



Basic Local Budget Law

Online via Zoom

March 27, 2025

Finance, Taxation & Exemptions

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



Reviews Tax Certifications

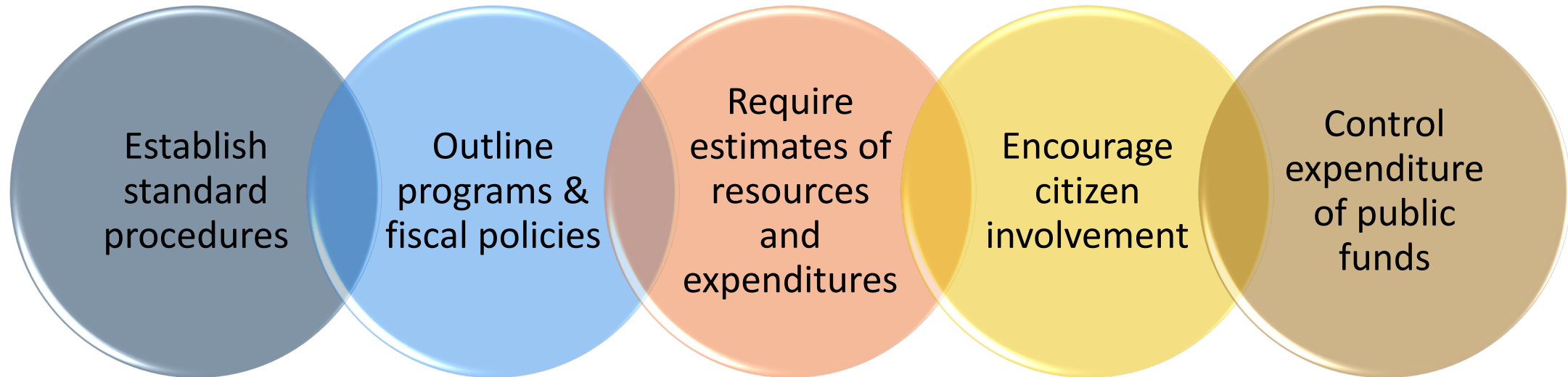


Reviews District Budgets



Advises County Assessors and Tax Collectors on Property Tax Law

Purpose of Local Budget Law



Why you should follow LBL

1. A district that doesn't follow Local Budget Law may not lawfully:

- Expend money (with some exceptions)
- Certify property taxes to the county assessor

2. 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

3. Civil Liability:

- Any public official who expends public monies in excess of the amounts, or for any other purpose other 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 294.338, 294.461, & 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.

Council of Governments

Definition

- An entity organized by units of local government under an intergovernmental agreement and that provides services directly to individuals. ORS 294.900

Subject to Local Budget Law?



Yes, if levying a property tax



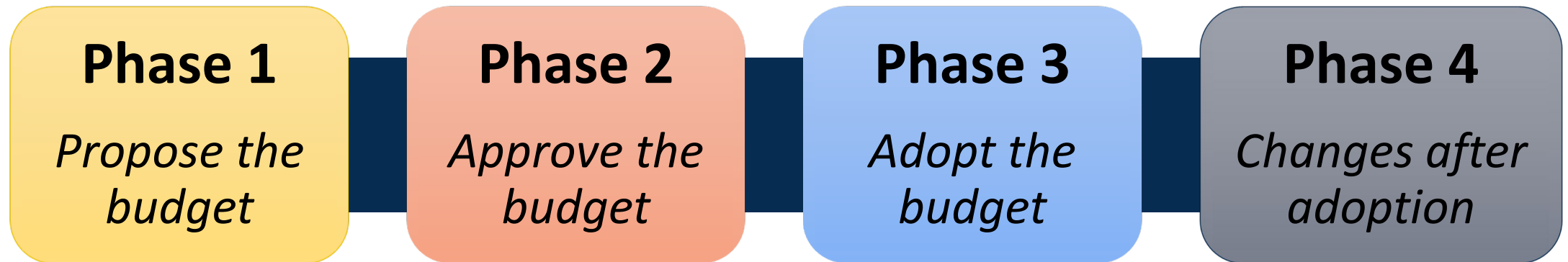
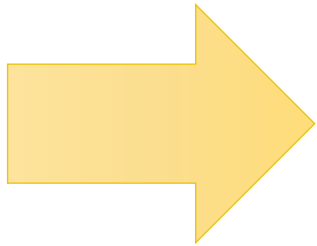
No, if not levying a property tax

But subject to separate budget requirements found in ORS 294.900 – 294.930

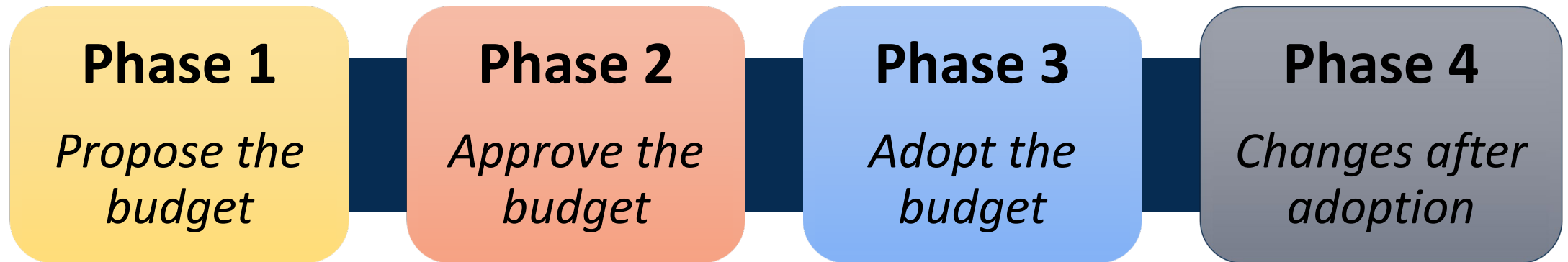
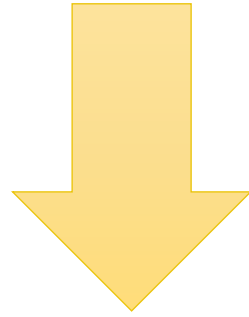
Phase 2 Budget Committee Approves the Budget



