# Chapter 294

## 1973 REPLACEMENT PART

# County and Municipal Financial Administration

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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, conforming 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 political subdivisions; approved securities.** Subject to ORS 294.040, the officer having custody of the funds of any county, municipality, political subdivision or school district may, after having obtained a written order from the governing body of the county, municipality, political subdivision 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 bank accounts and 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 million 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.

(7) Time deposit open accounts, certificates of deposit and savings accounts in banks, mutual savings banks and savings and loan associations.

[Amended by 1957 c.53 §1; 1957 c.689 §1; 1965 c.404 §1; 1973 c.157 §1; 1973 c.288 §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 and its agencies and instrumentalities any idle balances of funds in the treasury of the county.

[Amended by 1959 c.224 §1; 1973 c.157 §2]

**294.046 List of approved securities for investment under ORS 294.035 and 294.045; distribution.** The State Treasurer shall prepare and keep current a list of agencies and instrumentalities of the United States with available obligations that any county, municipality, political subdivision or school district may invest in under subsection (2) of ORS 294.035 and ORS 294.045. The list shall be distributed, upon request, to any county, municipality, political subdivision or school district.

[1973 c.157 §3]

**294.047 Loss of principal on liquidation of investments.** Whenever the county treasurer of any county is forced to liquidate investments made pursuant to ORS 294.035 to 294.045 to meet current cash demands and such liquidation results in a loss of invested principal because the securities were liquidated prior to maturity under market conditions unfavorable to such liquidation, the loss shall be charged against current or future county investment earnings and the county treasurer shall not be personally liable to make good such loss.

[1959 c.612 §1; 1963 c.465 §1]

**294.048 Borrowing money when premature withdrawal or liquidation of certain investments would cause loss.** When county funds invested under subsection (7) of ORS 294.035 are required to meet current cash demands and when withdrawal or liquidation of such investments at the time would cause a loss because the investment would be withdrawn or liquidated prior to maturity, the county treasurer may, after receiving the approval of the governing body of the county, borrow funds on short-term promissory notes that shall be secured by pledging or assigning the investments held under subsection (7) of ORS 294.035. The notes shall mature in not more than six months after date of issue. If a lender demands physical possession of the certificates of deposit or other evidence of an investment pledged or assigned under this section, the treasurer shall deliver the certificate or other evidence to the lender.

[1967 c.411 §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 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; 1969 c.616 §1]

**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 293.565 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 293.560 shall be divided 75 percent to the road fund and 25 percent to the school fund of the county and, subject to subsections (2) and (3) of this section, the moneys shall be expended as other moneys in those funds are expended.

(2) The moneys 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 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.

(4) Notwithstanding the division of receipts specified in subsection (1) of this section, in any county with a population of less than 8,000 and more than 6,500, according to the latest federal decennial census, moneys from the road fund in excess of $600,000 may be transferred to the school fund when the amount of money credited to the road fund under subsection (1) of this section exceeds the amount needed for county roads, as determined by the board of county commissioners. Any amount received by a school district from the school fund of the county that is in excess of the 25 percent required under subsection (1) of this section shall not be considered as a receipt that would reduce the district's apportionments from the Basic School Support Fund.
[Amended by 1969 c.327 §1; 1971 c.539 §1]

**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 293.570, 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 293.575 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 shall be expended by the county court through the county general fund.
[Formerly 606.230; amended by 1969 c.255 §1]

**294.080 Disposition of interest from investments of county or community college funds.** (1) Except as provided in subsection (2) of this section, the county treasurer shall credit to the general fund of the county all interest received from any investment made from the general cash balance of any funds in the hands of the county treasurer. If the entire investment is made from a specific fund, however, the treasurer shall credit the interest to the fund from which the investment was made.

(2) The county fiscal officer of a community college district, as defined in ORS 341.005, shall credit to the general fund of the district all interest received from any investment made by funds in the hands of the county fiscal officer. If the entire investment is made from a specific fund, however, the county fiscal officer shall credit the interest to the fund from which the investment was made.

[1963 c.316 §1; 1971 c.513 §54]

**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, 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 not exceed the amount authorized by law. 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

authorized by law for the county expenditures, shall be jointly and severally liable, individually and personally, for the amount of such excess.

(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-eightieth of one percent (.000125) of the true cash value of all taxable property within the county, computed in accordance with ORS 308.207, 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.

[Amended by 1963 c.9 §15; 1973 c.315 §1]

**294.110** [Repealed by 1953 c.306 §18]

**294.115** [1953 c.655 §1; repealed by 1963 c.576 §44]

**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]

## PUBLICATION OF REPORTS OF FINANCIAL OFFICERS

**294.205** [Amended by 1963 c.544 §13; repealed by 1971 c.267 §16]

**294.210** [Amended by 1963 c.544 §14; repealed by 1971 c.267 §16]

**294.215** [Repealed by 1971 c.267 §16]

**294.220** [Repealed by 1971 c.267 §16]

**294.225** [Repealed by 1971 c.267 §16]

**294.230 Publication of reports of county clerk, treasurer and sheriff in counties not having auditor.** The county clerk of each county not having a county auditor authorized by ORS chapter 210 shall publish, not later than August 20 of each year, 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; 1963 c.504 §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) Except as otherwise provided in this subsection, the county shall not be required to publish any claim for personal services of regular county officers and employes occupying budgeted positions. Each month the county shall publish the name and gross monthly salary of each such officer and employe who was newly elected, appointed or employed during the previous month, who terminated during the previous month or whose salary was changed during the previous month. Once each year the county shall publish the name and gross monthly salary of all regular officers and employes occupying budgeted positions.

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

[Amended by 1963 c.360 §1]

**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.

## LOCAL BUDGET LAW

**294.305 Sections constituting Local Budget Law.** ORS 294.305 to 294.520 shall be known as the Local Budget Law.

294.310 [Amended by 1959 c.262 §1; repealed by 1963 c.576 §44]

**294.311 Definitions for ORS 294.305 to 294.520.** As used in ORS 294.305 to 294.520, unless the context requires otherwise:

(1) "Accrual basis" means the system of accounting under which revenues are recorded when earned or when levies are made, and expenditures are recorded as soon as they result in liabilities for benefits received, notwithstanding that the receipt of the revenue or payment of the expenditure may take place, in whole or in part, in another accounting period.

(2) "Activity" means that portion of the work of an organizational unit relating to a specific function or class of functions, a project or program, a subproject or subprogram or any convenient division thereof.

(3) "Appropriation" means an authorization granted by the governing body to make expenditures and to incur obligations for specific purposes, and shall be limited to a single fiscal year.

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

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

(6) "Budget resources" means resources to which recourse can be had to meet obligations and expenditures during the fiscal year covered by the budget.

(7) "Cash basis" means the system of accounting under which revenues are accounted for only when received in cash, and expenditures are accounted for only when paid.

(8) "Current year" means the fiscal year in progress.

(9) "Encumbrances" means obligations in the form of purchase orders, contracts or salary commitments which are chargeable to an appropriation and for which a part of the appropriation is reserved. Obligations cease to be encumbrances when paid or when the actual liability is set up.

(10) "Ensuing year" means the fiscal year following the current year.

(11) "Expenditure" means, if the accounts are kept on the accrual basis, the total charge incurred, whether paid or unpaid, including expense, provision for retirement of debt not reported as a liability of a fund from which retained and capital outlay. If the accounts are kept on the cash basis, the term covers only actual disbursement, the drawing of the check or warrant for these purposes and not encumbrances.

(12) "Fiscal year" means for municipal corporations with the power to levy a tax upon property, the fiscal year commencing on July 1 and closing on June 30, and for all other municipal corporations, an accounting period of 12 months ending on the last day of any month.

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

(14) "Grant" means a donation or contribution by one governmental unit to another unit. The donation or contribution may be made to aid in the support of a specified purpose or function or general purpose.

(15) "Imprest cash account" means an account for handling minor disbursements whereby a fixed amount of money, designated as petty cash, is set aside for this purpose.

(16) "Liabilities" means debt or other legal obligations arising out of transactions in the past which must be liquidated, renewed or refunded at some future date. The term should not be confined to items payable but not necessarily due. The term does not include encumbrances.

(17) "Municipal corporation" means any county, city, port, school district, union high school district, community college district and all other public or quasi-public corporations including a municipal utility or dock commission operated by a separate board or commission.

(18) "Net working capital" means the sum of the cash balance, accounts receivable expected to be realized during the ensuing year, inventories, supplies and prepaid expenses less current liabilities. This term is not applicable to a strict cash basis accounting.

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

(20) "Population" means the number of

inhabitants of a municipal corporation according to certified estimates of population made by the State Board of Higher Education.

(21) "Public utility" means those public utility operations authorized by ORS chapter 225.

(22) "Receipts" means cash received unless otherwise qualified.

