

A-Engrossed
House Bill 3126

Ordered by the House June 4
Including House Amendments dated June 4

Sponsored by Representative THATCHER; Representative NELSON (at the request of Ray Fields, Chairman, McMinnville Rural Fire Protection District)

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.

[*Sets conditions for conduct of audit or review of accounts and fiscal affairs of municipal corporations. Increases*] **Modifies** threshold amounts municipal corporation may spend before municipal corporation must obtain annual audit or review.

Declares emergency, effective on passage.

A BILL FOR AN ACT

1
2 Relating to financial affairs of municipal corporations; creating new provisions; amending ORS
3 297.435; and declaring an emergency.

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

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

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

10 (2)(a) Total [*receipts from all sources and*] expenditures for all purposes, including [*money ob-*
11 *tained from borrowing and money*] **moneys** expended for debt retirement, did not exceed \$150,000 for
12 the year;

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

15 (c) A certificate has been submitted with the financial statements stating that the principal re-
16 sponsible official of the municipal corporation was covered during the entire year by a fidelity or
17 faithful performance bond in an amount at least equal to the total amount of [*money*] **moneys** re-
18 ceived by the municipal corporation during the year.

19 (3)(a) Total [*receipts from all sources and*] expenditures for all purposes, including [*money ob-*
20 *tained from borrowing and money*] **moneys** expended for debt retirement, exceeded \$150,000 but did
21 not exceed \$500,000 for the year;

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

26 (c) A certificate has been submitted with the financial statements stating that the official re-

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.

1 sponsible for receiving and disbursing moneys on behalf of the municipal corporation was covered
2 during the entire year by a fidelity or faithful performance bond in an amount at least equal to 10
3 percent of the total receipts for the year, but not less than \$10,000.

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

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

9 **SECTION 2. The amendments to ORS 297.435 by section 1 of this 2007 Act apply to audits**
10 **or reviews of municipal corporations conducted for calendar or fiscal years that begin on or**
11 **after the effective date of this 2007 Act.**

12 **SECTION 3. This 2007 Act being necessary for the immediate preservation of the public**
13 **peace, health and safety, an emergency is declared to exist, and this 2007 Act takes effect**
14 **on its passage.**