The Budget Process



The Budget Process



Who's on the Budget Committee

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

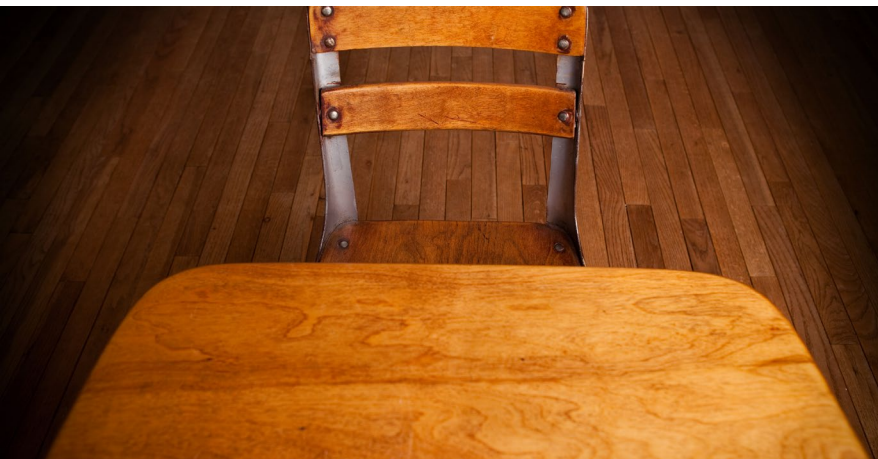
Appointed Members

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

ORS 294.414



Who's on the Budget Committee



School Districts and 2021 SB 732

- Creates Educational Equity Advisory Committees
- Requires school districts to include at least one member of the educational equity advisory committee of the school district on the budget committee.
- Took effect July 1, 2022 (first year's budget process) and after an elector vacancy occurs on the committee



ORS 328.542 (2)

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).

ORS 294.426



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*

ORS 294.426



What is a newspaper?

- Print or Digital format
- Consistent and regular coverage of local news
- Published in English
- Paid subscribers of at least a year accounting for more than half the total distribution of printed newspapers and paid-for digital newspapers*
- Has been published at least once a week for the preceding 12 consecutive months*

*Does not apply for up to 12 months after newspaper of record ceases to publish and there is no reasonable alternative.

ORS 193.010

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 Sunny Shores, Green County, State of Oregon,
(District Name) (County)

to discuss the budget for the fiscal year July 1, 2025 to June 30, 2026, will be held at Sunny Shores City Hall,
(Location)

511 Waterspout Way, Sunny Shores. The meeting will take place on May 5, 2025 at 6:30 ☐ 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, 2025 at 511 Waterspout Way, Sunny Shores
(Date) (Location)

☒ am ☐ am
between the hours of 8:30 AM ☐ pm and 5:00 ☒ 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 Sunny Shores, Green County, State of Oregon,
(District Name) (County)

on the budget for the fiscal year July 1, 2025 to June 30, 2026, will be held at Sunny Shores City Hall,
(Location)

511 Waterspout Way, Sunny Shores. The meeting will take place on May 5, 2025 at 6:30 ☐ am ☒ pm
(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, 2025 Time: 6:00 ☒ pm Location: 511 Waterspout Way, Sunny Shores

A copy of the budget document may be inspected or obtained on or after May 1, 2025 at 511 Waterspout Way, Sunny Shores
(Date) (Location)

☒ am ☐ am
between the hours of 8:30 AM ☐ pm and 5:00 ☒ 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

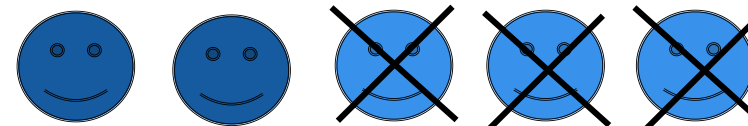


Vacancies on the governing body are **not removed** from total.

Majority = 6



5 Electors



Elector vacancies are **removed** from total.

Majority = 4

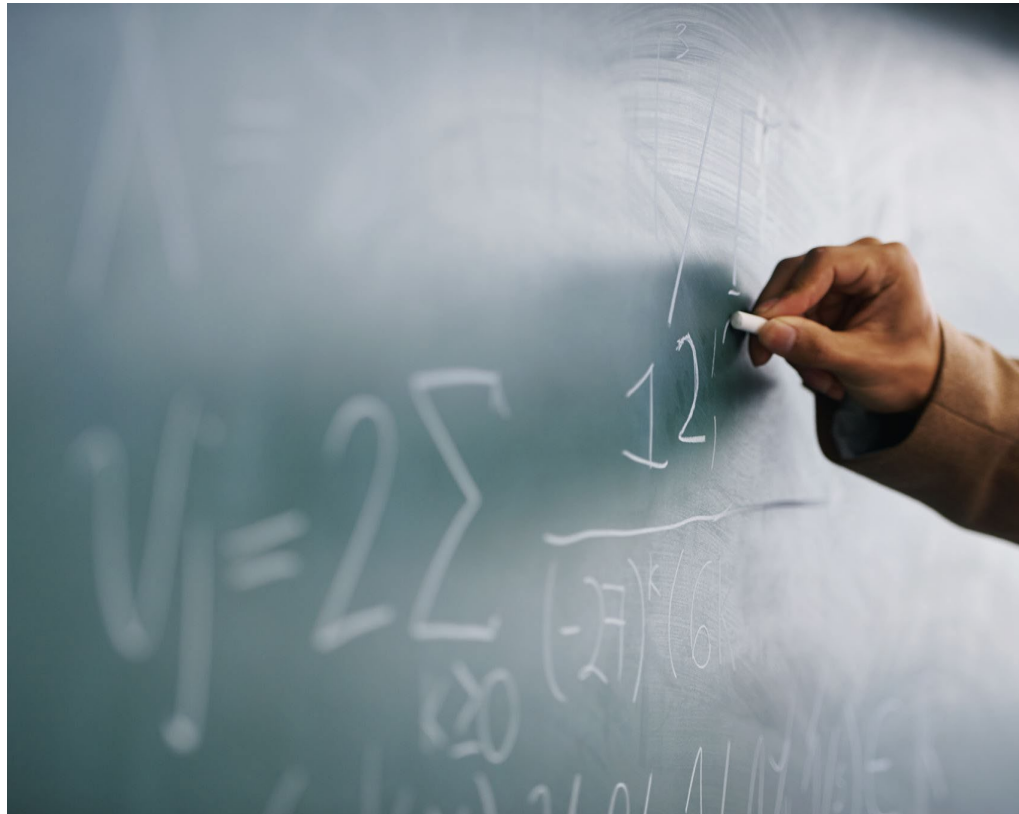
What the Budget Committee Does

1. Receives the budget document
2. Hears the budget message
3. Hears and 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 the 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 the City of Sunny Shores approve the budget for the 2025-26 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 the City of Sunny Shores approve property taxes for the 2025-26 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!!!