(23) "Revenue" means the gross receipts and receivables of a governmental unit derived from taxes, licenses, fees and from all other sources, but excluding appropriations, allotments and return of principal from investment of surplus funds.

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

(25) "Working capital fund" means a fund of a fixed amount established to finance activities of a service nature. The amounts expended from the fund are restored thereto either by transfer from other funds or by repayment from other sources.
[1963 c.576 §3; 1971 c.513 §55]

**294.315** [Repealed by 1963 c.576 §44]

**294.316 Application.** The provisions of ORS 294.305 to 294.520 do not apply to the following municipal corporations:

(1) Drainage districts organized under ORS chapter 547;

(2) District improvement companies organized under ORS chapter 554;

(3) Highway lighting districts organized under ORS chapter 372;

(4) Irrigation districts organized under ORS chapter 545;

(5) Road districts organized under ORS chapter 371;

(6) Soil and water conservation districts organized under ORS chapter 568;

(7) Municipal public utilities operating under separate boards or commissions, authorized under ORS chapter 225 and city charters, and People's Utility Districts organized under ORS chapter 261, both operating without ad valorem tax support;

(8) Housing authorities organized under ORS chapter 456 and urban renewal agencies organized under ORS chapter 457; and

(9) Water control districts organized under ORS chapter 553 which do not levy an ad valorem tax.
[1963 c.576 §35; 1965 c.451 §1]

**294.320** [Repealed by 1963 c.576 §44]

**294.321 Purposes.** The purposes of ORS 294.305 to 294.520 are:

(1) To establish standard procedures for the preparation, presentation, administration and appraisal of budgets of municipal corporations;

(2) To provide for outlining of the programs of a municipal corporation and the fiscal policy which is to accomplish these programs;

(3) To provide for estimation of revenues, expenditures and proposed tax levies;

(4) To provide specific methods for obtaining public views in the preparation of fiscal policy;

(5) To provide for the control of revenues and expenditures for the promotion of efficiency and economy in the expenditure of public funds; and

(6) To enable the public, taxpayers and investors to be apprised of the financial policies and administration of the municipal corporation in which they are interested.
[1963 c.576 §2]

**294.325** [Amended by 1961 c.397 §1; repealed by 1963 c.576 §44]

**294.326 Compliance with Local Budget Law required prior to expenditure or tax levy; exceptions.** (1) Except as provided in subsections (2) and (3) of this section, it is unlawful for any municipal corporation to expend money or to levy a tax in any year upon property subject to taxation unless the municipal corporation has complied with the provisions of ORS 294.305 to 294.520.

(2) Subsection (1) of this section shall not apply to the expenditure in the year of receipt of grants, gifts, bequests or devises transferred to a municipal corporation in trust for specific purposes or to other special purpose trust funds at the disposal of municipal corporations. However, subsection (1) of this section shall apply to the expenditure of grants, gifts, bequests or devises transferred to a municipal corporation for undesignated general purposes or to the expenditure of grants, gifts, bequests or devises transferred to a municipal corporation in trust for specific purposes which were received in a prior year.

(3) Subsection (1) of this section shall not apply whenever the governing body of a port, dock commission or people's utility district or of a public utility or a hospital operation of a municipal corporation has declared the existence of an unforeseen occurrence or

condition which could not have been foreseen at the time of the preparation of the budget for the current year or could not have foreseen a pressing necessity for the expenditure or has received a request for services or facilities, the cost of which shall be supplied by a private individual, corporation or company or by another governmental unit necessitating a greater expenditure of public money for any specific purpose or purposes than the amount budgeted therefor in order to provide the services for which it was responsible. Such governing body may make excess expenditures for such specific purpose or purposes beyond the amount budgeted and appropriated therefor to the extent that maintenance, repair or self-insurance reserves authorized by ORS 294.366 or nontax funds are available or may be made available. Such expenditures shall be lawful only after the enactment of appropriate appropriation ordinances or resolutions authorizing the expenditures. The ordinance or resolution shall state the need for the expenditure, the purpose for the expenditure and the amount appropriated.

(4) Subsection (1) of this section shall not apply to the expenditure during the current year of the proceeds from the sale of bonds, whenever the approval of the bond issue by the people occurs after the budget for the current year has been adopted by the governing body and the bond sale occurs in the same year as the approval of the bond. However, subsection (1) of this section shall apply to the expenditure of money from sale of bonds which were approved by the people prior to the preparation of the current year's budget or which were sold in a prior year and carried forward into the current year.

(5) Subsection (1) of this section shall not apply to expenditures of funds received from assessments against benefited property for improvements as defined in subsection (2) of ORS 223.205 if at least 80 percent of the total cost of such improvements is to be paid by owners of benefited property.
[1963 c.576 §4; 1965 c.451 §2]

**294.330** [Repealed by 1963 c.576 §44]

**294.331 Budget officer.** The governing body of each municipal corporation shall, unless otherwise provided by county or city charter, designate one person to serve as budget officer. The budget officer, or the person or department designated by charter and acting as budget officer, shall prepare or supervise the preparation of the budget document. The budget officer shall act under the direction of the executive officer of the municipal corporation, or where no executive officer exists, under the direction of the governing body.
[1963 c.576 §5]

**294.335** [Repealed by 1963 c.576 §44]

**294.336 Budget committee.** (1) Except as provided in ORS 294.341, the governing body of each municipal corporation shall establish a budget committee in accordance with the provisions of this section.

(2) The budget committee shall consist of the members of the governing body and a number, equal to the number of members of the governing body, of qualified electors of the municipal corporation appointed by the governing body; and if no qualified electors, or fewer than the number required, reside in the district or are willing to serve, the governing body shall be the budget committee.

(3) The members of the budget committee shall receive no compensation for their services as members of such committee.

(4) Appointive members of the budget committee shall not be officers, agents or employes of the municipal corporation.

(5) The appointive members of the budget committee shall be appointed for terms of three years. The terms shall be staggered so that one-third or approximately one-third of the terms of the appointive members end each year.

(6) If any appointive member is unable to serve the term for which he was appointed, or an appointive member resigns prior to completion of the term for which he was appointed, the governing body of the municipal corporation shall fill the vacancy by appointment for the unexpired term.

(7) If the number of members of the governing body is reduced or increased by law or charter amendment, the governing body of the municipal corporation shall reduce or increase the number of appointive members of the budget committee so that the number thereof shall be equal to but not greater than the number of members of the governing body. To effect a reduction, the governing body of the municipal corporation may remove such number of appointive members 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 appointive members 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.

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

[1963 c.576 §6; 1973 c.61 §1]

**294.340** [Repealed by 1963 c.576 §44]

**294.341 Governing body of certain municipal corporations to be budget committee.** The governing body of each municipal corporation having a population exceeding 100,000 and which is located in a county having a tax supervising and conservation commission shall be the budget committee for such municipal corporation.

[1963 c.576 §7]

**294.345** [Amended by 1953 c.715 §2; 1955 c.250 §1; 1957 c.673 §3; repealed by 1963 c.576 §44]

**294.347** [1953 c.715 §3; repealed by 1963 c.576 §44]

**294.348** [1957 c.673 §2; repealed by 1963 c.576 §44]

**294.350** [Amended by 1953 c.715 §2; 1957 c.673 §4; repealed by 1963 c.576 §44]

**294.351 Estimates of expenditures required; form and contents.** (1) Each municipal corporation shall estimate expenditures for the ensuing year. The estimate of expenditures shall be prepared by funds and itemized to disclose fully all proposed expenditures therein.

(2) Estimates of expenditures for the ordinary operation of a municipal corporation shall be shown in the general fund. The estimates in the general fund shall be arranged for each organizational unit or activity under separate captions of amounts for personal services, materials and services and capital outlay. In addition, estimates shall be made for special payments and for operating expenses and general capital outlays which cannot be allocated to an organizational unit or activity.

(3) Estimates of expenditures of special revenue funds shall be shown under the captions specified in subsection (2) of this section. The construction and the maintenance of streets, roads or bridges shall be listed as separate activities when preparing estimates of expenditures from street, road or bridge funds.

(4) (a) Estimates of expenditures for personal services, other than services of persons who receive an hourly wage or who are hired on a part-time basis, shall list the salary for each officer and employe, except that employes of like classification and salary range, (such range not to exceed that established by the governing body of the municipal corporation in accordance with its policy for setting salaries) in each organizational unit or activity may be listed by the number of such employes, the limits of each salary range and the amount of their combined salaries.

(b) Salaries of persons who perform services for two or more organizational units or activities or funds shall be recapitulated in a separate schedule which shall set forth the total salary for that person and the funds from which that salary is paid.

(5) The materials and services estimate shall contain separate estimates for contractual and other services, materials and supplies and other charges.

