

HOUSE BILL NO. 530

INTRODUCED BY BARDANOUE

BY REQUEST OF THE DEPARTMENT OF ADMINISTRATION

IN THE HOUSE

January 27, 1983	Introduced and referred to Committee on State Administration.
February 11, 1983	Committee recommend bill do pass as amended. Report adopted.
February 14, 1983	Bill printed and placed on members' desks.
February 15, 1983	Second reading, do pass.
February 16, 1983	Considered correctly engrossed.
February 17, 1983	Third reading, passed. Transmitted to Senate.

IN THE SENATE

February 18, 1983	Introduced and referred to Committee on Judiciary.
March 14, 1983	Committee recommend bill be concurred in. Report adopted.
March 16, 1983	Second reading, concurred in.
March 18, 1983	Third reading, concurred in. Ayes, 50; Noes, 0.

IN THE HOUSE

March 18, 1983	Returned to House.
March 19, 1983	Sent to enrolling.
	Reported correctly enrolled.

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House BILL NO. *530*

INTRODUCED BY *Baile*

BY REQUEST OF THE DEPARTMENT OF ADMINISTRATION

A BILL FOR AN ACT ENTITLED: "AN ACT TO GENERALLY REVISE LANGUAGE IN VARIOUS CODE PROVISIONS IN ORDER THAT REFERENCES TO THE TREASURY FUND STRUCTURE CONFORM TO CHAPTER 28, LAWS OF 1981, AS REQUIRED BY CHAPTER 28, SECTION 5, LAWS OF 1981; AMENDING SECTIONS 2-17-105, 2-18-402, 15-35-108, 15-38-106, 15-38-201, 15-38-202, 16-11-119, 16-11-206, 17-2-102, 17-2-105, 17-6-201, 17-6-203, 17-8-101, 17-8-105, 18-2-103, 20-9-601, 20-10-201, 20-10-203, 20-25-225, 20-26-1105, 39-51-401, 39-51-402, 39-51-404, 39-51-406, 39-51-407, 53-1-302, 53-9-109, 60-11-1207, 67-11-304, 70-9-309, 72-14-210, 72-14-403, 76-4-105, 76-13-114, 76-13-503, 77-1-602, 77-6-203, 80-2-103, 80-2-222, 80-2-228, 80-2-232, 80-6-1109, 80-11-207, 81-1-104, 87-1-601, 87-1-602, AND 90-6-202, MCA; INSTRUCTING THE CODE COMMISSIONER TO MAKE THE NECESSARY CHANGES; AND PROVIDING AN EFFECTIVE DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Section 2-17-105, MCA, is amended to read:

"2-17-105. Insurance on state buildings — use of proceeds — building replacement. (1) Moneys received by the state as indemnification for damage to state buildings,

except buildings procured by the department of highways by purchase or condemnation for right-of-way purposes, shall be deposited in the ~~bond proceeds and insurance clearance~~ a special revenue fund.

(2) These moneys may only be:

(a) used to repair the damaged property;

(b) used to replace the damaged property, subject to the limitations in subsection (3) of this section; or

(c) transferred to the fund and account from which the premiums were paid on the policy covering the building. Moneys transferred in this manner may not be spent by the institution or agency having custody of the damaged property but shall be available for future legislative appropriation.

If the moneys are not spent or committed within 2 years from the time they are received, they shall automatically revert to the fund and account from which the premiums were paid.

(3) If an insured building is totally destroyed or so badly damaged that repair is impractical, the governing board or officer responsible for the building may authorize any moneys received by the state as indemnification for property damage to be used to replace the building only if the proposed replacement is designed to be used for the same general purposes as the damaged or destroyed building. If the governing board or officer determines that the building should not be replaced, any moneys received by the state as

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1 indemnification for property damage over and above any
2 outstanding debt on the building shall be transferred as
3 provided in subsection (2)(c) of this section."

4 Section 2. Section 2-18-402, MCA, is amended to read:

5 "2-18-402. Payroll revolving-account agency fund --
6 auditor to determine disbursements and transfers. (1) An
7 account A fund in the revolving agency fund type of the
8 state treasury is hereby created, to be known as the state
9 payroll revolving-account agency fund, which account fund
10 may be utilized for the payment of compensation to officers
11 and employees of the state and all amounts withheld
12 therefrom, pursuant to law.

13 (2) The amount to be disbursed from the state payroll
14 revolving-account agency fund at any time shall be
15 determined by the state auditor and, on his order, shall be
16 transferred forthwith from the fund, account, and
17 appropriation otherwise properly chargeable therewith to the
18 state payroll revolving-account agency fund."

19 Section 3. Section 15-35-108, MCA, is amended to read:

20 "15-35-108. Disposal of severance taxes. Severance
21 taxes collected under the provisions of this chapter are
22 allocated as follows:

23 (1) To the trust fund created by Article IX, section
24 5, of the Montana constitution, 25% of total collections a
25 year. After December 31, 1979, 50% of coal severance tax

1 collections are allocated to this trust fund. The trust fund
2 moneys shall be deposited in the fund established under
3 17-6-203(5) and invested by the board of investments as
4 provided by law.

5 (2) Coal severance tax collections remaining after
6 allocation to the trust fund under subsection (1) are
7 allocated in the following percentages of the remaining
8 balance:

9 (a) to the county in which coal is mined, 2% of the
10 severance tax paid on the coal mined in that county until
11 January 1, 1980, for such purposes as the governing body of
12 the county may determine;

13 (b) 2 1/2% until December 31, 1979, and thereafter
14 4 1/2% to the ~~earmarked~~ a special revenue fund to the credit
15 of the alternative energy research development and
16 demonstration account;

17 (c) 26 1/2% until July 1, 1979, and thereafter 37 1/2%
18 to the ~~earmarked~~ a special revenue fund to the credit of the
19 local impact and education trust fund account;

20 (d) for each of the 2 fiscal years following June 30,
21 1977, 13% to the ~~earmarked~~ a special revenue fund to the
22 credit of the coal area highway improvement account;

23 (e) 10% to the ~~earmarked~~ a special revenue fund for
24 state equalization aid to public schools of the state;

25 (f) 1% to the ~~earmarked~~ a special revenue fund to the

1 credit of the county land planning account;

2 (g) 1 1/4% to the ~~sinking fund to the~~ credit of the
3 renewable resource development bond account fund;

4 (h) 5% to the ~~earmarked revenue a nonexpendable trust~~
5 ~~fund to the credit of a trust fund~~ for the purpose of parks
6 acquisition or management, protection of works of art in the
7 state capitol, and other cultural and aesthetic projects.
8 Income from this trust fund shall be appropriated as
9 follows:

10 (i) 1/3 for protection of works of art in the state
11 capitol and other cultural and aesthetic projects; and

12 (ii) 2/3 for the acquisition of sites and areas
13 described in 23-1-102 and the operation and maintenance of
14 sites so acquired;

15 (i) 1% to the ~~earmarked a special~~ revenue fund to the
16 credit of the state library commission for the purposes of
17 providing basic library services for the residents of all
18 counties through library federations and for payment of the
19 costs of participating in regional and national networking;

20 (j) 1/2 of 1% to the ~~earmarked a special~~ revenue fund
21 for conservation districts;

22 (k) 1 1/4% to the ~~sinking debt service~~ fund ~~type~~ to
23 the credit of the water development ~~sinking account debt~~
24 ~~service fund~~;

25 (l) all other revenues from severance taxes collected

1 under the provisions of this chapter to the credit of the
2 general fund of the state."

3 Section 4. Section 15-38-106, MCA, is amended to read:

4 "15-38-106. Payment of tax -- records -- collection of
5 taxes -- refunds. (1) The tax imposed by this chapter shall
6 be paid by each person to which the tax applies, on or
7 before March 31, on the value of product in the year
8 preceding January 1 of the year in which the tax is paid.
9 The tax shall be paid to the department at the time that the
10 statement of yield is filed with the department.

11 (2) The department shall deposit the proceeds of the
12 tax in the resource indemnity trust ~~account fund~~ of the
13 ~~trust and legacy nonexpendable trust fund type~~. Every person
14 to whom the tax applies shall keep records in accordance
15 with 15-38-105, and the records are subject to inspection by
16 the department upon reasonable notice during normal business
17 hours.

18 (3) The department shall examine each of the
19 statements and compute the taxes thereon, and the amount
20 computed by the department shall be the taxes imposed,
21 assessed against, and payable by the taxpayer making the
22 statement for the year for which the statement is filed. If
23 the tax found to be due is greater than the amount paid, the
24 excess shall be paid by the taxpayer to the department
25 within 30 days after written notice of the amount of

1 deficiency is mailed by the department to the taxpayer. If
2 the tax imposed is less than the amount paid, the difference
3 must be applied as a tax credit against tax liability for
4 subsequent years or refunded if requested by the taxpayer."

5 Section 5. Section 15-38-201, MCA, is amended to read:

6 "15-38-201. Creation of ~~account--in-trust-and-legacy~~
7 resource indemnity trust fund. For the purpose of carrying
8 out this chapter, there is a resource indemnity trust
9 ~~account fund in the trust-and-legacy nonexpendable trust~~
10 fund type. The resource indemnity ~~account fund~~ shall be
11 credited with all moneys received as herein provided."

12 Section 6. Section 15-38-202, MCA, is amended to read:

13 "15-38-202. Investment of resource indemnity trust
14 ~~account fund~~ -- expenditure -- minimum balance. (1) All
15 moneys paid into the resource indemnity trust ~~account fund~~
16 shall be invested at the discretion of the board of
17 investments. All the net earnings accruing to the resource
18 indemnity trust ~~account fund~~ shall annually be added thereto
19 until it has reached the sum of \$10 million. Thereafter,
20 only the net earnings may be appropriated and expended until
21 the account reaches \$100 million. Thereafter, all net
22 earnings and all receipts shall be appropriated by the
23 legislature and expended, provided that the balance in the
24 account may never be less than \$100 million.

25 (2) Beginning in fiscal year 1982, provided the amount

1 in the resource ~~indemnity trust account fund~~ is greater than
2 \$10 million, 30% of the interest income of the resource
3 indemnity trust ~~account fund~~ must be allocated to the water
4 development ~~earmarked special revenue~~ account created by
5 85-1-604."

6 Section 7. Section 16-11-119, MCA, is amended to read:

7 "16-11-119. Disposition of taxes -- retirement of
8 bonds. All moneys collected under the provisions of
9 16-11-111, less the expense of collecting all the taxes
10 levied, imposed, and assessed by said section, shall be paid
11 to the state treasurer and deposited as follows: 73% in the
12 long-range building program ~~account fund~~ in the ~~sinking debt~~
13 service fund type, and 27% in the long-range building
14 program ~~account fund~~ in the ~~bond-proceeds-and-insurance~~
15 clearance capital projects fund type."

16 Section 8. Section 16-11-206, MCA, is amended to read:

17 "16-11-206. Wholesaler's discount -- disposition of
18 taxes. The taxes specified in this part that are paid by the
19 wholesaler shall be paid to the department in full less a 5%
20 defrayment for his collection and administrative expense and
21 shall be deposited by the department in the long-range
22 building ~~sinking program debt service~~ fund ~~Now--338766~~.
23 Refunds of the tax paid shall be made as provided in
24 15-1-503 in cases where the tobacco products purchased
25 become unsalable."

Section 9. Section 17-2-102, MCA, is amended to read:

"17-2-102. Fund structure. (1) There are in the state treasury only the following ~~funds~~ fund categories and types:

(a) governmental ~~funds~~ fund category, which ~~include~~ includes:

(i) the general fund, which accounts for all financial resources except those required to be accounted for in another fund;

(ii) the special revenue ~~funds~~ fund type, which ~~account~~ accounts for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditure for specified purposes;

(iii) the capital projects ~~funds~~ fund type, which ~~account~~ accounts for financial resources to be used for the acquisition or construction of major capital facilities, other than those financed by proprietary funds or trust funds; and

(iv) the debt service ~~funds~~ fund type, which ~~account~~ accounts for the accumulation of resources for and the payment of general long-term debt principal and interest;

(b) proprietary ~~funds~~ fund category, which ~~include~~ includes:

(i) the enterprise ~~funds~~ fund type, which ~~account~~ accounts for operations:

(A) that are financed and operated in a manner similar

to private business enterprises whenever the intent of the legislature is that costs (i.e., expenses, including depreciation) of providing goods or services to the general public on a continuing basis are to be financed or recovered primarily through user charges; or

(B) whenever the legislature has decided that periodic determination of revenue earned, expenses incurred, or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes; and

(ii) the internal service ~~funds~~ fund type, which ~~account~~ accounts for the financing of goods or services provided by one department or agency to other departments or agencies of state government or to other governmental entities on a cost-reimbursed basis;

(c) the fiduciary ~~funds~~ fund category, which ~~include~~ includes trust and agency ~~funds~~ fund types used to account for assets held by state government in a trustee capacity or as an agent for individuals, private organizations, other governmental entities, or other funds. These include ~~the~~:

(i) expendable trust ~~funds~~ fund type;

(ii) nonexpendable trust ~~funds~~ fund type;

(iii) pension trust ~~funds~~ fund type; and

(iv) agency ~~funds~~ fund type.

(d) the university funds, which include:

(i) the university current fund, which accounts for moneys deposited in the state treasury which are used to pay current operating costs relating to instruction, research, public service, and allied support operations and programs conducted within the Montana university system. The financial activities of the university current fund shall be subdivided, for operation purposes, into the four following subfunds to serve the purpose indicated:

(A) The unrestricted subfund segregates that portion of the university current fund's financial resources that can be expended for general operations and is free of externally imposed restrictions, except those imposed by the legislature.

(B) The restricted subfund segregates that portion of the university current fund's financial resources that can be expended for general operations but only for purposes imposed by sources external to the board of regents and the legislature.

(C) The designated subfund segregates that portion of the university current fund's financial resources that is associated with general operations but is separately classified in order to accumulate costs that are to be recharged as allocated to other funds or subfunds; identifies financial activities related to special organized activities of educational departments wherein the activity

is fully supported by supplemental assessments; and identifies special supply and facility fees that are approved for collections beyond normal course fees and their disposition.

(D) The auxiliary subfund segregates that portion of the university current fund's financial resources that is devoted to providing essential on-campus services primarily to students, faculty, or staff wherein a fee, which is directly related to but does not necessarily equal the cost of the service provided, is charged to the consumer.

(ii) the university student loan fund, which accounts for moneys deposited in the state treasury which may be loaned to students, faculty, or staff for purposes related to education, organized research, or public services by the Montana university system;

(iii) the university endowment fund, which accounts for moneys deposited in the state treasury by the Montana university system wherein the principal portion of the amount received is nonexpendable but is available for investment, thus producing consumable income. Expendable earnings on endowment funds are to be transferred to appropriate operating funds pursuant to prevailing administrative requirements.

(iv) the university annuity and life income fund, which accounts for moneys deposited in the state treasury by the

1 Montana university system under an agreement whereby the
2 moneys are made available on condition that the receiving
3 unit of the Montana university system binds itself to pay
4 stipulated amounts periodically to the donor or others
5 designated by the donor over a specified period of time;

6 (v) the university plant fund, which accounts for
7 those financial resources allocated to or received by the
8 Montana university system for capital outlay purposes or to
9 retire long-term debts associated with construction or
10 acquisition of fixed assets and the net accumulative results
11 of these activities; and

12 (vi) the university agency fund, which accounts for
13 moneys deposited in the state treasury wherein the Montana
14 university system acts in the capacity of a custodian or
15 fiscal agent for individual students, faculty, staff, and
16 qualified organizations.

17 (2) In addition to the funds provided for in
18 subsection (1) of this section, there are in the state
19 treasury the following account groups:

20 (a) the fixed assets account group, which is a
21 self-balancing group of accounts set up to establish
22 accounting control and accountability for the state's
23 general fixed assets, except those accounted for in
24 proprietary funds, trust funds, and the university funds
25 designated in subsections (1)(d)(i)(D), (1)(d)(iii), and

1 (1)(d)(v) of this section; and

2 (b) the long-term debt account group, which is a
3 self-balancing group of accounts set up to establish
4 accounting control and accountability for the state's
5 unmatured general long-term liabilities, except those
6 accounted for in proprietary funds, trust funds, and the
7 university funds designated in subsections (1)(d)(i)(D),
8 (1)(d)(iii), and (1)(d)(v) of this section."

9 Section 10. Section 17-2-105, MCA, is amended to read:

10 "17-2-105. Maintenance of fund and account records and
11 interfund loans. (1) The state treasurer shall record
12 receipts and disbursements for treasury funds and shall
13 maintain fund records in such a manner as to reflect the
14 total cash and invested balance of each fund. The state
15 treasurer shall also maintain records of individual subfunds
16 ~~funds within the sinking-fund-bond-proceeds-and-insurance~~
17 ~~clearance-fund-and-trust-and-legacy-fund debt services,~~
18 ~~agency, capital projects, and trust fund types~~ in such a
19 manner as to reflect the total cash and invested balance of
20 each subfund fund. When necessary to meet federal or other
21 requirements that moneys be segregated in the treasury, the
22 state treasurer may establish accounts, funds, or subfunds
23 within any funds fund type listed in 17-2-102.

24 (2) For the purpose of supplying deficiencies in the
25 general fund, the state treasurer may temporarily borrow

1 from other treasury funds, providing that the loan is
2 recorded in the state accounting records. Such loan shall
3 bear no interest, and no fund shall be so impaired that all
4 proper demands thereon cannot be met."

5 Section 11. Section 17-6-201, MCA, is amended to read:

6 "17-6-201. Unified investment program — general
7 provisions. (1) The uniform investment program directed by
8 Article VIII, section 13, of the 1972 Montana constitution
9 to be provided for public funds shall be administered by the
10 board of investments in accordance with the rules provided
11 in this chapter and with that degree of judgment and care,
12 under circumstances from time to time prevailing, which men
13 of prudence, discretion, and intelligence exercise in the
14 management of their own affairs, not for speculation but for
15 investment, considering the probable safety of their capital
16 as well as the probable income to be derived, and
17 preservation of purchasing power of capital during periods
18 of sustained high monetary inflation.

19 (2) All state funds shall be invested and reinvested
20 in securities enumerated in 17-6-211 to the maximum extent
21 consistent with this policy and with the need and timing of
22 cash expenditures for particular purposes.

23 (3) The board of investments has the sole authority to
24 invest state funds. No other agency may invest state funds.
25 The board shall direct the investment of state funds in

1 accordance with the laws and constitution of this state. The
2 board has the power to veto any investments made under its
3 general supervision.

4 (4) The board shall:

5 (a) assist agencies with public money to determine if,
6 when, and how much surplus cash is available for investment;

7 (b) determine the amount of surplus treasury cash to
8 be invested;

9 (c) determine the type of investment to be made; and

10 (d) prepare the claim to pay for the investment.

11 (5) The board of investments may:

12 (a) execute deeds of conveyance transferring all real
13 property obtained through foreclosure of any investments
14 purchased under the provisions of 17-6-211 when full payment
15 has been received therefor;

16 (b) direct the withdrawal of any funds deposited by or
17 for the state treasurer pursuant to 17-6-101 and 17-6-105;

18 (c) direct the sale of any securities in the program
19 at their full and true value when found necessary to raise
20 money for payments due from the treasury funds for which the
21 securities have been purchased.

22 (6) The state treasurer shall keep an account of the
23 total of each investment fund and of all the investments
24 belonging to such fund and of the participation of each
25 treasury fund account therein and shall make from time to

time such reports with reference thereto as may be directed by the board of investments.

(7) The cost of administering and accounting for each investment fund shall be deducted from the income therefrom, except that such costs of the ~~trust and legacy fund~~ nonexpendable trust funds shall be paid from income otherwise receivable from the pooled investment fund, and the amounts required for this purpose shall be appropriated by the legislature from the respective investment funds."

Section 12. Section 17-6-203, MCA, is amended to read:

"17-6-203. Separate investment funds. Separate investment funds shall be maintained as follows:

(1) the ~~trust and legacy fund~~ nonexpendable trust funds, including all public school funds and funds of the Montana university system and other state institutions of learning referred to in sections 2 and 10, Article X, of the 1972 Montana constitution and all money referred to in 17-2-102(8). The principal and any part thereof of each and every ~~subfund fund~~ fund constituting the Montana nonexpendable trust and--legacy fund type shall be subject to payment at any time when due under the statutory provisions applicable thereto and according to the provisions of the gift, donation, grant, legacy, bequest, or devise through or from which the particular ~~subfund fund~~ fund arises.

(2) a separate investment fund, which may not be held

jointly with other funds, for money pertaining to each retirement or insurance system now or hereafter maintained by the state, including those now maintained under the following statutes:

(a) the highway patrolmen's retirement system described in Title 19, chapter 6;

(b) the public employees' retirement system described in Title 19, chapter 3;

(c) the game wardens' retirement system described in Title 19, chapter 8;

(d) the teachers' retirement system described in Title 19, chapter 4; and

(e) the industrial accident insurance program described in Title 39, chapter 71, part 23;

(3) a pooled investment fund, including all other accounts within the treasury fund structure established by 17-2-102;

(4) a fund consisting of gifts, donations, grants, legacies, bequests, devises, and other contributions made or given for a specific purpose or under conditions expressed in the gift, donation, grant, legacy, bequest, devise, or contribution on the part of the state of Montana to be observed. If such gift, donation, grant, legacy, bequest, devise, or contribution permits investment and is not otherwise restricted by its terms, it may be treated jointly

with other such gifts, donations, grants, legacies, bequests, devises, or contributions.

(5) a fund consisting of coal severance taxes allocated thereto under section 5, Article IX, of the Montana constitution; the principal of this trust fund shall be permanent and invested in the permissible investments enumerated in 17-6-211; in the event the legislature appropriates any part of the principal of this fund by vote of three-fourths of the members of each house, such liquidation may create a gain or loss in the principal; and

(6) such additional investment funds as may be expressly required by law or may be determined by the board of investments to be necessary to fulfill fiduciary responsibilities of the state with respect to funds from a particular source."

