Chapter 294

1961 REPLACEMENT PART

County and Municipal Financial Administration

COUNTY AND MUNICIPAL FINANCIAL ADMINISTRATION GENERALLY

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COUNTY AND MUNICIPAL FINANCIAL ADMINISTRATION GENERALLY

294.005 Definitions for ORS 294.005 to 294.025. As used in ORS 294.005 to 294.025, unless the context requires otherwise:

(1) "Warrant" means a warrant issued by a subdivision.

(2) "Subdivision" means any county, municipal corporation, quasi-municipal corporation, or civil or political subdivision in this state.

294.010 Surrender of warrants upon payment. Subject to ORS 294.015, no warrant issued by a subdivision shall be paid unless such warrant is surrendered and delivered to the officer charged with the payment thereof, contemporaneously with payment or prior thereto.

294.015 Indemnity bonds in case of lost, stolen or destroyed warrants. (1) A warrant may be paid without surrender or delivery thereof if the one claiming to be the lawful owner of the warrant:

(a) Satisfies the officer by whom payment is to be made that the warrant has been lost, stolen or destroyed prior to his having received value therefor or having negotiated the warrant; and

(b) Furnishes a bond of indemnity for twice the amount of the lost warrant with two or more sureties qualifying as in the case of sureties for bail, to protect the issuing officer or body, the officer making the payment, and the rightful owner of the lost warrant against any loss or expense, including interest or other liability resulting from such payment.

(2) A bond like the bond required by subsection (1) of this section, with penalties in the face amount of lost warrants, of insurance companies duly licensed to transact the business of surety within the State of Oregon may be accepted in lieu of personal bonds.

294.020 Issuance of duplicate warrants. Upon satisfactory showing by the Federal Government, or by this state, or by a subdivision, or by any duly constituted agency or officer thereof, of the loss, destruction or theft of a warrant lawfully issued in favor of the Federal Government, or of this state, or of a subdivision or any former subdivision now included within another subdivision, by consolidation or otherwise, or of any duly constituted agency thereof, such subdivision being lawfully entitled thereto, the proper officer, board, department or commission that issued the original warrant, or his or its duly authorized legal successor, may issue a duplicate in lieu thereof without the furnishing by the Federal Government or by the state or by the subdivision, or by any officer or agency thereof, of an indemnity bond as required by ORS 294.015. The issuing officer may, in his discretion, require an affidavit or certificate from the proper officer or employe of the Federal Government, state or subdivision, as the case may be, reciting the facts with respect to the loss, theft or destruction of the warrant.

294.025 Effect of wrongful payment; liability of officer. When any warrant is paid, other than as authorized by ORS 294.005 to 294.025, such wrongful payment shall not relieve the political body issuing the warrant from liability to the true and lawful owner thereof; but the officer or person making such wrongful payment and the sureties on his official bond, if any, shall be responsible to the political body represented by him in making such payment, for the full amount of the loss occasioned thereby.

294.027 Provisions relating to warrants and payment of claims. (1) In addition to any other provisions of law for the issuance and payment of warrants of any municipal or quasi-municipal corporation or civil subdivision of this state other than school districts, the governing body thereof may by resolution authorize such practices with respect to the form, issuance, delivery, indorsement and payment of warrants as it shall deem convenient, efficient and in the public interest, comforming substantially to those specified in subsection (1) or (2) of this section or in ORS 294.028.

(2) Such governing body may authorize the use of check-warrant forms, to be drawn by its appropriate warrant issuing officer or officers upon the custodian of its funds, so prepared that such custodian may, by subscribing a direction to the depository of such funds to pay the same to the order of the payee, convert the instrument to a check or, by subscribing an indorsement that such warrant is not paid for want of funds, convert the same to an interest bearing warrant and such governing body may direct that such check-warrants shall not be delivered

to the payees therein named until such direction or indorsement shall have been subscribed by the custodian of its funds.

(3) Such governing body may provide that when funds are available for the payment of approved claims, the approval of claims for payment shall, without the issuance of any warrant, be authority to the custodian of its funds to pay such claims by check.

[1953 c.664 §1]

294.028 Payment of warrants by depository. When authorized by the governing body, any custodian of funds of any municipal or quasi-municipal corporation or civil subdivision of this state other than a school district may direct the depository of such funds to pay any warrant drawn upon such custodian upon presentment of such warrant to such depository, to the same extent and with the same effect as though such warrant were a check drawn upon such depository by such custodian. Such direction shall be in writing and shall identify by name and signature the warrant issuing officer or officers and such depository may rely upon such direction and identification in the payment of such warrants.

[1953 c 664 §2]

294.029 Provisions of ORS 294.027 and 294.028 not mandatory. Nothing contained in ORS 294.027 or 294.028 shall be deemed to require any municipal or quasi-municipal corporation or civil subdivision of this state or any custodian of public funds to exercise any of the powers conferred by such sections.

[1953 c 664 §3]

294.030 Deductions for bonds from compensation of municipal and other employes; purchasing bonds in advance. (1) The governing body of a municipal corporation, quasi-municipal corporation or civil subdivision of the state may, with the approval of the relevant employes of the municipal corporation, quasi-municipal corporation or civil subdivision, make deductions from their salaries and wages for the purpose of purchasing for them United States War Savings Bonds or other federal obligations.

(2) The governing body shall take proper precautions for the depositing, securing and disbursing of the sums so deducted and for the delivering of all bonds or other obligations purchased.

(3) Balances to the credit of the accounts in which the sums so deducted are deposited may be used for the purchase in advance, from the Federal Government or from any federal reserve bank or other authorized federal agency, of war savings bonds or other obligations of the Federal Government, either in blank or in inscribed form, in convenient denominations to meet the requirements of the purchasers thereof.

294.035 Investment of surplus funds of counties, municipalities, or school districts; approved securities. Subject to ORS 294.040, the officer having custody of the funds of any county, municipality or school district may, after having obtained a written order from the governing body of the county, municipality or school district, which order shall be spread upon the minutes or journal of the governing body, invest any sinking fund, bond fund or surplus of funds in his custody and designated in the order, in the following classes of securities at current market prices:

(1) Bonds or obligations of the civil subdivision for which the sinking fund was created.

(2) Legally issued interest-bearing obligations of the United States and of the States of Oregon, Washington, Idaho or California.

(3) Lawfully issued interest-bearing bonds of any county, port or school district having an assessed valuation of $1,000,000 or more, in this state, if the outstanding indebtedness of the county, port or school district does not exceed five percent of the latest assessed valuation thereof.

(4) Lawfully issued interest-bearing bonds of any city in this state having an assessed valuation of at least $500,000 and a population of 2,000 or more, according to the latest published federal census, if the total net indebtedness of the city for all purposes, including the proportionate indebtedness of civil subdivisions which embrace the same areas or are approximately coterminous therewith, after deducting appropriate sinking funds and the net indebtedness of self-supporting and self-liquidating utilities, does not exceed 15 percent of its latest assessed valuation.

(5) Lawfully issued interest-bearing bonds of any city within this state with population and assessed valuation as provided in subsection (4) of this section, issued for gas, water, power or lighting purposes,

or for sewage disposal plants and their appurtenances, without limitation as to the ratio of indebtedness of the city to its assessed valuation, if:

(a) The utility bonds are the general obligation bonds of the city;

(b) The public utilities or projects for which they were issued, for a period of three years next preceding the date of investment, have been wholly self-supporting and self-liquidating without the necessity of a tax levy; and

(c) The revenues of such utilities, other than for payment of operation and maintenance expenses, are pledged wholly to the payment of the interest on and principal of the indebtedness until the indebtedness is fully liquidated.