The End

Budget Committee Question 1

The Sunny Shores City Council is supposed to have six members, but one position is vacant. There are supposed to be six appointed members of the budget committee, but the council can only find four people willing to serve.

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

How many votes are required to pass a motion?



Budget Committee Question 2

The Sunny Shores City Council receives a resignation from one of the appointed budget committee members. The member has only served 2 years and 6 months of their 3-year term.

What should the City Council do?



Budget Committee Question 3

The City of Sunny Shores publishes a notice that their first budget committee meeting would be held on April 7 and that they would take public comment at that meeting. On April 7 three 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?

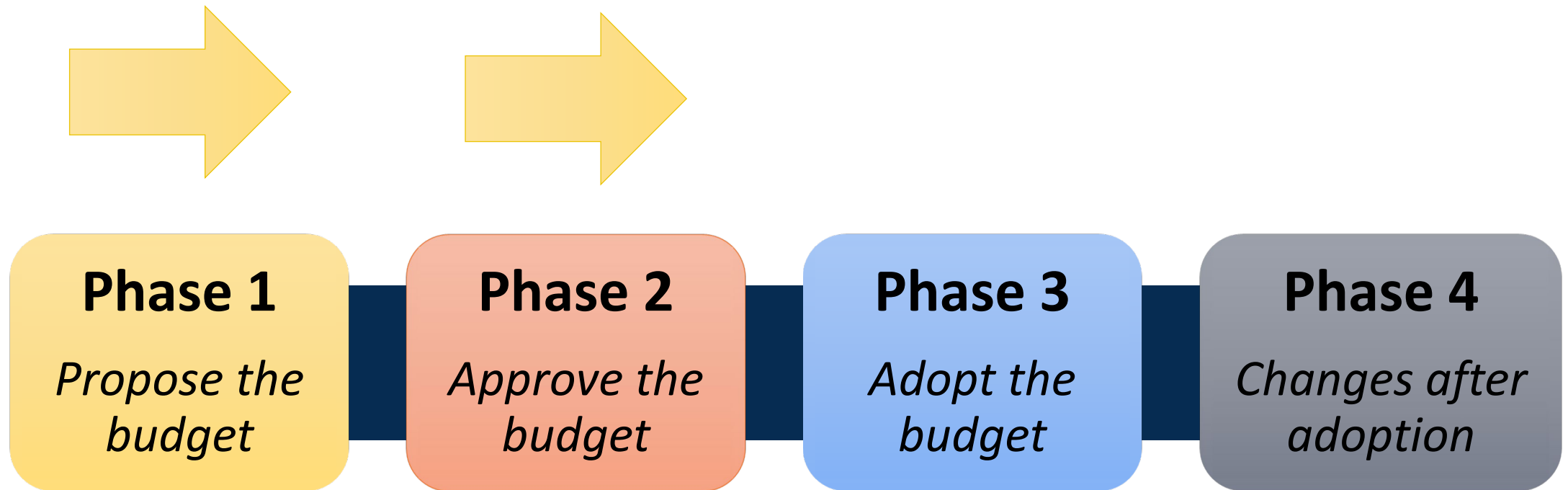


Phase 3

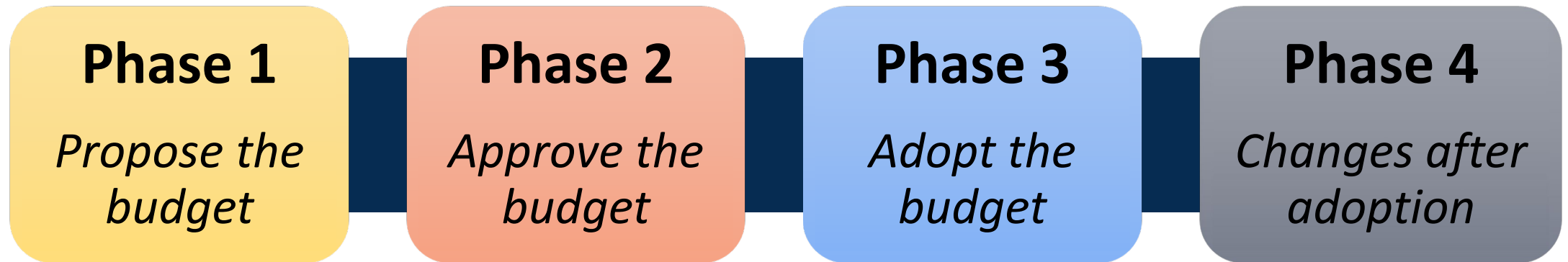
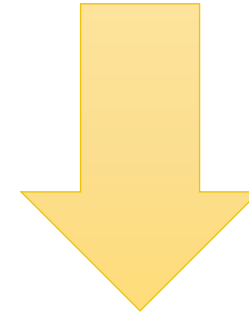
Adopting the Budget



The Budget Process



The Budget Process



Publish Budget Hearing Notice and Summary of Budget

- Print once in newspaper 5-30 days before hearing
- Mail or hand deliver to each street address, PO Box and RRN 5-30 days before hearing
 - There is no Internet option for this notice
 - If budget < \$100,000 and no newspaper published in the district, can post in three places for at least 20 days prior to hearing

In Multnomah County, submit budget to Tax Supervising Conservation Commission, if subject to its jurisdiction.

ORS 294.438



LB-1 Form and Review Hearing Notice





Alternative Publication Format

- Optional Narrative Format
- Same information as on the LB-1 form
- Same timeline as with LB-1 form
- Can use narrative, charts, pictures, etc.



Correcting Publication Errors

- Publication is considered sufficient if the budget officer makes a “good faith” effort.
- If you know your notice will be late, re-schedule the hearing and publish timely.
- If you know your hearing won’t be on the date published, publish another notice.





Correcting Publication Errors

- If these errors occur:
 - Typographical error
 - Math error
 - Error in calculating the tax
- Then at first meeting after the error is discovered, the budget officer must:
 - Advise the governing body in writing, and
 - Give testimony correcting the error

ORS 294.451

Governing Body Holds Budget Hearing

- Hold the hearing on the date published, or rescheduled and publish a revised notice
- Hearing is on the budget “as approved” by budget committee
- Any person may comment on the budget



Changes After Budget Hearing

After the hearing, the governing body can change the budget estimates and tax levy approved by the budget committee.

However, if they want to:

- increase tax by any amount, OR increase expenditures in any fund by 10 percent or more (or \$5,000 – whichever is greater)

They must republish the amended budget summary and hold another budget hearing.