Section 13. Section 17-8-101, MCA, is amended to read:

"17-8-101. Appropriation and disbursement of moneys from the treasury. (1) Moneys deposited in the general fund, the special revenue fund ~~type~~, the enterprise fund ~~type~~, the internal service fund ~~type~~, and the capital projects fund ~~type~~, with the exception of refunds authorized in subsection (3), shall be paid out of the treasury only on appropriation made by law.

(2) Moneys deposited in the debt service fund ~~and the trust and agency fund type, expendable trust fund type,~~

~~nonexpendable trust fund type, pension trust fund type, and agency fund type~~ may be paid out of the treasury under general laws, or contracts entered into in pursuance of law, permitting such disbursement.

(3) Money paid into the state treasury through error or under circumstances, such that the state is not legally entitled to retain it and a refund procedure is not otherwise provided by law, may be refunded upon the submission of a verified claim approved by the department of administration."

Section 14. Section 17-8-105, MCA, is amended to read:

"17-8-105. Definitions applicable to expenditure limitation. As used in 17-8-106, the following definitions apply:

(1) "Montana total personal income" means the current income from all sources received during a particular period of time by persons residing within Montana as determined by the United States department of commerce or its successor agency.

(2) "State expenditures" means the general fund appropriations, the ~~earmarked special revenue fund type~~ appropriations, and the cash portion of the appropriations in the ~~bond proceeds and insurance clearance capital projects fund type~~, excluding:

(a) money received from the federal government;

(b) payments of principal and interest on bonded indebtedness;

(c) money paid for unemployment or disability insurance benefits;

(d) money received from the sale of goods or services provided that the purchase of the goods or services is discretionary;

(e) money paid from permanent endowments, constitutional trusts, or pension funds;

(f) proceeds of gifts or bequests made for purposes specified by the donor;

(g) money appropriated for tax relief; and

(h) funds transferred within state government or used to purchase goods for resale."

Section 15. Section 18-2-103, MCA, is amended to read:

"18-2-103. Supervision of construction of buildings.

(1) For the construction of a building costing more than \$25,000, the department of administration shall:

(a) review and approve all plans and working drawings prepared by architects;

(b) approve all bond issues or other financial arrangements and supervise and approve the expenditure of all moneys;

(c) under the supervision and with the approval of the board of examiners, solicit, accept, and reject bids and

award all contracts to the lowest qualified bidder considering conformity with specifications and terms and reasonableness of bid amount;

(d) review and, with the consent of the board of examiners, approve all change orders;

(e) accept the building when completed according to approved plans and specifications.

(2) Before any contract under subsection (1) is awarded, two formal bids must have been received, if reasonably available.

(3) The department of administration is responsible for concurring in construction projects where the proposed cost is less than \$25,000 but more than \$5,000. Before any contract under this subsection is approved for construction, alteration, or improvement at least three informal bids, if reasonably available, shall be procured from bona fide contractors duly licensed as such in the state of Montana.

(4) The department need not require the provisions of Montana law relating to advertising, bidding, or supervision where proposed construction costs are less than \$5,000.

(5) For the construction of buildings owned or to be owned by a school district, the department of administration shall, upon request, provide inspection to insure compliance with the plans and specifications for the construction of such buildings. "Construction" shall include construction,

1 repair, alteration, equipping, and furnishing during
 2 construction, repair, or alteration. These services shall be
 3 provided at a cost to be contracted for between the
 4 department of administration and the school district, with
 5 the receipts to be deposited in the department of
 6 administration's construction revolving regulation account
 7 in the revolving a special revenue fund.

8 (6) It is the intent of the legislature that student
 9 housing and other facilities constructed under the authority
 10 of the regents of the university system are subject to the
 11 provisions of subsections (1) and (2) of this section."

12 Section 16. Section 20-9-601, MCA, is amended to read:

13 "20-9-601. Public school fund. The public school fund
 14 shall be maintained by the state treasurer as a subfund fund
 15 in the ~~trust and legacy nonexpendable trust~~ fund type, and
 16 the principal amount of such fund shall be irreducible and
 17 permanent. The following moneys shall be credited to such
 18 fund as an addition to the irreducible and permanent
 19 principal amount:

- 20 (1) appropriations and donations by the state;
- 21 (2) donations and bequests by individuals to the state
- 22 or schools;
- 23 (3) the proceeds of land and other property which
- 24 revert to the state by escheat and forfeiture;
- 25 (4) the proceeds of all property granted to the state,

1 when the purpose of the grant is not specified or is
 2 uncertain;

3 (5) funds accumulated in the treasury of the state for
 4 the disbursement of which provision has not been made by
 5 law;

6 (6) the proceeds of the sale of timber, stone,
 7 materials, or other property from school lands other than
 8 those granted for specific purposes and all moneys other
 9 than rental recovered from persons trespassing on such
 10 lands;

11 (7) the principal of all moneys arising from the sale
 12 of lands and other property which have been and may be
 13 hereafter granted to the state for the support of common
 14 schools;

15 (8) the amount earmarked for deposit in this fund
 16 under the provisions of 20-9-341; and

17 (9) such other moneys as may be provided by the
 18 legislature."

19 Section 17. Section 20-10-201, MCA, is amended to
 20 read:

21 "20-10-201. Acceptance, expenditure, and
 22 administration of federal school food services moneys. (1)
 23 The superintendent of public instruction is authorized to
 24 accept and direct the disbursement of funds appropriated by
 25 act of congress and apportioned to the state for use in

1 financing school food services. This authorization shall
 2 apply to federal funds available for school food services
 3 under the National School Lunch Act (Public Law 396, 79th
 4 Congress, chapter 281, 2nd session), Child Nutrition Act of
 5 1966 (Public Law 642, 89th Congress), any amendments to
 6 these public laws, and any other public laws enacted to
 7 provide assistance for school food services.

8 (2) The superintendent of public instruction shall
 9 deposit all federal funds for school food services with the
 10 state treasurer who shall credit such funds to the ~~federal~~
 11 ~~and-private-grant-clearance agency~~ fund. Any disbursement of
 12 the federal school food services funds shall be directed by
 13 the superintendent of public instruction.

14 (3) The superintendent of public instruction may:

15 (a) enter into agreements and cooperate with any
 16 federal agency, district, or other agency or person,
 17 prescribe such regulations, employ such personnel, and take
 18 such other action as he may deem necessary to:

19 (i) provide for the establishment, operation, and
 20 expansion of school food services; and

21 (ii) disburse federal and state funds according to the
 22 requirements of federal and state law;

23 (b) give technical advice and assistance to any
 24 district establishing or operating school food services and
 25 assist in the training of personnel for such services;

1 (c) accept any gift for use in providing school food
 2 services;

3 (d) conduct studies of methods of improving and
 4 expanding school food services and appraise the nutritive
 5 benefits of school food services.

6 (4) The superintendent of public instruction shall
 7 report annually to the board of public education on the
 8 financial, administrative, and operational phases of school
 9 food services."

10 Section 18. Section 20-10-203, MCA, is amended to
 11 read:

12 "20-10-203. School food commodities. The
 13 superintendent of public instruction is authorized to accept
 14 food commodities from the federal government and to
 15 distribute the food commodities to any district or nonpublic
 16 school that contracts for such distribution. The
 17 superintendent of public instruction may use for the
 18 shipping, handling, and other related costs of distributing
 19 the food commodities any funds advanced by legislative
 20 appropriation for the commodity ~~revolving~~ special revenue
 21 account. Such distribution costs shall be reimbursed by the
 22 participating districts and nonpublic schools. Those
 23 reimbursements shall be returned to the fund from which
 24 payments for the distribution costs were made."

25 Section 19. Section 20-25-225, MCA, is amended to

1 read:

2 "20-25-225. Experimental farms. (1) In accordance with
3 the provisions of the Morrill Act of July 2, 1862, the
4 regents shall make available for the purchase of sites or
5 experimental farms from any funds deposited in the Montana
6 ~~trust and legacy nonexpendable trust~~ fund credited to the
7 state university through provisions of the Morrill Land Act
8 of 1862, known as the agricultural college Morrill permanent
9 fund, a sum not to exceed 10% of the amount of such fund.

10 (2) The total amount which may be used for purchase of
11 needed lands for sites or experimental farms may not exceed
12 10% in the aggregate of the total amount which has now or
13 which may accrue to the credit of the agricultural college
14 Morrill permanent ~~account in the Montana trust and legacy~~
15 fund.

16 (3) No portion of the moneys apportioned from the
17 endowment funds for the purchase of sites or experimental
18 farms shall be applied directly or indirectly to the
19 purchase, erection, preservation, or repair of any building
20 or buildings.

21 (4) The regents shall approve purchases of sites or
22 experimental farms, which must be essential for the research
23 programs of the state university."

24 Section 20. Section 20-26-1105, MCA, is amended to
25 read:

1 "20-26-1105. Guaranteed student loan account. (1)
2 There is a guaranteed student loan revolving account within
3 the--~~university-student-loan~~ a special revenue fund provided
4 for in 17-2-102~~(11)~~.

5 (2) The board shall credit to the account established
6 in subsection (1) all money designated for the guaranteed
7 student loan program by the United States or by any other
8 public or private source. All expenses incurred by the board
9 in connection with the guaranteed student loan program
10 including principal and interest payments required because
11 of loan defaults, must be charged against the account.

12 (3) Money in the account not needed to meet current
13 obligations of the board in the exercise of its
14 responsibilities as guarantor, as provided for in this part,
15 must be invested in accordance with the provisions of Title
16 17, chapter 6. Interest proceeds must be credited to the
17 account.

18 (4) Money on deposit in the guaranteed student loan
19 account shall not revert to the general fund at the close of
20 any fiscal year."

21 Section 21. Section 39-51-401, MCA, is amended to
22 read:

23 "39-51-401. Unemployment insurance ~~account fund~~ --
24 establishment and control. There is hereby established
25 separate and apart from all public money or funds of this

state ~~an account a fund~~ in the agency ~~expendable trust~~ fund type known as the unemployment insurance ~~account fund~~, which shall be administered by the department exclusively for the purposes of this chapter. Any reference to the unemployment insurance fund in this code means the unemployment insurance ~~account--in--the--agency expendable trust~~ fund. All money in the ~~account fund~~ shall be mingled and undivided. This ~~account fund~~ shall consist of:

(1) all contributions collected under this chapter and payments made in lieu of contributions as provided in 39-51-1124 through 39-51-1126;

(2) interest earned upon any money in the ~~account fund~~;

(3) any property or securities acquired through the use of money belonging to the ~~account fund~~;

(4) all earnings of such property or securities; and

(5) all money credited to this state's account in the unemployment trust fund pursuant to section 903 of the Social Security Act, as amended."

Section 22. Section 39-51-402, MCA, is amended to read:

"39-51-402. Unemployment insurance ~~account fund~~ -- state treasurer ex officio custodian -- accounts and deposits. (1) The state treasurer is the ex officio treasurer and custodian of the unemployment insurance

~~account fund~~ and shall administer such ~~account fund~~ in accordance with the directions of the department and shall issue his warrants upon it in accordance with such regulations as the department shall prescribe. He shall maintain within the ~~account fund~~ three separate accounts:

(a) a clearing account;

(b) an unemployment trust fund account; and

(c) a benefit account.

(2) All money payable to the unemployment insurance ~~account fund~~, upon receipt thereof by the department, must be forwarded to the treasurer who shall immediately deposit it in the clearing account. Refunds payable pursuant to 39-51-1110 may be paid from the clearing account upon warrants issued by the treasurer under the direction of the department. After clearance thereof, all other money in the clearing account must be immediately deposited with the secretary of the treasury of the United States to the credit of the account of this state in the unemployment trust fund, established and maintained pursuant to section 904 of the Social Security Act, as amended, any provision of law in this state relating to the deposit, administration, release, or disbursement of money in the possession or custody of this state to the contrary notwithstanding.

(3) The benefit account consists of all money requisitioned for the payment of benefits from this state's

1 account in the unemployment trust fund.

2 (4) Except as herein otherwise provided, money in the
3 clearing and benefit accounts may be deposited by the
4 treasurer, under the direction of the department, in any
5 bank or public depository in which general funds of the
6 state may be deposited, but no public deposit insurance
7 charge or premium may be paid out of the unemployment
8 insurance ~~account fund~~.

9 (5) The treasurer shall give a separate bond
10 conditioned upon the faithful performance of his duties as
11 custodian of the unemployment insurance ~~account fund~~ in an
12 amount fixed by the department and in a form prescribed by
13 law or approved by the attorney general. Premiums for the
14 bond shall be paid from the unemployment insurance
15 administration account."

16 Section 23. Section 39-51-404, MCA, is amended to
17 read:

18 "39-51-404. Requisition of money from unemployment
19 trust fund for payment of administrative expenses. (1) Money
20 credited to the account of this state in the unemployment
21 trust fund by the secretary of the treasury of the United
22 States pursuant to section 903 of the Social Security Act,
23 as amended, may be requisitioned and used for the payment of
24 expenses incurred for the administration of this chapter
25 pursuant to a specific appropriation by the legislature,

1 provided that the expenses are incurred and the money is
2 requisitioned after the enactment of an appropriation law
3 which:

4 (a) specifies the purposes for which such money is
5 appropriated and the amounts appropriated therefor;

6 (b) limits the period within which such money may be
7 expended to a period ending not more than 2 years after the
8 date of the enactment of the appropriation law; and

9 (c) limits the amount which may be used during any
10 12-month period beginning on July 1 and ending on the next
11 June 30 to an amount which does not exceed the amount by
12 which the aggregate of the amounts credited to the account
13 of this state pursuant to section 903 of the Social Security
14 Act, as amended, during the same 12-month period and the
15 four preceding 12-month periods exceeds the aggregate of the
16 amounts used pursuant to this section and charged against
17 the amounts credited to the account of this state during any
18 of such five 12-month periods.

19 (2) For the purposes of this section, amounts used
20 during any such 12-month period shall be charged against
21 equivalent amounts which were first credited and which are
22 not already so charged, except that no amount used for
23 administration during any such 12-month period may be
24 charged against any amount credited during such a 12-month
25 period earlier than the fourth preceding such period. Money

requisitioned for the payment of expenses of administration pursuant to this section shall be deposited in the unemployment insurance administration fund account but, until expended, shall remain a part of the unemployment insurance fund.

(3) The department shall maintain a separate record of the deposit, obligation, expenditure, and return of funds so deposited. If any money so deposited is for any reason not to be expended for the purpose for which it was appropriated or, if it remains unexpended at the end of the period specified by the law appropriating such money, it shall be withdrawn and returned to the secretary of the treasury of the United States for credit to this state's account in the unemployment trust fund."

Section 24. Section 39-51-406, MCA, is amended to read:

"39-51-406. Unemployment insurance administration account. (1) There is hereby created an account in the ~~federal--and--private~~ a special revenue fund to be known as the unemployment insurance administration account. All moneys which are deposited, appropriated, or paid into this account are hereby appropriated and made available to the department. All moneys in the account shall be expended solely for the purpose of defraying the costs of administration of this chapter and costs of administration

of such other legislation as shall be specifically delegated to the department for administration by the legislature.

(2) All moneys received and deposited in said account for administration expense from the United States or any agency thereof pursuant to section 302, Title III of the Social Security Act shall be expended solely for the purpose and in the amounts found necessary by the secretary of labor for the proper and efficient administration of this chapter.

(3) The account shall consist of:

(a) all moneys received from the United States or any agency thereof pursuant to section 302, Title III of the Social Security Act, as amended;

(b) all moneys appropriated by the state from the general fund for the purpose of administering this chapter;

(c) all interest and penalties collected on past due contributions as provided by 39-51-1301; and

(d) all moneys, trust funds, supplies, facilities, or services furnished, deposited, paid, and received from:

(i) the United States or any agency thereof;

(ii) this state or any agency thereof;

(iii) any other state or any of its agencies;

(iv) political subdivisions of the state; or

(v) any other source for administrative expense and purpose.

(4) Notwithstanding any provisions of this section,

all money requisitioned and deposited in this account pursuant to 39-51-403 through 39-51-405 shall remain part of the unemployment insurance ~~account fund~~ and shall be used only in accordance with the conditions specified in 39-51-403 through 39-51-405.

(5) All moneys in this account shall be deposited, administered, and disbursed in the same manner and under the same conditions and requirements as is provided by law for other accounts. Any balance in this account shall not lapse at any time, but shall be continuously available to the department for the expenditure consistent with this chapter.

(6) The state treasurer shall give a separate and additional bond conditioned upon the faithful performance of his duties in connection with the unemployment insurance administration account in an amount to be fixed by the department and in a form prescribed by law or approved by the attorney general. The premiums for such bond and the premiums for the bond given by the treasurer for the unemployment insurance ~~account fund~~ under 39-51-402 shall be paid from the money in the unemployment insurance administration account.

(7) Any reference to the unemployment insurance administration fund in this code shall be taken to mean the unemployment insurance administration account in the ~~federal and private~~ a special revenue fund."

Section 25. Section 39-51-407, MCA, is amended to read:

"39-51-407. Reimbursement of fund by state. (1) This state recognizes its obligation to replace, and hereby pledges the faith of this state that funds will be provided in the future and applied to the replacement of any of the money received after July 1, 1941, from the United States or any agency thereof under Title III of the Social Security Act, any unencumbered balances in the unemployment insurance administration ~~fund~~ account as of that date, any money thereafter granted to this state pursuant to the provisions of the Wagner-Peyser Act, and any money made available by the state or its political subdivisions and matched by such money granted to this state pursuant to the provisions of the Wagner-Peyser Act which the secretary of labor finds have, because of any action or contingency, been lost or have been expended for purposes other than or in amounts in excess of those found necessary by the secretary of labor for the proper administration of this chapter. Such money shall be promptly supplied by money furnished by the state of Montana or any of its subdivisions for the use of the department and used only for purposes approved by the secretary of labor. The department shall, if necessary, promptly report to the governor and the governor to the legislature the amount required for such replacement.

(2) This section shall not be construed to relieve this state of its obligation with respect to funds received prior to July 1, 1941, pursuant to the provisions of Title III of the Social Security Act."

Section 26. Section 53-1-302, MCA, is amended to read:

"53-1-302. Disposition of receipts from sale of goods. Receipts from the sale of goods produced or manufactured by an institution shall be deposited in the revolving internal service fund account for the use of the industries program of the institution. At the end of each biennium, all unobligated revolving funds over a \$50,000 ending-fund balance, except for those funds reserved for equipment replacement as determined by an equipment replacement schedule, shall revert to the state general fund account."

Section 27. Section 53-9-109, MCA, is amended to read:

"53-9-109. Crime victims compensation account. There is a crime victims compensation account in the agency a special revenue fund. There shall be paid into this account 18% of the fines assessed and bails forfeited on all offenses involving a violation of chapter 3, part 1 of chapter 4, or chapters 5 through 10 of Title 61, that are a result of citations or tickets issued by the highway patrol."

Section 28. Section 60-11-1207, MCA, is amended to read:

"60-11-1207. Bond accounts — appropriation. (1) There is a railroad rolling stock account in the bond proceeds and insurance clearance a special revenue fund provided for in 17-2-102. All bond proceeds shall be placed in the railroad rolling stock account, and all money deposited in the account is continuously appropriated to the department and may be expended by the department for the purposes authorized in this part.

(2) There is a railroad rolling stock reserve account in the sinking debt service fund as provided for in 17-2-102. Loan repayments and required capital reserves shall be deposited in the railroad rolling stock reserve account fund, and all money deposited in the account fund is continuously appropriated to the department and may be expended for the payment of principal and interest on the bonds as they become due.

(3) If the department enters into a trust indenture pursuant to 60-11-1206, it may provide for the establishment of funds and accounts to be held by the trustee and may pledge and appropriate the bond proceeds, capital reserves, and loan payments to such funds and accounts, notwithstanding the provisions of subsections (1) and (2)."

Section 29. Section 67-11-304, MCA, is amended to read:

"67-11-304. Sinking funds Debt service fund. An

1 airport authority may create a ~~sinking debt service~~ fund and
2 accumulate therein the sum of \$5 million together with
3 interest thereon for the use, repairs, maintenance, and
4 capital outlays of an airport."

5 Section 30. Section 70-9-309, MCA, is amended to read:

6 "70-9-309. Deposit of moneys -- record -- deduction of
7 costs. (1) All moneys received under parts 1 through 3,
8 including the proceeds from the sale of abandoned property
9 under 70-9-308, shall forthwith be deposited by the
10 department of revenue with the state treasurer for credit to
11 the ~~trust and legacy fund~~, public school account
12 ~~nonexpendable trust fund~~ of the state, except that the state
13 treasurer shall retain in the agency fund an amount not
14 exceeding \$25,000 from which he shall make prompt payment of
15 claims allowed by the department as hereinafter provided.

16 (2) Before making the deposit the department shall
17 record the name and last known address of each person
18 appearing from the holders' reports to be entitled to the
19 abandoned property and of the name and last known address of
20 each insured person or annuitant and, with respect to each
21 policy or contract listed in the report of a life insurance
22 corporation, its number, the name of the corporation, and
23 the amount due. The record shall be available for public
24 inspection at all reasonable business hours.

25 (3) Before making any deposit to the credit of the

1 public school ~~account nonexpendable trust fund~~, the
2 department may deduct:

3 (a) any costs in connection with sale of abandoned
4 property;

5 (b) any costs of mailing and publication in connection
6 with any abandoned property; and

7 (c) reasonable service charges."