(6) With respect to funds of a county party to a contract or an agreement pursuant to subsection (3) of ORS 451.140, bonds issued by any public body party to the contract or agreement for the purpose of carrying out the coordinated master plan.
[Amended by 1957 c 53 §1, 1957 c 689 §1]

294.040 Restriction on investments under ORS 294.035. The bonds listed in subsections (3) to (5) of ORS 294.035 may be purchased only if:

(1) There has been no default in payment of either the principal of or the interest on the obligations of the issuing county, port, school district or city, for a period of five years next preceding the date of the investment; and

(2) The bonds are not obligations of a district or municipality other than that of the investing subdivision, 75 percent or more of whose territory is the same as that of the investing subdivision.

294.045 Investment by county in general obligations of the United States. The county treasurer of any county may invest in general obligations of the United States any idle balances of funds in the treasury of the county.
[Amended by 1959 c 224 §1]

294.047 County treasurer borrowing money on short-term promissory notes to prevent liquidation of investments. Whenever the county treasurer of any county having a population of more than 300,000 according to the latest federal decennial census would be forced to liquidate investments made pursuant to ORS 294.035 to 294.045 to meet current cash demands and such liquidation might cause a loss because the securities would be liquidated prior to maturity or under unfavorable market conditions, he may, after receiving the approval of the county court or board of county commissioners, borrow funds on short-term promissory notes maturing not more than six months after date of issue and may secure the notes by pledging securities held as invested reserves. If a lender under this section demands physical possession of the securities pledged as security for a short-term promissory note, the county treasurer shall deliver the securities to the lender.
[1959 c 612 §1]

294.050 County borrowing money from county general road fund. The county court or board of county commissioners may borrow money from the general road fund of the county to supplement depleted election accounts within the general fund of the county if there is no money within the emergency fund of the county to supplement the depleted accounts within the general fund. The money so borrowed shall come from funds placed in the general road fund from fines and penalties collected pursuant to the terms of ORS 484.250. The amount so borrowed shall be returned to the general road fund during the following fiscal year from the first funds available in the general fund, or from the emergency fund.
[Amended by 1959 c 664 §29]

294.053 Investment by county in master warrants of county. A county treasurer may invest any sinking fund, bond fund or surplus of funds in his custody in master warrants of that county issued under ORS 287.482 to 287.488.
[1959 c.208 §1]

294.055 Use by counties of moneys received from Federal Government under the Mineral Leasing Act. All funds received from the United States Government under the Mineral Leasing Act and Acts amendatory thereof and distributed to counties pursuant to ORS 291.536 shall be used for the support of public schools or for the construction and maintenance of public roads in such counties.

294.060 Apportionment of moneys received by counties from federal forest reserves to road and school funds. (1) The moneys received by each county under ORS 291.534 shall be divided 75 percent to the road fund and 25 percent to the school fund

of the county and shall, subject to subsections (2) and (3) of this section, be expended as other moneys in those funds are expended.

(2) The moneys so apportioned to the county road fund may be applied in payment of any outstanding road bonds or may be placed in any county road bond sinking fund for the purpose of being so applied.

(3) The moneys so apportioned to the school fund in any county operating under and by virtue of ORS chapter 333 shall be used for and applied to the payment of the bonded and warrant indebtedness of the school districts incurred prior to January 1, 1925, until such bonded and warrant indebtedness has been paid in full.

294.065 Use by counties of moneys received from Federal Government under the Federal Flood Control Act. All moneys received from the United States Government under the Federal Flood Control Act, and Acts amendatory thereof and supplemental thereto, and distributed to counties pursuant to ORS 291.538, shall be used for the benefit of the public schools and public roads of the counties receiving the funds.

294.070 Expenditure of Taylor Grazing Act funds. (1) All sums disbursed to the counties under ORS 291.540 shall be expended by the county court for the benefit of the county in which the grazing district or leased public land is situated. It shall be expended by such court, upon the approval of its advisory board, in the improvement of the grazing district contributing such fund.

(2) Except as provided in subsection (4) of this section, money from grazing fees of grazing districts shall be expended within such district as the board of district advisers may direct and shall be expended only for range improvements, such as fences, reservoirs, wells, water development, maintenance and other range improvements approved by the district advisory board.

(3) Pending approval by the district advisory board of the expenditure of such money, all or any part of it may be invested in United States Government securities. In such case the securities shall be held by the county treasurer in lieu of such money so invested and subject to liquidation and expenditure when recommended by the district advisory board.

(4) In counties receiving funds from grazing districts containing Indian lands ceded to the United States for disposition under public land laws, funds therefrom shall be expended by the county court for the benefit of public schools and public roads of such county.

(5) In counties in which there are leased lands but no grazing district, such funds may be expended by the county courts for the benefit of the areas in which such leased public lands are situated

[Formerly 606 230]

294.075 and 294.080 [Reserved for expansion]

294.085 Examining books and papers of county officers. (1) The county court or board of county commissioners, while sitting for county business at the regular terms in January and July of each year, shall carefully examine all books and papers relating to the financial affairs of the county offices of county clerk, clerk of the county court, clerk of the circuit court, recorder of conveyances, treasurer and sheriff of the county.

(2) The county clerk and clerk of the county court shall exhibit the numbered orders and vouchers referred to in ORS 294.090, together with the stubs of the warrants, and all other books and papers relating to the financial affairs of the county, for the inspection of the county court or board of county commissioners at the time provided for in subsection (1) of this section.

294.090 County orders and vouchers to be numbered to correspond to warrants drawn. The county clerk and clerk of the county court shall number all orders and vouchers with numbers to correspond with warrants drawn.

294.095 Action or proceeding with respect to budget or levy; fiscal year with respect to which taken. Wherever it is provided by law that any action or proceeding of any county, city, school district or other municipal corporation or body politic shall be taken with respect to a budget or tax levy for the calendar year, or for a fiscal year closing on any day other than June 30, each such action or proceeding shall be taken with respect to the fiscal year commencing on July 1 and closing on June 30.

294.100 Public official expending money in excess of amount or for different purpose than provided by law unlawful; civil liability. (1) It is unlawful for any public

official to expend any money in excess of the amounts, or for any other or different purpose than provided by law.

(2) Any public official who expends any public money in excess of the amounts, or for any other or different purpose or purposes than authorized by law, shall be civilly liable for the return of the money by suit of the district attorney of the district where the offense is committed, or at the suit of any taxpayer of such district.

(3) On the demand in writing of 10 taxpayers of any municipal corporation with a population exceeding 100,000 inhabitants, filed with the tax supervising and conservation commission in the county in which the municipal corporation is situated, which demand sets forth that a public official or public officials have unlawfully expended money in excess of the amounts or for any other or different purpose or purposes than provided by law, the tax supervising and conservation commission shall make an investigation of the facts as to such expenditures. If the tax supervising and conservation commission finds that moneys have been unlawfully expended, the commission shall proceed at law in the courts against the public officials who have unlawfully expended the moneys for the return of the moneys unlawfully expended to the treasury of the municipal corporation. A right of action hereby is granted to the tax supervising and conservation commission for such purpose.