Budget Requirements

| | | Object Classifications | Allocated or Not Allocated to an Organizational Unit or Program? |
|--------------|--------------|------------------------------------|--|
| Requirements | Expenditures | Personnel Services | Usually Allocated |
| | | Materials and Services | |
| | | Capital Outlay | |
| | | Special Payments | Not Allocated |
| | | Debt Service | |
| | | Transfers (out) | |
| | | Operating Contingency | |
| | | Reserved for Future Expenditure | |
| | | Unappropriated Ending Fund Balance | |

ORS 294.388

Resolutions

After the hearing and **on or before June 30**, the governing body must enact a resolution to:

1. Adopt the budget
2. Make Appropriations
3. Impose each tax levy
4. Categorize each tax by its Measure 5 category (Education or General Government)



1: Resolution Adopting the Budget



State the fiscal year or biennial budget period



State the total \$ amount of budget resources
(Be sure to include all resources and all funds)



Sample of Resolution Adopting
the Budget:

*“BE IT RESOLVED that the Board of Directors of
(district name) hereby adopts the budget for fiscal
year 2025-2026 in the total amount of \$XXXXX. This
budget is now on file at (address).”*

2: Resolution Making Appropriations *Based on Organizational Units or Programs*

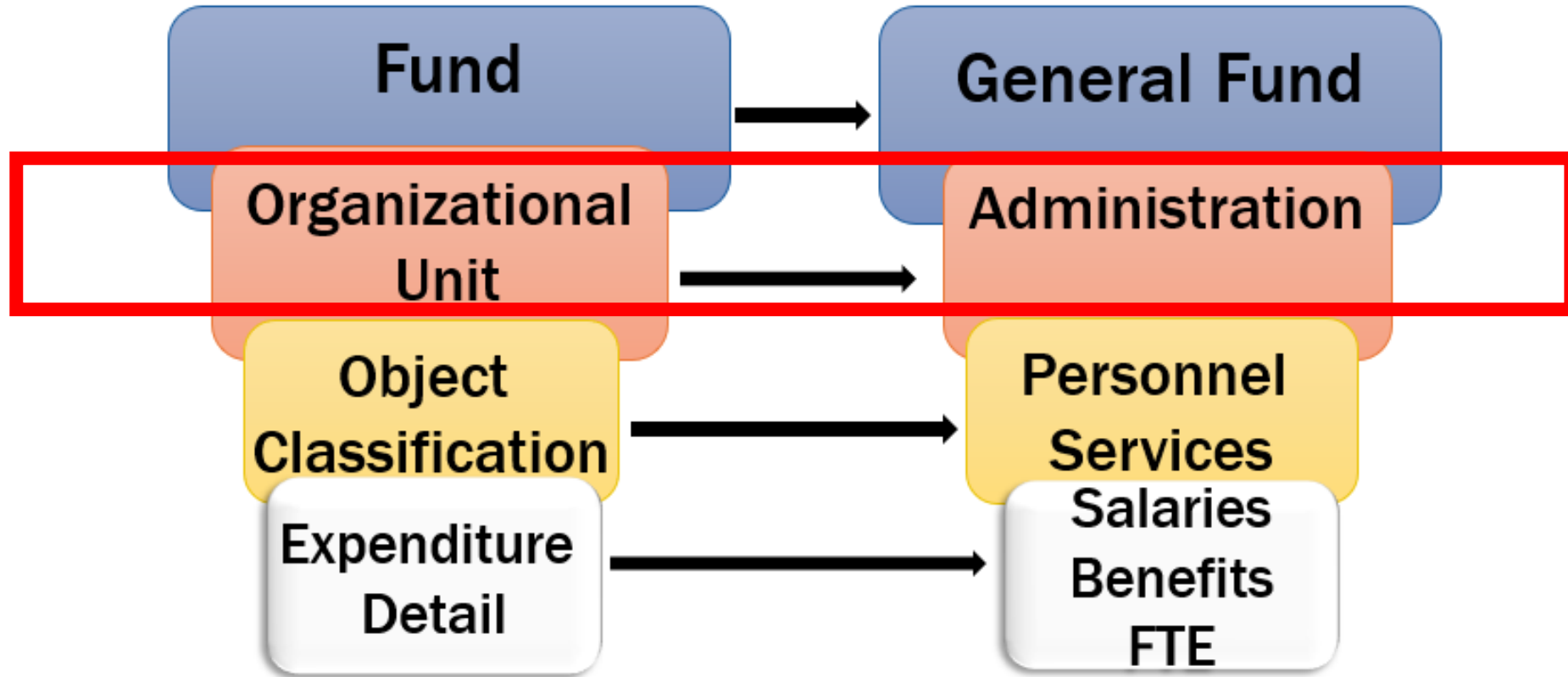
One amount for each Organizational Unit or Program.

Include only Personnel Services, Materials and Services, and Capital Outlay

Separate amounts for any:

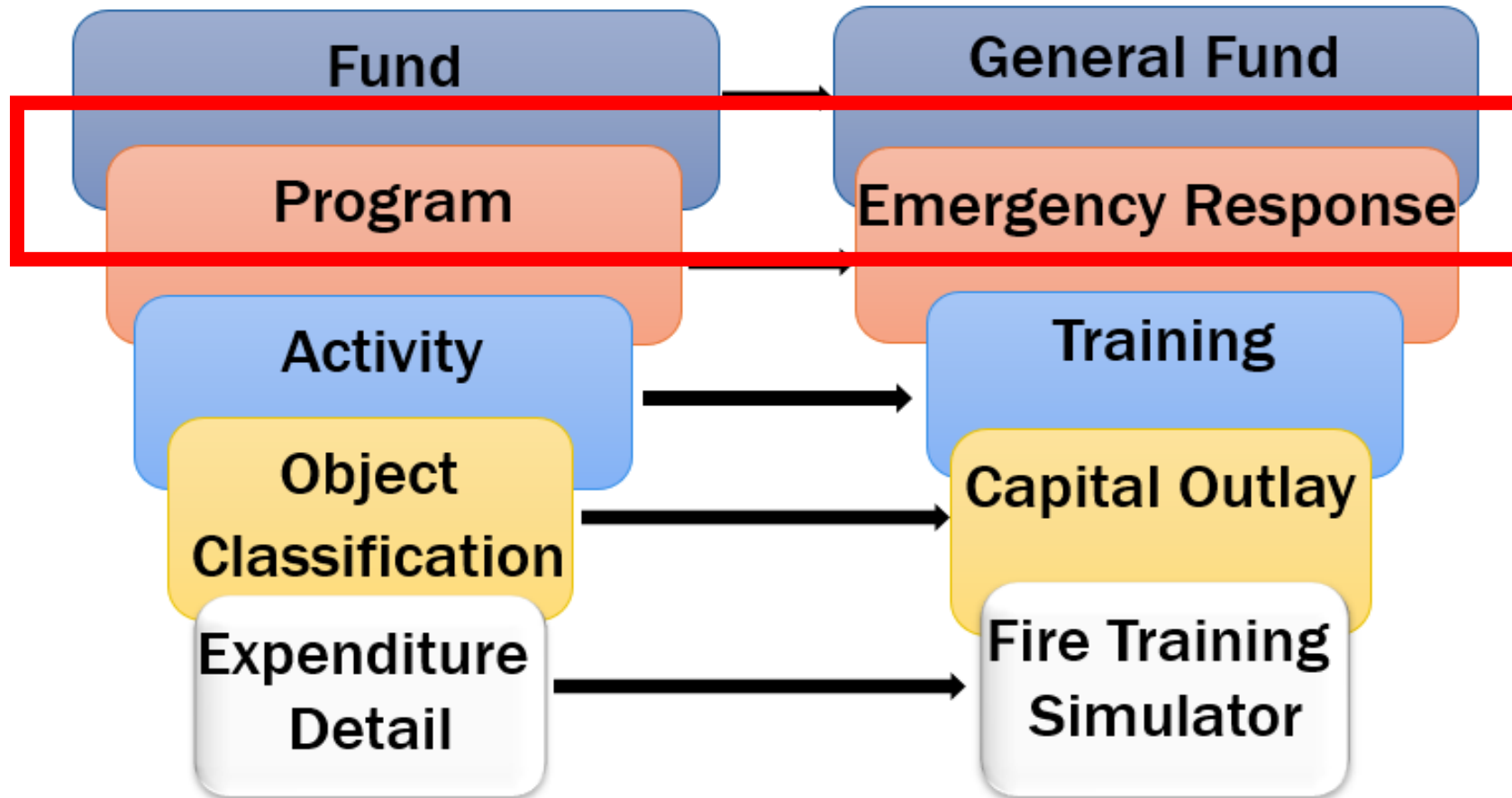
- Personnel Services, Materials and Services, or Capital Outlay not allocated to an organizational unit or program
- Debt Service
- Special Payments
- Transfers
- Operating Contingency

Budget Organization – Organizational Units



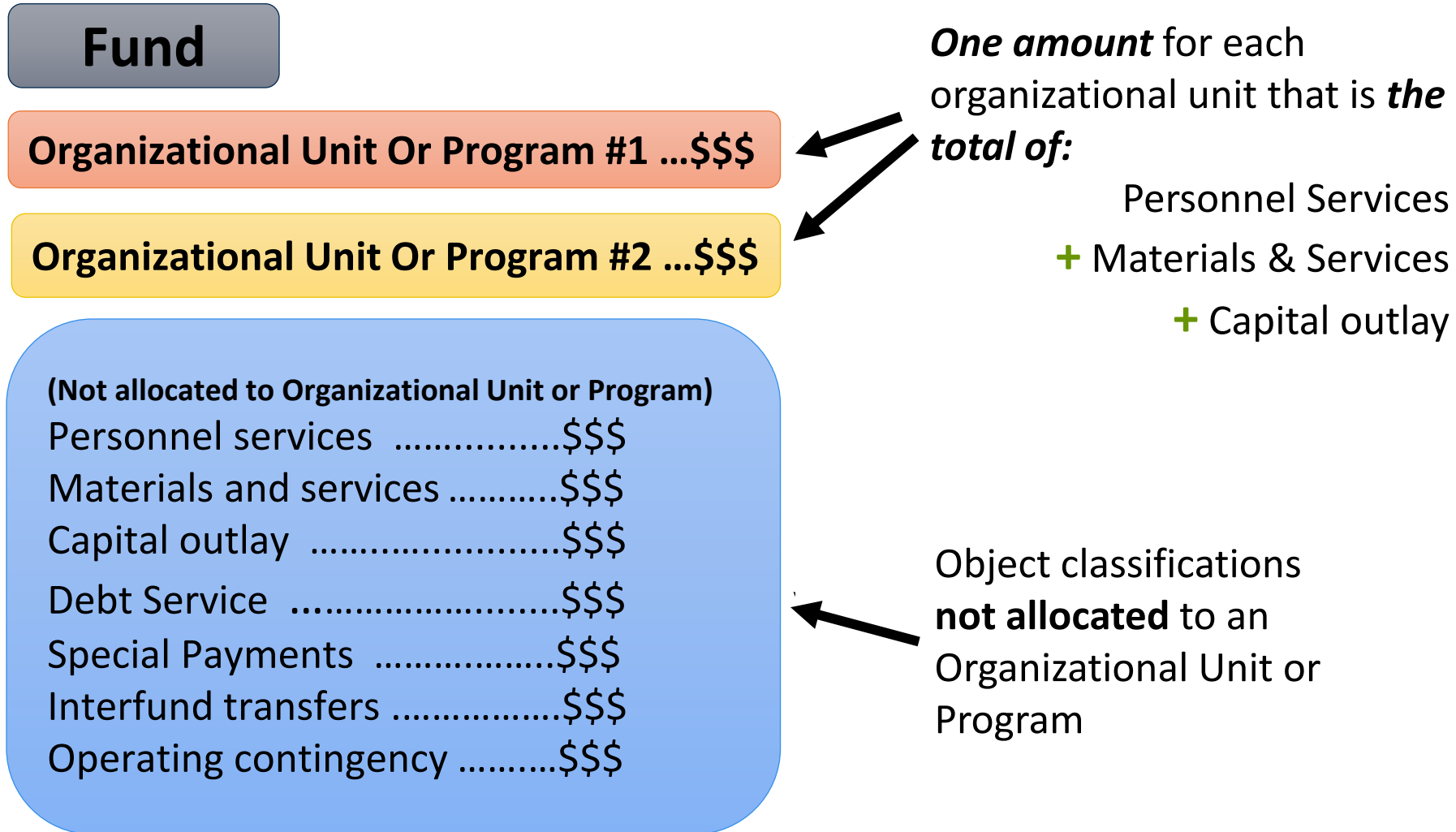
Appropriate **one amount** at this level for Personnel Services + Materials and Services + Capital Outlay

Budget Organization – Programs



Appropriate **one amount** at this level for Personnel Services + Materials and Services + Capital Outlay