(6) The general capital outlay estimate shall contain separate estimates for land, buildings, improvements other than buildings and such machinery and equipment which cannot be shown under an organizational unit or activity.

(7) Each municipal corporation which has bonded indebtedness shall prepare estimates of the amounts required to be expended for repayment of principal of each bond issue and for interest thereon.

(8) Each municipal corporation, including each autonomous authority of a municipal corporation, may include in the estimates for each fund an estimate for general operating contingencies entitled "General Operating Contingencies."

[1963 c.576 §8; 1965 c.451 §3; 1971 c.516 §1]

**294.355** [Repealed by 1963 c.576 §44]

**294.356 Preparation of estimates by school and community college districts and by municipal corporations operating public utility or hospital.** (1) Each school district and each community college district shall prepare its estimates of expenditures required by ORS 294.351 in accordance with the classification of revenue and expenditure accounts prescribed by rules and regulations of the State Board of Education with the approval of the Department of Revenue.

(2) Notwithstanding subsections (2) to (5) of ORS 294.351, each municipal corporation which operates a public utility or hospital

shall prepare its estimates for such operations in accordance with the generally accepted system of accounts for such operation or in accordance with the general system of accounts contained in ORS 294.311 to 294.520.
[1963 c.576 §§8a, 9; 1971 c.513 §56]

**294.360** [Amended by 1957 c.673 §5; 1963 c.576 §22; renumbered 294.416]

**294.361 Contents of estimate of budget resources.** (1) Each municipal corporation shall estimate in detail its budget resources for the ensuing year by funds and sources.

(2) Budget resources include but are not limited to: The cash balance (in the case of a municipal corporation on the cash basis) or the net working capital (in the case of a municipal corporation on the accrual basis) which will remain in each fund on the last day of the current year; taxes; 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; reimbursement for services, road or other work performed for others; transfer or reverter of unused balances of any kind; reimbursement for services provided other funds; rebates; refunds of moneys heretofore paid on any account; apportionment, grant, contribution, payment or allocation from the federal or state government or any unit of government; taxes for the ensuing year computed in accordance with ORS 294.381; and revenues from any and all other sources of whatsoever kind or character.

(3) Budget resources shall not include grants, gifts, bequests or devises transferred to a municipal corporation in trust for specific uses in the year of transfer. However, such grants, gifts, bequests or devises which have been partially received in a previous year or the receipt of which and the amount of which is known to take place in the ensuing year shall be included in budget resources. Such grants, gifts, bequests or devises may be placed in a trust and agency fund, to then be appropriated from such fund or funds.
[1963 c.576 §10; subsection (4) enacted as 1965 c.604 §11; 1969 c.612 §3]

**294.363 Substitution of "organizational unit" or "program" for "fund".** To aid in making the estimates of expenditures and revenues under ORS 294.351 and 294.356 and to facilitate transfers of appropriations under ORS 294.450, for those municipal corporations using functional or program budgets, the term "organizational unit" or "program" may be substituted for the term "fund" where appropriate.
[1971 c.516 §10]

**294.365** [Amended by 1957 c.310 §2; 1959 c.262 §2; 1961 c.299 §1; 1961 c.678 §1; 1963 c.576 §23; renumbered 294.421]

**294.366 Earmarking of receipts from revenue-producing property or facility; deposit 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 may reserve any portion of the receipts from any public utility operation of such city, and any such port, dock commission or city 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.
[1963 c.576 §12]

**294.370** [Amended by 1961 c.678 §2; repealed by 1963 c.576 §44]

**294.371 Estimate of unappropriated ending fund balance for each fund.** A municipal corporation may include in its budget an estimate of unappropriated ending fund balance for each fund, for use in the fiscal period following that for which the budget is being prepared. The estimate authorized by this section represents cash or net working capital which will be carried over into the year following the ensuing fiscal year for which the budget is being prepared. It shall not in any way reduce the cash balance or net working capital which becomes part of the budget resources provided in subsections

(1) to (3) of ORS 294.361. The unappropriated ending fund balance authorized by this section shall become a budget resource at the close of the ensuing fiscal year for the succeeding year. No appropriation nor expenditure shall be made in the year for which the budget is applicable for the amount estimated pursuant to this section.
[1963 c.576 §13; 1965 c.451 §4]

294.375 [Repealed by 1963 c.576 §44]

**294.376 Expenditure and resource estimate sheets; made part of budget document.** (1) The sheet or sheets containing the estimate of expenditures shall also show in parallel columns the actual expenditures for the two fiscal years next preceding the current year, the estimated expenditures for the current year and the estimated expenditures for the ensuing year.

(2) The sheet or sheets containing the estimate of budget resources shall also show in parallel columns the actual budget resources of the two fiscal years next preceding the current year, the estimated budget resources for the current year and the estimated budget resources for the ensuing year.

(3) The estimate sheets shall be made a part of the budget document.
[1963 c.576 §14]

294.380 [Amended by 1959 c.262 §3; repealed by 1963 c.576 §44]

**294.381 Determination of estimated tax levy.** Each municipal corporation which has the power to levy a tax shall estimate the amount of taxes to be levied for the ensuing year upon the taxable property within the municipal corporation. The estimate shall be computed as follows:

(1) Add the estimated unappropriated ending balances referred to in ORS 294.371 to the estimate of expenditures.

(2) To the sum obtained in subsection (1) of this section add the amounts of moneys reserved pursuant to ORS 294.366 or any other law.

(3) From the sum obtained in subsection (2) of this section, subtract the estimate of budget resources excluding the amount for taxes to be levied for the ensuing year.

(4) To the remainder obtained in subsection (3) of this section, add an estimate of the discount allowed by ORS 311.505 and an allowance for taxes which will be levied but not collected in the ensuing year.

(5) The sum obtained in subsection (4) of this section is the estimate of taxes to be levied for the ensuing year.
[1963 c.576 §15]

294.385 [Repealed by 1963 c.576 §44]

**294.386 Financial summary.** Each municipal corporation shall prepare a financial summary. The financial summary shall include:

(1) A summary statement by funds showing the estimate of budget resources and the estimate of expenditures;

(2) A classified statement of outstanding indebtedness;

(3) A classified statement of all indebtedness authorized but not incurred; and

(4) A computation of the estimated tax levy.
[1963 c.576 §16]

294.390 [Repealed by 1963 c.576 §44]

**294.391 Budget message.** A budget message shall be prepared by the executive officer of the municipal corporation or, where no executive officer exists, by the chairman of the governing body. The budget message shall be delivered at the meeting of the budget committee at which time the budget document is delivered to the budget committee as provided in ORS 294.401. The budget message shall:

(1) Explain the budget document;

(2) Contain an outline of the proposed financial policies of the municipal corporation for the ensuing year;

(3) Describe in connection with the financial policies of the municipal corporation, the important features of the budget document;

(4) Set forth the reason for salient changes from the previous year in appropriation and revenue items; and

(5) Explain the major changes in financial policy.
[1963 c.576 §17]

294.395 [Repealed by 1963 c.576 §44]

**294.396 Time of making budget message and document.** The budget message and budget document shall be prepared a sufficient length of time in advance to allow the adoption of the budget by the close of the current fiscal year.
[1963 c.576 §18]

294.400 [Amended by 1953 c.40 §2; 1959 c.168 §1; repealed by 1963 c.576 §44]

**294.401 Budget committee meeting to receive budget message and document; copies of document to be available.** (1) Not less than eight days and not more than 14 days

prior to the meeting of the budget committee at which time the budget message and budget document are to be received, the budget officer shall publish in a newspaper of general circulation in the municipal corporation a notice of the purpose, time and place of the meeting and the place where the budget document is available. The notice shall also state that the meeting is a public meeting where deliberations of the budget committee will take place and that any person may discuss proposed programs with the budget committee at that time.

(2) The budget officer shall submit the budget document at the meeting as provided in subsection (1) of this section to the budget committee for their use and consideration.

(3) The budget officer shall file a copy of the budget document in the office of the governing body of the municipal corporation immediately following the budget committee's meeting as provided in subsection (1) of this section. The copy shall become a public record of the municipal corporation.

(4) The governing body shall either provide the means of duplicating the budget or part thereof, (in those situations where the budget document or portion thereof may be quickly reproduced) or shall provide copies of the budget document or part thereof so that a copy of the budget document or part thereof may be readily obtained by any individual interested in the affairs of the municipal corporation.

[1963 c.576 §19; 1965 c.451 §5; 1971 c.516 §2]

**294.405** [Repealed by 1953 c.306 §18]

**294.406 Budget committee hearings; approval of budget document.** (1) The budget committee shall approve the budget document as submitted by the budget officer or the budget document as revised and prepared by the budget committee.

(2) At the meeting of the budget committee as provided in subsection (1) of ORS 294.401, it shall hear the budget message, receive the budget document, hear persons, and announce the time of the next meeting, if any.

