

HOUSE BILL NO. 254

Introduced: 01/15/83

Referred to Committee on Local Government: 01/15/83

Hearing: 2/5/83

Died in Committee

1 *House* BILL NO. *254*
 2 INTRODUCED BY *Ernest Stenmark*
 3
 4 A BILL FOR AN ACT ENTITLED: "AN ACT TO REPEAL THE
 5 REQUIREMENT THAT THE DEPARTMENT OF ADMINISTRATION CONDUCT
 6 AUDITS OF IRRIGATION DISTRICTS, CONSERVANCY DISTRICTS, AND
 7 RURAL FIRE DISTRICTS; TO REQUIRE RURAL FIRE DISTRICT
 8 TRUSTEES TO FILE AN ANNUAL FINANCIAL REPORT; TO REQUIRE AN
 9 AUDIT OF A RURAL FIRE DISTRICT'S AFFAIRS UPON REQUEST OF THE
 10 COUNTY COMMISSIONERS; TO CLARIFY THE RECORDKEEPING DUTY OF
 11 IRRIGATION DISTRICTS; AND TO APPROVE CERTAIN INVESTMENTS OF
 12 IRRIGATION DISTRICT BOND PROCEEDS; AMENDING SECTIONS
 13 2-7-503, 2-7-514, 7-33-2105, 85-7-1616, 85-7-1913, AND
 14 85-7-2027, MCA; REPEALING SECTION 85-9-611, MCA; AND
 15 PROVIDING AN EFFECTIVE DATE."
 16
 17 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
 18 Section 1. Section 2-7-503, MCA, is amended to read:
 19 "2-7-503. Audits of local governmental entities. (1)
 20 The department shall audit the affairs of all:
 21 (a) counties;
 22 (b) incorporated cities and towns;
 23 (c) first- and second-class school districts and
 24 third-class school districts that maintain a high school;
 25 (d) school district extracurricular fund for pupil

1 functions; and
 2 ~~(e) irrigation districts;~~
 3 ~~(f) conservancy districts;~~
 4 ~~(g) fire districts and volunteer fire departments in~~
 5 ~~unincorporated areas, towns, and villages supported by a~~
 6 ~~mill levy; and~~
 7 ~~(h)(i) fire department relief associations.~~
 8 (2) Each audit shall be made every 2 years and shall
 9 cover the immediately preceding 2 fiscal years of the
 10 governmental entity, unless annual audits are requested by
 11 the governmental entity.
 12 (3) Each audit shall be initiated not later than 24
 13 months from the close of the fiscal year for which the audit
 14 is conducted.
 15 (4) In addition to the audits required by this
 16 section, the department may at any time conduct a special
 17 audit of the affairs of any governmental entity referred to
 18 in this part.
 19 (5) The fee for the special audit shall be a charge
 20 based upon the costs incurred by the department in the
 21 conduct of such special audit. The audit fee herein
 22 provided shall be paid by the governmental entity to the
 23 state treasurer and deposited in the revolving fund to the
 24 credit of the department."
 25 Section 2. Section 2-7-514, MCA, is amended to read:

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"2-7-514. Issuance and filing of audit report. (1) Within 60 days after the completion of the field work, the department shall issue audit reports as follows:

(a) county audit reports to county commissioners, the county clerk and recorder, and the county attorney;

(b) city or town audit reports to the city or town governing body, the city or town chief financial officer, the city or town chief executive, and the city or town attorney;

(c) school district audit reports to the trustees, the county superintendent of schools, the state superintendent of public instruction, the county attorney, and the clerk of the school district;

(d) school district extracurricular fund audit reports to the trustees, the county superintendent of schools, the state superintendent of public instruction, the county attorney, and the fund administrator; and

~~(e) fire district or volunteer fire department audit reports to the trustees, the county attorney, and the clerk and recorder of the county in which the fire district or fire department is located;~~

~~(f) conservancy district audit reports to the board of directors, the department of natural resources and conservation, the district court, and the county attorney;~~

~~(g) fire department relief association audit reports to the trustees, the city or town attorney, and the respective city or town clerk; and~~

~~(h) irrigation district audit reports to the board of commissioners, the district court, and the county attorney;~~

(2) All audit reports issued by the department are to be maintained on file at an appropriate location and open to public inspection."

Section 3. Section 7-33-2105, MCA, is amended to read:

"7-33-2105. Powers and duties of trustees. (1) The trustees shall prepare and adopt suitable bylaws.