8 Section 31. Section 72-14-210, MCA, is amended to
9 read:

10 "72-14-210. Agency fund moneys to be held in trust --
11 deposit in public school ~~subfund nonexpendable trust fund~~.
12 Moneys and properties placed in the agency fund shall be
13 held in trust for a period of 5 years prior to deposit in
14 the public school ~~subfund~~ ~~in the nonexpendable~~ trust and
15 ~~legacy~~ fund by the state treasurer; such trust being for the
16 benefit of persons claiming property pursuant to part 3 of
17 this chapter. Such a claim may be brought for an amount
18 equal to the full amount or value of the property escheated
19 minus the costs and expenses incident to reducing the same
20 to the possession of the state."

21 Section 32. Section 72-14-403, MCA, is amended to
22 read:

23 "72-14-403. Deposit of unclaimed property in state
24 treasury -- escheat. (1) All money or other property
25 distributed in the administration of an estate of a decedent

or as the subject of a trust and deposited before or after July 1, 1947, with the county treasurer to the credit of the distributee or beneficiary and any money remaining on deposit to the credit of an estate after final distribution must be delivered into the state treasury for deposit in the agency fund by the county treasurer upon the expiration of 1 year from the day of such deposit.

(2) Money or other property so deposited in the state treasury, if not claimed by the person or persons entitled thereto by bringing an action as provided in part 3 of this chapter, shall escheat to the state of Montana and be placed in the public school ~~subfund of the nonexpendable~~ trust and legacy fund as provided therein."

Section 33. Section 76-4-105, MCA, is amended to read:

"76-4-105. Lot fees. (1) The department shall adopt reasonable rules setting forth fees, not to exceed \$30 per parcel, for services rendered in the review of plats and subdivisions. The rules shall provide for a schedule of fees to be paid by the applicant for plat or subdivision review to the department for deposit in the ~~agency~~ a special revenue fund provided for in 17-2-102. The fees shall be used for review of plats and subdivisions based on the complexity of the subdivision, including but not limited to:

- (a) number of lots in the subdivision;
- (b) the type of water system to serve the development;

(c) the type of sewage disposal to serve the development; and

(d) the degree of environmental research necessary to supplement the review procedure.

(2) The department shall adopt rules to determine the distribution of lot fees between the local governing body and the department as provided in 76-4-128. When a subdivision is reviewed under the master plan provisions of 76-4-124, the local governing body shall, within 20 days after receiving an application under the Montana Subdivision and Platting Act, distribute the lot fees as determined by this subsection.

(3) A fee as described in this section is not required for the review of subdivisions in which divisions are made for the purpose of relocating common boundary lines unless the division will result in the installation of additional water supply or sewage disposal facilities."

Section 34. Section 76-13-114, MCA, is amended to read:

"76-13-114. Disposition of fines. Fines collected in a court of the state under this part or part 2 shall be transferred to the state treasurer for deposit in the ~~federal and private grant clearance agency~~ fund. Whenever a person is convicted in any court of a violation of this part or part 2, the court may levy and collect as costs in the

case the amount necessary to compensate the county for the expenditures made in and for the prosecution of the offender. These costs when collected shall be deposited by the court with the proper county treasurer for the benefit of the county."

Section 35. Section 76-13-503, MCA, is amended to read:

"76-13-503. Application for license — fee. (1) Whenever a person, firm, or corporation desires to commence the operation of a portable sawmill located or to be located upon forest lands within the state, that person, firm, or corporation shall apply to the department in writing for a license to operate the portable sawmill. The application shall include the name of the person, firm, or corporation contemplating the operation of the sawmill; the location thereof by section, township, and range numbers; the rated capacity of the sawmill and the approximate amount of stumpage to be cut at the proposed setting; and the approximate date desired for the commencement of the operation.

(2) The application shall be accompanied by the payment of a fee of \$2, which is fixed as the license fee for the operation of any portable sawmill, to be credited to the ~~federal and private grant clearance agency~~ fund."

Section 36. Section 77-1-602, MCA, is amended to read:

"77-1-602. Definition of terms. Unless the context requires otherwise, in this part the following definitions apply:

(1) "Account" means the resource development account in the ~~earmarked~~ a special revenue fund.

(2) "Income" means all proceeds received for the use of state land except revenues required by law to be placed in the Montana ~~nonexpendable~~ trust ~~and legacy fund type~~."

Section 37. Section 77-6-203, MCA, is amended to read:

"77-6-203. Bid deposit. (1) A person bidding for the lease of state lands shall deposit with the department, as evidence of good faith, a certified check, cashier's check, or money order in an amount equal to 20% of the annual rental bid in the case of grazing land and an amount equal to \$1 per acre for each acre of agricultural land contained in the lease in the case of agricultural land on which the bid is made on a crop share basis.

(2) The department shall retain the deposit of the successful bidder, apply it on the rental for the first year of the lease only, and return any balance of the deposit at the end of the first year to the successful bidder. The department shall return the deposits of the unsuccessful bidders.

(3) If the successful bidder fails to execute the lease for any reason, his deposit shall be forfeited and

1 deposited by the department to the credit of the proper
2 interest and income account in the ~~federal--and--private~~
3 ~~revenue agency~~ fund."

4 Section 38. Section 80-2-103, MCA, is amended to read:

5 "80-2-103. Administration of trust assets. Funds and
6 the proceeds of the trust assets which are not authorized to
7 be administered by the secretary of agriculture under
8 80-2-102 shall be received by the department and paid by it
9 to the state treasurer for deposit in the ~~federal--and~~
10 ~~private--grant--clearance~~ expendable trust fund and used for
11 expenditure or obligation by the department for the purposes
12 of 80-2-102 or for the rural rehabilitation purposes
13 permissible under the charter of the now dissolved Montana
14 rural rehabilitation corporation as may be agreed upon
15 between the department and the secretary of agriculture,
16 subject to Public Law 499."

17 Section 39. Section 80-2-222, MCA, is amended to read:

18 "80-2-222. Board to establish amount of levy --
19 disposition of funds. (1) The board of hail insurance may,
20 when it considers it advisable, establish as many districts
21 as it considers advisable and may maintain maximum rates in
22 various parts of the state, which rates shall be
23 commensurate with the risk incurred as nearly as it can
24 determine from past experiences or from any records
25 available. The highest of these rates shall be the same as

1 the maximum established herein and the lowest may not be
2 less than \$1.20 per acre on lands sown to grain crops and a
3 proportionate amount on lands sown to hay crops.

4 (2) Notice of the various rates established for any
5 year shall be plainly printed on the application for hail
6 insurance, and in any year when the requirements of the hail
7 insurance law as herein provided do not require a levy of
8 the maximum rates as established, then the rates for the
9 year shall be determined and levied by the board of hail
10 insurance for each of the various districts as established,
11 in such proportions as will in its judgment be fair and
12 equitable.

13 (3) In making the levy provided in this section and
14 80-2-223, the board of hail insurance shall provide for:

15 (a) the payment of all expenses of administration,
16 together with all interest owed or to be owing on registered
17 warrants;

18 (b) that portion of the losses incurred during the
19 current year which are not paid from funds drawn from the
20 reserve;

21 (c) the maintenance of the reserve, a part or all of
22 which may be used in any one year for the purpose of paying
23 the costs of administration, interest on the warrants, and
24 losses as the same shall be settled and adjusted by the
25 board, including the losses sustained in any prior year or

years under the hail insurance law during or subsequent to the year 1919 that have not been paid.

(4) If at the end of any hail insurance season the board determines and finds that more funds are accumulating from the current year's levies than were estimated when the levy was made and are in excess of the need for the payment of losses and expenses and maintenance of the reserve, the board may, at its discretion, refund the excess to the farmers insured for the year, on a pro rata or percentage basis.

(5) The board of hail insurance may direct the board of investments to invest funds from the ~~agency expendable trust~~ fund pursuant to the provisions of the unified investment program for state funds. The income from such investments shall be credited to the board of hail insurance account in the ~~agency expendable trust~~ fund."

Section 40. Section 80-2-228, MCA, is amended to read:

"80-2-228. Reserve fund. (1) Each year when the hail board makes its annual levy for the payment of current losses, expenses of administration, and for an addition to the reserve if conditions permit, it may not increase the levy enough in any year so that such addition to the reserve will exceed 5% of the maximum risk written for that year.

(2) The reserve fund may not exceed \$4 million prior to January 1, 1976. On January 1, 1976, and thereafter, the

maximum permissible reserve fund shall be established as set forth in subsection (3) of this section.

(3) The board may engage the services of a qualified actuary to conduct an actuarial valuation of the reserve. This valuation shall include the actuary's determination of the amount of reserve necessary to absorb all reasonably anticipated catastrophic losses. This amount shall be the maximum permissible reserve fund for the next year.

(4) The reserve hereby created shall be deposited in ~~the agency an expendable trust~~ fund, and the board is hereby granted the power to draw from its moneys in the fund such amounts as it considers necessary for the purpose of paying costs of administration, interest, and losses.

(5) Whenever there are no unpaid losses for prior years and whenever in any one year the cost of administration, interest, and losses for the current year is less than the sum of 60 cents per acre on nonirrigated grains and a proportionate amount on irrigated grains and other crops, the board may not draw on the reserve for any purpose unless the amount required for the payment of losses for the current year, including interest on warrants and costs of administration, exceeds the amount of the estimate made by the board."

Section 41. Section 80-2-232, MCA, is amended to read:

"80-2-232. State treasurer's duty ~~---transfer of funds~~

1 -- warrants -- transfers to county and state general fund.

2 (1) The state treasurer shall receive all moneys paid to him
3 under this part and shall place same to the credit of the
4 ~~agency expendable trust~~ fund and ~~may from time to time~~
5 ~~transfer to the earmarked revenue fund such sums as the~~
6 ~~board of hail insurance may deem necessary and proper to pay~~
7 ~~the expenses of administration.~~ All moneys collected by the
8 board shall be deposited in the agency expendable trust
9 fund, and all losses shall be paid from that fund. All other
10 costs are administrative expenses and shall be paid from the
11 ~~board's account in the earmarked revenue~~ expendable trust
12 fund. If registered warrants be presented and there be no
13 money to pay the same, such warrants shall be registered and
14 thereafter bear interest at the rate of 4% per annum until
15 called for payment by the state treasurer. ~~if at any time~~
16 ~~more funds are in the earmarked revenue fund than the board~~
17 ~~estimates are needed for administrative expenses the state~~
18 ~~treasurer may on the order of the board transfer such funds~~
19 ~~back to the agency fund as the board may direct~~

20 (2) Upon warrants drawn by order of the board, the
21 state treasurer shall pay out of the board's ~~account in the~~
22 agency expendable trust fund to the county treasurer of each
23 county where state hail insurance coverage is in force 1% of
24 the gross annual levies made and collected in such county
25 under this part for the use of the county as the board of

1 county commissioners may determine.

2 (3) Upon authorization from the board of hail
3 insurance, the state treasurer shall transfer out of the
4 board's ~~account in the agency expendable trust~~ fund to the
5 general fund of the state of Montana 2% of the gross annual
6 levies made and collected in the state of Montana."

7 Section 42. Section 80-6-1109, MCA, is amended to
8 read:

9 "80-6-1109. Fees to be set by rule -- self-supporting
10 program -- ~~earmarked account~~ enterprise fund established.

11 (1) Fees authorized to be charged by this part shall be set
12 by department rule. Such fees shall be designed to reimburse
13 the department for costs incurred in providing services and
14 carrying out its duties under this part. It is the intent
15 of the legislature that department activities under this
16 part be self-supporting.

17 (2) There is an ~~earmarked revenue account~~ enterprise
18 fund known as the leaf-cutting bee ~~account~~ fund for use by
19 the department. Fees collected under this part shall be
20 paid into the leaf-cutting bee account fund."

21 Section 43. Section 80-11-207, MCA, is amended to
22 read:

23 "80-11-207. Buyer's delivery of invoice to grower --
24 form -- filing of sworn statement -- payment of assessment
25 -- refund. (1) The purchaser of the wheat or barley at the

time of sale or the pledgee, mortgagee, or other lender at the time of the loan or advance shall give separate invoices for each purchase to the grower. The invoices shall be on forms approved by the department and shall show:

(a) the name and address of the grower and seller;

(b) the name and address of the purchaser or the lender;

(c) the number of bushels of wheat or hundredweights of barley sold, mortgaged, or pledged;

(d) the date of the purchase, mortgage, or pledge and the amount of assessment collected and remitted to the department.

(2) The purchaser, mortgagee, or pledgee shall file with the department, on forms prescribed by the department, within 20 days after the end of a month in which he purchases a grower's wheat or barley or in which a lender makes a loan or advance on a grower's wheat or barley, a sworn statement of the number of bushels of wheat or hundredweights of barley purchased in Montana or the number of bushels of wheat or hundredweights of barley mortgaged or pledged or otherwise transferred or liened as security for a loan during the preceding calendar month. At the time the sworn statement is filed, the purchaser or lender shall pay to the department the assessment provided for in 80-11-206 for deposit in the wheat research and marketing account in

~~the revolving a special revenue~~ fund.

(3) The statement referred to in subsections (1) and (2) of this section shall be legibly written and shall be entirely free of any corrections or erasures. A person may not alter any part of a statement.

(4) After 30 days and before 90 days following the deduction of the assessment by the first purchaser or the first lender, the grower may, upon the submission of a written, verified request to the department, obtain a refund of the assessment. The request shall be accompanied by the original invoices received by the grower at the time of settlement. The department shall keep complete records of all refunds made under the provisions of this section. Records of refunds may be destroyed 2 years after the refund is made. All original invoices shall be returned to the grower with the refund payment."

Section 44. Section 81-1-104, MCA, is amended to read:

"81-1-104. Investment of earmarked special revenue account funds — crediting of investment income. The board may direct the board of investments to invest funds from the earmarked special revenue accounts of the department pursuant to the provisions of the unified investment program for state funds. The income from such investments shall be credited to the earmarked special revenue account of the department from which the investment is made."

Section 45. Section 87-1-601, MCA, is amended to read:

"87-1-601. Use of fish and game money. (1) All money collected or received from the sale of hunting and fishing licenses or permits, from the sale of seized game or hides, or from damages collected for violations of the fish and game laws of this state, from appropriations, or received by the department from any other state source shall be turned over to the state treasurer and placed by him in the ~~earmarked~~ a special revenue fund to the credit of the department. Any money received from federal sources shall be deposited in ~~the federal and private~~ a special revenue fund to the credit of the department.

(2) That money shall be exclusively set apart and made available for the payment of all salaries, per diem, fees, expenses, and expenditures authorized to be made by the department under the terms of this title. That money shall be spent for those purposes by the department, subject to appropriation by the legislature.

(3) Any reference to the fish and game fund in this code means fish and game money in ~~the earmarked~~ a special revenue fund ~~and federal and private revenue fund~~.

(4) All money collected or received from fines and forfeited bonds relating to violations of state fish and game laws under Title 87 shall be deposited by the state treasurer and credited to the department of fish, wildlife,

and parks in ~~an earmarked~~ a special revenue fund account for this purpose. Out of any fine imposed by a court for the violation of the fish and game laws, the costs of prosecution shall be paid to the county where the trial was held in any case where the fine is not imposed in addition to the costs of prosecution.

(5) Money received by the department from the sale of surplus real property; exploration or development of oil, gas, or mineral deposits from lands acquired by the department except royalties or other compensation based on production; and from leases of interests in department real property not contemplated at the time of acquisition shall be deposited in an account within the ~~trust and legacy~~ nonexpendable trust fund of the state treasury. The interest derived therefrom, but not the principal, may be used only for the purpose of operation, development, and maintenance of real property of the department, and only upon appropriation by the legislature. If the use of money as set forth herein would result in violation of applicable federal laws or state statutes specifically naming the department or money received by the department, then the use of this money must be limited in the manner, method, and amount to those uses that do not result in such violation."

Section 46. Section 87-1-602, MCA, is amended to read:

"87-1-602. Payment of salaries, per diem, and

expenses. All salaries, per diem, expenses, and claims incurred by the department or a person appointed or employed by it shall be paid out of fish and game moneys in the general fund, ~~federal--and--private~~ special revenue fund, ~~earmarked--revenue--fund,~~ or other applicable fund upon warrants properly drawn on those funds."

Section 47. Section 90-6-202, MCA, is amended to read:

"90-6-202. Accounts established. (1) There is within ~~the-earmarked~~ a special revenue fund a local impact and education trust fund account. Moneys are payable into this account under 15-35-108. The state treasurer shall draw warrants from this account upon order of the coal board.

(2) There is within ~~the-earmarked~~ a special revenue fund a coal area highway improvement account."

NEW SECTION. Section 48. Code commissioner to make changes. Whenever a reference to a treasury fund type, fund, or account appears in any new material that is enacted by the 48th legislature and approved by the governor, whether in new sections or amended sections, the code commissioner, in consultation with the department of administration and the legislative fiscal analyst, shall change the reference in that material as necessary to reflect the fund structure provided for in 17-2-102. The code commissioner may make other incidental changes that reflect the intent of this act but do not change the meaning.

NEW SECTION. Section 49. Effective date. This act is effective July 1, 1983.

-End-

Approved by Committee
on State Administration.

1 HOUSE BILL NO. 530
2 INTRODUCED BY BARDAMOUVE
3 BY REQUEST OF THE DEPARTMENT OF ADMINISTRATION
4
5 A BILL FOR AN ACT ENTITLED: "AN ACT TO GENERALLY REVISE
6 LANGUAGE IN VARIOUS CODE PROVISIONS IN ORDER THAT REFERENCES
7 TO THE TREASURY FUND STRUCTURE CONFORM TO CHAPTER 28, LAWS
8 OF 1981, AS REQUIRED BY CHAPTER 28, SECTION 5, LAWS OF 1981;
9 AMENDING SECTIONS 2-17-105, 2-18-402, 15-35-108, 15-38-106,
10 15-38-201, 15-38-202, 16-11-119, 16-11-206, 17-2-102,
11 17-2-105, 17-6-201, 17-6-203, 17-8-101, 17-8-105, 18-2-103,
12 20-9-601, 20-10-201, 20-10-203, 20-25-225, 20-26-1105,
13 39-51-401, 39-51-402, 39-51-404, 39-51-406, 39-51-407,
14 53-1-302, 53-9-109, 60-11-1207, 67-11-304, 70-9-309,
15 72-14-210, 72-14-403, 76-4-105, 76-13-114, 76-13-503,
16 77-1-602, 77-6-203, 80-2-103, 80-2-222, 80-2-228, 80-2-232,
17 80-6-1109, 80-11-207, 81-1-104, 87-1-601, 87-1-602, AND
18 90-6-202, MCA; INSTRUCTING THE CODE COMMISSIONER TO MAKE THE
19 NECESSARY CHANGES; AND PROVIDING AN EFFECTIVE DATE."
20
21 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
22 Section 1. Section 2-17-105, MCA, is amended to read:
23 "2-17-105. Insurance on state buildings -- use of
24 proceeds -- building replacement. (1) Moneys received by the
25 state as indemnification for damage to state buildings,

1 except buildings procured by the department of highways by
2 purchase or condemnation for right-of-way purposes, shall be
3 deposited in the ~~the--bond--proceeds--and--insurance--clearance~~ a
4 STATE special revenue fund.
5 (2) These moneys may only be:
6 (a) used to repair the damaged property;
7 (b) used to replace the damaged property, subject to
8 the limitations in subsection (3) of this section; or
9 (c) transferred to the fund and account from which the
10 premiums were paid on the policy covering the building.
11 Moneys transferred in this manner may not be spent by the
12 institution or agency having custody of the damaged property
13 but shall be available for future legislative appropriation.
14 If the moneys are not spent or committed within 2 years from
15 the time they are received, they shall automatically revert
16 to the fund and account from which the premiums were paid.
17 (3) If an insured building is totally destroyed or so
18 badly damaged that repair is impractical, the governing
19 board or officer responsible for the building may authorize
20 any moneys received by the state as indemnification for
21 property damage to be used to replace the building only if
22 the proposed replacement is designed to be used for the same
23 general purposes as the damaged or destroyed building. If
24 the governing board or officer determines that the building
25 should not be replaced, any moneys received by the state as

1 indemnification for property damage over and above any
2 outstanding debt on the building shall be transferred as
3 provided in subsection (2)(c) of this section."

4 Section 2. Section 2-18-402, MCA, is amended to read:

5 "2-18-402. Payroll revolving-account agency fund --
6 auditor to determine disbursements and transfers. (1) An
7 account A fund in the revolving agency fund type of the
8 state treasury is hereby created, to be known as the state
9 payroll revolving-account agency fund, which account fund
10 may be utilized for the payment of compensation to officers
11 and employees of the state and all amounts withheld
12 therefrom, pursuant to law.

13 (2) The amount to be disbursed from the state payroll
14 revolving--account agency fund at any time shall be
15 determined by the state auditor and, on his order, shall be
16 transferred forthwith from the fund, account, and
17 appropriation otherwise properly chargeable therewith to the
18 state payroll revolving-account agency fund."

19 Section 3. Section 15-35-108, MCA, is amended to read:

20 "15-35-108. Disposal of severance taxes. Severance
21 taxes collected under the provisions of this chapter are
22 allocated as follows:

23 (1) To the trust fund created by Article IX, section
24 5, of the Montana constitution, 25% of total collections a
25 year. After December 31, 1979, 50% of coal severance tax

1 collections are allocated to this trust fund. The trust fund
2 moneys shall be deposited in the fund established under
3 17-6-203(5) and invested by the board of investments as
4 provided by law.

