## HOUSE BILL NO. 449

## INTRODUCED BY BARDANOUVE

### BY REQUEST OF THE DEPARTMENT OF ADMINISTRATION

IN THE HOUSE

January 22, 1983	Introduced and referred to Committee on Appropriations.
February 18, 1983	Committee recommend bill do pass as amended. Report adopted.
February 19, 1983	Bill printed and placed on members' desks.
	Second reading, do pass.
February 22, 1983	Considered correctly engrossed.
	Third reading, passed. Transmitted to Senate.
IN THE S	ENATE
March 1, 1983	Introduced and referred to Committee on Finance and Claims.
March 16, 1983	Committee recommend bill be concurred in as amended. Report adopted.
March 18, 1983	Second reading, pass consideration until 65th Legislative Day.
March 22, 1983	Second reading, concurred in as amended.
March 24, 1983	Third reading, concurred in. Ayes, 49; Noes, 0.

#### IN THE HOUSE

March 24, 1983

March 31, 1983

April 1, 1983

Returned to House with amendments.

Second reading, amendments concurred in.

Third reading, amendments concurred in.

Sent to enrolling.

Reported correctly enrolled.

LC 1201/01

TUSE BILL NO. 449 1 2 INTRODUCED BY \_ 3 BY REQUEST OF THE DEPARTMENT OF ADMINISTRATION 4 A BILL FOR AN ACT ENTITLED: "AN ACT TO CLARIFY THE TIME 5 LIMIT ON INTERACCOUNT LOANS; AMENDING SECTION 17-2-107, MCA; 6 AND PROVIDING AN EFFECTIVE DATE." 7 8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA: 9 Section 1. Section 17-2-107, MCA, is amended to read: 10 11 #17-2-107. (Effective July 1, 1983) Accurate 12 accounting records and interaccount loans. (1) The department of administration shall record receipts and 13

disbursements for treasury funds and for accounts within 14 15 treasury funds and shall maintain records in such a manner 16 as to reflect the total cash and invested balance of each 17 fund and each account. The department of administration 18 shall adopt the necessary procedures to insure that interdepartmental or intradepartmental transfers of money do 19 not result in inflation of figures reflecting total 20 21 governmental costs and revenues.

22 (2) When the expenditure of an appropriation is 23 necessary and the cash balance in the account from which the 24 appropriation was made is insufficient, the department of 25 administration may authorize a transfer, as a temporary loan

1 bearing no interest, of unrestricted moneys from other 2 accounts, provided that there is reasonable evidence that 3 the income provided for the remainder of the fiscal year 4 will be sufficient to restore the amount so transferred and 5 provided the loan is recorded in the state accounting 6 records. The loan must be repaid before the end of the 7 fiscal year unless it is extended. The department of 8 administration may extend a loan into the next\_fiscal year 9 if it receives sufficient written justification therefor 10 from the borrower. No account shall be so impaired that all proper demands thereon cannot be met. 11

(3) Any loan from the general fund or the university 12 current unrestricted subfund to funds designated in 13 subsections (1)(d)(i)(D) and (1)(d)(ii) through (1)(d)(vi)14 15 of 17-2-102 shall bear interest at a rate equivalent to the previous fiscal year's average rate of return on the board 16 17 of investment's short-term investment pool. Except for investment earnings on restricted donations, all designated 18 and restricted subfund investment earnings are credited to 19 the state general fund. 20

(4) No accounting entity may have a negative cash
balance at fiscal yearend. The department of administration
may, however, allow any entity to carry a negative balance
at any point during the fiscal year subject to the following
restrictions:

-2- INTRODUCED BILL A 2414 1 (a) Accounting entity negative cash balances may not Z exist more than 7 working days in the funds provided in 3 subsections (1)(a) through (1)(c) of 17-2-102. (b) Units of the university system must maintain 4 positive cash balances in the subfunds provided in 5 subsections (1)(d)(i)(A) through (1)(d)(i)(D) and (1)(d)(ii)6 through (1)(d)(vi) of 17-2-102." 7 8 NEW SECTION. Section 2. Effective date. This act is

9 effective July 1, 1983.