(2) The trustees shall have the authority to provide adequate and standard firefighting apparatus, equipment, housing, and facilities for the protection of the district. They shall appoint and form fire companies that shall have the same duties, exemptions, and privileges as other fire companies.

(3) The trustees shall prepare annual budgets and request special levies therefor. The budget laws relating to county budgets shall, as far as applicable, apply to fire districts.

(4) The trustees shall annually file with the board of county commissioners of the county in which the majority of the district is located an itemized account of all receipts

1 ~~and expenditures for the prior year, signed under oath by an~~
2 ~~officer of the fire company designated by the trustees.~~

3 ~~(5) The trustees shall have an audit of the affairs of~~
4 ~~the district conducted if requested by the board of county~~
5 ~~commissioners of the county in which the majority of the~~
6 ~~district is located. Payment for this audit must be made~~
7 ~~from the funds of the district."~~

8 Section 4. Section 85-7-1616, MCA, is amended to read:

9 "85-7-1616. Required records. ~~(1)~~ It shall be the duty
10 of the board of control to keep or cause to be kept ~~in the~~
11 ~~form prescribed by the department of administration,~~ a full
12 and complete book and record of the accounts, records,
13 contracts, securities, minutes of meetings, and other
14 matters of every kind pertaining to or belonging to the
15 joint operation of the irrigation districts.

16 ~~(2) It is hereby made the duty of the department of~~
17 ~~administration to prescribe such forms for the use of the~~
18 ~~board of control and to examine the same as provided by law~~
19 ~~for the examination of the affairs of county offices."~~

20 Section 5. Section 85-7-1913, MCA, is amended to read:

21 "85-7-1913. Board to maintain records. (1) The board
22 of commissioners shall keep a complete book and record of
23 the accounts, records, contracts, securities, minutes of
24 meetings, and other matters of every kind pertaining to or
25 belonging to the irrigation district ~~in the form prescribed~~

1 ~~by the department of administration. The department of~~
2 ~~administration shall prescribe forms for the use of~~
3 ~~irrigation districts and examine them as provided by law for~~
4 ~~the examination of the affairs of county officers.~~ The books
5 and records shall be open to the inspection of any landowner
6 of the district the same as other public records.

7 ~~(2) The department of administration shall notify the~~
8 ~~secretaries of the districts of the time of presenting the~~
9 ~~books and records at the courthouse for examinations~~

10 ~~(3)(2)~~ If a district is appointed fiscal agent of the
11 United States or is authorized by the United States to make
12 collections for or on behalf of the United States in
13 connection with a federal irrigation project, the board of
14 commissioners or its secretary shall at any time allow any
15 officer or employee of the United States, when acting under
16 the orders of the secretary of the interior, to have access
17 to all books, records, and vouchers of the district which
18 are in possession or control of the secretary or board.

19 ~~(4)(3)~~ The failure of the board of commissioners to
20 comply with this section or 85-7-1914 is grounds for removal
21 from office, and the county attorney of any county in which
22 the irrigation district is situated shall prosecute ouster
23 proceedings against any commissioner or commissioners. The
24 cost of the proceedings is a charge against the irrigation
25 district and shall be paid as are other bills against the

1 districts."

2 Section 6. Section 85-7-2027, MCA, is amended to read:

3 "85-7-2027. Disposition of bond proceeds. The county

4 treasurer shall place the proceeds of the sale to the credit

5 of the district, and the proceeds shall be paid out by the

6 county treasurer only upon the written order of the board of

7 commissioners, signed by the president and secretary under

8 the seal of the district. The proceeds shall be spent only

9 for the purpose for which the bonds were issued. If any

10 portion of the funds realized from the sale of bonds is not

11 needed immediately for the purpose for which the bonds were

12 issued, the board of commissioners may direct the investment

13 of the funds and any other surplus funds of the district or

14 any portion thereof in interest-bearing securities of the

15 United States or of the state of Montana or in

16 interest-bearing certificates of deposit of national or

17 state banks approved by the department of administration. A

18 bank shall furnish an indemnity bond to be approved by the

19 board of commissioners and the department of administration.

20 The county treasurer shall transfer to the credit of the

21 district and place to the credit of the fund or funds, as

22 the board of commissioners may direct, all interest received

23 upon money or securities of the district entrusted to his

24 care."

25 NEW SECTION. Section 7. Repealer. Section 85-9-611,

1 MCA, is repealed.

2 NEW SECTION. Section 8. Effective date. This act is

3 effective July 1, 1983.

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