

A-Engrossed
House Bill 2873

Ordered by the House May 23
Including House Amendments dated May 23

Sponsored by COMMITTEE ON RULES

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure.

[Requires governing body of municipal corporation to publish notice of election involving] **When municipal corporation places** local option tax measure or general obligation bond measure *[by filing]* **on ballot, requires chief elections officer of city, governing body of county or district elections authority to file all materials relating to measure with appropriate county elections officer. Requires county elections officer to file copy of materials** with Secretary of State for publication on ORESTAR.

A BILL FOR AN ACT

1
2 Relating to municipal corporation elections; creating new provisions; and amending ORS 254.095,
3 254.103, 255.085 and 294.311.

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

5 **SECTION 1.** ORS 294.311 is amended to read:

6 294.311. As used in ORS 294.305 to 294.565, unless the context requires otherwise:

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

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

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

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

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

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

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

NOTE: Matter in **boldfaced** type in an amended section is new; matter *[italic and bracketed]* is existing law to be omitted.
New sections are in **boldfaced** type.

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

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

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

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

7 (12) "Encumbrance accounting" means the method of accounting under which outstanding
8 encumbrances are recognized as reductions of appropriations and the related commitments are car-
9 ried in a reserve for encumbrances until liquidated, either by replacement with an actual liability
10 or by cancellation. This method of accounting may be used as a modification to the accrual basis
11 of accounting in accordance with generally accepted accounting principles.

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

15 (14) "Ensuing budget period" means the budget period following the current budget period.

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

17 (16) "Expenditure" means, if the accounts are kept on the accrual basis or the modified accrual
18 basis, decreases in net financial resources and may include encumbrances. If the accounts are kept
19 on the cash basis, the term covers only actual disbursement, the drawing of the check or warrant
20 for these purposes and not encumbrances, except that deferred employee compensation shall be in-
21 cluded as a personnel service expenditure where an approved deferred employee compensation plan
22 is in effect for a municipal corporation.

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

26 (18) "Fund balance" means the excess of the assets of a fund over its liabilities and reserves
27 except in the case of funds subject to budgetary accounting where, prior to the end of a fiscal pe-
28 riod, it represents the excess of the fund's assets and estimated revenues for the period over its li-
29 abilities, reserves and appropriations for the period.

30 (19) "General county resources" means resources from property taxes, state and federal shared
31 revenue, beginning balances available for expenditure and interest not required to be allocated to
32 specific programs or activities.

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

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

37 (22) "Intergovernmental entity" means an entity created under ORS 190.010 (5). The term in-
38 cludes any council of governments created prior to the enactment of ORS 190.010 (5).

39 (23) "Internal service fund" means a fund properly authorized to finance, on a cost reimburse-
40 ment basis, goods or services provided by one organizational unit of a municipal corporation to
41 other organizational units of the municipal corporation.

42 (24) "Liabilities" means probable future sacrifices of economic benefits, arising from present
43 obligations of a municipal corporation to transfer assets or provide services to other entities in the
44 future as a result of past transactions or events. The term does not include encumbrances.

45 (25)(a) "Modified accrual basis" means the accrual basis of accounting adapted to the govern-

1 mental fund-type measurement focus. Under this basis of accounting, revenues and other financial
2 resource increments, such as bond proceeds, are recognized when they become susceptible to ac-
3 crual, that is, when they become both measurable and available to finance expenditures in the cur-
4 rent period.

5 (b) As used in this subsection, “available” means collectible in the current period or soon
6 enough thereafter to be used to pay liabilities of the current period. Under this basis of accounting,
7 expenditures are recognized when the fund liability is incurred except for:

8 (A) Inventories of material and supplies that may be considered expenditures either when pur-
9 chased or when used; and

10 (B) Prepaid insurance and similar items that may be considered expenditures either when paid
11 for or when consumed.

12 (26) “Municipal corporation” means any county, city, port, school district, union high school
13 district, community college district and all other public or quasi-public corporations including a
14 municipal utility or dock commission operated by a separate board or commission. “Municipal cor-
15 poration” includes an intergovernmental entity or council of governments that proposes to impose
16 or imposes ad valorem property taxes.