(3) The budget committee shall meet from time to time at its discretion. All meetings of the budget committee shall be open to the public.

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

[1963 c.576 §20; 1965 c.451 §6]

**294.410** [Repealed by 1963 c.576 §44]

**294.411 Submission of budget document to tax supervising and conservation commission in certain cases prior to publication and approval by budget committee.** (1) Each municipal corporation having a population not exceeding 100,000, located in a county having a tax supervising and conservation commission and not submitting its budget document to the tax supervising and conservation commission for a public hearing, pursuant to subsection (3) of ORS 294.430, shall submit its budget document to the tax supervising and conservation commission in the county at least 20 days prior to the date of publication of the budget document in accordance with ORS 294.421. If its territory lies in two or more counties, the municipal corporation shall submit its budget to the commission if the true cash value of all property subject to taxation by the municipal corporation in the county having a commission is greater than the true cash value of all property subject to taxation by the municipal corporation in any other county. True cash value is the true cash value computed according to ORS 308.207 from the assessment rolls last in the process of collection.

(2) Before approving the budget document, the budget committee for a municipal corporation described in subsection (1) of this section, shall consider and take appropriate action on any orders, recommendations or objections made by the tax supervising and conservation commission.

[1963 c.576 §21; 1969 c.155 §1]

**294.413 Format for notices and summaries; Local Budget Advisory Committee.** (1) Format for publication of notices and summaries required by ORS 294.416 and 294.418 shall be prescribed by the Department of Revenue in accordance with the recommendations of the Local Budget Advisory Committee.

(2) The Director of the Department of Revenue shall appoint a nine-member Local Budget Advisory Committee to advise him of the Local Budget Law. Such advice shall include, but not be limited to, the forms to be used for publication of budget notices as required by ORS 294.401 and publication of

budget summaries as required by ORS 294.416 or 294.418. The committee shall include five public members not employed by the state or a political subdivision, one representative nominated by the Oregon Newspaper Publishers Association, one city official nominated by the League of Oregon Cities, one county official nominated by the Association of Oregon Counties, and one official nominated by the School Boards Association. [1971 c.516 §9]

294.415 [Renumbered 294.425]

**294.416 Publication of budget summary, financial summary, certification of accounting method, and notices of meeting and availability of budget document.** Except as provided in ORS 294.418, there shall be published, as provided in ORS 294.421:

(1) A summary of the budget as approved by the budget committee and compared with the most recent preceding year's actual expenditures and budget resources and the current year's budget summary in accordance with forms prescribed by the Department of Revenue in the manner provided in ORS 294.413. The summary shall be of sufficient detail to inform the citizens of the municipal corporation of the proposed financial plan for the ensuing fiscal year. As a minimum requirement, the personnel services, the major expense items under materials and services and capital outlay for each organizational unit or activity of each fund and the major items for debt service, special payments, and operating contingencies for each fund shall be listed separately. The summary shall show the major items of budget resources.

(2) The financial summary for the ensuing year and for the current year.

(3) A notice of the time and place at which the budget document as approved by the budget committee may be discussed with the governing body.

(4) A certification by the chairman of the governing body that the budget is prepared in accordance with the method of accounting used in the preceding year unless a change in the method of accounting is anticipated. If a change in the method of accounting is to be made, the chairman of the governing body shall explain the change and the effects of the change in place of the certification.

(5) A notice of the place where the complete budget document is available for inspection by the general public during regular business hours and where copies of the complete budget document may be obtained. [Formerly 294.360; amended by 1965 c.451 §7; 1971 c.516 §3]

**294.418 Alternative budget publication procedure.** In lieu of the publication requirements contained in ORS 294.416, a municipal corporation may elect to publish its budget as provided in this section.

(1) There shall be published, as provided in ORS 294.421, a summary of the budget as approved by the budget committee and compared with the most recent preceding year's budget summary and the current year's budget summary. The budget summary shall be prepared in accordance with forms prescribed by the Department of Revenue in the manner provided in ORS 294.413. As a minimum requirement, there shall be listed the total requirements for the organizational unit or activity of the fund or program, and a brief narrative description of the function of a unit, activity or program. Information shall be furnished showing the personnel requirements for the function or program. The narrative shall include a statement of any special source for financing the activity or program, or shall state that the activity or program is financed from general resources of the governmental unit. The summary for the ensuing year and for the current year shall show total budgeted requirements, total estimated resources other than ad valorem property taxes, the ad valorem property tax levy, and the estimated tax rate per thousand dollars of assessed value to produce the tax levy. The summary shall include an analysis of the ad valorem tax levy for the current and ensuing years, showing by fund the special levies approved by the voters, the ad valorem levies for meeting payments on bond, principal and interest thereon, and the ad valorem levies within the tax base as defined by section 11, Article XI of the Oregon Constitution.

(2) There shall be published with the summary:

(a) A notice of the time and place at which the budget document as approved by the budget committee may be discussed with the governing body.

(b) A certification by the chairman of the governing body that the budget is prepared in accordance with the methods of accounting used in the preceding year unless a

change in the method of accounting is anticipated; and if a change in the method of accounting is to be made, the chairman of the governing body shall explain the change and the effects of the change.

(c) A notice of the place where the complete budget document is available for inspection by the general public during regular business hours and where copies of the complete budget document may be obtained.
[1971 c.516 §5]

**294.420** [Renumbered 294.555]

**294.421 Manner of publication; alternative requirements in certain cases.** (1) Subject to subsections (3) to (9) of this section, the summary of the budget document approved by the budget committee shall be published at least once prior to the time appointed for the proposed meeting of the governing body in accordance with ORS 294.430, in one or more of the newspapers published in the municipal corporation and having general circulation in the municipal corporation, or if no newspaper is published in the municipal corporation, then in some newspaper or newspapers designated by the governing body of the municipal corporation and having general circulation in the municipal corporation. The publication shall be not less than 15 days and not more than 25 days prior to the date of the meeting.

(2) Subject to subsections (3) to (9) of this section, the notice of the time and place at which the budget document as approved by the budget committee may be discussed, the date of the publication of the budget summary required by subsection (1) of this section and the name of the newspaper in which it was published shall be published not less than eight days and not more than 14 days prior to the date of the meeting required by ORS 294.430.

(3) Notwithstanding any other provision of law, in a county having a tax supervising and conservation commission, municipal corporations having a population not exceeding 250,000, according to certified estimates of population made by the State Board of Higher Education, shall publish their summary of the budget document approved by the budget committee in accordance with subsection (1) of this section.

(4) Except as provided in subsection (7) of this section, if no newspaper is published in the municipal corporation, a municipal corporation may, in lieu of publication and notice prescribed in subsections (1), (2), (3) and (5) of this section, distribute the summaries and notices provided by ORS 294.416 or 294.418 by mailing copies thereof to the legal voters residing in the district by regular mail at least 20 days prior to the meeting provided in ORS 294.430 and by publishing the notice provided in subsection (6) of this section. A municipal corporation may mail only one copy of the summaries and notices provided by ORS 294.416 or 294.418 to any household in which there are two or more legal voters.

(5) If no newspaper is published in the municipal corporation, a municipal corporation whose aggregate of estimated budget expenditures for the ensuing fiscal year does not exceed $50,000 may, in lieu of the publication and notice provided in subsections (1) to (4) of this section, post the summaries and notices provided by ORS 294.416 or 294.418 in three conspicuous places in the municipal corporation for at least 20 days prior to the date of the meeting provided in ORS 294.430 and publish the notice provided by subsection (6) of this section.

(6) If either of the methods of giving notice as provided in subsections (4) and (5) of this section are used, the municipal corporation shall publish once in a newspaper or newspapers having general circulation in the municipal corporation a notice of the following:

(a) The date, time and place of the meeting provided by ORS 294.430;

(b) The place where the complete budget document is available for inspection by the general public during regular office hours;

(c) Total budget requirements and taxes proposed to be levied;

(d) Change in the amount of proposed tax levy and the last preceding proposed tax levy; and

(e) The place where copies of the complete budget or parts thereof may be obtained.

The notice provided in this subsection shall be published not less than eight days and not more than 14 days prior to the date of the meeting provided in ORS 294.430.

(7) A municipal corporation having a population exceeding 250,000 inhabitants, according to certified estimates of population made by the State Board of Higher Education, shall, in lieu of the publication and notice prescribed in subsection (1) of this

section, submit its budget document, as approved by the budget committee, 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 document shall thereupon be open to inspection by any taxpayer or citizen.

(8) If the territory of a municipal corporation lies in two or more counties, one of which has a tax supervising and conservation commission, and if the true cash value of all property subject to taxation by the municipal corporation in the county with a commission is greater than the true cash value of property subject to taxation by the municipal corporation in any other county, the municipal corporation shall be subject to subsections (3) and (7) of this section. True cash value is the true cash value computed according to ORS 308.207 from the assessment rolls last in the process of collection.