Statutory Appropriations



Appropriating to Greater Detail

Statutory Minimum Standard

General Fund

Administration \$5,000

Greater detail allowed by Admin Rule

General Fund

Administration

| | |
|------------------------|---------|
| Personnel Services | \$2,000 |
| Materials and Services | \$2,000 |
| Capital Outlay | \$1,000 |

OAR 150-294-0510

Organization of Appropriations

General fund

Admin

Public Safety

Parks and Rec

Library

Municipal Court

Facilities

Personnel Services

Transfers

Contingency

GO Bond Debt Service Fund

Debt Service

Streets Fund

Street Department

Library Special Revenue Fund

Library

Facilities Reserve Fund

Facilities

Appropriations Example

General Fund

| | |
|---------------------------|----------------------|
| Administration | \$557,540 |
| Public Safety | 4,575,600 |
| Parks and Rec | 304,500 |
| Library | 424,650 |
| Municipal Court | 178,000 |
| Facilities | 334,000 |
| Personnel Services | 150,000 |
| Transfers | 170,000 |
| Contingency | <u>75,000</u> |
| Total | \$7,187,890 |

Schools Appropriate by ODE Function

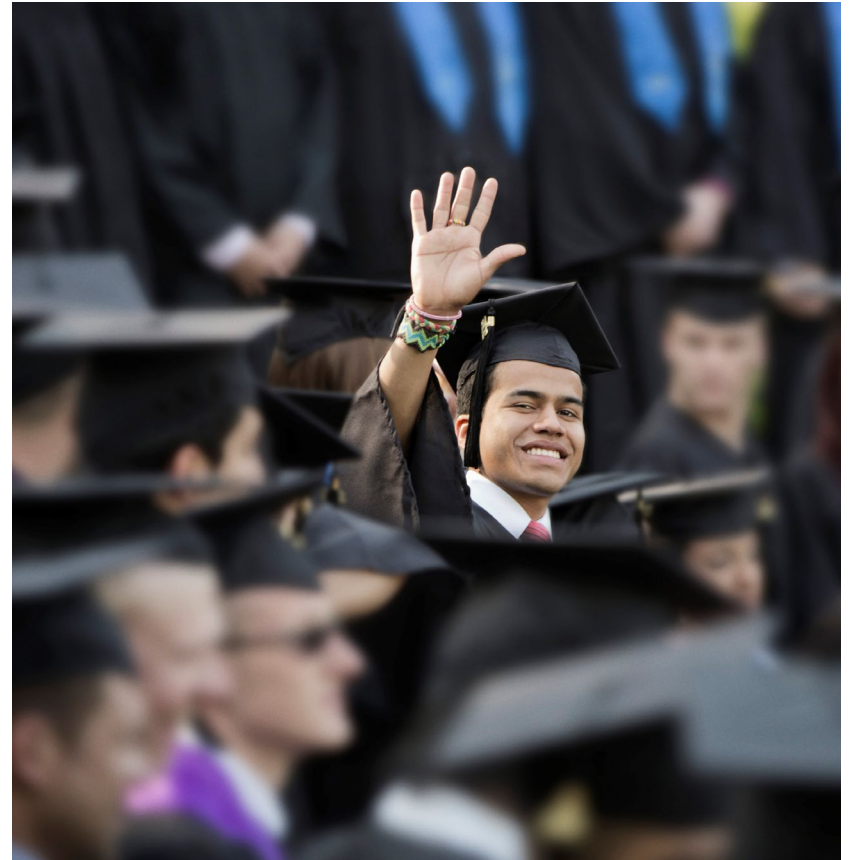
For each fund:

| | |
|-------------|---|
| 1000 | Instruction |
| 2000 | Support Services |
| 3000 | Enterprise & Community Services |
| 4000 | Facilities Acquisition and Construction |
| 5000 | Other Uses |
| | <i>5100</i> Debt Service |
| | <i>5200</i> Transfers |
| 6000 | Contingency |

ORS 294.393

Community Colleges Appropriate

- By Higher Education Coordinating Commission (HECC) Function;
- By ODE Function; or
- By Organizational Unit



Appropriations

| | |
|---------------------------|--|
| Appropriated | <ul style="list-style-type: none">• Personnel Services• Materials & Services• Capital Outlay• Debt Service• Special Payments• Transfers Out• Contingency |
| Never Appropriated | <ul style="list-style-type: none">• Reserved for Future Expenditure• Unappropriated Ending Fund Balance (UEFB) |

Common Appropriation Errors

- ✗ No organizational units or programs or only in general fund
- ✗ “Non-departmental” identified as a “department”
- ✗ Contingency appropriated in a non-operating fund
- ✗ Reserves for Future Expenditure and Unappropriated Ending Balances appear to be appropriated



Appropriation Question 1

*What's wrong with
these appropriations?*

| | | |
|--|-----------|-----------|
| GENERAL FUND | | |
| Administration/Finance | 432,600 | |
| Court | 28,350 | |
| Community Development | 114,940 | |
| Police | 533,505 | |
| Fire | 742,200 | |
| Non-Departmental: | | |
| Transfers-Out | 647,000 | |
| Contingency | 0 | |
| Fund Total | | 2,498,200 |
| STREET FUND | | |
| Personal Services | 82,800 | |
| Materials & Services | 172,370 | |
| Capital Outlay | 3,500 | |
| Transfers | 33,500 | |
| Contingency | 0 | |
| Fund Total | | 292,170 |
| STREET CAPITAL IMPROVEMENT FUND | | |
| Capital Outlay | 1,971,000 | |
| Debt Service | 130,100 | |
| Fund Total | | 2,101,100 |
| STREET RESERVE FUND | | |
| Capital Outlay | 46,300 | |
| Fund Total | | 46,300 |

