

D R A F T

SUMMARY

Requires governing body of municipal corporation to publish notice of election involving local option tax measure or general obligation bond measure by filing with Secretary of State for publication on ORESTAR.

A BILL FOR AN ACT

Relating to municipal corporation elections; creating new provisions; and amending ORS 294.311.

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

SECTION 1. ORS 294.311 is amended to read:

294.311. As used in ORS 294.305 to 294.565, unless the context requires otherwise:

(1) "Accrual basis" means the recording of the financial effects on a municipal corporation of transactions and other events and circumstances that have cash consequences for the municipal corporation in the periods in which those transactions, events and circumstances occur, rather than only in the periods in which cash is received or paid by the municipal corporation.

(2) "Activity" means a specific and distinguishable service performed by one or more organizational components of a municipal corporation to accomplish a function for which the municipal corporation is responsible.

(3) "Appropriation" means an authorization granted by the governing body to make expenditures and to incur obligations for specific purposes. An appropriation is limited to a single fiscal year for municipal corporations preparing annual budgets, or to the budget period for municipal corporations

1 preparing biennial budgets.

2 (4) "Basis of accounting" means the cash basis, the modified accrual basis
3 or the accrual basis.

4 (5) "Budget" means a plan of financial operation embodying an estimate
5 of expenditures for a given period or purpose and the proposed means of fi-
6 nancing the estimated expenditures.

7 (6) "Budget document" means the estimates of expenditures and budget
8 resources as set forth on the estimate sheets, tax levy and the financial
9 summary.

10 (7) "Budget period" means, for municipal corporations with the power to
11 levy a tax upon property, the two-year period commencing on July 1 and
12 closing on June 30 of the second calendar year next following, and for all
13 other municipal corporations, an accounting period of 24 months ending on
14 the last day of any month.

15 (8) "Budget resources" means resources to which recourse can be had to
16 meet obligations and expenditures during the fiscal year or budget period
17 covered by the budget.

18 (9) "Cash basis" means a basis of accounting under which transactions
19 are recognized only in the period during which cash is received or disbursed.

20 (10) "Current budget period" means the budget period in progress.

21 (11) "Current year" means the fiscal year in progress.

22 (12) "Encumbrance accounting" means the method of accounting under
23 which outstanding encumbrances are recognized as reductions of appropri-
24 ations and the related commitments are carried in a reserve for
25 encumbrances until liquidated, either by replacement with an actual liability
26 or by cancellation. This method of accounting may be used as a modification
27 to the accrual basis of accounting in accordance with generally accepted
28 accounting principles.

29 (13) "Encumbrances" means obligations in the form of purchase orders,
30 contracts or salary commitments which are chargeable to an appropriation
31 and for which a part of the appropriation is reserved. Obligations cease to

1 be encumbrances when paid or when the actual liability is set up.

2 (14) "Ensuing budget period" means the budget period following the cur-
3 rent budget period.

4 (15) "Ensuing year" means the fiscal year following the current year.

5 (16) "Expenditure" means, if the accounts are kept on the accrual basis
6 or the modified accrual basis, decreases in net financial resources and may
7 include encumbrances. If the accounts are kept on the cash basis, the term
8 covers only actual disbursement, the drawing of the check or warrant for
9 these purposes and not encumbrances, except that deferred employee com-
10 pensation shall be included as a personnel service expenditure where an ap-
11 proved deferred employee compensation plan is in effect for a municipal
12 corporation.

13 (17) "Fiscal year" means for municipal corporations with the power to
14 impose ad valorem property taxes, the fiscal year commencing on July 1 and
15 closing on June 30, and for all other municipal corporations, an accounting
16 period of 12 months ending on the last day of any month.

17 (18) "Fund balance" means the excess of the assets of a fund over its li-
18 abilities and reserves except in the case of funds subject to budgetary ac-
19 counting where, prior to the end of a fiscal period, it represents the excess
20 of the fund's assets and estimated revenues for the period over its liabilities,
21 reserves and appropriations for the period.

22 (19) "General county resources" means resources from property taxes,
23 state and federal shared revenue, beginning balances available for expendi-
24 ture and interest not required to be allocated to specific programs or activ-
25 ities.

26 (20) "Governing body" means the city council, board of commissioners,
27 board of directors, county court or other managing board of a municipal
28 corporation including a board managing a municipally owned public utility
29 or a dock commission.

30 (21) "Grant" means a donation or contribution of cash to a governmental
31 unit by a third party.

1 (22) "Intergovernmental entity" means an entity created under ORS
2 190.010 (5). The term includes any council of governments created prior to
3 the enactment of ORS 190.010 (5).

4 (23) "Internal service fund" means a fund properly authorized to finance,
5 on a cost reimbursement basis, goods or services provided by one organiza-
6 tional unit of a municipal corporation to other organizational units of the
7 municipal corporation.