(9) Any municipal corporation subject to subsection (8) of this section, and having a population exceeding 250,000 inhabitants according to certified estimates of population made by the State Board of Higher Education, shall publish a notice as prescribed in subsection (6) of this section. In addition to this notice, each community college district subject to this subsection shall publish a notice as prescribed in subsection (6) of this section, together with a copy of its financial summary as defined in ORS 294.386, in a newspaper or newspapers having circulation in the district and published in each county which has no tax supervising and conservation commission and contains a part of the territory of the municipal corporation.

[Formerly 294.365; 1965 c.451 §8; 1967 c.525 §1; 1969 c.155 §2; 1971 c.516 §6]

**294.425 Payment of cost of publication.** The cost of publishing the notices and estimates required by ORS 294.305 to 294.520 shall be paid out of the funds of the municipal corporation kept for advertising.

[Formerly 294.415]

**294.430 Hearing by governing body on budget document as approved by budget committee; alternative procedure in certain cases.** (1) Except as provided in subsections (2) and (3) of this section, the governing body of a municipal corporation shall meet at the time and place designated in the notice of meeting required by ORS 294.416 for the purpose of holding a public hearing on the budget document as approved by the budget committee. At the meeting any person may appear for or against any item in the budget document.

(2) Each municipal corporation having a population exceeding 100,000 and located in a county having a tax supervising and conservation commission, shall, in lieu of the meeting provided for in subsection (1) of this section, submit its budget document to the tax supervising and conservation commission of the county. The governing body of such municipal corporation or its representatives shall meet with the taxpayers thereof at a public hearing to be called and conducted by the tax supervising and conservation commission.

(3) Any municipal corporation having a population not exceeding 100,000 and located in a county having a tax supervising and conservation commission, may, in lieu of the meeting provided for in subsection (1) of this section, submit its budget document to the tax supervising and conservation commission of the county for a public hearing. The governing body of such municipal corporation or its representatives shall meet with the taxpayers thereof at a public hearing to be called and conducted by the tax supervising and conservation commission.

(4) If its territory lies in two or more counties, a municipal corporation subject to subsection (2) of this section shall, and a municipal corporation subject to subsection (3) of this section may, submit its budget document to the tax supervising and conservation commission for public hearing if the true cash value of all property subject to taxation by the municipal corporation in the county with a commission is greater than the true cash value of all property subject to taxation by the municipal corporation in any other county. True cash value is the true cash value computed according to ORS 308.207 from the assessment rolls last in the process of collection.

[1963 c.576 §24; 1969 c.155 §3]

**294.435 Governing body to adopt budget, make appropriations and declare tax levies; greater tax or expenditure prohibited.** (1) After the public hearing provided for in subsection (1) of ORS 294.430 has been held, the governing body shall enact the proper ordinances or resolutions to adopt the budget, to make the appropriations and to determine, make and declare the ad valorem tax levy for each fund. Consideration shall be given to

matters discussed at the public hearing. The budget estimates and proposed tax levy of any fund as shown in the budget document may be amended prior to adoption. However, the amount of estimated expenditures for each fund shall not be increased by more than 10 percent thereof, and the amount of the total ad valorem taxes to be certified by the municipal corporation for levy for all funds shall not exceed the amount shown in the budget document as published in accordance with ORS 294.421, prior to the budget meeting, unless the amended budget document is republished as provided by ORS 294.416 or 294.418 and 294.421 for the original budget and another public hearing is held as provided by subsection (1) of ORS 294.430.

(2) After the public hearing provided for in subsection (2) or (3) of ORS 294.430 has been held and the certification of the tax supervising and conservation commission received, the governing body shall enact the proper ordinances or resolutions to adopt the budget; to make the appropriations; and to determine, make and declare the ad valorem tax levy for each fund. Consideration shall be given any orders, recommendations or objections made by the tax supervising and conservation commission in accordance with law. The action taken on each order, recommendation or objection after such consideration by the governing body, with the reasons for such action, shall be included in the ordinance or resolution adopting the budget. A certified copy of the ordinance or resolution shall be sent to the commission within 15 days after the date the ordinance or resolution is adopted. The budget estimates, appropriations and tax levy of any fund as shown in the budget document may be amended prior to adoption. However, the amount of estimated expenditures for each fund shall not be increased by more than 10 percent thereof, and the amount of the total ad valorem taxes to be certified by the municipal corporation for levy for all funds shall not exceed the amount shown in the budget document at the time of the budget hearing, unless the amended budget document is resubmitted to the tax supervising and conservation commission for another public hearing, and for recommendations or objections of that body.

(3) Except as provided in subsection (4) of this section, the appropriations required by subsections (1) and (2) of this section shall contain one amount for personal services, one amount for materials and services, and one amount for capital outlay for each organizational unit of each fund and shall contain for each fund one amount for debt service, one amount for special payments, one amount for capital outlay and one amount for operating expenses which cannot be allocated to an organizational unit or activity, and one amount for operating contingencies for each fund. If the governing body so desires, it may appropriate separate amounts for activities within an organizational unit in the same manner as appropriations are made for an organizational unit.

(4) Appropriations may be made by program in those municipal corporations which have adopted a program budget.

(5) Thereafter no greater expenditure of public money shall be made for any specific purpose than the amount appropriated therefor except as provided in ORS 294.326, 294.440, 294.450 and 294.480.

(6) The determination of the amount of ad valorem tax to be levied shall be entered in the proper records of the governing body. No greater tax than that so entered upon the record shall be levied by the municipal corporation proposing the tax for the purpose or purposes indicated.

[1963 c.576 §25; 1965 c.451 §9; 1969 c.682 §1; 1971 c.516 §7]

**294.440 School or community college district expending federal or state funds in emergency.** Whenever the board of directors of any school district or the board of education of any community college district has declared the existence of an emergency necessitating a greater expenditure of public money for any specific purpose or purposes than the amount appropriated therefor in order to provide or maintain and operate, or both, adequate school or college facilities, supplies and personnel for the proper instruction of the pupils who are attending or will attend the public schools or college within such district during the remainder of the budget year, such board may make excess expenditures for such specific purpose or purposes beyond the amount 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, or any agency thereof. In connection therewith, the 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 a common or union high school district by the intermediate education district board from an emergency aid fund established under ORS 334.370 or from a distressed school district fund established under ORS 334.290.

[1963 c.576 §26; 1971 c.513 §58]

**294.445 Method of accounting used by municipal corporation; change of method.** (1) A municipal corporation shall record its revenues and expenditures according to either the accrual basis of accounting, the cash basis of accounting or a combination of cash and accrual basis of accounting.

(2) The selection of the method of accounting is left to the discretion of each municipal corporation in the first year following September 2, 1963. Any change in the method of accounting thereafter shall be clearly set forth in the budget message for the year in which the change is contemplated and the reasons for the change and its effect on the operations of the municipal corporation shall be explained. Once a new method of accounting is adopted, it shall be followed in the year for which the budget was prepared and each succeeding year thereafter until changed in a subsequent budget. Such change must be published as provided in subsection (3) of ORS 294.416.

[1963 c.576 §28]

**294.450 Transfers of appropriations within fund or from one fund to another.** Subject to the provisions contained in the charter of any city or county or in any law relating to municipal corporations:

(1) Transfers of appropriations may be made within a given fund when authorized by official resolution or ordinance of the governing body. The resolution or ordinance shall state the need for the transfer, the purpose for the authorized expenditure and the amount of appropriation transferred.

(2) Transfers of appropriations or of appropriations and a like amount of budget resources may be made from the general fund of the municipal corporation to any other fund when authorized by an official resolution or ordinance of the governing body. The resolution or ordinance shall state the need for the transfer, the purpose for the authorized expenditures embodied in the appropriation and the amount of appropriation transferred.

(3) It shall be unlawful to transfer appropriations from any special revenue fund to the general fund or any other special revenue fund.

(4) The transfers referred to in this section apply to transfers which occur after the budget has been approved and which are made during the year for which the appropriations are made. Nothing in this section shall prohibit or regulate lawful transfers which have been budgeted in accordance with the local budget law.

[1963 c.576 §27]

**294.455 Appropriation of funds to repair or replace property.** If property has been involuntarily converted or destroyed and is to be repaired or replaced with payments received (from insurance or otherwise) for the conversion or destruction, appropriations for the estimated expenditure of such money shall be made by resolution and ordinance in the same manner as provided in subsection (1) of ORS 294.450, or by supplemental budget as provided by subsection (3) of ORS 294.480.