5 (2) Coal severance tax collections remaining after
6 allocation to the trust fund under subsection (1) are
7 allocated in the following percentages of the remaining
8 balance:

9 (a) to the county in which coal is mined, 2% of the
10 severance tax paid on the coal mined in that county until
11 January 1, 1980, for such purposes as the governing body of
12 the county may determine;

13 (b) 2 1/2% until December 31, 1979, and thereafter
14 4 1/2% to the-earmarked a SIAIE special revenue fund to the
15 credit of the alternative energy research development and
16 demonstration account;

17 (c) 26 1/2% until July 1, 1979, and thereafter 37 1/2%
18 to the-earmarked a SIAIE special revenue fund to the credit
19 of the local impact and education trust fund account;

20 (d) for each of the 2 fiscal years following June 30,
21 1977, 13% to the-earmarked a SIAIE special revenue fund to
22 the credit of the coal area highway improvement account;

23 (e) 10% to the-earmarked a SIAIE special revenue fund
24 for state equalization aid to public schools of the state;

25 (f) 1% to the-earmarked a SIAIE special revenue fund

1 to the credit of the county land planning account;

2 (g) 1 1/4% to the ~~sinking-fund-to-the~~ credit of the
3 renewable resource development bond account fund;

4 (h) 5% to the ~~earmarked-revenue a nonexpendable trust~~
5 ~~fund to-the-credit-of-a-trust-fund~~ for the purpose of parks
6 acquisition or management, protection of works of art in the
7 state capitol, and other cultural and aesthetic projects.
8 Income from this trust fund shall be appropriated as
9 follows:

10 (i) 1/3 for protection of works of art in the state
11 capitol and other cultural and aesthetic projects; and

12 (ii) 2/3 for the acquisition of sites and areas
13 described in 23-1-102 and the operation and maintenance of
14 sites so acquired;

15 (i) 1% to the ~~earmarked a~~ SIATF special revenue fund
16 to the credit of the state library commission for the
17 purposes of providing basic library services for the
18 residents of all counties through library federations and
19 for payment of the costs of participating in regional and
20 national networking;

21 (j) 1/2 of 1% to the ~~earmarked a~~ SIATF special revenue
22 fund for conservation districts;

23 (k) 1 1/4% to the ~~sinking debt service~~ fund ~~type~~ to
24 the credit of the water development ~~sinking-account debt~~
25 ~~service fund~~;

1 (1) all other revenues from severance taxes collected
2 under the provisions of this chapter to the credit of the
3 general fund of the state."

4 Section 4. Section 15-38-106, MCA, is amended to read:
5 "15-38-106. Payment of tax -- records -- collection of
6 taxes -- refunds. (1) The tax imposed by this chapter shall
7 be paid by each person to which the tax applies, on or
8 before March 31, on the value of product in the year
9 preceding January 1 of the year in which the tax is paid.
10 The tax shall be paid to the department at the time that the
11 statement of yield is filed with the department.

12 (2) The department shall deposit the proceeds of the
13 tax in the resource indemnity trust ~~account fund~~ of the
14 ~~trust-and-legacy nonexpendable trust~~ fund ~~type~~. Every person
15 to whom the tax applies shall keep records in accordance
16 with 15-38-105, and the records are subject to inspection by
17 the department upon reasonable notice during normal business
18 hours.

19 (3) The department shall examine each of the
20 statements and compute the taxes thereon, and the amount
21 computed by the department shall be the taxes imposed,
22 assessed against, and payable by the taxpayer making the
23 statement for the year for which the statement is filed. If
24 the tax found to be due is greater than the amount paid, the
25 excess shall be paid by the taxpayer to the department

1 within 30 days after written notice of the amount of
2 deficiency is mailed by the department to the taxpayer. If
3 the tax imposed is less than the amount paid, the difference
4 must be applied as a tax credit against tax liability for
5 subsequent years or refunded if requested by the taxpayer."

6 Section 5. Section 15-38-201, MCA, is amended to read:

7 "15-38-201. Creation of ~~account--in-trust-and-legacy~~
8 resource indemnity trust fund. For the purpose of carrying
9 out this chapter, there is a resource indemnity trust
10 account fund in the ~~trust--and--legacy nonexpendable trust~~
11 fund type. The resource indemnity account fund shall be
12 credited with all moneys received as herein provided."

13 Section 6. Section 15-38-202, MCA, is amended to read:

14 "15-38-202. Investment of resource indemnity trust
15 account fund -- expenditure -- minimum balance. (1) All
16 moneys paid into the resource indemnity trust account fund
17 shall be invested at the discretion of the board of
18 investments. All the net earnings accruing to the resource
19 indemnity trust account fund shall annually be added thereto
20 until it has reached the sum of \$10 million. Thereafter,
21 only the net earnings may be appropriated and expended until
22 the account reaches \$100 million. Thereafter, all net
23 earnings and all receipts shall be appropriated by the
24 legislature and expended, provided that the balance in the
25 account may never be less than \$100 million.

1 (2) Beginning in fiscal year 1982, provided the amount
2 in the resource indemnity trust account fund is greater than
3 \$10 million, 30% of the interest income of the resource
4 indemnity trust account fund must be allocated to the water
5 development ~~earmarked STATE special revenue~~ account created
6 by 85-1-604."

7 Section 7. Section 16-11-119, MCA, is amended to read:

8 "16-11-119. Disposition of taxes -- retirement of
9 bonds. All moneys collected under the provisions of
10 16-11-111, less the expense of collecting all the taxes
11 levied, imposed, and assessed by said section, shall be paid
12 to the state treasurer and deposited as follows: 73% in the
13 long-range building program account fund in the ~~sinking debt~~
14 service fund type, and 27% in the long-range building
15 program account fund in the ~~bond-proceeds-and-insurance~~
16 clearance capital projects fund type."

17 Section 8. Section 16-11-206, MCA, is amended to read:

18 "16-11-206. Wholesaler's discount -- disposition of
19 taxes. The taxes specified in this part that are paid by the
20 wholesaler shall be paid to the department in full less a 5%
21 defrayment for his collection and administrative expense and
22 shall be deposited by the department in the long-range
23 building ~~sinking program debt service~~ fund ~~Now--338766~~.
24 Refunds of the tax paid shall be made as provided in
25 15-1-503 in cases where the tobacco products purchased

become unsalable."

Section 9. Section 17-2-102, MCA, is amended to read:

"17-2-102. Fund structure. (1) There are in the state treasury only the following funds ~~fund categories and types~~:

(a) governmental funds ~~fund category~~, which include includes:

(i) the general fund, which accounts for all financial resources except those required to be accounted for in another fund;

(ii) the special revenue funds ~~fund type~~, which account accounts for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditure for specified purposes; ~~THE FINANCIAL ACTIVITIES OF THE SPECIAL REVENUE FUND TYPE SHALL BE SUBDIVIDED FOR OPERATIONAL PURPOSES INTO THE FOLLOWING FUNDS TO SERVE THE PURPOSE INDICATED:~~

~~(A) THE STATE SPECIAL REVENUE FUND CONSISTS OF MONEY FROM STATE SOURCES DEPOSITED IN THE STATE TREASURY THAT IS EARNED FOR THE PURPOSES OF DEFERRING PARTICULAR COSTS OF AN AGENCY, PROGRAM, OR FUNCTION OF STATE GOVERNMENT.~~

~~(B) THE FEDERAL SPECIAL REVENUE FUND CONSISTS OF MONEY DEPOSITED IN THE TREASURY FROM FEDERAL SOURCES, INCLUDING TRUST INCOME, THAT IS USED FOR THE OPERATION OF STATE GOVERNMENT.~~

~~(C) THE OTHER SPECIAL REVENUE FUNDS CONSIST OF MONEY~~

~~DEPOSITED IN THE STATE TREASURY FROM PRIVATE SOURCES, INCLUDING TRUST INCOME, THAT IS USED FOR THE OPERATION OF STATE GOVERNMENT AND MONEY USED TO DEFERR REIMBURSABLE EXPENDITURES.~~

(iii) the capital projects funds ~~fund type~~, which account accounts for financial resources to be used for the acquisition or construction of major capital facilities, other than those financed by proprietary funds or trust funds; and

(iv) the debt service funds ~~fund type~~, which account accounts for the accumulation of resources for and the payment of general long-term debt principal and interest;

(b) proprietary funds ~~fund category~~, which include includes:

(i) the enterprise funds ~~fund type~~, which account accounts for operations:

(A) that are financed and operated in a manner similar to private business enterprises whenever the intent of the legislature is that costs (i.e., expenses, including depreciation) of providing goods or services to the general public on a continuing basis are to be financed or recovered primarily through user charges; or

(B) whenever the legislature has decided that periodic determination of revenue earned, expenses incurred, or net income is appropriate for capital maintenance, public

1 policy, management control, accountability, or other
2 purposes; and

3 (ii) the internal service funds fund_type, which
4 ~~account accounts~~ for the financing of goods or services
5 provided by one department or agency to other departments or
6 agencies of state government or to other governmental
7 entities on a cost-reimbursed basis;

8 (c) the fiduciary funds fund_category, which ~~include~~
9 ~~includes~~ trust and agency funds fund_types used to account
10 for assets held by state government in a trustee capacity or
11 as an agent for individuals, private organizations, other
12 governmental entities, or other funds. These include ~~the~~:

- 13 (i) expendable trust funds fund_type;
- 14 (ii) nonexpendable trust funds fund_type;
- 15 (iii) pension trust funds fund_type; and
- 16 (iv) agency funds fund_type.

17 (d) the university funds, which include:

18 (i) the university current fund, which accounts for
19 moneys deposited in the state treasury which are used to pay
20 current operating costs relating to instruction, research,
21 public service, and allied support operations and programs
22 conducted within the Montana university system. The
23 financial activities of the university current fund shall be
24 subdivided, for operation purposes, into the four following
25 subfunds to serve the purpose indicated:

1 (A) The unrestricted subfund segregates that portion
2 of the university current fund's financial resources that
3 can be expended for general operations and is free of
4 externally imposed restrictions, except those imposed by the
5 legislature.

6 (B) The restricted subfund segregates that portion of
7 the university current fund's financial resources that can
8 be expended for general operations but only for purposes
9 imposed by sources external to the board of regents and the
10 legislature.

11 (C) The designated subfund segregates that portion of
12 the university current fund's financial resources that is
13 associated with general operations but is separately
14 classified in order to accumulate costs that are to be
15 recharged as allocated to other funds or subfunds;
16 identifies financial activities related to special organized
17 activities of educational departments wherein the activity
18 is fully supported by supplemental assessments; and
19 identifies special supply and facility fees that are
20 approved for collections beyond normal course fees and their
21 disposition.

22 (D) The auxiliary subfund segregates that portion of
23 the university current fund's financial resources that is
24 devoted to providing essential on-campus services primarily
25 to students, faculty, or staff wherein a fee, which is

1 directly related to but does not necessarily equal the cost
2 of the service provided, is charged to the consumer.

3 (ii) the university student loan fund, which accounts
4 for moneys deposited in the state treasury which may be
5 loaned to students, faculty, or staff for purposes related
6 to education, organized research, or public services by the
7 Montana university system;

8 (iii) the university endowment fund, which accounts for
9 moneys deposited in the state treasury by the Montana
10 university system wherein the principal portion of the
11 amount received is nonexpendable but is available for
12 investment, thus producing consumable income. Expendable
13 earnings on endowment funds are to be transferred to
14 appropriate operating funds pursuant to prevailing
15 administrative requirements.

16 (iv) the university annuity and life income fund, which
17 accounts for moneys deposited in the state treasury by the
18 Montana university system under an agreement whereby the
19 moneys are made available on condition that the receiving
20 unit of the Montana university system binds itself to pay
21 stipulated amounts periodically to the donor or others
22 designated by the donor over a specified period of time;

23 (v) the university plant fund, which accounts for
24 those financial resources allocated to or received by the
25 Montana university system for capital outlay purposes or to

1 retire long-term debts associated with construction or
2 acquisition of fixed assets and the net accumulative results
3 of these activities; and

4 (vi) the university agency fund, which accounts for
5 moneys deposited in the state treasury wherein the Montana
6 university system acts in the capacity of a custodian or
7 fiscal agent for individual students, faculty, staff, and
8 qualified organizations.

9 (2) In addition to the funds provided for in
10 subsection (1) of this section, there are in the state
11 treasury the following account groups:

12 (a) the fixed assets account group, which is a
13 self-balancing group of accounts set up to establish
14 accounting control and accountability for the state's
15 general fixed assets, except those accounted for in
16 proprietary funds, trust funds, and the university funds
17 designated in subsections (1)(d)(i)(D), (1)(d)(iii), and
18 (1)(d)(v) of this section; and

19 (b) the long-term debt account group, which is a
20 self-balancing group of accounts set up to establish
21 accounting control and accountability for the state's
22 unmatured general long-term liabilities, except those
23 accounted for in proprietary funds, trust funds, and the
24 university funds designated in subsections (1)(d)(i)(D),
25 (1)(d)(iii), and (1)(d)(v) of this section."

Section 10. Section 17-2-105, MCA, is amended to read:

"17-2-105. Maintenance of fund and account records and interfund loans. (1) The state treasurer shall record receipts and disbursements for treasury funds and shall maintain fund records in such a manner as to reflect the total cash and invested balance of each fund. The state treasurer shall also maintain records of individual subfunds ~~funds within the sinking-fund-bond-proceeds--and--insurance clearance--fund--and--trust--and--legacy-fund debt services agency, capital projects, and trust fund types~~ in such a manner as to reflect the total cash and invested balance of each ~~subfund fund~~. When necessary to meet federal or other requirements that moneys be segregated in the treasury, the state treasurer may establish ~~accounts, funds, or~~ subfunds within any ~~funds fund type~~ listed in 17-2-102.

(2) For the purpose of supplying deficiencies in the general fund, the state treasurer may temporarily borrow from other treasury funds, providing that the loan is recorded in the state accounting records. Such loan shall bear no interest, and no fund shall be so impaired that all proper demands thereon cannot be met."

Section 11. Section 17-6-201, MCA, is amended to read:

"17-6-201. Unified investment program -- general provisions. (1) The uniform investment program directed by Article VIII, section 13, of the 1972 Montana constitution

to be provided for public funds shall be administered by the board of investments in accordance with the rules provided in this chapter and with that degree of judgment and care, under circumstances from time to time prevailing, which men of prudence, discretion, and intelligence exercise in the management of their own affairs, not for speculation but for investment, considering the probable safety of their capital as well as the probable income to be derived, and preservation of purchasing power of capital during periods of sustained high monetary inflation.

(2) All state funds shall be invested and reinvested in securities enumerated in 17-6-211 to the maximum extent consistent with this policy and with the need and timing of cash expenditures for particular purposes.

(3) The board of investments has the sole authority to invest state funds. No other agency may invest state funds. The board shall direct the investment of state funds in accordance with the laws and constitution of this state. The board has the power to veto any investments made under its general supervision.

(4) The board shall:

(a) assist agencies with public money to determine if, when, and how much surplus cash is available for investment;

(b) determine the amount of surplus treasury cash to be invested;

1 (c) determine the type of investment to be made; and
 2 (d) prepare the claim to pay for the investment.
 3 (5) The board of investments may:
 4 (a) execute deeds of conveyance transferring all real
 5 property obtained through foreclosure of any investments
 6 purchased under the provisions of 17-6-211 when full payment
 7 has been received therefor;
 8 (b) direct the withdrawal of any funds deposited by or
 9 for the state treasurer pursuant to 17-6-101 and 17-6-105;
 10 (c) direct the sale of any securities in the program
 11 at their full and true value when found necessary to raise
 12 money for payments due from the treasury funds for which the
 13 securities have been purchased.
 14 (6) The state treasurer shall keep an account of the
 15 total of each investment fund and of all the investments
 16 belonging to such fund and of the participation of each
 17 treasury fund account therein and shall make from time to
 18 time such reports with reference thereto as may be directed
 19 by the board of investments.
 20 (7) The cost of administering and accounting for each
 21 investment fund shall be deducted from the income therefrom,
 22 except that such costs of the ~~trust--and--legacy--fund~~
 23 ~~nonexpendable--trust--funds~~ shall be paid from income
 24 otherwise receivable from the pooled investment fund, and
 25 the amounts required for this purpose shall be appropriated

1 by the legislature from the respective investment funds."
 2 Section 12. Section 17-6-203, MCA, is amended to read:
 3 "17-6-203. Separate investment funds. Separate
 4 investment funds shall be maintained as follows:
 5 (1) the ~~trust--and--legacy--fund~~ nonexpendable trust
 6 funds, including all public school funds and funds of the
 7 Montana university system and other state institutions of
 8 learning referred to in sections 2 and 10, Article X, of the
 9 1972 Montana constitution and all money referred to in
 10 17-2-102(8). The principal and any part thereof of each and
 11 every ~~subfund fund~~ constituting the Montana nonexpendable
 12 trust and--legacy fund type shall be subject to payment at
 13 any time when due under the statutory provisions applicable
 14 thereto and according to the provisions of the gift,
 15 donation, grant, legacy, bequest, or devise through or from
 16 which the particular ~~subfund fund~~ arises.
 17 (2) a separate investment fund, which may not be held
 18 jointly with other funds, for money pertaining to each
 19 retirement or insurance system now or hereafter maintained
 20 by the state, including those now maintained under the
 21 following statutes:
 22 (a) the highway patrolmen's retirement system
 23 described in Title 19, chapter 6;
 24 (b) the public employees' retirement system described
 25 in Title 19, chapter 3;

(c) the game wardens' retirement system described in Title 19, chapter 8;

(d) the teachers' retirement system described in Title 19, chapter 4; and

(e) the industrial accident insurance program described in Title 39, chapter 71, part 23;

(3) a pooled investment fund, including all other accounts within the treasury fund structure established by 17-2-102;

(4) a fund consisting of gifts, donations, grants, legacies, bequests, devises, and other contributions made or given for a specific purpose or under conditions expressed in the gift, donation, grant, legacy, bequest, devise, or contribution on the part of the state of Montana to be observed. If such gift, donation, grant, legacy, bequest, devise, or contribution permits investment and is not otherwise restricted by its terms, it may be treated jointly with other such gifts, donations, grants, legacies, bequests, devises, or contributions.

(5) a fund consisting of coal severance taxes allocated thereto under section 5, Article IX, of the Montana constitution; the principal of this trust fund shall be permanent and invested in the permissible investments enumerated in 17-6-211; in the event the legislature appropriates any part of the principal of this fund by vote

of three-fourths of the members of each house, such liquidation may create a gain or loss in the principal; and

(6) such additional investment funds as may be expressly required by law or may be determined by the board of investments to be necessary to fulfill fiduciary responsibilities of the state with respect to funds from a particular source."

Section 13. Section 17-8-101, MCA, is amended to read:

"17-8-101. Appropriation and disbursement of moneys from the treasury. (1) Moneys deposited in the general fund, the special revenue fund ~~type~~, the enterprise fund ~~type~~, the internal service fund ~~type~~, and the capital projects fund ~~type~~, with the exception of refunds authorized in subsection (3), shall be paid out of the treasury only on appropriation made by law.

(2) Moneys deposited in the debt service fund ~~and--the trust--and--agency--fund type, expendable trust fund type, nonexpendable trust fund type, pension trust fund type, and agency fund type~~ may be paid out of the treasury under general laws, or contracts entered into in pursuance of law, permitting such disbursement.

(3) Money paid into the state treasury through error or under circumstances, such that the state is not legally entitled to retain it and a refund procedure is not otherwise provided by law, may be refunded upon the

1 submission of a verified claim approved by the department of
2 administration."

3 Section 14. Section 17-8-105, MCA, is amended to read:
4 "17-8-105. Definitions applicable to expenditure
5 limitation. As used in 17-8-106, the following definitions
6 apply:

7 (1) "Montana total personal income" means the current
8 income from all sources received during a particular period
9 of time by persons residing within Montana as determined by
10 the United States department of commerce or its successor
11 agency.

12 (2) "State expenditures" means the general fund
13 appropriations, the ~~earmarked special--revenue~~ fund type
14 appropriations, and the cash portion of the appropriations
15 in the ~~bond--proceeds--and--insurance--clearance~~ capital
16 ~~projects~~ fund type, excluding:

- 17 (a) money received from the federal government;
- 18 (b) payments of principal and interest on bonded
19 indebtedness;
- 20 (c) money paid for unemployment or disability
21 insurance benefits;
- 22 (d) money received from the sale of goods or services
23 provided that the purchase of the goods or services is
24 discretionary;
- 25 (e) money paid from permanent endowments.

1 constitutional trusts, or pension funds;

2 (f) proceeds of gifts or bequests made for purposes
3 specified by the donor;

4 (g) money appropriated for tax relief; and

5 (h) funds transferred within state government or used
6 to purchase goods for resale."

7 Section 15. Section 18-2-103, MCA, is amended to read:

8 "18-2-103. Supervision of construction of buildings.
9 (1) For the construction of a building costing more than
10 \$25,000, the department of administration shall:

11 (a) review and approve all plans and working drawings
12 prepared by architects;

13 (b) approve all bond issues or other financial
14 arrangements and supervise and approve the expenditure of
15 all moneys;

16 (c) under the supervision and with the approval of the
17 board of examiners, solicit, accept, and reject bids and
18 award all contracts to the lowest qualified bidder
19 considering conformity with specifications and terms and
20 reasonableness of bid amount;

21 (d) review and, with the consent of the board of
22 examiners, approve all change orders;

23 (e) accept the building when completed according to
24 approved plans and specifications.

25 (2) Before any contract under subsection (1) is

1 awarded, two formal bids must have been received, if
2 reasonably available.

3 (3) The department of administration is responsible
4 for concurring in construction projects where the proposed
5 cost is less than \$25,000 but more than \$5,000. Before any
6 contract under this subsection is approved for construction,
7 alteration, or improvement at least three informal bids, if
8 reasonably available, shall be procured from bona fide
9 contractors duly licensed as such in the state of Montana.

10 (4) The department need not require the provisions of
11 Montana law relating to advertising, bidding, or supervision
12 where proposed construction costs are less than \$5,000.