Appropriation Question 2

*What's wrong with
these appropriations?*

| GENERAL FUND - 001 | |
|-------------------------------------|------------------|
| Administration | 159,840 |
| Finance | 232,800 |
| Planning/Land Use | 175,580 |
| Municipal Court | 53,025 |
| Police Department | 702,900 |
| Parks Department | 66,375 |
| Pool Department | 90,410 |
| Transfers | 152,000 |
| Operating Contingencies | 233,750 |
| Total General Appropriations | 1,866,680 |

| Tourism Fund - 005 | |
|-------------------------------------|----------------|
| Material & Services | 113,884 |
| Total Tourism Appropriations | 113,884 |
| | |
| Street Fund - 011 | |
| Personal Services | 24,515 |
| Materials & Services | 95,450 |
| Capital Outlay | 10,000 |
| Transfers | 317,210 |
| Operating Contingencies | 120,000 |
| Total Street Appropriations | 567,175 |

| Water Fund - 012 | |
|-----------------------------------|------------------|
| Personal Services | 518,425 |
| Materials & Services | 374,600 |
| Capital Outlay | 84,806 |
| Transfers | 507,169 |
| Operating Contingencies | 364,125 |
| Total Water Appropriations | 1,849,125 |

| Sewer Fund - 013 | |
|-----------------------------------|------------------|
| Personal Services | 381,381 |
| Materials & Services | 315,700 |
| Capital Outlay | 4,000 |
| Transfers | 397,717 |
| Operating Contingencies | 274,699 |
| Total Sewer Appropriations | 1,373,497 |

| Capital Improvement Fund - 017 | |
|---------------------------------|-------------------|
| Facilities/ Special Projects | 6,250,000 |
| Park Projects | 75,000 |
| Transportation Projects | 370,000 |
| Water Projects | 1,720,000 |
| Sewer Projects | 1,645,000 |
| Stormwater Projects | 100,000 |
| Transfers | 0 |
| Operating Contingencies | 820,728 |
| Total CIF Appropriations | 10,980,728 |

| System Development Fund - 020 | |
|---------------------------------|------------------|
| Water SDCs | 1,132,099 |
| Sewer SDCs | 1,464,866 |
| Transportation SDCs | 714,277 |
| Parks SDCs | 163,430 |
| Stormwater SDCs | 389,679 |
| Total SDC Appropriations | 3,864,351 |

| GO Bond 2015 - Pool Project - 024 | |
|--|---------------|
| Debt Service | 64,406 |
| Operating Contingencies | 2,491 |
| Total GO Bond 2015 Appropriations | 66,897 |

| Debt Service Fund - C26 | |
|--|----------------|
| Debt Service | 386,361 |
| Operating Contingencies | 163,854 |
| Total Debt Service Appropriations | 550,215 |

| Vehicle Replacement Fund - 027 | |
|----------------------------------|----------------|
| Capital Outlay | 77,000 |
| Operating Contingencies | 30,193 |
| Total VERF Appropriations | 107,193 |

Appropriation Question 3

*What's wrong with
these appropriations?*

| General Fund | |
|---------------------------|------------|
| Personal Services..... | \$ 12,558 |
| Materials & Services..... | \$ 41,570 |
| Capital Outlay..... | \$ 37,500 |
| Transfers..... | \$ - |
| Contingency..... | \$ 30,522 |
| Total..... | \$ 122,150 |

| Water O & M Fund | |
|---------------------------|-----------|
| Personal Services..... | \$ 16,046 |
| Materials & Services..... | \$ 24,728 |
| Capital Outlay..... | \$ 10,000 |
| Transfers..... | \$ 10,000 |
| Contingency..... | \$ 7,654 |
| Total..... | \$ 68,428 |

| Sewer O & M Fund | |
|---------------------------|-----------|
| Personal Services..... | \$ 16,046 |
| Materials & Services..... | \$ 22,428 |
| Capital Outlay..... | \$ 5,000 |
| Transfers..... | \$ - |
| Contingency..... | \$ 1,066 |
| Total..... | \$ 44,540 |

| State Street Fund | |
|---------------------------|-----------|
| Personal Services..... | \$ 5,930 |
| Materials & Services..... | \$ 8,184 |
| Capital Outlay..... | \$ 5,000 |
| Contingency..... | \$ 6,786 |
| Total..... | \$ 25,900 |

| County Road Fund | |
|---------------------------|------------|
| Personal Services..... | \$ 13,488 |
| Materials & Services..... | \$ 24,648 |
| Capital Outlay..... | \$ 15,000 |
| Contingency..... | \$ 71,979 |
| Total..... | \$ 125,115 |

| Transfer Station Fund | |
|---------------------------|-----------|
| Personal Services..... | \$ 12,674 |
| Materials & Services..... | \$ 23,662 |
| Capital Outlay..... | \$ - |
| Contingency..... | \$ 124 |
| Total..... | \$ 36,460 |

| Water Bond Debt | |
|-----------------------------|------|
| Principal Requirements..... | \$ - |
| Interest Requirements..... | \$ - |
| Total Requirements..... | \$ - |

| Sewer Repair Bond Debt | |
|-----------------------------|----------|
| Principal Requirements..... | \$ 4,423 |
| Interest Requirements..... | \$ 674 |
| Total Requirements..... | \$ 5,097 |

| | |
|--|-------------------|
| Total APPROPRIATIONS, All Funds..... | \$ 427,690 |
| Total Unappropriated and Reserve, All Funds.... | \$ 334,075 |
| TOTAL ADOPTED BUDGET..... | \$ 761,765 |

Appropriation Question 4

*What's wrong with
these appropriations?*

| <u>General Fund</u> | |
|----------------------|------------------|
| Personnel Services | \$47,550 |
| Materials & Services | \$73,500 |
| Capital Outlay | \$16,000 |
| Transfers | \$0 |
| Other Expenditures | \$0 |
| Contingencies | \$80,110 |
| Total | \$217,160 |

| <u>Water Fund</u> | |
|----------------------|------------------|
| Personnel Services | \$23,500 |
| Materials & Services | \$19,300 |
| Capital Outlay | \$39,644 |
| Transfers | \$0 |
| Other Expenditures | \$0 |
| Contingencies | \$17,856 |
| Total | \$100,300 |

| <u>Golf Fund</u> | |
|----------------------|-----------------|
| Personnel Services | \$1,100 |
| Materials & Services | \$12,800 |
| Capital Outlay | \$0 |
| Transfers | \$0 |
| Other Expenditures | \$0 |
| Contingencies | \$400 |
| Total | \$14,300 |

| <u>Road Fund</u> | |
|----------------------|------------------|
| Personnel Services | \$15,450 |
| Materials & Services | \$27,100 |
| Capital Outlay | \$110,000 |
| Transfers | \$0 |
| Other Expenditures | \$0 |
| Contingencies | \$9,950 |
| Total | \$162,500 |

| <u>Transfer Station Fund</u> | |
|------------------------------|-----------------|
| Personnel Services | \$17,400 |
| Materials & Services | \$26,750 |
| Capital Outlay | \$7,500 |
| Transfers | \$0 |
| Other Expenditures | \$0 |
| Contingencies | \$9,850 |
| Total | \$61,500 |

| <u>Sewer Fund</u> | |
|----------------------|------------------|
| Personnel Services | \$25,400 |
| Materials & Services | \$32,900 |
| Capital Outlay | \$105,000 |
| Transfers | \$0 |
| Other Expenditures | \$0 |
| Contingencies | \$82,800 |
| Total | \$246,100 |