[1963 c.576 §27a; 1965 c.451 §10]

**294.460 Loans from one fund to another; commingling cash balances of funds.** (1) It shall be lawful to loan money from any fund to any other fund of the municipal corporation whenever the loan is authorized by official resolution or ordinance of the governing body, except loans shall not be made from funds created for the purpose of retiring indebtedness unless otherwise provided by the charter of any city or county or in any statute relating to municipal corporations. The resolution or ordinance shall state the need for the loan and provide that the money so loaned shall be returned to the fund from which it was borrowed by the end of the ensuing year.

(2) It shall be lawful to commingle cash balances of funds so long as all such fund moneys are segregated in the budget and accounting records.

[1963 c.576 §§27b, 27c]

**294.465 Cash accounts for minor disbursements.** (1) A municipal corporation may establish by ordinance or resolution one or more imprest cash accounts for the handling of minor disbursements. The ordinance

or resolution creating the account shall set forth in detail the following:

(a) The transfer of money to the account;

(b) The object or purpose of the account;

(c) The methods for controlling of expenditures and encumbering of such moneys in the account; and

(d) The sources from which and the methods whereby the account will be replenished.

(2) No person shall expend or encumber or authorize expenditure or encumbrance of balances from such an account created in accordance with subsection (1) of this section in excess of the cash balance of that account, or for a purpose for which there is no appropriation or source of reimbursement authorized at that time.

(3) Each petty cash account and the amount thereof may be set out in a separate schedule of such accounts in the budget document. The total amount of all petty cash accounts shall be set forth in the same schedule.
[1963 c.576 §29]

**294.470 Working capital funds.** (1) A municipal corporation may establish by ordinance or resolution one or more working capital funds. The ordinance or resolution creating the fund shall set forth in detail the following:

(a) The appropriation or appropriations to be charged in order to provide the initial money for financing the fund;

(b) The object or purpose of the fund;

(c) The methods for controlling of expenditures and encumbering of such funds; and

(d) The sources from which the fund shall be replenished.

(2) No person shall expend or encumber or authorize expenditure or encumbrance of balances from such funds created in accordance with subsection (1) of this section in excess of the balance of that fund, or for a purpose for which there is no appropriation or source of reimbursement authorized at that time.

(3) The anticipated expenditure for the ensuing year from a working capital fund created in accordance with subsection (1) of this section shall be budgeted as any other fund in accordance with ORS 294.305 to 294.520, appropriations shall be made for each working capital fund in accordance with ORS 294.435 and expenditures from the working capital fund shall be regulated thereby.

(4) The charges for services shall be computed to cover all costs for such services and the charges shall be periodically revised to eliminate any element of profit or loss.
[1963 c.576 §30]

**294.475 Elimination of unnecessary fund; disposition of balance.** Subject to the provisions contained in the charter of any city or county or in any law relating to municipal corporations, when the necessity for maintaining any fund of the municipal corporation has ceased to exist and a balance remains in the fund, the governing body 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 unless other provisions have been made in the original creation of the fund.
[1963 c.576 §31]

**294.480 Supplemental budget in certain cases; no increased tax levy to be made.** (1) Notwithstanding requirements as to estimates of and limitation on expenditures, any municipal corporation may make a supplemental budget for the fiscal year for which the regular budget has been prepared under one or more of the following circumstances:

(a) An occurrence or condition which had not been ascertained at the time of the preparation of a budget for the current year which requires a change in financial planning.

(b) A pressing necessity which was not foreseen at the time of the preparation of the budget for the current year which requires prompt action.

(c) Funds were made available by another unit of federal, state or local government and the availability of such funds could not have been ascertained at the time of the preparation of the budget for the current year. However, this paragraph shall not authorize the expenditure of any moneys received from the Basic School Support Fund as the result of any increase in the dollar amount in the appropriation formula established by ORS 327.014.

(d) A request for services or facilities, the cost of which shall be supplied by a private individual, corporation or company or by another governmental unit and the amount of the request could not have been accurately ascertained at the time of the preparation of the budget for the current year.

(e) Proceeds from the involuntary destruction, involuntary conversion, or sale of

property has necessitated the immediate purchase, construction or acquisition of different facilities in order to carry on the governmental operation.

(2) A supplemental budget shall not extend beyond the end of the fiscal year during which it is submitted.

(3) The supplemental budget shall be published, or, in counties having a tax supervising and conservation commission, shall be submitted to the tax supervising and conservation commission within the county in the same manner and according to the same procedure as for the annual budget. The governing body, or, where applicable, the tax supervising and conservation commission shall then hold a public hearing on the supplemental budget. Following such hearing, the governing body 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.
[1963 c.576 §32]

**294.485 Tax levy contrary to law voidable by Oregon Tax Court; appeal procedure.** (1) Any tax levy made contrary to the provisions of ORS 294.305 to 294.520 or any other law relating to the making of tax levies shall be voidable as provided in subsection (2) of this section and ORS 310.070.

(2) The county assessor, county court, board of county commissioners, the Department of Revenue, Tax Supervising and Conservation Commission or 10 interested taxpayers may appeal to the Oregon Tax Court and such appeal shall be perfected in the following manner only:

(a) Within 20 days after the notice of tax levy is filed with the county assessor, the appealing party shall file an original and two certified copies of a complaint with the clerk of the Oregon Tax Court at its principal office in the state capital, Salem, Oregon. Such filing in the Oregon Tax Court shall constitute the perfection of the appeal. Service upon the Department of Revenue shall be accomplished by the clerk of the tax court filing a certified copy of the complaint with the Director of the Department of Revenue and with the secretary or clerk of the municipal corporation.

(b) The complaint shall state the facts and the grounds upon which the plaintiff contends the tax levy should be voided or modified. The case shall proceed thereafter in the manner provided by ORS 306.545 for appeals from orders of the Department of Revenue concerning ad valorem property tax assessments and ORS 305.405 to 305.500 shall apply to such suits.

(3) If the court finds that the budget and the tax levy in question were not prepared and made in substantial compliance with ORS 294.305 to 294.520 and any other applicable law relating to the making of tax levies, it shall declare void or modify any such tax levy and shall direct that such action be taken, all as in the circumstances it shall deem appropriate.
[1963 c.576 §33; 1967 c.78 §12]

**294.490 Department of Revenue not to interfere with fiscal policy of municipal corporation.** The department's authority pursuant to ORS 294.495 to 294.510 shall be limited to obtaining compliance with ORS 294.305 to 294.520 and shall not interfere in any way with the fiscal policy of a municipal corporation as established by its governing body or budget committee.
[1963 c.576 §34c]

**294.495 Department of Revenue to construe Local Budget Law; rules and regulations.** Notwithstanding ORS 294.695, the Department of Revenue shall:

(1) Construe ORS 294.305 to 294.520 and any other law relating to the making of tax levies when requested by any interested person or by any officer acting under such laws and shall instruct such officers as to their duties under such laws. Such officers shall submit to the department all questions arising with them which affect the construction of laws of this state relating to local budgetary procedures.

(2) Make such rules and regulations and prescribe such forms as it considers proper to effectually carry out the purposes of ORS 294.305 to 294.520 or any other law relating to the making of tax levies.
[1963 c.576 §34]

**294.500 Declaratory ruling by Department of Revenue as to its rules and regulations under Local Budget Law.** The Department of Revenue may, on petition by 10 interested taxpayers or municipal corporation, issue a declaratory ruling with respect to the validity or applicability to any person, municipal corporation or state of facts of any rule or regulation promulgated by it. The department shall prescribe by rule the form, content and procedure for submission, consideration

and disposition of such petitions. Full opportunity for hearing shall be afforded to interested parties. A declaratory ruling shall bind the department and all parties to the proceedings on the state of facts alleged, unless it is altered or set aside by a court. A ruling shall be subject to review in the Oregon Tax Court in the manner provided by ORS 294.515 and shall be subject to the same limitations as appeals provided in ORS 294.515.
[1963 c.576 §34d]

**294.505 Division of Audits to issue notification of budgetary irregularities; Department of Revenue to advise municipal corporation of correct procedures.** (1) The Division of Audits created by ORS 297.020 shall notify the municipal corporation and Department of Revenue of any irregularities in the budget procedure of the municipal corporation which is brought to its attention in the audits prepared by the division or brought to its attention in audits which are required to be filed with the division.

(2) If the Department of Revenue finds from the information submitted by the Division of Audits pursuant to subsection (1) of this section that ORS 294.305 to 294.520 have not been followed, the Department of Revenue shall order the municipal corporation to correct its procedures in the preparation of its subsequent budgets. The order shall set forth the irregularities and the steps necessary to prevent such irregularities from happening in the future. Such order shall be a public record.
[1963 c.576 §34a]

**294.510 Order for revision of budgetary procedures.** (1) The Department of Revenue may order a municipal corporation to revise its budget procedures to conform with ORS 294.305 to 294.520 when irregularities in the procedures of the municipal corporation are called to its attention in the same manner as provided in subsection (2) of ORS 294.505.