294.105 Limitation on expenditures in counties of 50,000 or more; liability of officers exceeding limit; emergency levy. (1) The county expenditures, in counties of 50,000 inhabitants, or more, shall be confined to the amount of the annual levy therefor. Members of the county court or board of county commissioners, or any other county officials, who authorize, incur, cause, or create, or officially approve, any expense or liability for the county in excess of the amount of the levy made for county expenditures, shall be jointly and severally liable, individually and personally, for the amount of such excess. "County expenditures" includes roads, bridges, and ferries, support of poor and interest on warrants, as well as the usual and ordinary expense of the county government and salaries heretofore included in the classification of the county tax and road tax; but does not include school, park, library or bounty tax.

(2) The county court or board of county commissioners in counties of 50,000 inhabitants, or more, may, if it deems it necessary, order and direct a special levy to be made of not exceeding one-half mill on each dollar of valuation to raise funds to meet any unforeseen contingency, which, in their judgment, should be dealt with in order to prevent serious loss or injury to the county. The funds thus raised shall be set apart and used for such contingency only.

294.110 [Repealed by 1953 c 306 §18]

294.115 Supplemental expenditures authorized notwithstanding Local Budget Law. Notwithstanding requirements as to estimates of expenditures and limitation on expenditures to budget estimates, any city, town, county, port district or dock commission may make a supplemental estimate of receipts or unappropriated balances of money or both and of expenditures during the fiscal year for which the regular estimate has been made. Said supplemental estimate shall not extend beyond the balance of the fiscal year during which it is submitted. Said estimate shall be published, or, in the case of municipal corporations having a population exceeding 300,000 inhabitants, shall be submitted to the tax supervising and conservation commission within the county, if there be such commission, in the same manner and according to the same procedure for the annual estimates as set forth in ORS 294.365. The levying board or, where applicable, the tax supervising and conservation commission shall then hold a public hearing on said supplemental budget. Following such hearing, the levying board shall make additional appropriations and may thereafter make additional expenditures as authorized by such appropriations, but this shall not authorize any increased levy of taxes
[1953 c 655 §1]

294.120 Use of facsimile signatures. (1) When authorized to use facsimile signatures by the governing body of any county, city, district organized for public purposes or any other public corporation or political subdivision of the state, any person authorized to sign any check, warrant or other instrument on behalf of the county, city, district, public corporation or political subdivision may, in his discretion, sign the check, warrant or other instrument by facsimile signature affixed by rubber stamp or by any mechanical equipment or device.

(2) Where the use of facsimile signatures is authorized under this section, the holder or drawee of any check, warrant or other instrument bearing or purporting to bear a facsimile signature shall be under no duty to determine the authority of the person who affixed the facsimile signature to use facsimile signatures
[1955 c 261 §1]

294.130 to 294.200 [Reserved for expansion]

REPORTS OF FINANCIAL OFFICERS; PUBLICATION OF REPORTS

294.205 Reports of financial officers of civil divisions. (1) The treasurer, or in his absence the secretary or financial officer of every county, incorporated city, port district, irrigation district, drainage district, diking district, reclamation district of any character, or other political subdivision of this state, shall prepare and transmit to the State Treasurer, on or before August 1 of each even-numbered year, a statement or report signed by himself and verified under oath, showing as of July 1 of the year in which the statement or report is made, the amount of the outstanding bonded indebtedness, warrants and other indebtedness of the county, incorporated city, port district, irrigation district, drainage district, diking district, reclamation district, or other political subdivision of which he is the treasurer, secretary or financial officer.

(2) The county treasurer of each county shall report the indebtedness of school districts that appears of record in the office of the county treasurer and the county school superintendent of each county shall report the indebtedness of the school districts that is not of record in the office of the county treasurer. The report of school district indebtedness shall be made to the State Treasurer on or before August 1 of each even-numbered year. The clerk of each school district, on or before July 20 and as of July 1 of each even-numbered year, shall report to the county school superintendent of his respective county the amount of school district indebtedness that is not of record in the office of the county treasurer of the county in which the school district is located

294.210 Additional reports may be required. All financial officers of civil subdivisions of the state and county school superintendents shall prepare and transmit to the State Treasurer such additional reports of indebtedness at such other times and as of such other dates as the State Treasurer may request.

294.215 Contents of reports. The statements or reports required under ORS 294.205 and 294.210 shall specify:

(1) The kind, character and purpose of the different classes of bonds or other indebtedness outstanding.

(2) The amounts of original bond issues and the dates of issue and maturities thereof

(3) The rates of interest on bond issues and other forms of indebtedness.

(4) The dates to which interest thereon has been paid.

(5) The dates on which interest payments in each year are due.

(6) The amounts of sinking or other funds applicable as offsets against the indebtedness.

(7) The total net indebtedness of the political subdivision for which the report is made.

294.220 Reports public records; State Treasurer to include in his report to legislature. The statements and reports required by ORS 294.205 and 294.210 when filed in the office of the State Treasurer, shall be public records. The State Treasurer shall compile and include the statements and reports in his biennial reports to the Legislative Assembly.

294.225 Action for penalty; disposition of fines. The penalty prescribed by subsection (2) of ORS 294.990 for violation of ORS 294.205 to 294.220 may be recovered in any court of record from the officer or person subject to the penalty by an action at law. The action at law shall be instituted and prosecuted by the Attorney General to final determination as in ordinary actions at law All fines recovered for violations of ORS 294 205 to 294.220 shall be paid into the State Treasury and shall be credited to the General Fund.

294.230 Publication of reports of county clerk, treasurer and sheriff. The county clerk of each county not later than August 20 of each year, shall publish in one issue of a weekly or daily paper having general circulation in the county:

(1) A report showing correctly for the fiscal year ending on the preceding June 30 the number and amount of claims allowed

by the county court or board of county commissioners, and on what account, the amount of warrants drawn, and the amount of outstanding warrants not paid.

(2) A report of the sheriff of his county, showing the amount of money the sheriff has collected, the amount of warrants he has received for taxes, and the amount of money he has turned over each month to the treasurer, and the total thereof during the fiscal year ending on the preceding June 30.

(3) A report of the county treasurer, showing the amount of money the treasurer has received, and from what source, during the fiscal year ending on the preceding June 30, the amount of money he has paid out on warrants, and the amount of money on hand at the end of such fiscal year.
[Amended by 1957 c 153 §1; 1959 c 243 §1]

294.235 Attaching summary of county's financial condition. The clerk shall prepare and attach to the reports required by ORS 294.230 a summary which shall show, in all respects, the exact financial condition of his county at the termination of the previous fiscal year
[Amended by 1957 c 153 §2]

294.240 Treasurer and sheriff to file reports with clerk. To aid the county clerk in making the report, publication and summary required by ORS 294.230 and 294.235, the county treasurer and sheriff shall file with the county clerk on or before August 1 of each year, reports as specified in ORS 294 230.
[Amended by 1957 c 153 §3]

294.245 Recording of reports. The county clerk shall record the following reports in a book prepared for that purpose:

(1) Annual reports of the county clerk, sheriff and treasurer as provided for in ORS 294.230 to 294.240.

(2) Monthly reports to the county treasurer of fines collected by justices of the peace as required by ORS 51 340.
[Amended by 1957 c 153 §4]

294.250 Publication and posting by county court or other body of schedule of expenditures and statement of proceedings. (1) The county court or other governing body of each county shall cause to be made out and published at the expense of the county each month a schedule of the expenditures of the county for the previous month, and also a concise statement of the proceedings of the governing body in the transaction of county business entered of record during the previous month.

(2) The schedule of expenditures shall state the names of all claimants, the article or service for which payment is claimed in each bill, the amount allowed if ordered paid, or whether the claim has been continued or rejected.