13 (5) For the construction of buildings owned or to be
14 owned by a school district, the department of administration
15 shall, upon request, provide inspection to insure compliance
16 with the plans and specifications for the construction of
17 such buildings. "Construction" shall include construction,
18 repair, alteration, equipping, and furnishing during
19 construction, repair, or alteration. These services shall be
20 provided at a cost to be contracted for between the
21 department of administration and the school district, with
22 the receipts to be deposited in the department of
23 administration's construction revolving regulation account
24 in the revolving a SIAIE special revenue fund.

25 (6) It is the intent of the legislature that student

1 housing and other facilities constructed under the authority
2 of the regents of the university system are subject to the
3 provisions of subsections (1) and (2) of this section."

4 Section 16. Section 20-9-601, MCA, is amended to read:

5 "20-9-601. Public school fund. The public school fund
6 shall be maintained by the state treasurer as a ~~subfund fund~~
7 in the ~~trust-and-legacy nonexpendable-trust~~ fund type, and
8 the principal amount of such fund shall be irreducible and
9 permanent. The following moneys shall be credited to such
10 fund as an addition to the irreducible and permanent
11 principal amount:

12 (1) appropriations and donations by the state;

13 (2) donations and bequests by individuals to the state
14 or schools;

15 (3) the proceeds of land and other property which
16 revert to the state by escheat and forfeiture;

17 (4) the proceeds of all property granted to the state,
18 when the purpose of the grant is not specified or is
19 uncertain;

20 (5) funds accumulated in the treasury of the state for
21 the disbursement of which provision has not been made by
22 law;

23 (6) the proceeds of the sale of timber, stone,
24 materials, or other property from school lands other than
25 those granted for specific purposes and all moneys other

1 than rental recovered from persons trespassing on such
2 lands;

3 (7) the principal of all moneys arising from the sale
4 of lands and other property which have been and may be
5 hereafter granted to the state for the support of common
6 schools;

7 (8) the amount earmarked for deposit in this fund
8 under the provisions of 20-9-341; and

9 (9) such other moneys as may be provided by the
10 legislature."

11 Section 17. Section 20-10-201, MCA, is amended to
12 read:

13 "20-10-201. Acceptance, expenditure, and
14 administration of federal school food services moneys. (1)
15 The superintendent of public instruction is authorized to
16 accept and direct the disbursement of funds appropriated by
17 act of congress and apportioned to the state for use in
18 financing school food services. This authorization shall
19 apply to federal funds available for school food services
20 under the National School Lunch Act (Public Law 396, 79th
21 Congress, chapter 281, 2nd session), Child Nutrition Act of
22 1966 (Public Law 642, 89th Congress), any amendments to
23 these public laws, and any other public laws enacted to
24 provide assistance for school food services.

25 (2) The superintendent of public instruction shall

1 deposit all federal funds for school food services with the
2 state treasurer who shall credit such funds to the ~~federal~~
3 ~~and-private-grant-clearance agency~~ fund. Any disbursement of
4 the federal school food services funds shall be directed by
5 the superintendent of public instruction.

6 (3) The superintendent of public instruction may:

7 (a) enter into agreements and cooperate with any
8 federal agency, district, or other agency or person,
9 prescribe such regulations, employ such personnel, and take
10 such other action as he may deem necessary to:

11 (i) provide for the establishment, operation, and
12 expansion of school food services; and

13 (ii) disburse federal and state funds according to the
14 requirements of federal and state law;

15 (b) give technical advice and assistance to any
16 district establishing or operating school food services and
17 assist in the training of personnel for such services;

18 (c) accept any gift for use in providing school food
19 services;

20 (d) conduct studies of methods of improving and
21 expanding school food services and appraise the nutritive
22 benefits of school food services.

23 (4) The superintendent of public instruction shall
24 report annually to the board of public education on the
25 financial, administrative, and operational phases of school

1 food services."

2 Section 18. Section 20-10-203, MCA, is amended to
3 read:

4 "20-10-203. School food commodities. The
5 superintendent of public instruction is authorized to accept
6 food commodities from the federal government and to
7 distribute the food commodities to any district or nonpublic
8 school that contracts for such distribution. The
9 superintendent of public instruction may use for the
10 shipping, handling, and other related costs of distributing
11 the food commodities any funds advanced by legislative
12 appropriation for the commodity revolving STATE special
13 revenue account. Such distribution costs shall be reimbursed
14 by the participating districts and nonpublic schools. Those
15 reimbursements shall be returned to the fund from which
16 payments for the distribution costs were made."

17 Section 19. Section 20-25-225, MCA, is amended to
18 read:

19 "20-25-225. Experimental farms. (1) In accordance with
20 the provisions of the Morrill Act of July 2, 1862, the
21 regents shall make available for the purchase of sites or
22 experimental farms from any funds deposited in the Montana
23 trust-and-legacy nonexpendable trust fund credited to the
24 state university through provisions of the Morrill Land Act
25 of 1862, known as the agricultural college Morrill permanent

1 fund, a sum not to exceed 10% of the amount of such fund.

2 (2) The total amount which may be used for purchase of
3 needed lands for sites or experimental farms may not exceed
4 10% in the aggregate of the total amount which has now or
5 which may accrue to the credit of the agricultural college
6 Morrill permanent ~~account--in-the-Montana~~ trust and-legacy
7 fund.

8 (3) No portion of the moneys apportioned from the
9 endowment funds for the purchase of sites or experimental
10 farms shall be applied directly or indirectly to the
11 purchase, erection, preservation, or repair of any building
12 or buildings.

13 (4) The regents shall approve purchases of sites or
14 experimental farms, which must be essential for the research
15 programs of the state university."

16 Section 20. Section 20-26-1105, MCA, is amended to
17 read:

18 "20-26-1105. Guaranteed student loan account. (1)
19 There is a guaranteed student loan revolving account within
20 ~~the-university-student-loan~~ a THE FEDERAL special revenue
21 fund provided for in 17-2-102(1).

22 (2) The board shall credit to the account established
23 in subsection (1) all money designated for the guaranteed
24 student loan program by the United States or by any other
25 public or private source. All expenses incurred by the board

1 in connection with the guaranteed student loan program,
2 including principal and interest payments required because
3 of loan defaults, must be charged against the account.

4 (3) Money in the account not needed to meet current
5 obligations of the board in the exercise of its
6 responsibilities as guarantor, as provided for in this part,
7 must be invested in accordance with the provisions of Title
8 17, chapter 6. Interest proceeds must be credited to the
9 account.

10 (4) Money on deposit in the guaranteed student loan
11 account shall not revert to the general fund at the close of
12 any fiscal year.*

13 Section 21. Section 39-51-401, MCA, is amended to
14 read:

15 "39-51-401. Unemployment insurance account fund --
16 establishment and control. There is hereby established
17 separate and apart from all public money or funds of this
18 state ~~an account a fund~~ in the agency ~~expendable trust~~ fund
19 ~~type~~ known as the unemployment insurance account fund, which
20 shall be administered by the department exclusively for the
21 purposes of this chapter. Any reference to the unemployment
22 insurance fund in this code means the unemployment insurance
23 ~~account-in-the-agency expendable trust~~ fund. All money in
24 the account fund shall be mingled and undivided. This
25 account fund shall consist of:

1 (1) all contributions collected under this chapter and
2 payments made in lieu of contributions as provided in
3 39-51-1124 through 39-51-1126;

4 (2) interest earned upon any money in the account
5 fund;

6 (3) any property or securities acquired through the
7 use of money belonging to the account fund;

8 (4) all earnings of such property or securities; and

9 (5) all money credited to this state's account in the
10 unemployment trust fund pursuant to section 903 of the
11 Social Security Act, as amended."

12 Section 22. Section 39-51-402, MCA, is amended to
13 read:

14 "39-51-402. Unemployment insurance account fund --
15 state treasurer ex officio custodian -- accounts and
16 deposits. (1) The state treasurer is the ex officio
17 treasurer and custodian of the unemployment insurance
18 account fund and shall administer such account fund in
19 accordance with the directions of the department and shall
20 issue his warrants upon it in accordance with such
21 regulations as the department shall prescribe. He shall
22 maintain within the account fund three separate accounts:

23 (a) a clearing account;

24 (b) an unemployment trust fund account; and

25 (c) a benefit account.

(2) All money payable to the unemployment insurance account fund, upon receipt thereof by the department, must be forwarded to the treasurer who shall immediately deposit it in the clearing account. Refunds payable pursuant to 39-51-1110 may be paid from the clearing account upon warrants issued by the treasurer under the direction of the department. After clearance thereof, all other money in the clearing account must be immediately deposited with the secretary of the treasury of the United States to the credit of the account of this state in the unemployment trust fund, established and maintained pursuant to section 904 of the Social Security Act, as amended, any provision of law in this state relating to the deposit, administration, release, or disbursement of money in the possession or custody of this state to the contrary notwithstanding.

(3) The benefit account consists of all money requisitioned for the payment of benefits from this state's account in the unemployment trust fund.

(4) Except as herein otherwise provided, money in the clearing and benefit accounts may be deposited by the treasurer, under the direction of the department, in any bank or public depository in which general funds of the state may be deposited, but no public deposit insurance charge or premium may be paid out of the unemployment insurance account fund.

(5) The treasurer shall give a separate bond conditioned upon the faithful performance of his duties as custodian of the unemployment insurance account fund in an amount fixed by the department and in a form prescribed by law or approved by the attorney general. Premiums for the bond shall be paid from the unemployment insurance administration account."

Section 23. Section 39-51-404, MCA, is amended to read:

"39-51-404. Requisition of money from unemployment trust fund for payment of administrative expenses. (1) Money credited to the account of this state in the unemployment trust fund by the secretary of the treasury of the United States pursuant to section 903 of the Social Security Act, as amended, may be requisitioned and used for the payment of expenses incurred for the administration of this chapter pursuant to a specific appropriation by the legislature, provided that the expenses are incurred and the money is requisitioned after the enactment of an appropriation law which:

(a) specifies the purposes for which such money is appropriated and the amounts appropriated therefor;

(b) limits the period within which such money may be expended to a period ending not more than 2 years after the date of the enactment of the appropriation law; and

(c) limits the amount which may be used during any 12-month period beginning on July 1 and ending on the next June 30 to an amount which does not exceed the amount by which the aggregate of the amounts credited to the account of this state pursuant to section 903 of the Social Security Act, as amended, during the same 12-month period and the four preceding 12-month periods exceeds the aggregate of the amounts used pursuant to this section and charged against the amounts credited to the account of this state during any of such five 12-month periods.

(2) For the purposes of this section, amounts used during any such 12-month period shall be charged against equivalent amounts which were first credited and which are not already so charged, except that no amount used for administration during any such 12-month period may be charged against any amount credited during such a 12-month period earlier than the fourth preceding such period. Money requisitioned for the payment of expenses of administration pursuant to this section shall be deposited in the unemployment insurance administration fund account but, until expended, shall remain a part of the unemployment insurance fund.

(3) The department shall maintain a separate record of the deposit, obligation, expenditure, and return of funds so deposited. If any money so deposited is for any reason not

to be expended for the purpose for which it was appropriated or, if it remains unexpended at the end of the period specified by the law appropriating such money, it shall be withdrawn and returned to the secretary of the treasury of the United States for credit to this state's account in the unemployment trust fund."

Section 24. Section 39-51-406, MCA, is amended to read:

"39-51-406. Unemployment insurance administration account. (1) There is hereby created an account in the ~~federal-and-private~~ ~~a THE-FEDERAL~~ special revenue fund to be known as the unemployment insurance administration account. All moneys which are deposited, appropriated, or paid into this account are hereby appropriated and made available to the department. All moneys in the account shall be expended solely for the purpose of defraying the costs of administration of this chapter and costs of administration of such other legislation as shall be specifically delegated to the department for administration by the legislature.

(2) All moneys received and deposited in said account for administration expense from the United States or any agency thereof pursuant to section 302, Title III of the Social Security Act shall be expended solely for the purpose and in the amounts found necessary by the secretary of labor for the proper and efficient administration of this chapter.

(3) The account shall consist of:

(a) all moneys received from the United States or any agency thereof pursuant to section 302, Title III of the Social Security Act, as amended;

(b) all moneys appropriated by the state from the general fund for the purpose of administering this chapter;

(c) all interest and penalties collected on past due contributions as provided by 39-51-1301; and

(d) all moneys, trust funds, supplies, facilities, or services furnished, deposited, paid, and received from:

(i) the United States or any agency thereof;

(ii) this state or any agency thereof;

(iii) any other state or any of its agencies;

(iv) political subdivisions of the state; or

(v) any other source for administrative expense and purpose.

(4) Notwithstanding any provisions of this section, all money requisitioned and deposited in this account pursuant to 39-51-403 through 39-51-405 shall remain part of the unemployment insurance account fund and shall be used only in accordance with the conditions specified in 39-51-403 through 39-51-405.

(5) All moneys in this account shall be deposited, administered, and disbursed in the same manner and under the same conditions and requirements as is provided by law for

other accounts. Any balance in this account shall not lapse at any time, but shall be continuously available to the department for the expenditure consistent with this chapter.

(6) The state treasurer shall give a separate and additional bond conditioned upon the faithful performance of his duties in connection with the unemployment insurance administration account in an amount to be fixed by the department and in a form prescribed by law or approved by the attorney general. The premiums for such bond and the premiums for the bond given by the treasurer for the unemployment insurance account fund under 39-51-402 shall be paid from the money in the unemployment insurance administration account.

(7) Any reference to the unemployment insurance administration fund in this code shall be taken to mean the unemployment insurance administration account in the ~~federal~~ ~~end-private~~ ~~a~~ ~~THE_FEDERAL~~ special revenue fund."

Section 25. Section 39-51-407, MCA, is amended to read:

"39-51-407. Reimbursement of fund by state. (1) This state recognizes its obligation to replace, and hereby pledges the faith of this state that funds will be provided in the future and applied to the replacement of any of the money received after July 1, 1941, from the United States or any agency thereof under Title III of the Social Security

1 Act, any unencumbered balances in the unemployment insurance
 2 administration fund account as of that date, any money
 3 thereafter granted to this state pursuant to the provisions
 4 of the Wagner-Peyser Act, and any money made available by
 5 the state or its political subdivisions and matched by such
 6 money granted to this state pursuant to the provisions of
 7 the Wagner-Peyser Act which the secretary of labor finds
 8 have, because of any action or contingency, been lost or
 9 have been expended for purposes other than or in amounts in
 10 excess of those found necessary by the secretary of labor
 11 for the proper administration of this chapter. Such money
 12 shall be promptly supplied by money furnished by the state
 13 of Montana or any of its subdivisions for the use of the
 14 department and used only for purposes approved by the
 15 secretary of labor. The department shall, if necessary,
 16 promptly report to the governor and the governor to the
 17 legislature the amount required for such replacement.

18 (2) This section shall not be construed to relieve
 19 this state of its obligation with respect to funds received
 20 prior to July 1, 1941, pursuant to the provisions of Title
 21 III of the Social Security Act."

22 Section 26. Section 53-1-302, MCA, is amended to read:

23 "53-1-302. Disposition of receipts from sale of goods.
 24 Receipts from the sale of goods produced or manufactured by
 25 an institution shall be deposited in the revolving internal

1 service fund account for the use of the industries program
 2 of the institution. At the end of each biennium, all
 3 unobligated revolving funds over a \$50,000 ending-fund
 4 balance, except for those funds reserved for equipment
 5 replacement as determined by an equipment replacement
 6 schedule, shall revert to the state general fund account."

7 Section 27. Section 53-9-109, MCA, is amended to read:

8 "53-9-109. Crime victims compensation account. There
 9 is a crime victims compensation account in the agency a
 10 STATE special revenue fund. There shall be paid into this
 11 account 18% of the fines assessed and bails forfeited on all
 12 offenses involving a violation of chapter 3, part 1 of
 13 chapter 4, or chapters 5 through 10 of Title 61, that are a
 14 result of citations or tickets issued by the highway
 15 patrol."

16 Section 28. Section 60-11-1207, MCA, is amended to
 17 read:

18 "60-11-1207. Bond accounts -- appropriation. (1) There
 19 is a railroad rolling stock account in the bond-proceeds-and
 20 insurance-clearance a STATE special revenue fund provided
 21 for in 17-2-102. All bond proceeds shall be placed in the
 22 railroad rolling stock account, and all money deposited in
 23 the account is continuously appropriated to the department
 24 and may be expended by the department for the purposes
 25 authorized in this part.

1 (2) There is a railroad rolling stock ~~reserve--account~~
 2 ~~in--the--sinking debt--service~~ fund as provided for in
 3 17-2-102. Loan repayments and required capital reserves
 4 shall be deposited in the railroad rolling stock reserve
 5 ~~account fund~~, and all money deposited in the ~~account fund~~ is
 6 continuously appropriated to the department and may be
 7 expended for the payment of principal and interest on the
 8 bonds as they become due.

9 (3) If the department enters into a trust indenture
 10 pursuant to 60-11-1206, it may provide for the establishment
 11 of funds and accounts to be held by the trustee and may
 12 pledge and appropriate the bond proceeds, capital reserves,
 13 and loan payments to such funds and accounts,
 14 notwithstanding the provisions of subsections (1) and (2)."

15 Section 29. Section 67-11-304, MCA, is amended to
 16 read:

17 "67-11-304. ~~Sinking--funds Debt--service--fund~~. An
 18 airport authority may create a ~~sinking debt--service~~ fund and
 19 accumulate therein the sum of \$5 million together with
 20 interest thereon for the use, repairs, maintenance, and
 21 capital outlays of an airport."

22 Section 30. Section 70-9-309, MCA, is amended to read:

23 "70-9-309. Deposit of moneys -- record -- deduction of
 24 costs. (1) All moneys received under parts 1 through 3,
 25 including the proceeds from the sale of abandoned property

1 under 70-9-308, shall forthwith be deposited by the
 2 department of revenue with the state treasurer for credit to
 3 the ~~trust--and--legacy--fund~~ public school ~~account~~
 4 ~~nonexpendable trust fund~~ of the state, except that the state
 5 treasurer shall retain in the agency fund an amount not
 6 exceeding \$25,000 from which he shall make prompt payment of
 7 claims allowed by the department as hereinafter provided.

8 (2) Before making the deposit the department shall
 9 record the name and last known address of each person
 10 appearing from the holders' reports to be entitled to the
 11 abandoned property and of the name and last known address of
 12 each insured person or annuitant and, with respect to each
 13 policy or contract listed in the report of a life insurance
 14 corporation, its number, the name of the corporation, and
 15 the amount due. The record shall be available for public
 16 inspection at all reasonable business hours.

17 (3) Before making any deposit to the credit of the
 18 public school ~~account nonexpendable--trust--fund~~, the
 19 department may deduct:

20 (a) any costs in connection with sale of abandoned
 21 property;

22 (b) any costs of mailing and publication in connection
 23 with any abandoned property; and

24 (c) reasonable service charges."

25 Section 31. Section 72-14-210, MCA, is amended to

1 read:

2 "72-14-210. Agency fund moneys to be held in trust --
3 deposit in public school subfund ~~nonexpendable trust fund~~.
4 Moneys and properties placed in the agency fund shall be
5 held in trust for a period of 5 years prior to deposit in
6 the public school subfund--~~in the nonexpendable trust and~~
7 ~~legacy fund~~ by the state treasurer; such trust being for the
8 benefit of persons claiming property pursuant to part 3 of
9 this chapter. Such a claim may be brought for an amount
10 equal to the full amount or value of the property escheated
11 minus the costs and expenses incident to reducing the same
12 to the possession of the state."

13 Section 32. Section 72-14-403, MCA, is amended to
14 read:

15 "72-14-403. Deposit of unclaimed property in state
16 treasury -- escheat. (1) All money or other property
17 distributed in the administration of an estate of a decedent
18 or as the subject of a trust and deposited before or after
19 July 1, 1947, with the county treasurer to the credit of the
20 distributee or beneficiary and any money remaining on
21 deposit to the credit of an estate after final distribution
22 must be delivered into the state treasury for deposit in the
23 agency fund by the county treasurer upon the expiration of 1
24 year from the day of such deposit.

25 (2) Money or other property so deposited in the state

1 treasury, if not claimed by the person or persons entitled
2 thereto by bringing an action as provided in part 3 of this
3 chapter, shall escheat to the state of Montana and be placed
4 in the public school subfund-of-the ~~nonexpendable trust and~~
5 ~~legacy fund~~ as provided therein."

6 Section 33. Section 76-4-105, MCA, is amended to read:

7 "76-4-105. Lot fees. (1) The department shall adopt
8 reasonable rules setting forth fees, not to exceed \$30 per
9 parcel, for services rendered in the review of plats and
10 subdivisions. The rules shall provide for a schedule of fees
11 to be paid by the applicant for plat or subdivision review
12 to the department for deposit in ~~the agency~~ a ~~STATE~~ special
13 ~~revenue~~ fund provided for in 17-2-102. The fees shall be
14 used for review of plats and subdivisions based on the
15 complexity of the subdivision, including but not limited to:

16 (a) number of lots in the subdivision;

17 (b) the type of water system to serve the development;

18 (c) the type of sewage disposal to serve the
19 development; and

20 (d) the degree of environmental research necessary to
21 supplement the review procedure.

22 (2) The department shall adopt rules to determine the
23 distribution of lot fees between the local governing body
24 and the department as provided in 76-4-128. When a
25 subdivision is reviewed under the master plan provisions of

1 76-4-124, the local governing body shall, within 20 days
2 after receiving an application under the Montana Subdivision
3 and Platting Act, distribute the lot fees as determined by
4 this subsection.

5 (3) A fee as described in this section is not required
6 for the review of subdivisions in which divisions are made
7 for the purpose of relocating common boundary lines unless
8 the division will result in the installation of additional
9 water supply or sewage disposal facilities."