(2) The Department of Revenue may require the municipal corporation in its order to file for inspection a copy of the budget document at any stage in the procedure of the budget preparation.
[1963 c.576 §34b]

**294.515 Appeal by municipal corporation from Department of Revenue order.** Any municipal corporation aggrieved by and directly affected by an order of the Department of Revenue relating to the preparation of budgets or the extension of any tax levy may appeal to the Oregon Tax Court in the manner provided by ORS 306.545.
[1963 c.576 §33a]

**294.520 Priority of appeals under Local Budget Law.** The appeal filed with the Oregon Tax Court pursuant to ORS 294.485, 294.500 and 294.515 shall have priority over all other cases pending before the Oregon Tax Court and shall be heard and decided as soon after coming to issue as is reasonably possible.
[1963 c.576 §33b]

**294.555 Filing copy of budget and certain documents with Department of Revenue.** (1) On or before July 15 of each year, or upon such other date as the Department of Revenue shall designate, each civil subdivision in the state which does not levy an ad valorem tax and which is subject to the Local Budget Law shall file with the Department of Revenue a true copy of its budget as finally adopted and a copy of the notice of publication required by ORS 294.421. In addition, each civil subdivision which publishes a notice authorized by subsection (6) of ORS 294.421 shall include either a copy of the summary mailed to the voters under subsection (4) of ORS 294.421 or the notice posted under subsection (5) of ORS 294.421 whichever is applicable.

(2) Each municipal corporation subject to the Local Budget Law which levies an ad valorem tax shall file with the county assessor as provided in ORS 310.060 the following:

(a) An original and one copy of the notice of levy;

(b) Two true copies of its budget as finally adopted;

(c) A copy of the notice of publication required by ORS 294.421; and

(d) If applicable, in addition, each civil subdivision which publishes a notice authorized by subsection (6) of ORS 294.421, two copies of the summary mailed to the voters under subsection (4) of ORS 294.421 or two copies of the notice under subsection (5) of ORS 294.421 whichever is applicable.

(3) As soon as received, the county assessor shall forward one copy of each of the documents listed in subsection (2) of this section to the Department of Revenue.

(4) The copies of budgets to be filed with the Department of Revenue pursuant to subsections (1) and (3) of this section shall be turned over to the Division of Audits created

by ORS 297.020 on or before the end of the fiscal year for which the budget was prepared, and shall be retained by the Division of Audits for a period of two years following the end of the fiscal year for which the budget was prepared.

[Formerly 294.420; 1965 c.451 §11; 1973 c.333 §1]

**Note:** Section 3, chapter 333, Oregon Laws 1973, provides:

**Sec. 3.** The amendments contained in this 1973 Act shall first be operative as to budgets prepared for fiscal years beginning after June 30, 1974.

**294.565 Failure to file copy of required budget, reports or other documents; effect; late filing permitted.** If any city shall fail to file its documents or reports required by ORS 294.555, 297.420, and 297.610 to 297.740, with the Department of Revenue or Secretary of State, as the case may be, within 30 days after a request therefor has been made by certified mail to the city, the Department of Revenue or Secretary of State may certify to the officer responsible for disbursing funds to cities under ORS 323.455, 366.785 to 366.820 and 471.810 the fact of such failure to file the documents or reports. Notwithstanding the requirements under ORS 323.455, 366.785 to 366.820 and 471.810 for prompt payment of funds due a city, such officer shall withhold payment to the city of any funds ordinarily payable to it under ORS 323.455, 366.785 to 366.820 and 471.810 until notified by the Department of Revenue or Secretary of State that the required document or report has been received as required by law. A copy of such certification and request shall be furnished the delinquent city.

[1973 c.252 §1]

## 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 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; 1973 c.61 §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 subject to the provisions of the Local Budget Law. If the territory of the municipal corporation lies in two or more counties, the municipal corporation shall be within the jurisdiction of the commission if the true cash value of all property subject to taxation by the municipal corporation in a county having a commission is greater than the true cash value of property subject to taxation by the municipal corporation in any other county. True cash value is the true cash value computed according to ORS 308.270 from the assessment rolls last in the process of collection.

[Amended by 1961 c.678 §3; 1965 c.451 §12; 1969 c.155 §4]

**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 $80,000. 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; 1969 c.363 §1; 1973 c.68 §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 actual expenditures for the two fiscal years next preceding the current year, the estimated expenditures for the current year and the estimated expenditures for the next ensuing fiscal year.
[Amended by 1961 c.678 §4; 1963 c.576 §37]

**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. The levying board shall then convey any recommendations or objections to the budget committee for the municipal corporation.
[Amended by 1961 c.678 §5; 1963 c.576 §38]

**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 Attorney General as legal advisor and counsel to commission.** The Attorney General shall be the legal advisor 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 Attorney General shall receive compensation for any services rendered in such capacity.
[Amended by 1969 c.363 §2; 1973 c.775 §6]

**294.700 Proceedings to collect penalties.** The penalties provided for in subsections (2) and (3) 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.
[Amended by 1971 c.267 §14]

**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.

## LOCAL GOVERNMENT INVESTMENT POOL

**294.805 Definitions for ORS 294.805 to 294.895.** As used in ORS 294.805 to 294.895:

(1) "Board" means the Local Government Investment Board.

(2) "Council" means the Oregon Investment Council created under ORS 293.706.

(3) "Funds" means funds under the control or in the custody of any local government official by virtue of his office that are not required to meet current demands.

(4) "Investment officer" means the State Treasurer in his capacity as investment officer for the council and the investment pool.

(5) "Investment pool" means the aggregate of all funds from local government officials that are placed in the custody of the investment officer for investment and reinvestment as provided under ORS 294.805 to 294.895.

(6) "Local government official" means each officer or employe of any agency, political subdivision or public corporation of this state who by law is made the custodian of or has control of any funds.
[1973 c.748 §1]

**294.810 Local governments authorized to place funds in pool.** With the consent of the governing body, a local government official may place funds in the investment pool for investment and reinvestment by the investment officer as provided under ORS 294.805 to 294.895.
[1973 c.748 §2]

**294.815 Period of investments; withdrawal of funds.** Subject to the right of the unit of local government to specify the period in which its funds may be held in the investment pool for investment and reinvestment, the investment officer by rule shall prescribe the time periods for investments in the investment pool and the procedure for withdrawal of funds.
[1973 c.748 §3]

**294.820 Separate long-term investments authorized.** With the consent of his governing body, a local government official of a city or municipal corporation may deposit funds with the State Treasurer for long-term investments of the funds by the State Treasurer separate from investments of the investment pool.
[1973 c.748 §4]

**294.825 State Treasurer as investment officer; bond; employment of personnel; rules.** (1) The State Treasurer is the investment officer for the council and the investment pool, and shall perform functions in that capacity as authorized or required by law and, consistent with law, by the council.

(2) The bond of the State Treasurer required from him by law shall be deemed to extend to the faithful performance of all functions of the office of investment officer under ORS 294.805 to 294.895.

(3) The investment officer may:

(a) Subject to any applicable provision of the State Merit System Law, employ, prescribe the functions and fix the compensation of personnel necessary to facilitate and assist in carrying out the functions of the council, investment officer and investment pool.

(b) Require a fidelity bond of any person employed by him who has charge of, handles or has access to any of the moneys in the investment pool. The amounts of the bonds shall be fixed by the investment officer, except as otherwise provided by law, and the sureties shall be approved by him. The premiums on the bonds shall be an expense of the State Treasurer.

(4) Subject to review by the board, the investment officer may, pursuant to ORS 183.310 to 183.500, make reasonable rules necessary for the administration of ORS 294.805 to 294.895.
[1973 c.748 §§5, 18]

**294.830 Investment objective.** Moneys in the investment pool shall be invested and reinvested to achieve the investment objective of the investment pool, which is to make the moneys as productive as possible, subject to the standard set forth in ORS 294.835.
[1973 c.748 §7]

**294.835 Standard of care; investment in certain stocks prohibited.** (1) In investing and reinvesting moneys in the investment pool and in acquiring, retaining, managing and disposing of investments of the investment pool there shall be exercised the judgment and care under the circumstances then prevailing, which men of prudence, discretion and intelligence exercise in the management of their own affairs, not in regard to speculation but in regard to the permanent disposition of their funds, considering the probable income as well as the probable safety of their capital. Within the limitations of the foregoing standard and subject to subsection (2) of this section, there may be acquired, retained, managed and disposed of as investments of the investment pool every kind of investment which men of prudence, discretion and intelligence acquire, retain, manage and dispose of for their own account.