17 (27) “Net working capital” means the sum of the cash, cash equivalents, investments, accounts
18 receivable expected to be converted to cash during the ensuing year or ensuing budget period, in-
19 ventories, supplies and prepaid expenses less current liabilities and, if encumbrance accounting is
20 adopted, reserve for encumbrances. The term is not applicable to the cash basis of accounting.

21 (28) “Object” means, as used in expenditure classification, articles purchased including, but not
22 limited to, land, buildings, equipment and vehicles, or services obtained including, but not limited
23 to, administrative services, clerical services, professional services, property services and travel, as
24 distinguished from the results obtained from expenditures.

25 (29) “Object classification” means a grouping of expenditures on the basis of goods or services
26 purchased, including, but not limited to, personnel services, materials, supplies and equipment.

27 (30) “Operating taxes” has the meaning given that term in ORS 310.055.

28 (31) “Organizational unit” means any administrative subdivision of a municipal corporation, es-
29 pecially one charged with carrying on one or more functions or activities.

30 (32) “Population” means the number of inhabitants of a municipal corporation according to
31 certified estimates of population made by Portland State University.

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

34 (34) “Public utility” means those public utility operations authorized by ORS chapter 225.

35 (35) “Publish” or “publication” means any one or more of the following methods of giving notice
36 or making information or documents available to members of the general public:

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

39 (b) Posting through the United States Postal Service by first class mail, postage prepaid, to each
40 street address within the jurisdictional boundaries of the municipal corporation and to each post
41 office box and rural route number belonging to a resident within the jurisdictional boundaries of the
42 municipal corporation.

43 (c) Hand delivery to each street address within the jurisdictional boundaries of the municipal
44 corporation.

45 **(d) In the case of publishing notice for an election involving a local option tax measure**

1 **or a general obligation bond measure, filing with the Secretary of State for publication on**
2 **the electronic filing system adopted under ORS 260.057.**

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

4 (37) "Reserve for encumbrances" means a reserve representing the segregation of a portion of
5 a fund balance to provide for unliquidated encumbrances.

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

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

11 **SECTION 2. Section 3 of this 2017 Act is added to and made a part of ORS 294.305 to**
12 **294.565.**

13 **SECTION 3. If a municipal corporation places a local option tax measure or a general**
14 **obligation bond measure on the ballot to be voted on by the electors of the corporation, the**
15 **chief elections officer of a city, governing body of a county or district elections authority**
16 **responsible for filing materials relating to the measure under ORS 254.095 (2), 254.103 (1) or**
17 **255.085 (1) shall file the materials with the appropriate county elections officer. The county**
18 **elections official shall file a copy of the materials with the Secretary of State for publication**
19 **on the electronic filing system adopted under ORS 260.057.**

20 **SECTION 4. ORS 254.095 is amended to read:**

21 254.095. (1) The chief elections officer of any city shall file with the county clerk of the county
22 in which the city hall of the city is located, a statement of the city offices to be filled or for which
23 candidates are to be nominated at the election and information concerning all candidates for the
24 offices not later than the 61st day before the date of the election.

25 (2)(a) Except as provided in subsection (3) of this section, the chief elections officer of any city
26 shall file with the county clerk of the county in which the city hall is located, a statement of the
27 city measures to be voted on, including the ballot title for each measure, not later than the 61st day
28 before the date of the election.

29 **(b) For each local option tax measure or general obligation bond measure placed on the**
30 **ballot by a municipal corporation, the county clerk shall file a copy of the statement filed**
31 **under paragraph (a) of this subsection with the Secretary of State in the manner set forth**
32 **in section 3 of this 2017 Act.**

33 (3) If a measure to be submitted to the electors of a city at an election held on the first Tuesday
34 after the first Monday in November was submitted on the election date in ORS 221.230 (1) imme-
35 diately preceding the first Tuesday after the first Monday in November, the chief elections officer
36 of the city shall file the statement required for that measure in subsection (2) of this section on the
37 47th day before an election held on the first Tuesday after the first Monday in November.

