(Date) (Location)

☒ am ☐ am
between the hours of 8:00 AM ☐ pm and 4:30 ☒ pm
(Time) (Time)



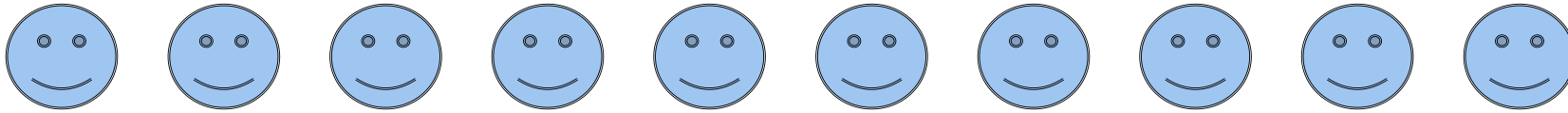
Budget Committee's Meeting Process

- All meetings are subject to Public Meetings Law
- Presiding officer must be elected at first meeting
- Quorum is required to conduct business
- Majority of committee is required to take action
- Committee may request and receive additional information from district officials



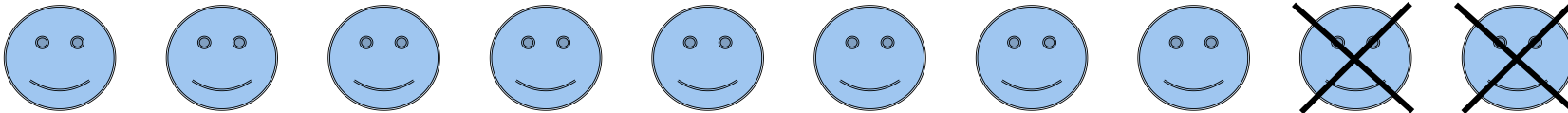
Quorum

Budget Committee of 10



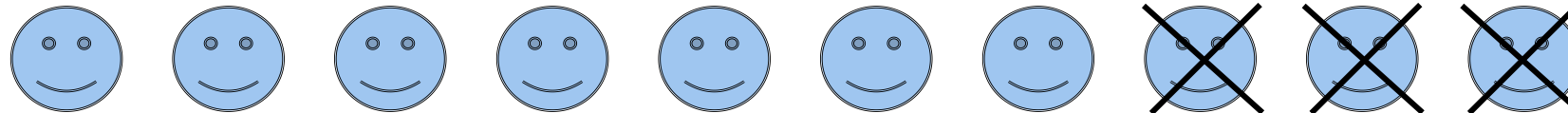
Full Budget committee

Quorum = 6



8 Filled – 2 Vacancies

Quorum = 5



7 Filled – 3 Vacancies

Quorum = 4

Majority

5 Governing Body



Majority = 6

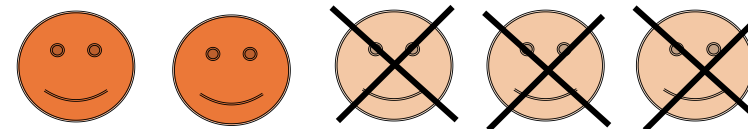


Vacancies on the governing body are **not removed** from total.

Majority = 6



5 Electors



Elector vacancies are **removed** from total.

Majority = 4

What The Budget Committee Does

1. Receives the budget document
2. Hears the budget message
3. Hears & considers public comment
4. Discusses and revises the budget as needed
5. Approves the budget
6. Approves the property taxes



1: Receives the Budget Document

- Budget is a public document when released to committee
- Available to the public at the same time as the committee
- Public has right to inspect
- Must provide means for public to copy (can also charge for copies)





2:The Budget Message

- Prepared by or under direction of executive officer
- Explains budget document
- Describes financial policies
- Explains any changes since last year
- Must be in writing
- Anyone can deliver it

ORS 294.403



3: Hear Public Comment



- On the date and time in the published notice
- Any person may ask questions about and comment on the budget ORS 294.426(4)(c)
- Can establish time limits and other policies for public comment period
- Add additional meetings if desired



Town of Litchfield, NH – Mosquito Control District



<https://www.youtube.com/watch?v=RTXUIVmJQmQ>

4: Discuss and Revise the Budget

- Discuss and (if a majority feels necessary) revise the proposed budget.
- May reduce or increase the estimate of resources and requirements.
- May approve budget at first meeting or it may take several meetings.

May provide same notice as a regular meeting of governing body for additional meetings following the meeting at which budget message is read and public comment is heard





5: Approve the Budget

Sample Motion to Approve Budget:

"I move that the budget committee of Sample City approve the budget for the 2021-22 fiscal year in the amount of 13,910,076."

(motion and vote recorded in the minutes)



6: Approve Each Tax levy

Sample Motion to Approve Taxes:

"I move that the budget committee of East Cupcake approve property taxes for the 2021-22 fiscal year at the rate of \$4.4143 per \$1,000 of assessed value for the permanent rate tax levy, in the amount of \$0.1213 for the local option tax levy, and in the amount of \$496,315 for the general obligation bond levy."

(motion and vote recorded in the minutes)



The Budget Committee is now finished!!!

