

OREGON BUDGET LAW

WHAT IS IT ANY WAY?



THREE PHASES IN THE BUDGET PROCESS

- Phase one – propose the budget
- Phase two – approve the budget
- Phase three – adopt the budget

PURPOSES OF LOCAL BUDGET LAW

- Establish standard procedures
- Outline programs and fiscal policies
- Require estimates of resources and requirements
- Encourage citizen involvement
- Control expenditure of public funds

WHY FOLLOW LOCAL BUDGET LAW?

- A district that doesn't follow local budget law may not lawfully:
 - Expend money
 - Certify property taxes to the county assessor
- A property tax made contrary to Local Budget Law is voidable by the Oregon tax court if appealed by:
 - County assessor
 - County court
 - County board of commissioners
 - The department of revenue, or
 - Ten or more interested tax payers

DOR V. UMATILLA COUNTY, OTC2519

- A portion of the 1986-87 taxes levied by Umatilla County 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

PHASE 1

PROPOSING THE BUDGET



WHAT IS A BUDGET?

- A financial plan
- For one fiscal year (or two, if on a biennial budget period)
- Based on estimates of revenues and expenditures and other requirements

THE BUDGET IS THE BASIS FOR APPROPRIATIONS, WHICH CREATE THE AUTHORITY TO SPEND PUBLIC MONEY

PREPARE A PROPOSED BUDGET

- Designate a budget officer
 - Who can serve as budget officer?
- The budget officer prepares the proposed budget under the direction of the executive officer or governing body

PHASE 2

BUDGET COMMITTEE APPROVES THE BUDGET



WHO IS ON THE BUDGET COMMITTEE?

THE BUDGET COMMITTEE IS MADE UP OF THE GOVERNING BODY AND AN EQUAL NUMBER OF APPOINTED ELECTORS

- Appointed members
 - “Electors” are registered voters in the district
 - They cannot be officers, agents, or employees of the district
 - Appointed for staggered terms
 - 3 years for annual budget periods and 4 years for biennial budget periods
 - All members have the same authority
 - If all positions of the committee cannot be filled, it can be fewer

THE BUDGET COMMITTEE'S MEETING PROCESS

- All meetings are subject to public meetings law
- Presiding (chair) officer must be elected at first meeting
- Quorum is required to conduct business
- Majority of the committee is required to take action
- The committee may request and receive additional information from district officials

QUORUM EXAMPLE

GOVERNING BODY



If your full budget committee is 10 people the quorum is = 6



Vacancies on the governing body side still count toward the quorum. Quorum = 6



Vacancies on the electors side are not counted for the quorum. Quorum = 5

ELECTORS



WHAT THE BUDGET COMMITTEE DOES

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

1. RECEIVING THE BUDGET

- The budget becomes a public document when it is released to the committee
- It is available to the public at the same time as the committee
- The public has a right to inspect the proposed budget
- The district must provide a means for the public to copy the proposed budget

2. THE BUDGET MESSAGE

- The budget message is prepared by or under the direction of the executive officer (city manager/budget officer)
- It explains the budget document
- It describes financial policies
- It explains changes from the prior year
- It must be in writing
- Anyone can deliver it

3. HEAR PUBLIC COMMENT

- Public comment is taken on the date and time noticed
- Any person may ask questions about and comment on the budget ORS 294.426(4)(c)
- The committee can establish time limits and other policies for the public comment period
- The committee can hear public comment at additional meetings if desired
 - Must give same notice as a regular meeting of the governing body

4 & 5. DELIBERATION AND APPROVAL

- After receiving all comment, the committee must decide whether or not to approve the budget as presented
 - The committee may approve the proposed budget with changes

6. APPROVE EACH TAX LEVY

- Each levy of taxes must be approved by the budget committee

"I move that the budget committee of bedrock city approve property taxes for the 2018-19 fiscal year at the rate of \$4.4143 per \$1,000 of assessed value for the permanent rate tax levy, in the amount of 40.1213 for the local option tax levy, and in the amount of \$496,315 for the general obligation bond levy."

- The motion and vote must be recorded in the minutes

THE BUDGET COMMITTEE IS NOW DONE

- Once the proposed budget and each tax levy has been approved by the budget committee, the committee has completed its obligation

PHASE 3

ADOPTING THE BUDGET



BUDGET HEARING

- The governing body holds the budget hearing on the date and time published in the notice
- The hearing is on the budget “as approved” by the budget committee
- Any person may comment on the approved budget

CHANGES TO THE APPROVED BUDGET

- The governing body can change the budget estimates and tax levies approved by the budget committee
 - If the tax is increased by any amount or
 - Expenditures are increased in any fund by 10% or more (or \$5,000, whichever is greater)
 - The amended budget summary must be republished and another budget hearing (public comment) must be held

RESOLUTIONS

- After the hearing and *on or before June 30*, the governing body must enact a resolution to:
 - Adopt the budget
 - Make appropriations
 - Impose each tax levy

QUESTIONS?