(3) The county shall not be required to publish any claim for which the salary or fees are provided for by law.

(4) The publications required by this section shall not apply to any counties having a tax supervising and conservation commission.

294.255 Newspapers in which publications to be made; posting if no newspaper. (1) In counties of less than 10,000 population the publications required by ORS 294.250 shall be made in at least one newspaper. In counties having more than 10,000 population, the required publications shall be made in each of two newspapers. The newspapers must be published within the county and shall be the newspapers having the largest bona fide circulation within the county and shall be selected for the calendar year by the county court or other governing body at its first regular meeting each year. The county clerk shall furnish each paper selected a copy of the proceedings and a list of claims.

(2) If there is no newspaper published within the county, the required publications shall be made by posting on the bulletin board of the county courthouse.

294.260 Determination of circulation of newspaper. (1) Circulation for the purposes of ORS 294.255 shall be determined as prescribed in this section.

(2) In case of contest, each of the applicants shall deposit with the county court, on or before a day named by the county court, a statement, subscribed and sworn to by the owner, editor, publisher, manager or advertising manager of the newspaper, or the principal clerk of any of them, or the printer or his foreman, before a notary public, or other officer authorized by law to administer oaths, stating the true number of bona fide yearly subscribers living within the county, as of October 1 last preceding. The statements shall be in sealed envelopes and opened by the county court. A paper whose circulation is audited by a nationally recognized audit bureau of circulation may

submit a certified copy of its audit report, and the audit figures showing the average net paid circulation within the county during the 12 months ending on October 1 last preceding shall be recognized for the purposes of this section. The applicant showing, as provided in this section, the greatest number of bona fide yearly subscribers living within the county shall be the county official paper.

(3) In case a written charge of fraud is made by an aggrieved publisher, the court shall require other evidence of circulation. Any publisher involved in such contest who is aggrieved by the determination of the county court in such contest shall have a right of appeal therefrom to the circuit court in and for the county. The appeal shall be taken as in an ordinary action. In case of appeal no publisher involved in such contest shall be paid for publishing any such claims or proceedings until the case is disposed of in the circuit court.

(4) As used in this section, "bona fide yearly subscriber" means a subscriber who has been a subscriber for an uninterrupted period of 12 months, or has paid his subscription for a period of 12 months, and whose subscription is in no case over 12 months in arrears.

294.265 to 294.300 [Reserved for expansion]

BUDGETS; LOCAL BUDGET LAW

294.305 Sections constituting Local Budget Law. ORS 294.305 to 294.415 shall be known as the Local Budget Law.

294.310 Definitions for ORS 294.305 to 294.415. As used in ORS 294.305 to 294.415, unless the context requires otherwise:

(1) "Municipal corporation" means the county, and any city, town, port, school district, union high school district, water district, dock commission and all other public or quasi-public corporations that have the power to levy a tax upon property, except irrigation districts, drainage districts, road districts and district improvement companies, which are expressly reserved from the effects of ORS 294.305 to 294.415.

(2) "Levying board" means the common council, board of commissioners, board of directors, county court or other managing board of the county, or of any city, town, port, school district, union high school district, irrigation district, water district, dock commission and of all other public or quasi-public corporations that have power to levy a tax upon property.

(3) "Fiscal year" means the fiscal year commencing on July 1 and closing on June 30.

(4) "Current year" means the present fiscal year.

[Amended by 1959 c 262 §1]

294.315 Estimates of expenditures required. It is unlawful for any municipal corporation to levy in any year any tax upon property subject to taxation unless an estimate has first been made of the total amount of money proposed to be expended by the municipal corporation for all purposes during the fiscal year next ensuing, and unless that estimate has been published and opportunity for all full and complete discussion thereof allowed in the manner provided in ORS 294.315 to 294.415.

294.320 Time of making estimates. All estimates of expenditures and all other estimates of any kind required by ORS 294.315 to 294.415 shall be made a sufficient length of time in advance of all regular or special meetings of the levying board at which by law tax levies are authorized to be made to permit publication thereof, discussion thereof, consideration thereof, and action thereon as provided in ORS 294.315 to 294.415.

294.325 Form and contents of expenditure estimates. (1) The estimates required by ORS 294.315 shall be fully itemized and shall be prepared by funds and arranged to show in plain and succinct language each particular item of proposed expenditure, showing under separate heads the amount required for personal service, for material and supplies and for any and all other purposes for each department, each office or officer, the construction or major improvement of each building or structure and the salary of each officer or employe.

(2) Employes of like salary in amount in each department or office may be listed by the number of such employes, the amount of each salary and the amount of their combined salaries.

(3) The estimates shall show also the amount proposed to be expended for:

(a) The construction, use, maintenance or improvement of public highways, roads, streets, bridges.

(b) The construction, operation and maintenance of each public utility.

(c) The payment of bonded, floating, funded, warrant or other indebtedness and the interest thereon.

(4) The estimates shall contain a full and complete disclosure of all the proposed expenditures.

[Amended by 1961 c 397 §1]

294.330 Estimate to be made for emergency expenses; limitation on use of emergency funds. Each municipal corporation shall include in the estimates required to be made by ORS 294.315 one estimate only for emergency or other expenditures unforeseen at the time the estimates were made. Such emergency fund shall be applied only to the payment of such unforeseen expenditures.

294.335 Original estimate sheets; made a part of estimates. (1) Original estimate sheets from each officer and department shall show in parallel columns the unit costs of the several services, material and supplies for the three fiscal years next preceding the current year, the detailed expenditures for the last one of the three preceding fiscal years and the budget allowances and expenditures for six months of the current year.

(2) The original estimate sheets of every officer and department from which the estimates required under ORS 294.315 have been compiled shall accompany the estimates and shall be made a part thereof.

294.340 Certifying and filing expenditure estimates; public inspection. The estimates of proposed expenditures and original estimate sheets shall, when prepared, be certified to as correct and filed in the office of the levying board and shall be open to public inspection.

294.345 Estimate of probable receipts and probable balance at end of year. (1) Each municipal corporation shall, at the time of making and filing the estimates of expenditures and original estimate sheets, prepare and file its estimate in detail of the probable receipts of the municipal corporation for the ensuing fiscal year by funds and sources, including fees, licenses, fines, forfeited bail, interest on deposits or on securities of any kind, endowments, annuities, penalties, sales of property or other assets or products of any kind, delinquent taxes, judgments, damages, rent, premiums on sales of bonds, services, road or other work done for private persons, transfer or reverter of unused balances of any fund, rebates, refunds of moneys heretofore paid on any account, apportionment, grant, contribution or allocation from any state, county, municipal or other like fund and receipts from any and all other sources of whatsoever kind or character. The summary of probable receipts shall show in parallel columns the actual receipts of the two fiscal periods next preceding the current year and the budget estimates of receipts for the current fiscal year as well as the estimated receipts for the ensuing fiscal year.

(2) Any moneys paid by the United States, or any agency thereof, in lieu of ad valorem property taxes, and retained by the state, or transferred to any governmental subdivision of the state, shall be taken into account as receipts under this section.

(3) Probable receipts shall not include gifts, bequests or devises transferred to a municipal corporation.

(4) The estimate of probable receipts required by this section shall include also an estimate of the probable unappropriated or unexpended balance in money which will remain in each fund, department or office on the last day of the current year, except the money which shall remain in the cash working fund, as provided in ORS 294.348.