(2) Notwithstanding subsection (1) of this section, moneys in the investment pool may not be invested in the stock of any company, association or corporation.
[1973 c.748 §8]

**294.840 Investment policies; review; separate policies for individual local government units.** Subject to the objective set forth in ORS 294.830 and the standards set forth in ORS 294.835, the council shall formulate policies for the investment and reinvestment of moneys in the investment pool and the acquisition, retention, management and disposition of investments of the investment pool. The council, from time to time, shall review those policies and make changes therein as it considers necessary or desirable. The council may formulate separate policies for any funds from any single governmental unit included in the investment pool.
[1973 c.748 §9]

**294.845 Investment officer to invest, reinvest pool funds.** In amounts available for investment purposes and subject to the policies formulated by the council, the investment officer shall invest and reinvest moneys in the investment pool and acquire, retain, manage, including exercise of any voting rights, and dispose of investments of the investment pool.
[1973 c.748 §10]

**294.850 Contracts with persons to perform investment functions; compensation; bond.** The council may enter into contracts with one or more persons whom the council determines to be qualified, whereby the persons undertake, in lieu of the investment officer, to perform the functions specified in ORS 294.845 to the extent provided in the contract. Performance of functions under contract so entered into shall be paid for out of the gross interest or other income of the investments with respect to which the functions are performed, and the net interest or other income of the investments after that payment shall be considered income of the investment pool. The council may require a person contracted with to give to the state a fidelity bond in a penal sum as may be fixed by law or, if not so fixed, as may be fixed by the council, with corporate surety authorized to do business in this state. Contracts so entered into and functions performed thereunder are not subject to the State Merit System Law or ORS 279.710 to 279.746.
[1973 c.748 §11]

**294.855 Legal opinions; investment counseling services; mortgage services.** (1) In the acquisition or disposition of bonds with which approving legal opinions ordinarily are furnished, the investment officer may require an original or certified copy of the written opinion of a reputable bond attorney or attorneys, or the written opinion of the Attorney General, certifying to the legality of the bonds.

(2) The council may arrange for the furnishing to the investment officer of investment counseling services. The furnishing and acquisition of those services are not subject to the State Merit System Law or ORS 279.710 to 279.746.

(3) The investment officer, with the approval of the council, may arrange for services with respect to mortgages in which moneys in the investment pool are invested. Those services shall be paid for out of the gross interest of the mortgages with respect to which the services are furnished, and the net interest of the mortgages after that payment shall be considered income of the investment pool. The furnishing and acquisition of those services are not subject to the State Merit System Law or ORS 279.710 to 279.746.
[1973 c.748 §12]

**294.860 Custody of investment documents; collection of income; distribution to local governments; defaulted payments of principal and interest, collection, compromise.** (1) Except as provided in ORS 294.850 and this subsection, all instruments of title

of all investments of the investment pool shall remain in the custody of the investment officer. The investment officer may deposit with the fiscal agency in the City and State of New York or with one or more banks in Portland, Oregon, or both, with the consent of the agency or banks, those instruments of title he considers advisable, to be held in safekeeping by the agency or banks for collection of the principal and interest or other income, or of the proceeds of sale.

(2) Except as provided in ORS 294.850 and subsection (3) of ORS 294.855 and subsections (1) and (3) of this section, the investment officer shall collect the principal and interest or other income of investments of the investment pool, instruments of title of which are in his custody, when due and payable, and shall pay to the appropriate local government official the principal and interest or other income, within 30 days after the last day of the calendar quarter in which the principal and interest or other income accrues.

(3) In the event of default in the payment of principal or interest or other income of any investment of the investment pool, the investment officer, with the approval of the council, may:

(a) Institute the proper proceedings to collect the matured principal or interest or other income.

(b) Accept for exchange purposes refunding bonds or other evidences of indebtedness at interest rates to be agreed upon by the investment officer and obligor.

(c) Make compromises, adjustments or disposition of the matured principal or interest or other income as the investment officer considers advisable for the purpose of protecting the moneys invested.

(d) Make compromises or adjustments as to future payments of principal or interest or other income as the investment officer considers advisable for the purposes of protecting the moneys invested.

[1973 c.748 §13]

**294.865 Quarterly deductions from income received for reimbursement of expenses, repayment of initial appropriation.** (1) The State Treasurer may deduct quarterly a maximum of one percent of the amount of income received from the earnings of the investment pool during the preceding quarter. Amounts so deducted:

(a) Shall reimburse the State Treasurer for expenses he incurs as investment officer and to the extent they are so used shall be deposited in the Miscellaneous Receipts Account established in the General Fund for the State Treasurer, and are appropriated for payment of the expenses of the office of State Treasurer, incurred as investment officer; and

(b) In excess of expenses incurred by the State Treasurer during the preceding quarter, shall be used to return to the General Fund the appropriation made to initially cover the costs of administering the investment pool.

(2) Once enough moneys have been deducted from the earnings of the investment pool and returned to the General Fund to repay the initial appropriation, the State Treasurer may deduct, up to one percent of the income, only such amounts as are needed to reimburse him for the actual expenses he incurs as investment officer of the investment pool.

[1973 c.748 §6]

**294.870 Separate accounts for local governments; monthly reports on investment changes; investment transaction information.** (1) The investment officer shall keep, for each governmental unit with funds in the investment pool, a separate account, which shall record the individual amounts and the totals of all investments of its moneys in the investment pool.

(2) The investment officer shall report monthly to the local government official of a governmental unit with funds in the investment pool the changes in investments made during the preceding month for the investment pool. If requested by the local government official or the governing body of the governmental unit, the investment officer shall furnish to the local government official or the governing body the details on the investment transactions for the funds of their governmental unit.

[1973 c.748 §§14, 15]

**294.875 Monthly report of investments of pool funds; distribution.** Not later than 15 days after the last day of each month, the investment officer shall submit to the council and the board a report of the investments made during the preceding month. The report shall include a detailed summary of investment, reinvestment, purchase, sale and exchange transactions, setting forth, among other matters, the investments bought, sold and exchanged, the dates thereof, the prices

paid and obtained, the names of the dealers involved and a statement of the accounts referred to in subsection (1) of ORS 294.870. The investment officer may send copies of the report to investment bankers and brokers recommended by the council.
[1973 c.748 §16]

**294.880 Program examination and audit; report; distribution.** The council shall provide for an examination and audit of the investment pool investment program, and for submission to the council and the board of a report based on the examination and audit, at least once every four years and at other times as the council may require. The examination and audit, and the report based thereon, shall include an evaluation of current investment pool investment policies and practices and of specific investments of the investment pool in relation to the objective set forth in ORS 294.830, the standard set forth in ORS 294.835 and other criteria as may be appropriate, and recommendations relating to the investment pool investment policies and practices and to specific investments of the investment pool as are considered necessary or desirable. The council shall make copies of the report or a summary thereof available for distribution to interested persons.
[1973 c.748 §17]

**294.885 Local Government Investment Board; members; appointment; term; vacancies; terms of first board members.** (1) There is created the Local Government Investment Board consisting of five members.

(2) One member shall be the State Treasurer or his designated representative. One member, who is qualified by training and experience in the field of investment or finance and who does not hold any other public office or employment, shall be appointed by the State Treasurer. Three members, who are treasurers, finance or fiscal officers or business managers of any county, city or school district, shall be appointed by the Governor as follows:

(a) One shall be chosen from the persons recommended by the Association of Oregon Counties.

(b) One shall be chosen from persons recommended by the League of Oregon Cities.

(c) One shall be chosen from persons recommended by the Oregon School Boards Association.

(3) The term of office of each appointed member of the board is four years, but each appointed member serves at the pleasure of the appointing authority. A vacancy in the appointed membership occurring other than by expiration of term shall be filled in the same manner as the original appointment, but for the unexpired term only.

(4) Notwithstanding the term of office specified in subsection (3) of this section:

(a) The member of the board first appointed by the State Treasurer, shall serve for a term of two years.

(b) Of the members of the board first appointed by the Governor, one shall serve for a term of two years and two shall serve for terms of four years.
[1973 c.748 §19]

**294.890 Board members serve without compensation; selection of chairman.** (1) A member of the board shall serve without compensation.

(2) The board shall select one of its members as chairman, for a term and with the powers and duties necessary for the performance of the functions of the office as the board shall determine.
[1973 c.748 §20]

**294.895 Board duties, generally.** The board shall:

(1) Advise the council and the investment officer in the management of the investment pool.

(2) Review the rules promulgated by the investment officer as authorized under subsection (4) of ORS 294.825.

(3) Consult with the council and the investment officer on any matter relating to the investment and reinvestment of funds in the investment pool.
[1973 c.748 §21]

## PENALTIES

**294.990 Penalties.** (1) 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.

(2) 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.

(3) 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; 1971 c.267 §15]

**CERTIFICATE OF LEGISLATIVE COUNSEL**

Pursuant to ORS 173.170, I, Thomas G. Clifford, 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 November 1, 1973.

Thomas G. Clifford
Legislative Counsel