-End-

#### 48th Legislature

HB 0449/02

Approved by Comm. on Appropriations

1	HOUSE BILL NO. 449
2	INTRODUCED BY BARDANDUVE
3	BY REQUEST OF THE DEPARTMENT OF ADMINISTRATION
4	
5	A BILL FOR AN ACT ENTITLED: "AN ACT TO CLARIFY THE TIME
6	LIMIT ON INTERACCOUNT LOANS; AMENDING SECTION 17-2-107, MCA;
7	AND PROVIDING AN EFFECTIVE DATE."
8	
9	BE IT ENACTED BY THE LEGISLATURE DF THE STATE OF MONTANA:
10	Section 1. Section 17-2-107, MCA, is amended to read:
11	"17-2-107. (Effective July 1, 1983) Accurate
12	accounting records and interaccount loans. (1) The
13	department of administration shall record receipts and
14	disbursements for treasury funds and for accounts within
15	treasury funds and shall maintain records in such a manner
16	as to reflect the total cash and invested balance of each
17	fund and each account. The department of administration
18	shall adopt the necessary procedures to insure that
10	interdepartmental or intradepartmental transfers of money do
20	not result in inflation of figures reflecting total
21	governmental costs and revenues.

(2) When the expenditure of an appropriation is
necessary and the cash balance in the account from which the
appropriation was made is insufficient; the department of
administration may authorize a transfer; as a temporary loan

1	bearing no interest, of unrestricted moneys from other
2	accounts, provided that there is reasonable evidence that
3	the income provided for the remainder of the fiscal year
4	will be sufficient to restore the amount so transferred and
5	provided the loan is recorded in the state accounting
6	records. Inc.loan.must_berepaid_before_the_end_of_the
7	fiscal_year_unless_it_is_extended==================================
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9	<u>if==it==ceceive====sufficient==written=justification=therafor</u>
10	fromstassborrower UNDER_IME_CRITERIA_DE_17-2-107(3). No
11	account shall be so impaired that all proper demands thereon
12	cannot be met EVEN_IE_INE_LOAN_IS_EXIENDED.
13	131NOLOAN_HAY_BE_EXTENDED_INTO_THE_WEXT_EISCAL_YEAR
14	UNLESS_II_IS_EOR_IHE_SOLE_PURPOSE_DE_REPAIRING_ORREPLACING
15	PROPERIYDAMAGECOVEREDBYINSURANCEORIO_ACCOMMODATE
16	RECEIPIS_DUE_FROM_FEDERAL_REVENUE_AND_RECEIPISDUETOTHE
17	AUXILIARYANDRESIBICIED_SUBEUNDS_AND_IHE_LOAN_EUNDIHESE
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24	RENEWEDAND_NO_LOANS_MAY_BE_MADE_TO_DIMECTLY_OBINDIRECTLY
25	BERAY_ANY_UNRAID_LOAN_OR_PORTION_THEBEOF.

ł (3)(4) Any loan from the general fund or the 2 university current unrestricted subfund to funds designated 3 in subsections (1)(d)(i)(D) and (1)(d)(ii) through 4 (1)(d)(vi) of 17-2-102 shall bear interest at a rate 5 equivalent to the previous fiscal year's average rate of return on the board of investment's short-term investment 6 7 pool. Except for investment earnings on restricted B donations, all designated and restricted subfund investment 9 earnings are credited to the state general fund.

10 (41)[5] No accounting entity may have a negative cash 11 balance at fiscal yearend. The department of administration 12 may, however, allow any entity to carry a negative balance 13 at any point during the fiscal year subject to the following 14 restrictions:

(a) Accounting entity negative cash balances may not
exist more than 7 working days in the funds provided in
subsections (1)(a) through (1)(c) of 17-2-102.

18 (b) Units of the university system must maintain
19 positive cash balances in the subfunds provided in
20 subsections (1)(d)(i)(A) through (1)(d)(i)(D) and (1)(d)(ii)
21 through (1)(d)(vi) of 17-2-102.\*\*

22 <u>NEW\_SECIION.</u> Section 2. Effective date. This act is
23 effective July 1, 1983.