[Amended by 1953 c 715 §2, 1955 c 250 §1; 1957 c 673 §3]

294.347 Earmarking of receipts from revenue producing property or facility; deposit of receipts in special fund. (1) Any port or dock commission may reserve any portion of the receipts from any revenue producing property or facility, and any city or town may reserve any portion of the receipts from any public utility operation of such city or town, and any such port, dock commission, city or town may reserve any proceeds from the sale of any such property, for future maintenance, alteration, repair, equipment, relocation or replacement of such properties or facilities of the general nature and type from which the proceeds or receipts were received, or for insurance funds or retirement pension funds, as the governing body may deem necessary or appropriate; provided, that if money is received from the sale of property which has been purchased with the proceeds from the sale of bonds or utility certificates, the governing body shall first apply the receipts from the sale of such property to the payment of any applicable

outstanding bonded indebtedness before allocation of any portion of the receipts to a reserve fund.

(2) Moneys reserved under subsection (1) of this section shall be placed in a special fund or funds

[1953 c 715 §3]

294.348 Cash working fund. (1) Any municipal corporation may establish a separate fund to be known as the cash working fund. The money in the cash working fund may be used only for the purpose of making loans to the cash account of any fund within six months after the beginning of the fiscal year for the purpose of enabling the municipal corporation to operate on a cash basis prior to the turnover of taxes to the municipal corporation from the current year's levy. At no time shall the money loaned from the cash working fund exceed the amount of taxes collectible during the fiscal year during which the loan is made. The taxes collected during the fiscal year in which the loan from the cash working fund is made shall be used to repay the cash working fund in the full amount of the loan by the end of the fiscal year.

(2) Subject to subsection (3) of this section, a municipal corporation, at the time it makes its budget estimates for the ensuing fiscal year, may include as an item to be placed in a cash working fund, all or part of the unexpended balance remaining in the general fund on the last day of the current fiscal year, provided that the amount to be retained and placed in the cash working fund shall not exceed two and one-half percent of the total estimated expenditures for all purposes for the ensuing fiscal year.

(3) The amount to be placed in the cash working fund from estimated unexpended cash balances shall not exceed two and one-half percent of the estimated expenditures for all purposes for the ensuing fiscal year. The total of the amount to be retained and placed in the cash working fund from estimated unexpended cash balances for the cash working fund plus the money to be carried over in the cash working fund shall never exceed 10 percent of the estimated expenditures for the ensuing fiscal year.

[1957 c 673 §2]

294.350 Determination of estimated tax levy. (1) Except as otherwise provided in subsections (2) and (3) of this section, the estimated tax levy upon the taxable property within the municipal corporation for the next ensuing fiscal year as nearly as the levy may be determined shall be determined by subtracting the estimated receipts as provided in ORS 294.345 from the estimated expenditures.

(2) The moneys reserved by any city, town, port or dock commission pursuant to subsection (1) of ORS 294.347 shall be shown in the fiscal budgets of such city, town, port or dock commission but shall not be counted or deducted in computing the tax levy to be made during any year.

(3) The amount in the cash working fund, authorized by ORS 294.348, on the last day of the current fiscal year, shall be shown in the fiscal budget of the municipal corporation but shall not be counted either as cash receipts or as a part of estimated expenditures in any subsequent budget.

[Amended by 1953 c 715 §2, 1957 c.673 §4]

294.355 Budget committee to prepare estimates; compensation; requiring information and compelling attendance of officers and employes. (1) The budget committee referred to in ORS 294.410 shall prepare all the estimates required by ORS 294.315 to 294.360. The budget committee shall not receive any compensation for its services in preparing the estimates.

(2) The budget committee may demand and receive from any officer, employe or department of the municipal corporation any information the committee requires for the preparation of the budget. The budget committee may compel the attendance of any such officer or employe at its meetings.

294.360 Publication of estimates, cost of services, budget allowances and receipts and expenditures, summary of indebtedness and notice of meeting. There shall be published, as provided in ORS 294.365:

(1) The estimates required by ORS 294.315, 294.345 and 294.350.

(2) A summary of the estimated receipts for the current fiscal year and the actual receipts and expenditures for each of the two fiscal periods next preceding the current year.

(3) A full and complete classified summary of the indebtedness of the municipal corporation specifying the general nature of the indebtedness, such as bonds, warrants, etc.

(4) A notice of the time and place at which the estimates may be discussed with the levying board.

[Amended by 1957 c 673 §5]

294.365 Manner of publication; alternative requirements in certain cases. (1) Subject to subsections (2) to (5) of this section, the estimates, summaries and notice referred to in ORS 294.360 shall be published at least twice prior to the time appointed for the proposed meeting, in a newspaper of general circulation published in the municipal corporation. The first publication shall be not less than 20 days and the second publication not less than 10 days prior to the date of the meeting

(2) Notwithstanding any other provision of law, in a county having a tax supervising and conservation commission, municipal corporations having a population not exceeding 100,000, according to the latest federal decennial census, and holding their own public hearing on the budget, shall publish their estimates, summaries and notice referred to in ORS 294.360 only once before the time appointed for the proposed meeting. That publication shall be in a newspaper of general circulation published in the municipal corporation and shall be published not less than 10 days prior to the date of the meeting

(3) If no newspaper of general circulation is published in the municipal corporation, the estimates, summaries and notice referred to in ORS 294.360 shall be posted in three conspicuous places in the municipal corporation for at least 20 days prior to the date of the meeting

(4) A municipal corporation having a population exceeding 100,000 inhabitants, according to the latest federal decennial census, shall, in lieu of the publication and notice prescribed in subsection (1) of this section, submit its budget to the tax supervising and conservation commission within its county, if there is such a commission, at least 20 days prior to the legal date of the public hearing before the tax supervising and conservation commission on the budget, and the budget shall thereupon be open to inspection by any taxpayer or citizen.

(5) Except as provided in subsection (4) of this section, school districts shall, in lieu of publication and notice prescribed in subsections (1) to (3) of this section, distribute the estimates, summaries and notice referred to in ORS 294 360 by·

(a) Publishing and posting them in the manner provided in ORS 331.010; or

(b) Mailing copies of them to the legal school voters residing in the district by regular mail, and posting them in the manner provided in ORS 331.010.

[Amended by 1957 c 310 §2; 1959 c.262 §2, 1961 c 299 §1, 1961 c 678 §1]

294.370 Meeting of levying board to hear taxpayers; alternative procedure in certain cases. (1) Subject to subsections (2) to (4) of this section, the levying board shall meet at the time and place designated in the notice of meeting required by ORS 294.360. At the meeting any person who will be subject to the tax levy when it is made shall be heard in favor of or against the tax levy or any part thereof.

(2) Any municipal corporation having a population exceeding 100,000 inhabitants shall, in lieu of the meeting provided for in subsection (1) of this section, submit its budget to the tax supervising and conservation commission of the county, if such commission exists in the county, and the levying board of such municipal corporation shall meet with the taxpayers thereof at a public hearing to be called and conducted by the tax supervising and conservation commission. Each member of the levying board of the municipal corporation shall be present at such hearing.

(3) In any county having a tax supervising and conservation commission any municipal corporation may, in lieu of the meeting provided for in subsection (1) of this section, file its budget with the tax supervising and conservation commission, and the tax supervising and conservation commission shall thereupon call and hold a public hearing upon the budget as provided in subsection (2) of this section.