10 Section 34. Section 76-13-114, MCA, is amended to
11 read:

12 "76-13-114. Disposition of fines. Fines collected in a
13 court of the state under this part or part 2 shall be
14 transferred to the state treasurer for deposit in the
15 ~~federal--and-private-grant-clearance agency~~ fund. Whenever a
16 person is convicted in any court of a violation of this part
17 or part 2, the court may levy and collect as costs in the
18 case the amount necessary to compensate the county for the
19 expenditures made in and for the prosecution of the
20 offender. These costs when collected shall be deposited by
21 the court with the proper county treasurer for the benefit
22 of the county."

23 Section 35. Section 76-13-503, MCA, is amended to
24 read:

25 "76-13-503. Application for license -- fee. (1)

1 Whenever a person, firm, or corporation desires to commence
2 the operation of a portable sawmill located or to be located
3 upon forest lands within the state, that person, firm, or
4 corporation shall apply to the department in writing for a
5 license to operate the portable sawmill. The application
6 shall include the name of the person, firm, or corporation
7 contemplating the operation of the sawmill; the location
8 thereof by section, township, and range numbers; the rated
9 capacity of the sawmill and the approximate amount of
10 stumpage to be cut at the proposed setting; and the
11 approximate date desired for the commencement of the
12 operation.

13 (2) The application shall be accompanied by the
14 payment of a fee of \$2, which is fixed as the license fee
15 for the operation of any portable sawmill, to be credited to
16 the ~~federal--and-private-grant-clearance agency~~ fund."

17 Section 36. Section 77-1-602, MCA, is amended to read:

18 "77-1-602. Definition of terms. Unless the context
19 requires otherwise, in this part the following definitions
20 apply:

21 (1) "Account" means the resource development account
22 in the ~~earmarked~~ a ~~STATE~~ special revenue fund.

23 (2) "Income" means all proceeds received for the use
24 of state land except revenues required by law to be placed
25 in the Montana ~~nonexpendable~~ trust end-~~legacy~~ fund type."

Section 37. Section 77-6-203, MCA, is amended to read:

"77-6-203. Bid deposit. (1) A person bidding for the lease of state lands shall deposit with the department, as evidence of good faith, a certified check, cashier's check, or money order in an amount equal to 20% of the annual rental bid in the case of grazing land and an amount equal to \$1 per acre for each acre of agricultural land contained in the lease in the case of agricultural land on which the bid is made on a crop share basis.

(2) The department shall retain the deposit of the successful bidder, apply it on the rental for the first year of the lease only, and return any balance of the deposit at the end of the first year to the successful bidder. The department shall return the deposits of the unsuccessful bidders.

(3) If the successful bidder fails to execute the lease for any reason, his deposit shall be forfeited and deposited by the department to the credit of the proper interest and income account in the federal--and--private revenue ~~agency~~ fund."

Section 38. Section 80-2-103, MCA, is amended to read:

"80-2-103. Administration of trust assets. Funds and the proceeds of the trust assets which are not authorized to be administered by the secretary of agriculture under 80-2-102 shall be received by the department and paid by it

to the state treasurer for deposit in the federal--and private--grant--clearance ~~expandable trust~~ fund and used for expenditure or obligation by the department for the purposes of 80-2-102 or for the rural rehabilitation purposes permissible under the charter of the now dissolved Montana rural rehabilitation corporation as may be agreed upon between the department and the secretary of agriculture, subject to Public Law 499."

Section 39. Section 80-2-222, MCA, is amended to read:

"80-2-222. Board to establish amount of levy -- disposition of funds. (1) The board of hail insurance may, when it considers it advisable, establish as many districts as it considers advisable and may maintain maximum rates in various parts of the state, which rates shall be commensurate with the risk incurred as nearly as it can determine from past experiences or from any records available. The highest of these rates shall be the same as the maximum established herein and the lowest may not be less than \$1.20 per acre on lands sown to grain crops and a proportionate amount on lands sown to hay crops.

(2) Notice of the various rates established for any year shall be plainly printed on the application for hail insurance, and in any year when the requirements of the hail insurance law as herein provided do not require a levy of the maximum rates as established, then the rates for the

year shall be determined and levied by the board of hail insurance for each of the various districts as established, in such proportions as will in its judgment be fair and equitable.

(3) In making the levy provided in this section and 80-2-223, the board of hail insurance shall provide for:

(a) the payment of all expenses of administration, together with all interest owed or to be owing on registered warrants;

(b) that portion of the losses incurred during the current year which are not paid from funds drawn from the reserve;

(c) the maintenance of the reserve, a part or all of which may be used in any one year for the purpose of paying the costs of administration, interest on the warrants, and losses as the same shall be settled and adjusted by the board, including the losses sustained in any prior year or years under the hail insurance law during or subsequent to the year 1919 that have not been paid.

(4) If at the end of any hail insurance season the board determines and finds that more funds are accumulating from the current year's levies than were estimated when the levy was made and are in excess of the need for the payment of losses and expenses and maintenance of the reserve, the board may, at its discretion, refund the excess to the

farmers insured for the year, on a pro rata or percentage basis.

(5) The board of hail insurance may direct the board of investments to invest funds from the agency ~~expendable trust~~ fund pursuant to the provisions of the unified investment program for state funds. The income from such investments shall be credited to the board of hail insurance account in the agency ~~expendable trust~~ fund."

Section 40. Section 80-2-228, MCA, is amended to read:

"80-2-228. Reserve fund. (1) Each year when the hail board makes its annual levy for the payment of current losses, expenses of administration, and for an addition to the reserve if conditions permit, it may not increase the levy enough in any year so that such addition to the reserve will exceed 5% of the maximum risk written for that year.

(2) The reserve fund may not exceed \$4 million prior to January 1, 1976. On January 1, 1976, and thereafter, the maximum permissible reserve fund shall be established as set forth in subsection (3) of this section.

(3) The board may engage the services of a qualified actuary to conduct an actuarial valuation of the reserve. This valuation shall include the actuary's determination of the amount of reserve necessary to absorb all reasonably anticipated catastrophic losses. This amount shall be the maximum permissible reserve fund for the next year.

(4) The reserve hereby created shall be deposited in the agency expendable trust fund, and the board is hereby granted the power to draw from its moneys in the fund such amounts as it considers necessary for the purpose of paying costs of administration, interest, and losses.

(5) Whenever there are no unpaid losses for prior years and whenever in any one year the cost of administration, interest, and losses for the current year is less than the sum of 60 cents per acre on nonirrigated grains and a proportionate amount on irrigated grains and other crops, the board may not draw on the reserve for any purpose unless the amount required for the payment of losses for the current year, including interest on warrants and costs of administration, exceeds the amount of the estimate made by the board."

Section 41. Section 80-2-232, MCA, is amended to read:

"80-2-232. State treasurer's duty ---transfer-of-funds -- warrants -- transfers to county and state general fund.

(1) The state treasurer shall receive all moneys paid to him under this part and shall place same to the credit of the agency expendable trust fund and--may--from--time--to--time transfer--to--the--earmarked--revenue--fund--such--sums--as--the board-of-hail-insurance-may-deem-necessary-and-proper-to-pay the-expenses-of-administration. All moneys collected by the board shall be deposited in the agency expendable trust

fund, and all losses shall be paid from that fund. All other costs are administrative expenses and shall be paid from the board's account-in-the-earmarked--revenue expendable trust fund. If registered warrants be presented and there be no money to pay the same, such warrants shall be registered and thereafter bear interest at the rate of 4% per annum until called for payment by the state treasurer. if-at-any-time more-funds-are-in-the-earmarked-revenue-fund-than-the--board estimates--are-needed-for-administrative-expenses--the-state treasurer-may-on-the-order-of-the-board-transfer-such--funds back-to-the-agency-fund-as-the-board-may-direct.

(2) Upon warrants drawn by order of the board, the state treasurer shall pay out of the board's account-in--the agency expendable trust fund to the county treasurer of each county where state hail insurance coverage is in force 1% of the gross annual levies made and collected in such county under this part for the use of the county as the board of county commissioners may determine.

(3) Upon authorization from the board of hail insurance, the state treasurer shall transfer out of the board's account--in-the-agency expendable trust fund to the general fund of the state of Montana 2% of the gross annual levies made and collected in the state of Montana."

Section 42. Section 80-6-1109, MCA, is amended to read:

"80-6-1109. Fees to be set by rule -- self-supporting program -- ~~earmarked--account enterprise fund~~ established. (1) Fees authorized to be charged by this part shall be set by department rule. Such fees shall be designed to reimburse the department for costs incurred in providing services and carrying out its duties under this part. It is the intent of the legislature that department activities under this part be self-supporting.

(2) There is an ~~earmarked-revenue--account~~ enterprise fund known as the leaf-cutting bee ~~account fund~~ for use by the department. Fees collected under this part shall be paid into the leaf-cutting bee ~~account fund~~."

Section 43. Section 80-11-207, MCA, is amended to read:

"80-11-207. Buyer's delivery of invoice to grower -- form -- filing of sworn statement -- payment of assessment -- refund. (1) The purchaser of the wheat or barley at the time of sale or the pledgee, mortgagee, or other lender at the time of the loan or advance shall give separate invoices for each purchase to the grower. The invoices shall be on forms approved by the department and shall show:

(a) the name and address of the grower and seller;

(b) the name and address of the purchaser or the lender;

(c) the number of bushels of wheat or hundredweights

of barley sold, mortgaged, or pledged;

(d) the date of the purchase, mortgage, or pledge and the amount of assessment collected and remitted to the department.

(2) The purchaser, mortgagee, or pledgee shall file with the department, on forms prescribed by the department, within 20 days after the end of a month in which he purchases a grower's wheat or barley or in which a lender makes a loan or advance on a grower's wheat or barley, a sworn statement of the number of bushels of wheat or hundredweights of barley purchased in Montana or the number of bushels of wheat or hundredweights of barley mortgaged or pledged or otherwise transferred or lienied as security for a loan during the preceding calendar month. At the time the sworn statement is filed, the purchaser or lender shall pay to the department the assessment provided for in 80-11-206 for deposit in the wheat research and marketing account in the ~~revolving~~ THE DIHER special revenue fund FUNDS.

(3) The statement referred to in subsections (1) and (2) of this section shall be legibly written and shall be entirely free of any corrections or erasures. A person may not alter any part of a statement.

(4) After 30 days and before 90 days following the deduction of the assessment by the first purchaser or the first lender, the grower may, upon the submission of a

1 written, verified request to the department, obtain a refund
2 of the assessment. The request shall be accompanied by the
3 original invoices received by the grower at the time of
4 settlement. The department shall keep complete records of
5 all refunds made under the provisions of this section.
6 Records of refunds may be destroyed 2 years after the refund
7 is made. All original invoices shall be returned to the
8 grower with the refund payment."

9 Section 44. Section 81-1-104, MCA, is amended to read:

10 "81-1-104. Investment of earmarked SIAIE special
11 revenue account funds -- crediting of investment income. The
12 board may direct the board of investments to invest funds
13 from the--earmarked SIAIE special revenue accounts of the
14 department pursuant to the provisions of the unified
15 investment program for state funds. The income from such
16 investments shall be credited to the earmarked SIAIE special
17 ~~revenue~~ account of the department from which the investment
18 is made."

19 Section 45. Section 87-1-601, MCA, is amended to read:

20 "87-1-601. Use of fish and game money. (1) All money
21 collected or received from the sale of hunting and fishing
22 licenses or permits, from the sale of seized game or hides,
23 or from damages collected for violations of the fish and
24 game laws of this state, from appropriations, or received by
25 the department from any other state source shall be turned

1 over to the state treasurer and placed by him in the
2 earmarked a SIAIE special revenue fund to the credit of the
3 department. Any money received from federal sources shall be
4 deposited in the--federal--and--private a THE FEDERAL special
5 revenue fund to the credit of the department.

6 (2) That money shall be exclusively set apart and made
7 available for the payment of all salaries, per diem, fees,
8 expenses, and expenditures authorized to be made by the
9 department under the terms of this title. That money shall
10 be spent for those purposes by the department, subject to
11 appropriation by the legislature.

12 (3) Any reference to the fish and game fund in this
13 code means fish and game money in the--earmarked a SIAIE
14 special revenue fund and--federal--and--private--revenue--fund
15 AND THE FEDERAL SPECIAL REVENUE FUND.

16 (4) All money collected or received from fines and
17 forfeited bonds relating to violations of state fish and
18 game laws under Title 87 shall be deposited by the state
19 treasurer and credited to the department of fish, wildlife,
20 and parks in an--earmarked a SIAIE special revenue fund
21 account for this purpose. Out of any fine imposed by a court
22 for the violation of the fish and game laws, the costs of
23 prosecution shall be paid to the county where the trial was
24 held in any case where the fine is not imposed in addition
25 to the costs of prosecution.

1 (5) Money received by the department from the sale of
 2 surplus real property; exploration or development of oil,
 3 gas, or mineral deposits from lands acquired by the
 4 department except royalties or other compensation based on
 5 production; and from leases of interests in department real
 6 property not contemplated at the time of acquisition shall
 7 be deposited in an account within the trust--and--legacy
 8 nonexpendable__trust fund of the state treasury. The
 9 interest derived therefrom, but not the principal, may be
 10 used only for the purpose of operation, development, and
 11 maintenance of real property of the department, and only
 12 upon appropriation by the legislature. If the use of money
 13 as set forth herein would result in violation of applicable
 14 federal laws or state statutes specifically naming the
 15 department or money received by the department, then the use
 16 of this money must be limited in the manner, method, and
 17 amount to those uses that do not result in such violation."

18 Section 46. Section 87-1-602, MCA, is amended to read:

19 "87-1-602. Payment of salaries, per diem, and
 20 expenses. All salaries, per diem, expenses, and claims
 21 incurred by the department or a person appointed or employed
 22 by it shall be paid out of fish and game moneys in the
 23 general fund, federal--and--private THE FEDERAL special
 24 revenue fund, earmarked--revenue--fund, A STATE SPECIAL
 25 REVENUE FUND, or other applicable fund upon warrants

1 properly drawn on those funds."

2 Section 47. Section 90-6-202, MCA, is amended to read:

3 "90-6-202. Accounts established. (1) There is within
 4 the--earmarked a STATE special revenue fund a local impact
 5 and education trust fund account. Moneys are payable into
 6 this account under 15-35-108. The state treasurer shall draw
 7 warrants from this account upon order of the coal board.

8 (2) There is within the--earmarked a STATE special
 9 revenue fund a coal area highway improvement account."

10 NEW SECTION. Section 48. Code commissioner to make
 11 changes. Whenever a reference to a treasury fund type, fund,
 12 or account appears in any new material that is enacted by
 13 the 48th legislature and approved by the governor, whether
 14 in new sections or amended sections, the code commissioner,
 15 in consultation with the department of administration and
 16 the legislative fiscal analyst, shall change the reference
 17 in that material as necessary to reflect the fund structure
 18 provided for in 17-2-102. The code commissioner may make
 19 other incidental changes that reflect the intent of this act
 20 but do not change the meaning.

21 NEW SECTION. Section 49. Effective date. This act is
 22 effective July 1, 1983.

-End-

1 HOUSE BILL NO. 530

2 INTRODUCED BY BARDANOUVE

3 BY REQUEST OF THE DEPARTMENT OF ADMINISTRATION

4
5 A BILL FOR AN ACT ENTITLED: "AN ACT TO GENERALLY REVISE
6 LANGUAGE IN VARIOUS CODE PROVISIONS IN ORDER THAT REFERENCES
7 TO THE TREASURY FUND STRUCTURE CONFORM TO CHAPTER 28, LAWS
8 OF 1981, AS REQUIRED BY CHAPTER 28, SECTION 5, LAWS OF 1981;
9 AMENDING SECTIONS 2-17-105, 2-18-402, 15-35-108, 15-38-106,
10 15-38-201, 15-38-202, 16-11-119, 16-11-206, 17-2-102,
11 17-2-105, 17-6-201, 17-6-203, 17-8-101, 17-8-105, 18-2-103,
12 20-9-601, 20-10-201, 20-10-203, 20-25-225, 20-26-1105,
13 39-51-401, 39-51-402, 39-51-404, 39-51-406, 39-51-407,
14 53-1-302, 53-9-109, 60-11-1207, 67-11-304, 70-9-309,
15 72-14-210, 72-14-403, 76-4-105, 76-13-114, 76-13-503,
16 77-1-602, 77-6-203, 80-2-103, 80-2-222, 80-2-228, 80-2-232,
17 80-6-1109, 80-11-207, 81-1-104, 87-1-601, 87-1-602, AND
18 90-6-202, MCA; INSTRUCTING THE CODE COMMISSIONER TO MAKE THE
19 NECESSARY CHANGES; AND PROVIDING AN EFFECTIVE DATE."

20

21 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

22 Section 1. Section 2-17-105, MCA, is amended to read:

23 "2-17-105. Insurance on state buildings -- use of
24 proceeds -- building replacement. (1) Moneys received by the
25 state as indemnification for damage to state buildings,

THIRD READING

There are no changes in H B 530
second reading (yellow) amended.
Please refer to it for complete text.

HB 530

HOUSE BILL NO. 530

INTRODUCED BY BARDANQUE

BY REQUEST OF THE DEPARTMENT OF ADMINISTRATION

A BILL FOR AN ACT ENTITLED: "AN ACT TO GENERALLY REVISE LANGUAGE IN VARIOUS CODE PROVISIONS IN ORDER THAT REFERENCES TO THE TREASURY FUND STRUCTURE CONFORM TO CHAPTER 28, LAWS OF 1981, AS REQUIRED BY CHAPTER 28, SECTION 5, LAWS OF 1981; AMENDING SECTIONS 2-17-105, 2-18-402, 15-35-108, 15-38-106, 15-38-201, 15-38-202, 16-11-119, 16-11-206, 17-2-102, 17-2-105, 17-6-201, 17-6-203, 17-8-101, 17-8-105, 18-2-103, 20-9-601, 20-10-201, 20-10-203, 20-25-225, 20-26-1105, 39-51-401, 39-51-402, 39-51-404, 39-51-406, 39-51-407, 53-1-302, 53-9-109, 60-11-1207, 67-11-304, 70-9-309, 72-14-210, 72-14-403, 76-4-105, 76-13-114, 76-13-503, 77-1-602, 77-6-203, 80-2-103, 80-2-222, 80-2-228, 80-2-232, 80-6-1109, 80-11-207, 81-1-104, 87-1-601, 87-1-602, AND 90-6-202, MCA; INSTRUCTING THE CODE COMMISSIONER TO MAKE THE NECESSARY CHANGES; AND PROVIDING AN EFFECTIVE DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Section 2-17-105, MCA, is amended to read:

"2-17-105. Insurance on state buildings -- use of proceeds -- building replacement. (1) Moneys received by the state as indemnification for damage to state buildings,

except buildings procured by the department of highways by purchase or condemnation for right-of-way purposes, shall be deposited in the ~~bond--proceeds-and-insurance-clearance~~ STATE special revenue fund.

(2) These moneys may only be:

(a) used to repair the damaged property;

(b) used to replace the damaged property, subject to the limitations in subsection (3) of this section; or

(c) transferred to the fund and account from which the premiums were paid on the policy covering the building. Moneys transferred in this manner may not be spent by the institution or agency having custody of the damaged property but shall be available for future legislative appropriation.

If the moneys are not spent or committed within 2 years from the time they are received, they shall automatically revert to the fund and account from which the premiums were paid.

(3) If an insured building is totally destroyed or so badly damaged that repair is impractical, the governing board or officer responsible for the building may authorize any moneys received by the state as indemnification for property damage to be used to replace the building only if the proposed replacement is designed to be used for the same general purposes as the damaged or destroyed building. If the governing board or officer determines that the building should not be replaced, any moneys received by the state as

1 indemnification for property damage over and above any
2 outstanding debt on the building shall be transferred as
3 provided in subsection (2)(c) of this section."

4 Section 2. Section 2-18-402, MCA, is amended to read:

5 "2-18-402. Payroll revolving-account agency fund --
6 auditor to determine disbursements and transfers. (1) An
7 account a fund in the revolving agency fund type of the
8 state treasury is hereby created, to be known as the state
9 payroll revolving-account agency fund, which account fund
10 may be utilized for the payment of compensation to officers
11 and employees of the state and all amounts withheld
12 therefrom, pursuant to law.

13 (2) The amount to be disbursed from the state payroll
14 revolving--account agency fund at any time shall be
15 determined by the state auditor and, on his order, shall be
16 transferred forthwith from the fund, account, and
17 appropriation otherwise properly chargeable therewith to the
18 state payroll revolving-account agency fund."

19 Section 3. Section 15-35-108, MCA, is amended to read:

20 "15-35-108. Disposal of severance taxes. Severance
21 taxes collected under the provisions of this chapter are
22 allocated as follows:

23 (1) To the trust fund created by Article IX, section
24 5, of the Montana constitution, 25% of total collections a
25 year. After December 31, 1979, 50% of coal severance tax

1 collections are allocated to this trust fund. The trust fund
2 moneys shall be deposited in the fund established under
3 17-6-203(5) and invested by the board of investments as
4 provided by law.