Appropriation

Question 5

What's wrong with these appropriations?

| | |
|-------------------|--------------------|
| 10 General | \$1,985,838 |
| Administration | 351,609 |
| City Services | 346,131 |
| Public Safety | 463,000 |
| Capital Outlay | 20,000 |
| Contingency | 801,598 |
| Reserves | 3,500 |
| 11 Parks | \$ 25,000 |
| Contingency | 25,000 |
| 20 Streets | \$ 308,089 |
| Street Operations | 123,883 |
| Capital Outlay | -0- |
| Grant | -0- |
| Transfer Out | 16,519 |
| Contingency | 167,687 |

Discussion: Adopting and Appropriating

1. Can the resolution making appropriations include any of these appropriation categories: Miscellaneous, other, UEFB?
2. Which object classifications can be included in the appropriation amount for an organizational unit/program?
3. Which statutory appropriation categories must be appropriated separately from a program or organizational unit?
4. In what type of fund are you allowed to budget and appropriate for contingency?
5. Should the total adopted budget amount include the unappropriated amounts?



3: Resolution Imposing the Tax

- Impose each tax levy separately.
- Impose permanent rate per \$1,000 or a dollar amount (not both).
- Impose local option levy as approved by voters.
- Impose bond levy as a dollar amount.

Cannot exceed rate/amount approved by Budget Committee unless you republish budget summary and hold another hearing

4: Resolution Categorizing the Tax

| Type of Tax | Subject to General Gov't Limit | Excluded from Limitation |
|----------------------|--------------------------------|--------------------------|
| Permanent rate limit | \$4.4143/\$1,000 | |
| Local option levy | \$0.1213/\$1,000 | |
| GO Bond levy | | \$496,315 |

Categorize each tax (permanent rate limit, local option, G.O. bond levy) by its [Measure 5](#) category:

- Subject to “General Government” limit
- Subject to “Education” limit
- “Excluded from constitutional limits”

Common Categorizing Tax Errors



Subject to General Government Limitation

General Fund

\$4.01/\$1,000

The resolution categorizing the tax should be done by [tax levy](#), not by fund.



Subject to General Government Limitation

Permanent Rate Tax

\$4.01/\$1,000

294.456(1)(a)

Categorizing Tax Questions

*What's wrong with
resolutions
categorizing the tax?*

| | GENERAL GOVERNMENT LIMIT | EXCLUDED FROM LIMIT |
|---------------------|-----------------------------|------------------------|
| GENERAL FUND NO. 11 | \$7.9950/\$1,000 | -0- |

Categorizing the Tax

| | General Government <u>Limitation</u> | Excluded from <u>Limitation</u> |
|----------------------------|---|------------------------------------|
| General Fund | \$6.0860/\$1,000 | |
| GO / FF&C Bonded Debt Fund | | \$316,626 |

Go to Resolutions and LB-50 Example



Discussion: Imposing and Categorizing

1. Is it acceptable to impose both a tax rate and a total tax amount for the same levy?
2. Can a GO Bond levy be imposed as a rate?
3. What are the three options when categorizing taxes by constitutional limitation?
4. Should taxes be categorized by each fund? Or, by each levy imposed?





Documents Taxing Districts Submit

By July 15, send the Assessor :

- 2 copies of the tax certification form,
- 2 copies of the resolutions,
- 2 copies of ballot measure for any new tax.



OAR 150-294-0520



Documents Taxing Districts Submit

By September 30, send the County Clerk:

Copy of complete budget document, including:

- Budget Message,
- Budget detail sheets,
- Meeting notices or affidavits of publication,
- Resolutions adopting, appropriating, imposing, etc.,
- Tax certification, and
- Sample ballot for any new tax



OAR 150-294-0310



Documents Non-taxing Districts Submit

By July 15, send to Department of Revenue one copy of the resolutions.

Keep on file a copy of complete budget document, including:

- Budget Message
- Budget detail sheets
- Meeting notices or affidavits of publication
- Resolutions adopting, appropriating, imposing, etc.



ORS 294.458(1)

Additional Requirements for Schools, ESDs and Community Colleges

School Districts and ESDs:

- Hard copy of budget to Dept of Education by July 15
- Electronic copy to Dept of Education financial data collection by August 15

Community Colleges:

- Copy of budget to Higher Education Coordinating Commission (HECC) by July 15

Adopting a Budget Question 1

The City of Sunny Shores has extra money in its budget that they don't need for anything. Can they just put it into "Contingency?"

Is that OK? If no, what should they do instead?



Adopting a Budget Question 2

Sunny Shores received a late donation and has more money than anticipated for next year. As a result, the council wants to change the budget approved by the budget committee before the council adopts it.

Can they do that?

If so, what do they have to do?



Adopting a Budget Question 3

There's only one person who knows how to complete the LB-50 and he's on a fishing trip until the first of August.

What can the district do in this situation?





Property Tax Resources

- Oregon Revised Statutes (ORS 294.305 to 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?
 - YouTube Clackamas County RMV vs MAV in Oregon





Local Budget Law Resources

Local Budget Forms and Manuals on Internet:

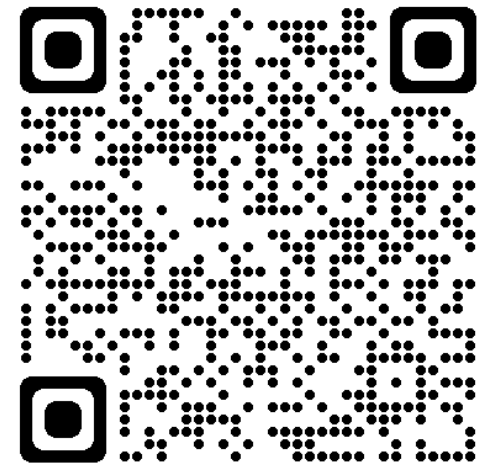
<http://www.oregon.gov/DOR/programs/property/Pages/local-budget.aspx>

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>



Scan the QR code at right to sign up for Local Budget Law announcements.





Questions?

| | | |
|--|----------------|--|
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| FT&E Message phone number | (503) 945-8293 | |
| Email | | finance.taxation@dor.oregon.gov |

Your feedback is important to us

- Please scan the QR CODE to take our survey:
- Thank you for attending the Local Budget Law Training