(4) In a county having a tax supervising and conservation commission, a municipal corporation having a population not exceeding 100,000, according to the latest federal decennial census, electing to hold its own budget hearing shall submit its budget to the tax supervising and conservation commission for review at least 20 days prior to the date of publication of the budget. In all other respects the jurisdiction of the commission is the same as for municipal corporations subject to ORS 294.605 to 294.705.

[Amended by 1961 c 678 §2]

294.375 Making levy; separate appropriations; recording; greater tax or expenditure prohibited. (1) When the hearing provided for in ORS 294.370 has been held, or if at the time and place appointed for such

hearing no taxpayer appears to discuss the proposed levy, the levying board shall proceed to make, determine and declare the amount of taxes to be levied upon the current assessment and tax roll and to make a separate appropriation for each office or officer, department, building, structure, institution, bridge, road, highway, street, public utility or other purpose as shall be sufficient to raise the amount of taxes so determined and declared.

(2) The determination of the amount of the tax to be levied shall be entered in the proper records of the levying board. No greater tax than that so entered upon the record shall be levied or collected by the municipal corporation proposing the tax for the purpose or purposes indicated.

(3) Thereafter no greater expenditure of public money shall be made for any specific purpose than the amount estimated and appropriated therefor, except as provided in ORS 294.050, 294.330, 294.380 and 294.385

294.380 School districts expending federal or state funds in emergency. Whenever the board of directors of any school district has declared the existence of an emergency necessitating a greater expenditure of public money for any specific purpose or purposes than the amount estimated and appropriated therefor in order to provide or maintain and operate, or both, adequate school facilities, supplies and personnel for the proper instruction of the pupils who are attending or will attend the public schools within such district during the remainder of the budget year, such board of directors may make excess expenditures for such specific purpose or purposes beyond the amount estimated and appropriated therefor to the extent that all funds for such excess expenditures are:

(1) Advanced or committed to such district by apportionment, grant, contribution or allocation from the United States of America, or any agency thereof. In connection therewith, the school district may enter into and carry out any plan of financing sponsored by the United States, or any agency thereof, upon such terms and conditions and subject to such lawful rules and regulations as may be prescribed by the United States, or a proper agency thereof.

(2) Made available to such district from the Basic School Support Emergency Fund referred to in ORS 327.065.

(3) Made available to such district by the rural school district board from an emergency aid fund established under ORS 334.370 or from a distressed school district fund established under ORS 334.290. [Amended by 1959 c 262 §3]

294.385 Transfer of money from one fund to another fund. Subject to the provisions contained in the charter of any city or town or in any law relating to municipal corporations, it shall be lawful to transfer money from any estimate or fund to any other estimate or fund of the municipal corporation. The levying board may provide that money so transferred shall be returned to the estimate or fund from which it was transferred; but it shall not be necessary to return to the emergency fund any moneys transferred therefrom to any other estimate or fund.

294.390 Reversion of balances to general fund. Subject to the provisions contained in the charter of any city or town or in any law relating to municipal corporations, when the necessity for maintaining any estimate or fund of the municipal corporation has ceased to exist and a balance remains in the estimate or fund, the levying board shall so declare by ordinance or other order and upon such declaration such balance shall forthwith be transferred to the general fund of the municipal corporation, if there is such a general fund, unless other provisions have been made in the original creation in the estimate or fund in which there is a balance.

294.395 Election required for levy in excess of estimates and 10 percent thereof. No tax shall be levied by any municipal corporation except by direct vote of the people at a meeting duly and regularly called, as provided by law and in accordance with ORS 294.305 to 294.415 for the purpose of levying taxes, in excess of the estimates published and 10 percent thereof; but nothing in ORS 294.305 to 294.415 shall be construed to authorize any tax levy in excess of any limitation upon tax levies imposed by the Constitution and laws of Oregon.

294.400 Tax levy contrary to law voidable; procedure to set aside voidable tax levy. (1) Any tax levy made contrary to the provisions of ORS 294.305 to 294.415 shall be voidable.

(2) Except as provided in subsection (3) of this section, on the statement of the assessor or county court or of 10 interested

taxpayers in writing to the State Tax Commission, alleging that the budget or tax levy of any municipal corporation has not been prepared or made in compliance with ORS 294.305 to 294.415, or of any other law relating to the preparation of budgets and the making of tax levies, and when the commission is satisfied that reasonable grounds exist for the complaint, then the commission shall examine and audit the budget and make such investigation of the financial condition of the municipal corporation and of the proceedings whereby the tax levy was made as may be necessary for the proper determination of the matter in controversy. The statement shall clearly set forth the grounds for the allegation and shall be filed with the commission and a copy thereof with the municipal corporation within 20 days after notice of the tax levy is filed with the county assessor. If the commission finds that the budget and the tax levy in question were prepared and made in substantial compliance with ORS 294.305 to 294.415 and other laws relating to budget and tax levies, it shall make its findings accordingly and direct the assessor to extend on the assessment roll the tax levy as made by the municipal corporation. If, however, the commission finds that the budget was not prepared in accordance with ORS 294.305 to 294.415 and that the tax levy, as made by the municipal corporation, exceeds the amount which should have been levied if ORS 294.305 to 294.415 and other laws providing for budgets and tax levies had been fully observed, the commission may make an order directing that the municipal corporation prepare a budget conforming to the full requirements of ORS 294.305 to 294.415 and institute proceedings with respect thereto as required by ORS 294.305 to 294.415 in the first instance, or it may make an order reducing the amount of the tax levy to the amount which should have been so levied, and shall direct the assessor to extend on the assessment roll the corrected and reduced amount only as the true tax levy of the municipal corporation. County assessors shall comply with any order of the State Tax Commission reducing any tax levy as provided in this subsection.

(3) Whenever, in counties having a population exceeding 300,000, the statement of the assessor or the county court or board of county commissioners, or of 10 interested taxpayers in writing is filed with the tax supervising and conservation commission in the county of any municipal corporation of which the population exceeds 100,000 inhabitants, alleging that the budget or tax levy of any municipal corporation, the population of which exceeds 100,000 inhabitants, has not been prepared or made in compliance with the provisions of ORS 294.305 to 294.415, or any other law relating to the preparation of budgets and the making of tax levies, the tax supervising and conservation commission shall examine and audit the budget and make such investigation of the financial condition of the municipal corporation and of the proceedings whereby the tax levy was made as may be necessary for the proper determination of the matter in controversy. If the commission finds that the budget and the tax levy in question were prepared and made in substantial compliance with the requirements of ORS 294.305 to 294.415 and of other laws of the state relating to budgets and tax levies, it shall make its findings accordingly; but if the commission finds otherwise it may by a majority vote of the commission proceed by suit or action in the courts of this state to require that the municipal corporation conform to the full requirements of ORS 294.305 to 294.415 in the preparation of its budget and the levying of a tax.

[Amended by 1953 c 40 §2, 1959 c 168 §1]

294.405 [Repealed by 1953 c 306 §18]

294.410 Budget committee; appointment; qualifications; terms; vacancies; election of officers. (1) The budget committee shall consist of the members of the levying board and a number, equal to the number of members of the levying board, of qualified electors and freeholders of the municipal corporation appointed by the levying board.

(2) Electors and freeholders appointed to serve as members of the budget committee shall not be officers, agents or employes of the municipal corporation.

(3) As the terms of the electors and freeholders who were appointed to the budget committee expire, the levying board shall appoint, as members of the budget committee to succeed the electors and freeholders whose terms are expiring, a suitable number of qualified electors and freeholders of the municipal corporation for three-year terms.