38 (4) The chief elections officer of the city shall keep a copy of each statement filed under this
39 section.

40 (5) If a city is located in more than one county, the county clerk under subsection (1) of this
41 section shall immediately file the statement and information required under subsection (1) of this
42 section with the county clerk of any other county in which the city is located.

43 **SECTION 5. ORS 254.103 is amended to read:**

44 254.103. (1)(a) Except as provided in subsection (2) of this section, the governing body of a
45 county shall file with the county clerk each measure referred by the county governing body, in-

1 cluding the ballot title for each measure, not later than the 61st day before the date of the election.

2 **(b) For each local option tax measure or general obligation bond measure placed on the**
3 **ballot by a municipal corporation, the county clerk shall file a copy of each measure filed**
4 **under paragraph (a) of this subsection with the Secretary of State in the manner set forth**
5 **in section 3 of this 2017 Act.**

6 (2) If a measure to be submitted to the electors of a county at an election held on the first
7 Tuesday after the first Monday in November was submitted on the election date in ORS 203.085 (1)
8 immediately preceding the first Tuesday after the first Monday in November, the county governing
9 body shall file the measure with the county clerk not later than the 47th day before an election held
10 on the first Tuesday after the first Monday in November.

11 **SECTION 6.** ORS 255.085 is amended to read:

12 255.085. (1)(a) Not later than the 61st day before a district election on a measure, the district
13 elections authority shall deliver to the elections officer a notice stating the date of the election and
14 a ballot title. The district elections authority shall prepare the ballot title for a measure referred
15 by the authority with the assistance of the district attorney for the county of the elections officer
16 or an attorney employed by the district elections authority.

17 **(b) For each local option tax measure or general obligation bond measure placed on the**
18 **ballot by a municipal corporation, the elections officer shall file a copy of the notice delivered**
19 **under paragraph (a) of this subsection with the Secretary of State in the manner set forth**
20 **in section 3 of this 2017 Act.**

21 (2) If a district submits a measure to the electors of the district at an election held on the first
22 Tuesday after the first Monday in November and the district submitted a measure on the election
23 date in ORS 255.345 (1) immediately preceding the date of an election held on the first Tuesday after
24 the first Monday in November, the district elections authority shall file the measure for the election
25 held on the first Tuesday after the first Monday in November with the elections officer not later
26 than the 47th day before an election held on the first Tuesday after the first Monday in November.

27 (3) A notice of election called to approve the issuance of bonds shall include:

28 (a) The purpose for which the bonds are to be used;

29 (b) The amount and the term of the bonds;

30 (c) The kind of bonds proposed to be issued; and

31 (d) If the bond election is authorized by ORS 450.900, the additional notice requirements in ORS
32 450.905.

33 (4)(a) In the case of a measure submitted by initiative or referendum petition, the elections of-
34 ficer shall publish the notice in the next available edition of a newspaper of general circulation in
35 the district after the deadline for filing the notice.

36 (b) In the case of a measure referred by the district elections authority, the elections officer
37 shall publish the notice of election in the next available edition of a newspaper of general circu-
38 lation in the district after the notice of election is filed. The notice shall also state that an elector
39 may file a petition for review of the ballot title not later than the date referred to in ORS 255.155.
40 If the circuit court certifies a different ballot title, the elections officer shall publish an amended
41 notice of election in the next available edition of the newspaper referred to in this subsection after
42 the new title is certified to the elections officer.

43 (c) In addition to publishing the notice as described in paragraphs (a) and (b) of this subsection,
44 the elections officer may publish the notice on the county's website for a minimum of seven days.

45 **SECTION 7. Section 3 of this 2017 Act and the amendments to ORS 254.095, 254.103,**

1 **255.085 and 294.311 by sections 1 and 4 to 6 of this 2017 Act apply to measures that will be**
2 **voted on by the electors of a municipal corporation on or after the effective date of this 2017**
3 **Act.**

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