-End-

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HB 449

1	HOUSE BILL NO. 449
2	INTRODUCED BY BARDANOUVE
3	BY REQUEST OF THE DEPARTMENT OF ADMINISTRATION
4	
5	A BILL FOR AN ACT ENTITLED: "AN ACT TO CLARIFY THE TIME
6	LIMIT ON INTERACCOUNT LOANS; AMENDING SECTION 17-2-107, MCA;
7	AND PROVIDING AN EFFECTIVE DATE."
8	
9	BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
10	Section 1. Section 17-2-107, MCA, is amended to read:
11	"17-2-107. (Effective July 1, 1983) Accurate
12	accounting records and interaccount loans. (1) The
13	department of administration shall record receipts and
14	disbursements for treasury funds and for accounts within
15	treasury funds and shall maintain records in such a manner
16	as to reflect the total cash and invested balance of each
17	fund and each account. The department of administration
18	shall adopt the necessary procedures to insure that
19	interdepartmental or intradepartmental transfers of money do
20	not result in inflation of figures reflecting total
21	governmental costs and revenues.

(2) When the expenditure of an appropriation is
necessary and the cash balance in the account from which the
appropriation was made is insufficient, the department of
administration may authorize a transfer, as a temporary loan

bearing no interest, of unrestricted moneys from other t 2 accounts, provided that there is reasonable evidence that the income provided for the remainder of the fiscal year 3 will be sufficient to restore the amount so transferred and provided the loan is recorded in the state accounting 5 6 records. The loan must be repaid before the end of the 7 fiscal\_year\_unless\_it\_is\_extendedy==The==deportment==of administration-may-extendig-logn\_into\_the\_next\_\_fiscal\_\_rear 8 9 if--it--receives--sufficient--written-justification-therefor from the borrower UNDER\_\_IHE\_\_CRITERIA\_\_OF\_\_17-2-107(3). No 10 11 account shall be so impaired that all proper demands thereon 12 cannot be met EVEN IF THE LOAN IS EXTENDED. 13 (3)\_NO\_LOAN\_MAY\_BE\_EXTENDED\_INID\_THE\_NEXT\_EISCAL\_YEAR 14 UNLESS\_IT\_IS\_FOR\_IHE\_SOLE\_PURPOSE\_OF\_REPAIRING\_OR\_\_REPLACING 15 PROPERTY\_DAMAGE\_COVERED\_BY\_INSURANCE\_OR\_TO\_ACCOMMODATE 16 RECEIPTS DUE FROM FEDERAL REVENUE AND RECEIPTS DUE TO THE AUXILIARY\_\_AND\_\_RESIRICIED\_SUBFUNDS\_AND\_THE LOAN FUND. THESE 17 18 LOANS\_MAY\_BE\_EXTENDED\_INIO\_\_THE\_\_NEXT\_\_EISCAL\_\_YEAR\_\_IE\_\_THE 19 DEPARIMENT\_\_OE\_\_ADMINISTRATION\_\_RECEIVES\_\_SUFFICIENT WRITTEN JUSTIEICATION\_THEREEOR\_FROM\_THE\_BORROVER\_\_NO\_\_LOAN\_MAY\_BE 20 EXTENDED\_BEYOND\_ONE\_IIME\_OR\_EOR\_A\_PERIOD\_LONGER\_THAN\_6 21 MONTHS\_AETER\_EISCAL\_YEAREND\_UNLESS\_THE\_EXTENSION\_IS\_DUE\_\_TO 22 23 UNRESOLVED\_EEDERAL\_AUDIT\_SANCTIONS\_\_NO\_SUCH\_LOAN\_MAY\_BE RENEWED . AND NO LOANS MAY BE MADE TO DIRECTLY OR \_ INDIRECTLY 24 25 REPAY\_ANY\_UNPAID\_LOAN\_OB\_PORTION\_THEREOF.

-2- HB 449 THIRD READING

11 (3)(4) Any loan from the general fund or the 1 a 1 a 💋 university current unrestricted subfund to funds designated 3 in subsections (1)(d)(i)(D) and (1)(d)(ii) through (1)(d)(vi) of 17-2-102 shall bear interest at a rate 4 5 equivalent to the previous fiscal year's average rate of return on the board of investment's short-term investment 6 7 pool. Except for investment earnings on restricted 8 donations, all designated and restricted subfund investment 9 earnings are credited to the state general fund.