Budget Committee Question 1



East Cupcake's city council received a resignation notice from one of the appointed budget committee members. The member has only served 2 years and 6 months of his 3-year term.

What should the City Council do?

Budget Committee Question 2

The East Cupcake City Council is supposed to have five members, but one position is vacant. There are supposed to be five appointed members of the budget committee, but the council can only find three people willing to serve.



How many people must be at a budget committee meeting for there to be a quorum?

How many votes are required to pass a motion?

Budget Committee Question 3

The city of East Cupcake published a notice that their first budget committee meeting would be held on March 11th and that they would take public comment at that meeting. On March 11th two of the budget committee members can't make it to the meeting because of the flu. As a result, there isn't a quorum at the meeting.



Can an alternate member fill in for an absent member?

Boundary Changes



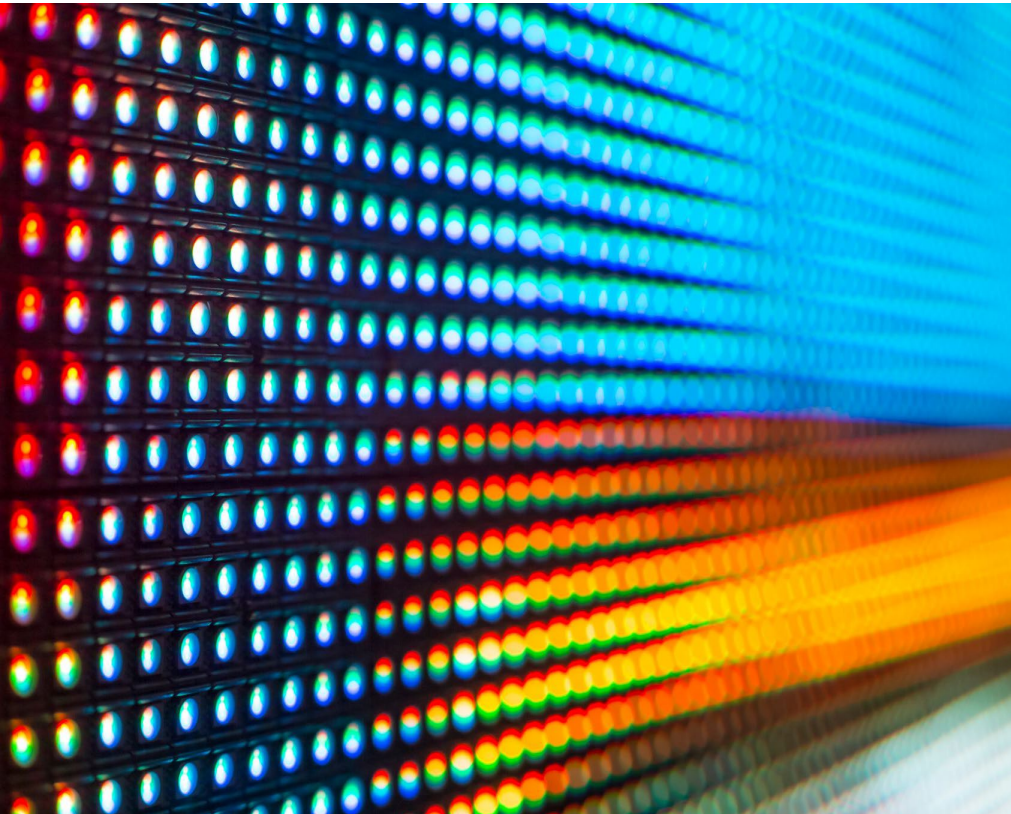
- The Cadastral Information Systems Unit (CISU) web page about how to comply with ORS 308.225 when making changes to your boundaries has been updated.
- For assistance in how to comply with the statute, please review the information at:

https://www.oregon.gov/DOR/forms/FormsPubs/boundary-change_504-405.pdf



Property Tax Resources

- Oregon Revised Statutes (ORS 294.305-294.565)
- Oregon Administrative Rules (OAR 150-294-0300 to 150-294-0550)
- Local Budget Law Manuals and Publications
 - Property Tax Research Reports
 - Tax Expenditure Report
- Property Tax Statistics Report
- Online Videos
- DOR Local Budget Law Training Videos
 - YouTube Deschutes Property Tax Fairy
 - Property Taxes: The Tax Fairy explains, what's in it for me?
 - Why Property Values Fluctuate?



Questions?

Danette Benjamin	(971) 301-1149	danette.m.benjamin@oregon.gov
Melanie Cutler	(971) 301-1128	melanie.cutler@oregon.gov
Jean Jitan	(971) 600-4097	jean.jitan@oregon.gov
Arlen Stewart	(971) 209-9970	arlen.r.stewart@oregon.gov



FT&E Message Phone # (503) 945-8293

Email finance.taxation@oregon.gov

Local Budget Forms and Manuals on Internet:

<http://www.oregon.gov/DOR/programs/property/Pages/local-budget.aspx>

Subscribe to our email list for email notices of future training workshops and news on any changes to Local Budget Law. Sign up through this link:

<http://listsmart.osl.state.or.us/mailman/listinfo/localbudget>