8 (24) "Liabilities" means probable future sacrifices of economic benefits,
9 arising from present obligations of a municipal corporation to transfer assets
10 or provide services to other entities in the future as a result of past trans-
11 actions or events. The term does not include encumbrances.

12 (25)(a) "Modified accrual basis" means the accrual basis of accounting
13 adapted to the governmental fund-type measurement focus. Under this basis
14 of accounting, revenues and other financial resource increments, such as
15 bond proceeds, are recognized when they become susceptible to accrual, that
16 is, when they become both measurable and available to finance expenditures
17 in the current period.

18 (b) As used in this subsection, "available" means collectible in the current
19 period or soon enough thereafter to be used to pay liabilities of the current
20 period. Under this basis of accounting, expenditures are recognized when the
21 fund liability is incurred except for:

22 (A) Inventories of material and supplies that may be considered expendi-
23 tures either when purchased or when used; and

24 (B) Prepaid insurance and similar items that may be considered expendi-
25 tures either when paid for or when consumed.

26 (26) "Municipal corporation" means any county, city, port, school district,
27 union high school district, community college district and all other public
28 or quasi-public corporations including a municipal utility or dock commis-
29 sion operated by a separate board or commission. "Municipal corporation"
30 includes an intergovernmental entity or council of governments that pro-
31 poses to impose or imposes ad valorem property taxes.

1 (27) "Net working capital" means the sum of the cash, cash equivalents,
2 investments, accounts receivable expected to be converted to cash during the
3 ensuing year or ensuing budget period, inventories, supplies and prepaid ex-
4 penses less current liabilities and, if encumbrance accounting is adopted,
5 reserve for encumbrances. The term is not applicable to the cash basis of
6 accounting.

7 (28) "Object" means, as used in expenditure classification, articles pur-
8 chased including, but not limited to, land, buildings, equipment and vehicles,
9 or services obtained including, but not limited to, administrative services,
10 clerical services, professional services, property services and travel, as dis-
11 tinguished from the results obtained from expenditures.

12 (29) "Object classification" means a grouping of expenditures on the basis
13 of goods or services purchased, including, but not limited to, personnel ser-
14 vices, materials, supplies and equipment.

15 (30) "Operating taxes" has the meaning given that term in ORS 310.055.

16 (31) "Organizational unit" means any administrative subdivision of a
17 municipal corporation, especially one charged with carrying on one or more
18 functions or activities.

19 (32) "Population" means the number of inhabitants of a municipal corpo-
20 ration according to certified estimates of population made by Portland State
21 University.

22 (33) "Program" means a group of related activities aimed at accomplishing
23 a major service or function for which the municipality is responsible.

24 (34) "Public utility" means those public utility operations authorized by
25 ORS chapter 225.

26 (35) "Publish" or "publication" means any one or more of the following
27 methods of giving notice or making information or documents available to
28 members of the general public:

29 (a) Publication in one or more newspapers of general circulation within
30 the jurisdictional boundaries of the municipal corporation.

31 (b) Posting through the United States Postal Service by first class mail,

1 postage prepaid, to each street address within the jurisdictional boundaries
2 of the municipal corporation and to each post office box and rural route
3 number belonging to a resident within the jurisdictional boundaries of the
4 municipal corporation.

5 (c) Hand delivery to each street address within the jurisdictional bound-
6 aries of the municipal corporation.

7 (d) **In the case of publishing notice for an election involving a local
8 option tax measure or a general obligation bond measure, filing with
9 the Secretary of State for publication on the electronic filing system
10 adopted under ORS 260.057.**

11 (36) "Receipts" means cash received unless otherwise qualified.

12 (37) "Reserve for encumbrances" means a reserve representing the segre-
13 gation of a portion of a fund balance to provide for unliquidated
14 encumbrances.

15 (38) "Revenue" means the gross receipts and receivables of a govern-
16 mental unit derived from taxes, licenses, fees and from all other sources, but
17 excluding appropriations, allotments and return of principal from investment
18 of surplus funds.

19 (39) "Special revenue fund" means a fund properly authorized and used
20 to finance particular activities from the receipts of specific taxes or other
21 revenues.

22 **SECTION 2. Section 3 of this 2017 Act is added to and made a part
23 of ORS 294.305 to 294.565.**

24 **SECTION 3. If a municipal corporation places a local option tax
25 measure or a general obligation bond measure on the ballot to be
26 voted on by the electors of the municipal corporation, the governing
27 body of the municipal corporation must publish notice of the election
28 by filing with the Secretary of State for publication on the electronic
29 filing system adopted under ORS 260.057.**

30 **SECTION 4. Section 3 of this 2017 Act and the amendments to ORS
31 294.311 by section 1 of this 2017 Act apply to measures that will be**

1 **voted on by the electors of a municipal corporation on or after the**
2 **effective date of this 2017 Act.**

3