(4) If any elector or freeholder is unable to serve the term for which he was appointed, or an elector or freeholder resigns prior to completion of the term for which he was appointed, the governing body

of the municipal corporation shall fill the vacancy for the unexpired term.

(5) If the number of members of the levying board is reduced or increased by law or charter amendment, the governing body of the municipal corporation shall reduce or increase the number of electors and freeholders appointed to the budget committee so that the number thereof shall be equal to but not greater than the number of members of the levying board. To effect a reduction, the governing body of the municipal corporation may remove such number of electors and freeholders previously appointed as may be necessary. The removals shall be made so that the number remaining will be divided into three equal or approximately equal groups as to terms. In case of an increase, additional electors and freeholders shall be appointed for such terms so that they, together with the members previously appointed, will be divided into three equal or approximately equal groups as to terms.

(6) The budget committee shall at its first meeting after its appointment elect a chairman and a secretary from among its members.

294.415 Payment of cost of advertising. The cost of publishing the notices and estimates required by ORS 294.305 to 294.415 shall be paid out of the funds of the municipal corporation kept for advertising.

294.420 Filing copy of budget with State Treasurer. On or before February 1 of each year, or upon such other date as the State Treasurer shall designate, each civil subdivision in the state, other than an irrigation or drainage district or a school district of the second or third class, shall file with the State Treasurer a true copy of its budget as finally adopted, which copy may be either in printed or typewritten form, or, if published, may consist of a clipping from the newspaper in which the copy of the budget was published.

294.425 to 294.600 [Reserved for expansion]

TAX SUPERVISING AND CONSERVATION COMMISSION

294.605 Definitions for ORS 294.605 to 294.705. As used in ORS 294.605 to 294.705, unless the context otherwise requires:

(1) "Commission" means the tax supervising and conservation commission.

(2) "Commissioner" means a member of the tax supervising and conservation commission.

(3) "Municipal corporations" means the county, and any city, town, port, school district, union high school district, road district, irrigation district, water district, dock commission, and all other public and quasi-public municipal corporations that have power to levy a tax within the county.

(4) "Levying board" means the common council, board of commissioners, board of directors, county court or other managing board of the county, or of any city, town, port, school district, union high school district, road district, irrigation district, water district, dock commission, and of all other public or quasi-public corporations that have power to levy a tax within the county.

(5) "County court" means the county court or board of county commissioners of the county.

(6) "Fiscal year" means the calendar year ending on December 31, or any period of 12 months ending during the calendar year on the last day of any month other than December.

(7) "Assessor" means the county assessor or other officer charged by law with the duty of extending taxes upon the assessment and tax roll.

(8) "Current year" means the present year.

294.610 Tax supervising and conservation commission; members; appointment; qualifications; salary; term; removal; filling vacancies. (1) There hereby is created in each county which attains a population of 300,000 or more inhabitants, according to the latest federal decennial census, a commission to be known as the tax supervising and conservation commission.

(2) The commission shall consist of five members appointed by the Governor. The commissioners appointed shall be citizens of the United States and of Oregon and residents and taxpayers in the county for which they are appointed and shall be qualified registered electors therein. The commissioners shall serve wholly without compensation

(3) Unless sooner removed by the Governor, as provided in this section, the commissioners shall hold office for a term of four years and until their successors are appointed and qualified. The term of office of the members of the commission shall commence on January 1

(4) The Governor may, for good and sufficient cause, remove any commissioner at any time and appoint his successor.

(5) In case of death, resignation or inability of any member of the commission to serve, or of his removal from office, the Governor shall make an appointment to fill the balance of the unexpired term of that commissioner.
[Amended by 1961 c 644 §2]

294.615 Oath of commissioner. Before taking office each commissioner shall take and subscribe the following oath, before an officer qualified to administer oaths, in substantially the following form:

State of Oregon }
County of ———— } ss.

I,————, being first duly sworn, depose and say that for the term of ——— year (s), to which I have been appointed as a member of the tax supervising and conservation commission for ——— County, I will faithfully and impartially discharge the duties of my said office; that I will support the Constitution of the United States and the Constitution of the State of Oregon and all laws passed in pursuance of either; that I will endeavor to secure economical expenditure of public funds sufficient in amount to afford efficient and economical administration of government in the county for which I have been appointed, and in each city, town, port, school district, union high school district, road district, irrigation district, water district, dock commission and all other municipal corporations within the territorial limits of my county; and that I will perform said duty without fear, favor or compulsion, and without hope of reward.

———————

Subscribed and sworn to before me this ———day of ————, 19—.

———————

Notary Public of Oregon
My commission expires ————.

294.620 Office of commission; employment and compensation of assistants. (1) The county court shall furnish an office in the county courthouse or other convenient place for the use of the commission, as is furnished to other departments.

(2) The commission may employ and fix the salaries of such clerks and other assistants as in their judgment shall seem meet and proper to keep the records of the commission and perform any other service to which they may be assigned by the commission. Such clerks and assistants shall be paid out of the general fund of the county in the same manner as other county officers and employes are paid.

294.625 Jurisdiction of commission. The commission shall have jurisdiction over all municipal corporations in the county that have power and authority under the Constitution and laws of the state to levy a tax upon property within the county or in any part thereof, except for state purposes.
[Amended by 1961 c 678 §3]

294.630 Tax supervising and conservation commission account. There hereby is created an account to be known as the tax supervising and conservation commission account in the general fund of each county subject to ORS 294.605 to 294.705. The tax supervising and conservation commission shall on or before April 1 of each year submit certified budgets for the ensuing fiscal year to the county court or board of county commissioners. The budget shall contain a complete and detailed estimate of the proposed expenditures of the commission for all purposes. Following the receipt of the budget the county court or board of county commissioners shall include the budget as submitted as a part of the county budget and shall make an appropriation for the tax supervising and conservation commission account sufficient to cover the proposed expenditures; but no appropriation shall be made in any county in any year for such purpose in excess of $40,000 The county court or board of county commissioners shall not reduce the amount of the budget as presented by the tax supervising and conservation commission, within the amount stated in this section, nor shall it refuse to approve any lawful request for disbursement of money from the tax supervising and conservation commission account.
[Amended by 1955 c 263 §1, 1961 c 644 §1]

294.635 Submission of budget estimates by levying boards. (1) In each county which attains a population of 300,000 or more inhabitants, according to the latest federal decennial census, the levying boards of all municipal corporations shall annually, and on or before May 15 of each year, submit their detailed estimates of the annual budget deemed

necessary to be expended by the municipal corporations, respectively, for all purposes for the next ensuing fiscal year. The tax supervising and conservation commission may, if a good and sufficient reason exists therefor and if application is made to the commission in writing, grant any municipal corporation such extension of time for filing its budget as may seem to the commission just and reasonable

(2) The budget estimates required by this section to be filed with the commission shall be in writing and shall be certified to as correct and shall be so prepared and arranged as to show in plain and succinct language each particular item of proposed expenditure There shall be attached to each budget, and made a part thereof, the levying board's estimate of the probable receipts of the municipal corporation from all other sources than direct tax levy and bond issues during the fiscal years for which the budget has been prepared. The budget estimates shall show in parallel columns the unit costs of the three years next preceding the current year, the detailed expenditures of the last one of such three preceding years, and the budget allowances and six months' expenditures of the current year.