5 (2) Coal severance tax collections remaining after
6 allocation to the trust fund under subsection (1) are
7 allocated in the following percentages of the remaining
8 balance:

9 (a) to the county in which coal is mined, 2% of the
10 severance tax paid on the coal mined in that county until
11 January 1, 1980, for such purposes as the governing body of
12 the county may determine;

13 (b) 2 1/2% until December 31, 1979, and thereafter
14 4 1/2% to the-earmarked a SIAIE special revenue fund to the
15 credit of the alternative energy research development and
16 demonstration account;

17 (c) 26 1/2% until July 1, 1979, and thereafter 37 1/2%
18 to the-earmarked a SIAIE special revenue fund to the credit
19 of the local impact and education trust fund account;

20 (d) for each of the 2 fiscal years following June 30,
21 1977, 13% to the-earmarked a SIAIE special revenue fund to
22 the credit of the coal area highway improvement account;

23 (e) 10% to the-earmarked a SIAIE special revenue fund
24 for state equalization aid to public schools of the state;

25 (f) 1% to the-earmarked a SIAIE special revenue fund

HOUSE BILL NO. 530

INTRODUCED BY BARDANOUVE

BY REQUEST OF THE DEPARTMENT OF ADMINISTRATION

A BILL FOR AN ACT ENTITLED: "AN ACT TO GENERALLY REVISE LANGUAGE IN VARIOUS CODE PROVISIONS IN ORDER THAT REFERENCES TO THE TREASURY FUND STRUCTURE CONFORM TO CHAPTER 28, LAWS OF 1981, AS REQUIRED BY CHAPTER 28, SECTION 5, LAWS OF 1981; AMENDING SECTIONS 2-17-105, 2-18-402, 15-35-108, 15-38-106, 15-38-201, 15-38-202, 16-11-119, 16-11-206, 17-2-102, 17-2-105, 17-6-201, 17-6-203, 17-8-101, 17-8-105, 18-2-103, 20-9-601, 20-10-201, 20-10-203, 20-25-225, 20-26-1105, 39-51-401, 39-51-402, 39-51-404, 39-51-406, 39-51-407, 53-1-302, 53-9-109, 60-11-1207, 67-11-304, 70-9-309, 72-14-210, 72-14-403, 76-4-105, 76-13-114, 76-13-503, 77-1-602, 77-6-203, 80-2-103, 80-2-222, 80-2-228, 80-2-232, 80-6-1109, 80-11-207, 81-1-104, 87-1-601, 87-1-602, AND 90-6-202, MCA; INSTRUCTING THE CODE COMMISSIONER TO MAKE THE NECESSARY CHANGES; AND PROVIDING AN EFFECTIVE DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Section 2-17-105, MCA, is amended to read:

"2-17-105. Insurance on state buildings -- use of proceeds -- building replacement. (1) Moneys received by the state as indemnification for damage to state buildings,

except buildings procured by the department of highways by purchase or condemnation for right-of-way purposes, shall be deposited in the ~~the--bond--proceeds--and--insurance--clearance~~ STATE special revenue fund.

(2) These moneys may only be:

(a) used to repair the damaged property;

(b) used to replace the damaged property, subject to the limitations in subsection (3) of this section; or

(c) transferred to the fund and account from which the premiums were paid on the policy covering the building. Moneys transferred in this manner may not be spent by the institution or agency having custody of the damaged property but shall be available for future legislative appropriation. If the moneys are not spent or committed within 2 years from the time they are received, they shall automatically revert to the fund and account from which the premiums were paid.

(3) If an insured building is totally destroyed or so badly damaged that repair is impractical, the governing board or officer responsible for the building may authorize any moneys received by the state as indemnification for property damage to be used to replace the building only if the proposed replacement is designed to be used for the same general purposes as the damaged or destroyed building. If the governing board or officer determines that the building should not be replaced, any moneys received by the state as

1 indemnification for property damage over and above any
2 outstanding debt on the building shall be transferred as
3 provided in subsection (2)(c) of this section."

4 Section 2. Section 2-18-402, MCA, is amended to read:

5 "2-18-402. Payroll revolving-account agency fund --
6 auditor to determine disbursements and transfers. (1) An
7 account ~~A fund~~ in the revolving agency fund type of the
8 state treasury is hereby created, to be known as the state
9 payroll revolving-account agency fund, which account fund
10 may be utilized for the payment of compensation to officers
11 and employees of the state and all amounts withheld
12 therefrom, pursuant to law.

13 (2) The amount to be disbursed from the state payroll
14 revolving-account agency fund at any time shall be
15 determined by the state auditor and, on his order, shall be
16 transferred forthwith from the fund, account, and
17 appropriation otherwise properly chargeable therewith to the
18 state payroll revolving-account agency fund."

19 Section 3. Section 15-35-108, MCA, is amended to read:

20 "15-35-108. Disposal of severance taxes. Severance
21 taxes collected under the provisions of this chapter are
22 allocated as follows:

23 (1) To the trust fund created by Article IX, section
24 5, of the Montana constitution, 25% of total collections a
25 year. After December 31, 1979, 50% of coal severance tax

1 collections are allocated to this trust fund. The trust fund
2 moneys shall be deposited in the fund established under
3 17-6-203(5) and invested by the board of investments as
4 provided by law.

5 (2) Coal severance tax collections remaining after
6 allocation to the trust fund under subsection (1) are
7 allocated in the following percentages of the remaining
8 balance:

9 (a) to the county in which coal is mined, 2% of the
10 severance tax paid on the coal mined in that county until
11 January 1, 1980, for such purposes as the governing body of
12 the county may determine;

13 (b) 2 1/2% until December 31, 1979, and thereafter
14 4 1/2% to the-earmarked a ~~STATE~~ special revenue fund to the
15 credit of the alternative energy research development and
16 demonstration account;

17 (c) 26 1/2% until July 1, 1979, and thereafter 37 1/2%
18 to the-earmarked a ~~STATE~~ special revenue fund to the credit
19 of the local impact and education trust fund account;

20 (d) for each of the 2 fiscal years following June 30,
21 1977, 13% to the-earmarked a ~~STATE~~ special revenue fund to
22 the credit of the coal area highway improvement account;

23 (e) 10% to the-earmarked a ~~STATE~~ special revenue fund
24 for state equalization aid to public schools of the states;

25 (f) 1% to the-earmarked a ~~STATE~~ special revenue fund

1 to the credit of the county land planning account;

2 (g) 1 1/4% to the ~~sinking-fund-to-the~~ credit of the
3 renewable resource development bond account fund;

4 (h) 5% to the ~~earmarked-revenue a nonexpendable trust~~
5 fund ~~to-the-credit-of-a-trust-fund~~ for the purpose of parks
6 acquisition or management, protection of works of art in the
7 state capitol, and other cultural and aesthetic projects.
8 Income from this trust fund shall be appropriated as
9 follows:

10 (i) 1/3 for protection of works of art in the state
11 capitol and other cultural and aesthetic projects; and

12 (ii) 2/3 for the acquisition of sites and areas
13 described in 23-1-102 and the operation and maintenance of
14 sites so acquired;

15 (i) 1% to the ~~earmarked a~~ **SIAIE special** revenue fund
16 to the credit of the state library commission for the
17 purposes of providing basic library services for the
18 residents of all counties through library federations and
19 for payment of the costs of participating in regional and
20 national networking;

21 (j) 1/2 of 1% to the ~~earmarked a~~ **SIAIE special** revenue
22 fund for conservation districts;

23 (k) 1 1/4% to the ~~sinking debt service~~ fund ~~type~~ to
24 the credit of the water development ~~sinking-account debt~~
25 ~~service fund~~;

1 (1) all other revenues from severance taxes collected
2 under the provisions of this chapter to the credit of the
3 general fund of the state."

4 Section 4. Section 15-38-106, MCA, is amended to read:

5 "15-38-106. Payment of tax -- records -- collection of
6 taxes -- refunds. (1) The tax imposed by this chapter shall
7 be paid by each person to which the tax applies, on or
8 before March 31, on the value of product in the year
9 preceding January 1 of the year in which the tax is paid.
10 The tax shall be paid to the department at the time that the
11 statement of yield is filed with the department.

12 (2) The department shall deposit the proceeds of the
13 tax in the resource indemnity trust ~~account fund~~ of the
14 ~~trust-and-legacy nonexpendable trust~~ fund ~~type~~. Every person
15 to whom the tax applies shall keep records in accordance
16 with 15-38-105, and the records are subject to inspection by
17 the department upon reasonable notice during normal business
18 hours.

19 (3) The department shall examine each of the
20 statements and compute the taxes thereon, and the amount
21 computed by the department shall be the taxes imposed,
22 assessed against, and payable by the taxpayer making the
23 statement for the year for which the statement is filed. If
24 the tax found to be due is greater than the amount paid, the
25 excess shall be paid by the taxpayer to the department

1 within 30 days after written notice of the amount of
2 deficiency is mailed by the department to the taxpayer. If
3 the tax imposed is less than the amount paid, the difference
4 must be applied as a tax credit against tax liability for
5 subsequent years or refunded if requested by the taxpayer."

6 Section 5. Section 15-38-201, MCA, is amended to read:

7 "15-38-201. Creation of ~~account--in-trust-and-legacy~~
8 ~~resource-indemnity-trust~~ fund. For the purpose of carrying
9 out this chapter, there is a resource indemnity trust
10 ~~account fund in the trust--and--legacy nonexpendable trust~~
11 ~~fund type~~. The resource indemnity ~~account fund~~ shall be
12 credited with all moneys received as herein provided."

13 Section 6. Section 15-38-202, MCA, is amended to read:

14 "15-38-202. Investment of resource indemnity trust
15 ~~account fund -- expenditure -- minimum balance~~. (1) All
16 moneys paid into the resource indemnity trust ~~account fund~~
17 shall be invested at the discretion of the board of
18 investments. All the net earnings accruing to the resource
19 indemnity trust ~~account fund~~ shall annually be added thereto
20 until it has reached the sum of \$10 million. Thereafter,
21 only the net earnings may be appropriated and expended until
22 the account reaches \$100 million. Thereafter, all net
23 earnings and all receipts shall be appropriated by the
24 legislature and expended, provided that the balance in the
25 account may never be less than \$100 million.

1 (2) Beginning in fiscal year 1982, provided the amount
2 in the resource ~~indemnity trust account fund~~ is greater than
3 \$10 million, 30% of the interest income of the resource
4 indemnity trust ~~account fund~~ must be allocated to the water
5 development ~~earmarked STATE special-revenue~~ account created
6 by 85-1-604."

7 Section 7. Section 16-11-119, MCA, is amended to read:

8 "16-11-119. Disposition of taxes -- retirement of
9 bonds. All moneys collected under the provisions of
10 16-11-111, less the expense of collecting all the taxes
11 levied, imposed, and assessed by said section, shall be paid
12 to the state treasurer and deposited as follows: 73% in the
13 long-range building program ~~account fund in the sinking debt~~
14 ~~service fund type~~, and 27% in the long-range building
15 program ~~account fund in the bond-proceeds-and-insurance~~
16 ~~clearance capital projects fund type~~."

17 Section 8. Section 16-11-206, MCA, is amended to read:

18 "16-11-206. Wholesaler's discount -- disposition of
19 taxes. The taxes specified in this part that are paid by the
20 wholesaler shall be paid to the department in full less a 5%
21 defrayment for his collection and administrative expense and
22 shall be deposited by the department in the long-range
23 building ~~sinking program debt service~~ fund ~~Now--338766~~.
24 Refunds of the tax paid shall be made as provided in
25 15-1-503 in cases where the tobacco products purchased

become unsalable."

Section 9. Section 17-2-102, MCA, is amended to read:

"17-2-102. Fund structure. (1) There are in the state treasury only the following funds fund categories and types:

(a) governmental funds fund category, which include includes:

(i) the general fund, which accounts for all financial resources except those required to be accounted for in another fund;

(ii) the special revenue funds fund type, which account accounts for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditure for specified purposes; THE FINANCIAL ACTIVITIES OF THE SPECIAL REVENUE FUND TYPE SHALL BE SUBDIVIDED FOR OPERATIONAL PURPOSES INTO THE FOLLOWING FUNDS TO SERVE THE PURPOSE INDICATED:

(A) THE STATE SPECIAL REVENUE FUND CONSISTS OF MONEY FROM STATE SOURCES DEPOSITED IN THE STATE TREASURY THAT IS EARMARKED FOR THE PURPOSES OF DEFRAYING PARTICULAR COSTS OF AN AGENCY, PROGRAM, OR FUNCTION OF STATE GOVERNMENT.

(B) THE FEDERAL SPECIAL REVENUE FUND CONSISTS OF MONEY DEPOSITED IN THE TREASURY FROM FEDERAL SOURCES, INCLUDING TRUST INCOME, THAT IS USED FOR THE OPERATION OF STATE GOVERNMENT.

(C) THE OTHER SPECIAL REVENUE FUNDS CONSIST OF MONEY

DEPOSITED IN THE STATE TREASURY FROM PRIVATE SOURCES, INCLUDING TRUST INCOME, THAT IS USED FOR THE OPERATION OF STATE GOVERNMENT AND MONEY USED TO DEFRAY REIMBURSABLE EXPENDITURES.

(iii) the capital projects funds fund type, which account accounts for financial resources to be used for the acquisition or construction of major capital facilities, other than those financed by proprietary funds or trust funds; and

(iv) the debt service funds fund type, which account accounts for the accumulation of resources for and the payment of general long-term debt principal and interest;

(b) proprietary funds fund category, which include includes:

(i) the enterprise funds fund type, which account accounts for operations:

(A) that are financed and operated in a manner similar to private business enterprises whenever the intent of the legislature is that costs (i.e., expenses, including depreciation) of providing goods or services to the general public on a continuing basis are to be financed or recovered primarily through user charges; or

(B) whenever the legislature has decided that periodic determination of revenue earned, expenses incurred, or net income is appropriate for capital maintenance, public

policy, management control, accountability, or other purposes; and

(ii) the internal service funds ~~fund_type~~, which ~~account accounts~~ for the financing of goods or services provided by one department or agency to other departments or agencies of state government or to other governmental entities on a cost-reimbursed basis;

(c) the fiduciary funds ~~fund_category~~, which ~~include~~ includes trust and agency funds ~~fund_types~~ used to account for assets held by state government in a trustee capacity or as an agent for individuals, private organizations, other governmental entities, or other funds. These include ~~the~~:

(i) expendable trust funds ~~fund_type~~;

(ii) nonexpendable trust funds ~~fund_type~~;

(iii) pension trust funds ~~fund_type~~; and

(iv) agency funds ~~fund_type~~.

(d) the university funds, which include:

(i) the university current fund, which accounts for moneys deposited in the state treasury which are used to pay current operating costs relating to instruction, research, public service, and allied support operations and programs conducted within the Montana university system. The financial activities of the university current fund shall be subdivided, for operation purposes, into the four following subfunds to serve the purpose indicated:

(A) The unrestricted subfund segregates that portion of the university current fund's financial resources that can be expended for general operations and is free of externally imposed restrictions, except those imposed by the legislature.

(B) The restricted subfund segregates that portion of the university current fund's financial resources that can be expended for general operations but only for purposes imposed by sources external to the board of regents and the legislature.

(C) The designated subfund segregates that portion of the university current fund's financial resources that is associated with general operations but is separately classified in order to accumulate costs that are to be recharged as allocated to other funds or subfunds; identifies financial activities related to special organized activities of educational departments wherein the activity is fully supported by supplemental assessments; and identifies special supply and facility fees that are approved for collections beyond normal course fees and their disposition.

(D) The auxiliary subfund segregates that portion of the university current fund's financial resources that is devoted to providing essential on-campus services primarily to students, faculty, or staff wherein a fee, which is

1 directly related to but does not necessarily equal the cost
2 of the service provided, is charged to the consumer.

3 (ii) the university student loan fund, which accounts
4 for moneys deposited in the state treasury which may be
5 loaned to students, faculty, or staff for purposes related
6 to education, organized research, or public services by the
7 Montana university system;

8 (iii) the university endowment fund, which accounts for
9 moneys deposited in the state treasury by the Montana
10 university system wherein the principal portion of the
11 amount received is nonexpendable but is available for
12 investment, thus producing consumable income. Expendable
13 earnings on endowment funds are to be transferred to
14 appropriate operating funds pursuant to prevailing
15 administrative requirements.

16 (iv) the university annuity and life income fund, which
17 accounts for moneys deposited in the state treasury by the
18 Montana university system under an agreement whereby the
19 moneys are made available on condition that the receiving
20 unit of the Montana university system binds itself to pay
21 stipulated amounts periodically to the donor or others
22 designated by the donor over a specified period of time;

23 (v) the university plant fund, which accounts for
24 those financial resources allocated to or received by the
25 Montana university system for capital outlay purposes or to

1 retire long-term debts associated with construction or
2 acquisition of fixed assets and the net accumulative results
3 of these activities; and

4 (vi) the university agency fund, which accounts for
5 moneys deposited in the state treasury wherein the Montana
6 university system acts in the capacity of a custodian or
7 fiscal agent for individual students, faculty, staff, and
8 qualified organizations.

9 (2) In addition to the funds provided for in
10 subsection (1) of this section, there are in the state
11 treasury the following account groups:

12 (a) the fixed assets account group, which is a
13 self-balancing group of accounts set up to establish
14 accounting control and accountability for the state's
15 general fixed assets, except those accounted for in
16 proprietary funds, trust funds, and the university funds
17 designated in subsections (1)(d)(i)(D), (1)(d)(iii), and
18 (1)(d)(v) of this section; and

19 (b) the long-term debt account group, which is a
20 self-balancing group of accounts set up to establish
21 accounting control and accountability for the state's
22 unmatured general long-term liabilities, except those
23 accounted for in proprietary funds, trust funds, and the
24 university funds designated in subsections (1)(d)(i)(D),
25 (1)(d)(iii), and (1)(d)(v) of this section."

Section 10. Section 17-2-105, MCA, is amended to read:

"17-2-105. Maintenance of fund and account records and interfund loans. (1) The state treasurer shall record receipts and disbursements for treasury funds and shall maintain fund records in such a manner as to reflect the total cash and invested balance of each fund. The state treasurer shall also maintain records of individual subfund funds within the ~~existing fund, bond proceeds, and insurance clearance fund, and trust and legacy fund~~ debt service, agency, capital projects, and trust fund types in such a manner as to reflect the total cash and invested balance of each ~~subfund fund~~. When necessary to meet federal or other requirements that moneys be segregated in the treasury, the state treasurer may establish accounts, funds, or subfunds within any funds fund type listed in 17-2-102.

(2) For the purpose of supplying deficiencies in the general fund, the state treasurer may temporarily borrow from other treasury funds, providing that the loan is recorded in the state accounting records. Such loan shall bear no interest, and no fund shall be so impaired that all proper demands thereon cannot be met."

Section 11. Section 17-6-201, MCA, is amended to read:

"17-6-201. Unified investment program -- general provisions. (1) The uniform investment program directed by Article VIII, section 13, of the 1972 Montana constitution

to be provided for public funds shall be administered by the board of investments in accordance with the rules provided in this chapter and with that degree of judgment and care, under circumstances from time to time prevailing, which men of prudence, discretion, and intelligence exercise in the management of their own affairs, not for speculation but for investment, considering the probable safety of their capital as well as the probable income to be derived, and preservation of purchasing power of capital during periods of sustained high monetary inflation.

(2) All state funds shall be invested and reinvested in securities enumerated in 17-6-211 to the maximum extent consistent with this policy and with the need and timing of cash expenditures for particular purposes.

(3) The board of investments has the sole authority to invest state funds. No other agency may invest state funds. The board shall direct the investment of state funds in accordance with the laws and constitution of this state. The board has the power to veto any investments made under its general supervision.

(4) The board shall:

- (a) assist agencies with public money to determine if, when, and how much surplus cash is available for investment;
- (b) determine the amount of surplus treasury cash to be invested;

(c) determine the type of investment to be made; and

(d) prepare the claim to pay for the investment.

(5) The board of investments may:

(a) execute deeds of conveyance transferring all real property obtained through foreclosure of any investments purchased under the provisions of 17-6-211 when full payment has been received therefor;

(b) direct the withdrawal of any funds deposited by or for the state treasurer pursuant to 17-6-101 and 17-6-105;

(c) direct the sale of any securities in the program at their full and true value when found necessary to raise money for payments due from the treasury funds for which the securities have been purchased.

(6) The state treasurer shall keep an account of the total of each investment fund and of all the investments belonging to such fund and of the participation of each treasury fund account therein and shall make from time to time such reports with reference thereto as may be directed by the board of investments.

(7) The cost of administering and accounting for each investment fund shall be deducted from the income therefrom, except that such costs of the ~~trust--and--legacy--fund~~ nonexpendable trust funds shall be paid from income otherwise receivable from the pooled investment funds, and the amounts required for this purpose shall be appropriated

by the legislature from the respective investment funds."

Section 12. Section 17-6-203, MCA, is amended to read:

"17-6-203. Separate investment funds. Separate investment funds shall be maintained as follows:

(1) the ~~trust--and--legacy--fund~~ nonexpendable trust funds, including all public school funds and funds of the Montana university system and other state institutions of learning referred to in sections 2 and 10, Article X, of the 1972 Montana constitution and all money referred to in 17-2-102(8). The principal and any part thereof of each and every ~~subfund fund~~ fund constituting the Montana nonexpendable trust and--legacy fund type shall be subject to payment at any time when due under the statutory provisions applicable thereto and according to the provisions of the gift, donation, grant, legacy, bequest, or devise through or from which the particular ~~subfund fund~~ fund arises.

(2) a separate investment fund, which may not be held jointly with other funds, for money pertaining to each retirement or insurance system now or hereafter maintained by the state, including those now maintained under the following statutes:

(a) the highway patrolmen's retirement system described in Title 19, chapter 6;

(b) the public employees' retirement system described in Title 19, chapter 3;

(c) the game wardens' retirement system described in Title 19, chapter 8;

(d) the teachers' retirement system described in Title 19, chapter 4; and

(e) the industrial accident insurance program described in Title 39, chapter 71, part 23;

(3) a pooled investment fund, including all other accounts within the treasury fund structure established by 17-2-102;

(4) a fund consisting of gifts, donations, grants, legacies, bequests, devises, and other contributions made or given for a specific purpose or under conditions expressed in the gift, donation, grant, legacy, bequest, devise, or contribution on the part of the state of Montana to be observed. If such gift, donation, grant, legacy, bequest, devise, or contribution permits investment and is not otherwise restricted by its terms, it may be treated jointly with other such gifts, donations, grants, legacies, bequests, devises, or contributions.