10 (++)(1) No accounting entity may have a negative cash
11 balance at fiscal yearend. The department of administration
12 may, however, allow any entity to carry a negative balance
13 at any point during the fiscal year subject to the following
14 restrictions:

15 (a) Accounting entity negative cash balances may not
16 exist more than 7 working days in the funds provided in
17 subsections (1)(a) through (1)(c) of 17-2-102.

18 (b) Units of the university system must maintain
19 positive cash balances in the subfunds provided in
20 subsections (1)(d)(i)(A) through (1)(d)(i)(D) and (1)(d)(ii)
21 through (1)(d)(vi) of 17-2-102.\*\*

22 <u>YEW\_SECIION</u> Section 2. Effective date. This act is 23 effective July 1. 1983.

-End-

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## SENATE STANDING COMMITTEE REPORT (Finance & Claims)

That House Bill No. 449 be amended as follows:

l. Page 2, line 20.
Following: "BORROWER."
Strike: "NO"
Insert: "A"
Following: "LOAN"
Strike: "MAY"
Insert: "extended beyond the fiscal year end must"
Following: "BE"
Insert: "repaid"

2. Page 2, line 21. Strike: lines 21 through line 25 in their entirety" Insert: "within one calendar year of the date the loan is approved. Under unusual circumstances the director of the department of administration may grant one extension of a loan for up to 1 year. The department of administration shall prepare a written justification and proposed repayment plan for each loan extension authorized, and shall furnish a copy of the written justification and proposed repayment plan to the house appropriations and senate finance and claims committees at the next regislative session."

# Sinate committee of the whole Amendment

That House Bill No. 449 be amended as follows: 1. Title, line 7. Strike: "AND" Following: "DATE" Insert: "AND AN APPLICABILITY DATE" 2. Page 2, line 10. Following: "17-2-107(3)" Insert: "or by specific legislative authorization" 3. Page 2, line 14. Following: "OF" Insert: ": $(\overline{a})$ " 4. Page 2, line 15. Following: "INSURANCE" Insert: ";" Following: "OR" Strike: Remainder of line 15 through "FUND" on line 17. Insert: "(b) payment of expenses which will later be reimbursed by: (i) contractural receipts due from federal revenue; (ii) receipts due to the auxiliary and restricted subfunds; or (iii) receipts due to the loan fund 5. Page 3, line 21. Following: line 21 Insert: ""NEW SECTION." Section 2. Applicability date. This act applies only to loans made and approved on or after March 1, 1983. Loans made and approved by the department of administration before March 1, 1983 shall be repaid according to the repayment plan previously approved."

Renumber: subsequent section.

HB 0449/03

1	HOUSE BILL ND. 449
2	INTRODUCED BY BARDANDUVE
3	BY REQUEST OF THE DEPARTMENT OF ADMINISTRATION
4	
5	A BILL FOR AN ACT ENTITLED: "AN ACT TO CLARIFY THE TIME
6	LIMIT ON INTERACCOUNT LOANS; AMENDING SECTION 17-2-107, HCA;
7	AND PROVIDING AN EFFECTIVE DATE AND AN APPLICABILITY DATE."
R	
9	BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
10	Section 1. Section 17-2-107, MCA, is amended to read:
11	*17-2-107, (Effective July 1, 1983) Accurate
12	accounting records and interaccount loans. (1) The
13	department of administration shall record receipts and
14	dishursements for treasury funds and for accounts within
15	treasury funds and shall maintain records in such a manner
16	as to reflect the total cash and invested balance of each
17	fund and each account. The department of administration
18	shall adopt the necessary procedures to insure that
17	interdepartmental or intradepartmental transfers of money do
20	not result in inflation of figures reflecting total
21	governmental costs and revenues.