[Amended by 1961 c 678 §4]

294.640 Hearing on budget. Every levying board shall be entitled to a hearing by the commission upon the budget submitted by it. The commission shall set times and places for such hearings, which shall be open to the public. The commission shall give notice, in such form and manner as it shall prescribe, of such hearing to every levying body entitled to such hearing. The levying boards shall meet with the commission at such times and places fixed by the commission for such hearings and discuss the budget with the commission.

294.645 Consideration of budget by commission; certifying objections or recommendations to levying board; procedure where municipality holds hearing in place of commission. (1) After the hearings have been held the commission shall carefully consider the proposed budgets and shall by majority vote of the members of the commission certify in writing to the levying board of any municipal corporation, on or before June 25 of each year, any objections which the commission may have to the adoption of the budget, or any item therein, or any recommendations which the commission may desire to make regarding the budget. If the commission does not desire to make any recommendations or objections, it shall certify that fact to the levying board. The responsibility of the commission shall be advisory only.

(2) Certification of a budget for a municipal corporation holding its own hearings shall be made in the same manner as required by subsection (1) of this section, except that any recommendations or objections shall be certified to the levying board prior to the date of publication of the budget by the municipal corporation

[Amended by 1961 c 678 §5]

294.650 Striking unauthorized items from budget; reducing total amount to within limits permitted by law and Constitution. (1) If in the examination of any budget of any municipal corporation the commission finds that any item is an expenditure not authorized by law to be made by the municipal corporation, the commission may order the item to be stricken from the budget. The levying board of the municipal corporation thereupon shall strike the item from the budget and shall not thereafter levy any tax for the payment of the same.

(2) If, after the hearing, the commission finds that the total amount of the tax levy of any municipal corporation exceeds the amount permitted by law or any provision of the Constitution of this state to be levied by the municipal corporation, the commission shall order that the total amount of the budget be reduced to within the limits permitted by law or constitutional limitation, and shall file certified copies of such order with the county assessor and county clerk. The levying board of the municipal corporation thereupon shall comply with the order of the commission by so reducing the total amount of the budget.

294.655 Hearing on special tax levies and bond issues proposed for voter approval. The commission shall conduct public hearings on all special tax levies and bond issues proposed for voter approval by the levying boards. Any levying board proposing to ask voter approval of a special tax levy or of a bond issue shall notify the commission in writing of its proposal not less than 55 days prior to the date of the election and set forth its reasons therefor; but the commission in its discretion may permit such notification to be filed in such shorter period of time as it sees fit. Upon the receipt of

the notification the commission shall fix the time and place of hearing and notify the levying board to attend the hearing and discuss the proposed special tax levy or bond issue with the commission. The hearings provided for in this section shall be in addition to the regular budget hearings provided for by ORS 294.640.

294.660 Compiling information as to indebtedness; including in annual report. The commission shall compile accurate statistical and other information as to bonded or other indebtedness within the county and of all municipal corporations within the county and shall keep a permanent record thereof. The commission shall issue a statement thereof as of June 30 of each year, in the annual report of the commission. The statement shall show also the interest charges for the ensuing year on account of such indebtedness and the amount of principal to be retired in that year.

294.665 Levying board to submit report of expenditures and revenue and annual financial reports. The levying board of each municipal corporation under the jurisdiction of the commission shall, on or before the ninetieth day following the end of its fiscal year submit a complete and accurate report of its expenditures and revenues for the fiscal year in the same detail as in its budget for that year and of its bonded indebtedness as of the last day of the fiscal year, and copies of its balance sheets showing all assets and liabilities of all funds as of the last day of the fiscal year. The levying board shall annually submit copies of its own annual financial report and of annual financial reports of its independent auditors as soon as practical after the close of each fiscal year.

294.670 Commission may inquire into management, books and systems. The commission may inquire into the management, books of account and sytems employed, of each municipal corporation, and of each department thereof within its respective county.

294.675 Calling joint meetings of levying boards. The commission may call joint meetings of the levying boards subject to ORS 294.605 to 294.705 and may require their attendance for the purpose of discussing problems common to two or more municipal corporations under the jurisdiction of the commission, including long range financial planning, building programs, special levies, bond issues and cooperative ventures such as joint purchasing.

294.680 Certifying excessive or unauthorized expenditures to district attorney; action by district attorney. If at any time the commission finds that any municipal corporation, or public official thereof, has expended any public money in excess of the amounts or for any other or different purpose or purposes than is authorized by law, the commission shall certify to the district attorney for the county that fact, and the district attorney shall proceed for the recovery thereof as by law provided.

294.685 Annual report by commission. A complete and comprehensive report of the budgets as presented by the several levying boards, as provided by ORS 294.635 to 294.650, and of any and all other information pertaining to the administration of government in the county and to the expenditures and conservation of public funds, shall be made annually by the commission and published in document form for the information of the voters and taxpayers. Copies of the report shall be filed with the Governor and with the county court.

294.690 Records and files of commission open to public inspection. The public shall have access to the records and files of the commission at the office of the commission at all times during office hours.

294.695 District attorney legal adviser and counsel to commission. The district attorney shall be the legal adviser and counsel of the commission and shall represent it in all suits and actions and other legal proceedings in any court in this state. The district attorney shall not receive any extra compensation for any services rendered in such capacity.

294.700 Proceedings to collect penalties. The penalties provided for in subsections (3) and (4) of ORS 294.990 shall be recovered by actions at law instituted in the name of the commission by the district attorney. Any proceedings against a municipal corporation shall be taken against the municipal corporation, as such, and the penalty when recovered shall be deducted from any money in the county treasury to the credit of the municipal corporation. Any

proceeding against a levying board shall be taken against the individual members of the levying board who are responsible for the failure, neglect or refusal to comply.

294.705 Tax supervising and conservation fund. There is established the tax supervising and conservation commission fund in the county treasury. The fund shall consist of any penalties recovered under ORS 294.700.

294.710 to 294.980 [Reserved for expansion]

PENALTIES

294.990 Penalties. (1) Any officer or person failing to comply with any of the provisions of ORS 294.205 to 294.220 shall be subject, in addition to such other penalties as are provided by law, to a penalty of not less than $100 and not more than $250, such penalty to be recovered as provided in ORS 294.225.

(2) Any officer wilfully violating any of the provisions of ORS 51.340 or of 294.230 to 294.245 shall, upon conviction thereof, be fined not more than $25 for each offense, to be paid into the county treasury for the benefit of the common schools. Justices of the peace shall have jurisdiction of all offenses under ORS 294.230 to 294.245.

(3) Unless the time is extended by the commission, any municipal corporation subject to ORS 294.605 to 294.705 which fails, neglects or refuses to submit its annual budget to the commission on or before May 15 of each year, as provided in ORS 294.635, shall forfeit to the use of the tax supervising and conservation commission fund $50 for each day of such failure, refusal or neglect.

(4) Any levying board subject to ORS 294.605 to 294.705 which fails, neglects or refuses to attend any budget hearing at the time and place fixed by the commission, or to be represented by counsel thereat, shall forfeit to the use of the tax supervising and conservation commission fund $25 for each member of such levying board responsible for such failure, neglect or refusal.

[Amended by 1953 c 306 §17]

CERTIFICATE OF LEGISLATIVE COUNSEL

Pursuant to ORS 173.170, I, Sam R. Haley, Legislative Counsel, do hereby certify that I have compared each section printed in this chapter with the original section in the enrolled bill, and that the sections in this chapter are correct copies of the enrolled sections, with the exception of the changes in form permitted by ORS 173.160 and other changes specifically authorized by law.

Done at Salem, Oregon,
on December 1, 1961

Sam R. Haley
Legislative Counsel