

**CHAPTER 280
LOCAL BUDGET**

150-280.060-(A)

Calculating the Estimated Dollar Weighted Life for Local Option Taxes

(1) For local option taxes used to fund capital projects, the estimated dollar weighted life of capital projects shall be calculated in the following manner.

- (a) The useful life of the project shall be estimated in years.
- (b) The cost of the project shall be estimated in dollars and cents.
- (c) The estimated useful life of the project shall be multiplied by the estimated cost of the project.

This is the weight of the project.

(d) The weight of the project is divided by the cost of the project to come up with the estimated dollar average life of the project. This is the maximum time that may be financed using a local option tax.

(2) For a local option tax that only funds one capital project, the estimated dollar weighted life of the project will equal the useful life of the project.

(3) For a local option tax that supports more than one capital project, complete (1)(a) through (1)(c) above for each capital project. Sum the cost of all of the projects and sum the weight of all the projects in the local option tax. Then divide the total weight by the total cost to arrive at the estimated dollar average life of the capital project for this tax.

Example: A city decides to go out for a local option for their police department. The local option tax is going to be used to purchase 2 new computers, 2 patrol cars and rewire the station house. What is the estimated dollar average life of the capital projects financed by this local option levy?

ITEM	COST	USEFUL LIFE	WEIGHT
2 computers	10,000	2 years	20,000
2 patrol cars	80,000	5 years	400,000
Rewiring Station	50,000	10 years	500,000
TOTALS	140,000		920,000

$920,000 \div 140,000 = 6.6$ or 7 years estimated dollar average life.

- (3) Normal rounding is used in calculating the estimated dollar average life.
- (4) Local option tax for capital projects can not exceed 10 years.

Stat. Auth.: ORS 305.100
Stats. Implemented: ORS 280.060
Hist.: REV 3-1998, f. & cert. ef. 6-30-98

**CHAPTER 294
LOCAL BUDGET**

150-294.480

Supplemental Budget Procedures and Distribution

(1) During the fiscal year or budget period, the governing body may find that an unanticipated condition requires adjustments to the budget. If the condition meets the requirements of ORS 294.480, the governing body may prepare a supplemental budget. A supplemental budget may not be prepared if the condition was known or anticipated during the regular budget process so the expenditure could have been included in the annual or biennial budget except as provided in ORS 294.437 and OAR 150-294.435(1)-(B).

(2) A supplemental budget may only authorize additional expenditures during the current fiscal year or budget period. It must not authorize expenditures for a past or future fiscal year or budget period.

(3) A supplemental budget must be prepared and adopted before any expenditures are made in excess of the current annual budget appropriations.

(4) Only one supplemental budget may be prepared as a result of a single situation or condition that meets the requirements of ORS 294.480.

(5) When the estimated expenditures in the supplemental budget are 10 percent or **less** than the

expenditures of the annual or biennial budget fund being adjusted, the governing body may adopt the supplemental budget at one of its regular meetings. Fund expenditures do not include unappropriated ending fund balance, interfund transfers, or contingency amounts. When a new fund is being established through a supplemental budget, the requirements of Section 6 of this rule must be followed.

(a) Notice of the regular meeting at which the supplemental budget will be adopted must be published by one or more of the methods in ORS 294.311(32), not less than five days prior to the meeting. The notice must include the name of each fund being adjusted and the amount of change in each fund's resources and expenditures.

(b) The resolution adopting and appropriating the supplemental budget may take place at the same regular meeting.

(6) When the estimated expenditures in the supplemental budget are **more** than 10 percent of the expenditures of the annual or biennial budget fund being adjusted, the governing body, or where applicable, the Tax Supervising and Conservation Commission must hold a public hearing to adopt the supplemental budget. Fund expenditures do not include unappropriated ending fund balance, interfund transfers, or contingency amounts.

The supplemental budget, or summary, and notice of the hearing must be published by one or more of the methods in ORS 294.311(32) in the manner provided in ORS 294.421.

Example:

The governing body wants to increase expenditures in the General Fund by \$40,000. Is this amount less or more than 10 percent of the expenditures of the fund?

GENERAL FUND

	Requirements	Expenditures
Personal Services		
Salaries/Wages	\$150,000	
Insurance	75,000	
TOTAL	\$225,000	\$225,000
Services and Supplies		
Contract services	\$ 50,000	
Office supplies	35,000	
TOTAL	\$ 85,000	85,000
Capital Outlay		
Equipment	\$ 95,000	95,000
Transfers to Other Funds		
Library Fund	\$ 15,000	-0-
Operating Contingency	\$ 80,000	-0-
Unappropriated Ending		
Fund Balance	\$100,000	-0-
FUND TOTALS	\$600,000	\$405,000

Expenditures of \$405,000 x .10 = \$40,500

The amount is less than 10 percent of the expenditures of the General Fund.

Stat. Auth.: ORS 305.100

Stats. Implemented: ORS 294.480

Hist.: TC 10-1978, f. 12-5-78, cert. ef. 12-31-78; RD 1-1992, f. 5-28-92, cert. ef. 6-1-92; REV 4-1998, f. & cert. ef. 6-30-98; REV 8-2000, f. & cert. ef. 8-2-00; REV 2-2002, f. 6-26-02, cert. ef. 6-30-02