(2) when the expenditure of an appropriation is
necessary and the cash balance in the account from which the
appropriation was made is insufficient, the department of
administration may authorize a transfer, as a temporary loan

1	bearing no interest, of unrestricted moneys from other
z	accounts, provided that there is reasonable evidence that
3	the income provided for the remainder of the fiscal year
4	will be sufficient to restore the amount so transferred and
5	provided the loan is recorded in the state accounting
6	records. Ibe_loan_must_be_repaid_before_the_end_of_the
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10	fromathessborrower UNDER_IME_CRITERIA_DE_17=2=107(3)_DR_BY
11	SPECIFIC_LEGISLATIVE_AUTHORIZATION. No account shall be so
12	impaired that all proper demands thereon cannot be met <u>EVEN</u>
13	LE_THE_LDAN_IS_EXTENDED.
14	L31_NO_LOAN_MAY_BE_EXTENDED_INTO_THE_NEXT_EISCALYEAR
15	UNLESS_II_IS_EOB_IHE_SOLE_PURPOSE_DE:
16	(A)REPAIRINGOR_REPLACING_PROPERTY_DAMAGE_COVERED_BY
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22	(I)CONTRACTUAL_RECEIPIS_DUE_EROM_EEDERAL_REVENUE:
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25 (111)\_BECEIPTS\_DUE\_TO\_THE\_LOAN\_EUND.

-2- CORRECTED HB 449 REFERENCE BILL

HB 449

HВ	044	9/03
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2	YEAB_IE_IHE_DEPARTMENT_DE_ADMINISIRATION_RECEIVES_SUFFICIENT
3	WRITTEN_JUSTIFICATION_THEREFOR_FROM_THE_RORROWER. NO ALOAN
4	HAY EXIENDED_BEYOND_IHE_EISCAL_YEABEND_MUSI_BE_BEPAID
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13	YEA8. THE DEPARIMENT DE ADMINISTRATION SHALL PREPARE A
14	WEITIEN_JUSTIEICATION_AND_PROPOSED_REPAYNENI_PLANFOREACH
15	LOAN_EXTENSION_AUTHOBIZED_AND_SHALL_EURNISH_A_COPY_DE_THE
16	WEITTEN_JUSTIEICATION_AND_PROPOSEDREPAYMENTPLANTOTHE
17	HOUSEAPPROPRIATIONSANDSENATEEINANCE_ANDCLAIMS
18	COMMITTEES_AI_THE_NEXI_LEGISLATIVE_SESSION.
19	<del>(371111)</del> Any loan from the general fund or the
20	university current unrestricted subfund to funds designated
21	in subsections (1)(d)(i)(D) and (1)(d)(ii) through
22	(l)(d)(vi) of 17-2-102 shall bear interest at a rate
23	equivalent to the previous fiscal year's average rate of
24	return on the board of investment's short-term investment
25	pool. Except for investment earnings on restricted

-3--

1	donations, all designated and restricted subfund investment
2	earnings are credited to the state general fund.
3	<del>(4)<u>(5)(6)</u> No accounting entity may have a negative</del>
4	cash balance at fiscal yearend. The department of
5	administration may, however, allow any entity to carry a
6	negative balance at any point during the fiscal year subject
7	to the following restrictions:
8	(a) Accounting entity negative cash balances may not
9	exist more than 7 working days in the funds provided in
10	subsections (1)(a) through (1)(c) of 17-2-102.
11	(b) Units of the university system must maintain
12	positive cash balances in the subfunds provided in
13	<pre>subsections (1)(d)(i)(A) through (1)(d)(i)(D) and (1)(d)(ii)</pre>
14	through (1)(d)(vi) of 17-2-102."
15	SECTION_2APPLICABILITYDATETHIS_ACT_APPLIES_ONLY
16	IQ_LQANS_MADE_AND_APPROVED_ON_OR_AETER_MARCH_1+_1983+LQANS
17	MADE_AND_APPROVED_BY_THE_DEPARIMENI_DE_ADMINISTRATION_BEEDRE
18	MARCH_1. 1983. SHALL_BE_REPAID_ACCOBDING_IO_IHE_REPAYMENT
19.	PLAN_PREVIOUSLY_APPROVED.
20	<u>NEW_SECIION</u> Section 3. Effective date. This act is
21	effective July 1, 1983.

-End-

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HB 449