(5) a fund consisting of coal severance taxes allocated thereto under section 5, Article IX, of the Montana constitution; the principal of this trust fund shall be permanent and invested in the permissible investments enumerated in 17-6-211; in the event the legislature appropriates any part of the principal of this fund by vote

of three-fourths of the members of each house, such liquidation may create a gain or loss in the principal; and

(6) such additional investment funds as may be expressly required by law or may be determined by the board of investments to be necessary to fulfill fiduciary responsibilities of the state with respect to funds from a particular source.*

Section 13. Section 17-8-101, MCA, is amended to read:

"17-8-101. Appropriation and disbursement of moneys from the treasury. (1) Moneys deposited in the general fund, the special revenue fund ~~type~~, the enterprise fund ~~type~~, the internal service fund ~~type~~, and the capital projects fund ~~type~~, with the exception of refunds authorized in subsection (3), shall be paid out of the treasury only on appropriation made by law.

(2) Moneys deposited in the debt service fund ~~and--the trust--and--agency--fund type, expendable trust fund type, nonexpendable trust fund type, pension trust fund type, and agency fund type~~ may be paid out of the treasury under general laws, or contracts entered into in pursuance of law, permitting such disbursement.

(3) Money paid into the state treasury through error or under circumstances, such that the state is not legally entitled to retain it and a refund procedure is not otherwise provided by law, may be refunded upon the

1 submission of a verified claim approved by the department of
2 administration."

3 Section 14. Section 17-8-105, MCA, is amended to read:
4 "17-8-105. Definitions applicable to expenditure
5 limitation. As used in 17-8-106, the following definitions
6 apply:

7 (1) "Montana total personal income" means the current
8 income from all sources received during a particular period
9 of time by persons residing within Montana as determined by
10 the United States department of commerce or its successor
11 agency.

12 (2) "State expenditures" means the general fund
13 appropriations, the ~~earmarked special revenue fund type~~
14 appropriations, and the cash portion of the appropriations
15 in the ~~bond--proceeds--and--insurance--clearance capital~~
16 ~~projects~~ fund type, excluding:

17 (a) money received from the federal government;

18 (b) payments of principal and interest on bonded
19 indebtedness;

20 (c) money paid for unemployment or disability
21 insurance benefits;

22 (d) money received from the sale of goods or services
23 provided that the purchase of the goods or services is
24 discretionary;

25 (e) money paid from permanent endowments.

1 constitutional trusts, or pension funds;

2 (f) proceeds of gifts or bequests made for purposes
3 specified by the donor;

4 (g) money appropriated for tax relief; and

5 (h) funds transferred within state government or used
6 to purchase goods for resale."

7 Section 15. Section 18-2-103, MCA, is amended to read:

8 "18-2-103. Supervision of construction of buildings.

9 (1) For the construction of a building costing more than
10 \$25,000, the department of administration shall:

11 (a) review and approve all plans and working drawings
12 prepared by architects;

13 (b) approve all bond issues or other financial
14 arrangements and supervise and approve the expenditure of
15 all moneys;

16 (c) under the supervision and with the approval of the
17 board of examiners, solicit, accept, and reject bids and
18 award all contracts to the lowest qualified bidder
19 considering conformity with specifications and terms and
20 reasonableness of bid amount;

21 (d) review and, with the consent of the board of
22 examiners, approve all change orders;

23 (e) accept the building when completed according to
24 approved plans and specifications.

25 (2) Before any contract under subsection (1) is

awarded, two formal bids must have been received, if reasonably available.

(3) The department of administration is responsible for concurring in construction projects where the proposed cost is less than \$25,000 but more than \$5,000. Before any contract under this subsection is approved for construction, alteration, or improvement at least three informal bids, if reasonably available, shall be procured from bona fide contractors duly licensed as such in the state of Montana.

(4) The department need not require the provisions of Montana law relating to advertising, bidding, or supervision where proposed construction costs are less than \$5,000.

(5) For the construction of buildings owned or to be owned by a school district, the department of administration shall, upon request, provide inspection to insure compliance with the plans and specifications for the construction of such buildings. "Construction" shall include construction, repair, alteration, equipping, and furnishing during construction, repair, or alteration. These services shall be provided at a cost to be contracted for between the department of administration and the school district, with the receipts to be deposited in the department of administration's construction revolving regulation account in the revolving a STATE special revenue fund.

(6) It is the intent of the legislature that student

housing and other facilities constructed under the authority of the regents of the university system are subject to the provisions of subsections (1) and (2) of this section."

Section 16. Section 20-9-601, MCA, is amended to read:

"20-9-601. Public school fund. The public school fund shall be maintained by the state treasurer as a subfund fund in the trust-and-legacy nonexpendable trust fund type, and the principal amount of such fund shall be irreducible and permanent. The following moneys shall be credited to such fund as an addition to the irreducible and permanent principal amount:

(1) appropriations and donations by the state;

(2) donations and bequests by individuals to the state or schools;

(3) the proceeds of land and other property which revert to the state by escheat and forfeiture;

(4) the proceeds of all property granted to the state, when the purpose of the grant is not specified or is uncertain;

(5) funds accumulated in the treasury of the state for the disbursement of which provision has not been made by law;

(6) the proceeds of the sale of timber, stone, materials, or other property from school lands other than those granted for specific purposes and all moneys other

1 than rental recovered from persons trespassing on such
2 lands;

3 (7) the principal of all moneys arising from the sale
4 of lands and other property which have been and may be
5 hereafter granted to the state for the support of common
6 schools;

7 (8) the amount earmarked for deposit in this fund
8 under the provisions of 20-9-341; and

9 (9) such other moneys as may be provided by the
10 legislature."

11 Section 17. Section 20-10-201, MCA, is amended to
12 read:

13 "20-10-201. Acceptance, expenditure, and
14 administration of federal school food services moneys. (1)
15 The superintendent of public instruction is authorized to
16 accept and direct the disbursement of funds appropriated by
17 act of congress and apportioned to the state for use in
18 financing school food services. This authorization shall
19 apply to federal funds available for school food services
20 under the National School Lunch Act (Public Law 396, 79th
21 Congress, chapter 281, 2nd session), Child Nutrition Act of
22 1966 (Public Law 642, 89th Congress), any amendments to
23 these public laws, and any other public laws enacted to
24 provide assistance for school food services.

25 (2) The superintendent of public instruction shall

1 deposit all federal funds for school food services with the
2 state treasurer who shall credit such funds to the ~~federal~~
3 ~~and-private-grant-clearance~~ ~~agency~~ fund. Any disbursement of
4 the federal school food services funds shall be directed by
5 the superintendent of public instruction.

6 (3) The superintendent of public instruction may:

7 (a) enter into agreements and cooperate with any
8 federal agency, district, or other agency or person,
9 prescribe such regulations, employ such personnel, and take
10 such other action as he may deem necessary to:

11 (i) provide for the establishment, operation, and
12 expansion of school food services; and

13 (ii) disburse federal and state funds according to the
14 requirements of federal and state law;

15 (b) give technical advice and assistance to any
16 district establishing or operating school food services and
17 assist in the training of personnel for such services;

18 (c) accept any gift for use in providing school food
19 services;

20 (d) conduct studies of methods of improving and
21 expanding school food services and appraise the nutritive
22 benefits of school food services.

23 (4) The superintendent of public instruction shall
24 report annually to the board of public education on the
25 financial, administrative, and operational phases of school

1 food services."

2 Section 18. Section 20-10-203, MCA, is amended to
3 read:

4 "20-10-203. School food commodities. The
5 superintendent of public instruction is authorized to accept
6 food commodities from the federal government and to
7 distribute the food commodities to any district or nonpublic
8 school that contracts for such distribution. The
9 superintendent of public instruction may use for the
10 shipping, handling, and other related costs of distributing
11 the food commodities any funds advanced by legislative
12 appropriation for the commodity revolving STATE special
13 revenue account. Such distribution costs shall be reimbursed
14 by the participating districts and nonpublic schools. Those
15 reimbursements shall be returned to the fund from which
16 payments for the distribution costs were made."

17 Section 19. Section 20-25-225, MCA, is amended to
18 read:

19 "20-25-225. Experimental farms. (1) In accordance with
20 the provisions of the Morrill Act of July 2, 1862, the
21 regents shall make available for the purchase of sites or
22 experimental farms from any funds deposited in the Montana
23 ~~trust-and-legacy nonexpandable trust~~ fund credited to the
24 state university through provisions of the Morrill Land Act
25 of 1862, known as the agricultural college Morrill permanent

1 fund, a sum not to exceed 10% of the amount of such fund.

2 (2) The total amount which may be used for purchase of
3 needed lands for sites or experimental farms may not exceed
4 10% in the aggregate of the total amount which has now or
5 which may accrue to the credit of the agricultural college
6 Morrill permanent account--in-the-Montana trust and-legacy
7 fund.

8 (3) No portion of the moneys apportioned from the
9 endowment funds for the purchase of sites or experimental
10 farms shall be applied directly or indirectly to the
11 purchase, erection, preservation, or repair of any building
12 or buildings.

13 (4) The regents shall approve purchases of sites or
14 experimental farms, which must be essential for the research
15 programs of the state university."

16 Section 20. Section 20-26-1105, MCA, is amended to
17 read:

18 "20-26-1105. Guaranteed student loan account. (1)
19 There is a guaranteed student loan revolving account within
20 the-university-student-loan & THE FEDERAL special revenue
21 fund provided for in 17-2-102{+++}.

22 (2) The board shall credit to the account established
23 in subsection (1) all money designated for the guaranteed
24 student loan program by the United States or by any other
25 public or private source. All expenses incurred by the board

1 In connection with the guaranteed student loan program,
2 including principal and interest payments required because
3 of loan defaults, must be charged against the account.

4 (3) Money in the account not needed to meet current
5 obligations of the board in the exercise of its
6 responsibilities as guarantor, as provided for in this part,
7 must be invested in accordance with the provisions of Title
8 17, chapter 6. Interest proceeds must be credited to the
9 account.

10 (4) Money on deposit in the guaranteed student loan
11 account shall not revert to the general fund at the close of
12 any fiscal year."

13 Section 21. Section 39-51-401, MCA, is amended to
14 read:

15 "39-51-401. Unemployment insurance account fund --
16 establishment and control. There is hereby established
17 separate and apart from all public money or funds of this
18 state an account a fund in the agency expendable trust fund
19 type known as the unemployment insurance account fund, which
20 shall be administered by the department exclusively for the
21 purposes of this chapter. Any reference to the unemployment
22 insurance fund in this code means the unemployment insurance
23 account-in-the-agency expendable trust fund. All money in
24 the account fund shall be mingled and undivided. This
25 account fund shall consist of:

1 (1) all contributions collected under this chapter and
2 payments made in lieu of contributions as provided in
3 39-51-1124 through 39-51-1126;

4 (2) interest earned upon any money in the account
5 fund;

6 (3) any property or securities acquired through the
7 use of money belonging to the account fund;

8 (4) all earnings of such property or securities; and

9 (5) all money credited to this state's account in the
10 unemployment trust fund pursuant to section 903 of the
11 Social Security Act, as amended."

12 Section 22. Section 39-51-402, MCA, is amended to
13 read:

14 "39-51-402. Unemployment insurance account fund --
15 state treasurer ex officio custodian -- accounts and
16 deposits. (1) The state treasurer is the ex officio
17 treasurer and custodian of the unemployment insurance
18 account fund and shall administer such account fund in
19 accordance with the directions of the department and shall
20 issue his warrants upon it in accordance with such
21 regulations as the department shall prescribe. He shall
22 maintain within the account fund three separate accounts:

23 (a) a clearing account;

24 (b) an unemployment trust fund account; and

25 (c) a benefit account.

1 (2) All money payable to the unemployment insurance
2 account fund, upon receipt thereof by the department, must
3 be forwarded to the treasurer who shall immediately deposit
4 it in the clearing account. Refunds payable pursuant to
5 39-51-1110 may be paid from the clearing account upon
6 warrants issued by the treasurer under the direction of the
7 department. After clearance thereof, all other money in the
8 clearing account must be immediately deposited with the
9 secretary of the treasury of the United States to the credit
10 of the account of this state in the unemployment trust fund,
11 established and maintained pursuant to section 904 of the
12 Social Security Act, as amended, any provision of law in
13 this state relating to the deposit, administration, release,
14 or disbursement of money in the possession or custody of
15 this state to the contrary notwithstanding.

16 (3) The benefit account consists of all money
17 requisitioned for the payment of benefits from this state's
18 account in the unemployment trust fund.

19 (4) Except as herein otherwise provided, money in the
20 clearing and benefit accounts may be deposited by the
21 treasurer, under the direction of the department, in any
22 bank or public depository in which general funds of the
23 state may be deposited, but no public deposit insurance
24 charge or premium may be paid out of the unemployment
25 insurance account fund.

1 (5) The treasurer shall give a separate bond
2 conditioned upon the faithful performance of his duties as
3 custodian of the unemployment insurance account fund in an
4 amount fixed by the department and in a form prescribed by
5 law or approved by the attorney general. Premiums for the
6 bond shall be paid from the unemployment insurance
7 administration account."

8 Section 23. Section 39-51-404, MCA, is amended to
9 read:

10 "39-51-404. Requisition of money from unemployment
11 trust fund for payment of administrative expenses. (1) Money
12 credited to the account of this state in the unemployment
13 trust fund by the secretary of the treasury of the United
14 States pursuant to section 903 of the Social Security Act,
15 as amended, may be requisitioned and used for the payment of
16 expenses incurred for the administration of this chapter
17 pursuant to a specific appropriation by the legislature,
18 provided that the expenses are incurred and the money is
19 requisitioned after the enactment of an appropriation law
20 which:

21 (a) specifies the purposes for which such money is
22 appropriated and the amounts appropriated therefor;

23 (b) limits the period within which such money may be
24 expended to a period ending not more than 2 years after the
25 date of the enactment of the appropriation law; and

1 (c) limits the amount which may be used during any
2 12-month period beginning on July 1 and ending on the next
3 June 30 to an amount which does not exceed the amount by
4 which the aggregate of the amounts credited to the account
5 of this state pursuant to section 903 of the Social Security
6 Act, as amended, during the same 12-month period and the
7 four preceding 12-month periods exceeds the aggregate of the
8 amounts used pursuant to this section and charged against
9 the amounts credited to the account of this state during any
10 of such five 12-month periods.

11 (2) For the purposes of this section, amounts used
12 during any such 12-month period shall be charged against
13 equivalent amounts which were first credited and which are
14 not already so charged, except that no amount used for
15 administration during any such 12-month period may be
16 charged against any amount credited during such a 12-month
17 period earlier than the fourth preceding such period. Money
18 requisitioned for the payment of expenses of administration
19 pursuant to this section shall be deposited in the
20 unemployment insurance administration fund account but,
21 until expended, shall remain a part of the unemployment
22 insurance fund.

23 (3) The department shall maintain a separate record of
24 the deposit, obligation, expenditure, and return of funds so
25 deposited. If any money so deposited is for any reason not

1 to be expended for the purpose for which it was appropriated
2 or, if it remains unexpended at the end of the period
3 specified by the law appropriating such money, it shall be
4 withdrawn and returned to the secretary of the treasury of
5 the United States for credit to this state's account in the
6 unemployment trust fund."

7 Section 24. Section 39-51-406, MCA, is amended to
8 read:

9 "39-51-406. Unemployment insurance administration
10 account. (1) There is hereby created an account in the
11 federal-and-private a THE FEDERAL special revenue fund to be
12 known as the unemployment insurance administration account.
13 All moneys which are deposited, appropriated, or paid into
14 this account are hereby appropriated and made available to
15 the department. All moneys in the account shall be expended
16 solely for the purpose of defraying the costs of
17 administration of this chapter and costs of administration
18 of such other legislation as shall be specifically delegated
19 to the department for administration by the legislature.

20 (2) All moneys received and deposited in said account
21 for administration expense from the United States or any
22 agency thereof pursuant to section 302, Title III of the
23 Social Security Act shall be expended solely for the purpose
24 and in the amounts found necessary by the secretary of labor
25 for the proper and efficient administration of this chapter.

(3) The account shall consist of:

(a) all moneys received from the United States or any agency thereof pursuant to section 302, Title III of the Social Security Act, as amended;

(b) all moneys appropriated by the state from the general fund for the purpose of administering this chapter;

(c) all interest and penalties collected on past due contributions as provided by 39-51-1301; and

(d) all moneys, trust funds, supplies, facilities, or services furnished, deposited, paid, and received from:

(i) the United States or any agency thereof;

(ii) this state or any agency thereof;

(iii) any other state or any of its agencies;

(iv) political subdivisions of the state; or

(v) any other source for administrative expense and purpose.

(4) Notwithstanding any provisions of this section, all money requisitioned and deposited in this account pursuant to 39-51-403 through 39-51-405 shall remain part of the unemployment insurance account fund and shall be used only in accordance with the conditions specified in 39-51-403 through 39-51-405.

(5) All moneys in this account shall be deposited, administered, and disbursed in the same manner and under the same conditions and requirements as is provided by law for

other accounts. Any balance in this account shall not lapse at any time, but shall be continuously available to the department for the expenditure consistent with this chapter.

(6) The state treasurer shall give a separate and additional bond conditioned upon the faithful performance of his duties in connection with the unemployment insurance administration account in an amount to be fixed by the department and in a form prescribed by law or approved by the attorney general. The premiums for such bond and the premiums for the bond given by the treasurer for the unemployment insurance account fund under 39-51-402 shall be paid from the money in the unemployment insurance administration account.

(7) Any reference to the unemployment insurance administration fund in this code shall be taken to mean the unemployment insurance administration account in the federal and-private & THE FEDERAL special revenue fund."

Section 25. Section 39-51-407, MCA, is amended to read:

"39-51-407. Reimbursement of fund by state. (1) This state recognizes its obligation to replace, and hereby pledges the faith of this state that funds will be provided in the future and applied to the replacement of any of the money received after July 1, 1941, from the United States or any agency thereof under Title III of the Social Security

1 Act, any unencumbered balances in the unemployment insurance
 2 administration fund ~~account~~ as of that date, any money
 3 thereafter granted to this state pursuant to the provisions
 4 of the Wagner-Peyser Act, and any money made available by
 5 the state or its political subdivisions and matched by such
 6 money granted to this state pursuant to the provisions of
 7 the Wagner-Peyser Act which the secretary of labor finds
 8 have, because of any action or contingency, been lost or
 9 have been expended for purposes other than or in amounts in
 10 excess of those found necessary by the secretary of labor
 11 for the proper administration of this chapter. Such money
 12 shall be promptly supplied by money furnished by the state
 13 of Montana or any of its subdivisions for the use of the
 14 department and used only for purposes approved by the
 15 secretary of labor. The department shall, if necessary,
 16 promptly report to the governor and the governor to the
 17 legislature the amount required for such replacement.

18 (2) This section shall not be construed to relieve
 19 this state of its obligation with respect to funds received
 20 prior to July 1, 1941, pursuant to the provisions of Title
 21 III of the Social Security Act."

22 Section 26. Section 53-1-302, MCA, is amended to read:

23 "53-1-302. Disposition of receipts from sale of goods.
 24 Receipts from the sale of goods produced or manufactured by
 25 an institution shall be deposited in the ~~revolving internal~~

1 ~~service fund account~~ for the use of the industries program
 2 of the institution. At the end of each biennium, all
 3 unobligated ~~revolving~~ funds over a \$50,000 ending-fund
 4 balance, except for those funds reserved for equipment
 5 replacement as determined by an equipment replacement
 6 schedule, shall revert to the state general fund ~~account~~."

7 Section 27. Section 53-9-109, MCA, is amended to read:

8 "53-9-109. Crime victims compensation account. There
 9 is a crime victims compensation account in the ~~agency a~~
 10 ~~STATE special revenue~~ fund. There shall be paid into this
 11 account 18% of the fines assessed and bails forfeited on all
 12 offenses involving a violation of chapter 3, part 1 of
 13 chapter 4, or chapters 5 through 10 of Title 61, that are a
 14 result of citations or tickets issued by the highway
 15 patrol."

16 Section 28. Section 60-11-1207, MCA, is amended to
 17 read:

18 "60-11-1207. Bond accounts -- appropriation. (1) There
 19 is a railroad rolling stock account in the ~~bond-proceeds-and~~
 20 ~~insurance--clearance~~ a ~~STATE special revenue~~ fund provided
 21 for in 17-2-102. All bond proceeds shall be placed in the
 22 railroad rolling stock account, and all money deposited in
 23 the account is continuously appropriated to the department
 24 and may be expended by the department for the purposes
 25 authorized in this part.

(2) There is a railroad rolling stock reserve--account ~~in--the--sinking debt service~~ fund as provided for in 17-2-102. Loan repayments and required capital reserves shall be deposited in the railroad rolling stock reserve account fund, and all money deposited in the account fund is continuously appropriated to the department and may be expended for the payment of principal and interest on the bonds as they become due.

(3) If the department enters into a trust indenture pursuant to 60-11-1206, it may provide for the establishment of funds and accounts to be held by the trustee and may pledge and appropriate the bond proceeds, capital reserves, and loan payments to such funds and accounts, notwithstanding the provisions of subsections (1) and (2)."

Section 29. Section 67-11-304, MCA, is amended to read:

"67-11-304. ~~Sinking funds~~ Debt service fund. An airport authority may create a ~~sinking debt service~~ fund and accumulate therein the sum of \$5 million together with interest thereon for the use, repairs, maintenance, and capital outlays of an airport."

Section 30. Section 70-9-309, MCA, is amended to read:

"70-9-309. Deposit of moneys -- record -- deduction of costs. (1) All moneys received under parts 1 through 3, including the proceeds from the sale of abandoned property

under 70-9-308, shall forthwith be deposited by the department of revenue with the state treasurer for credit to the ~~trust--and--legacy--fund~~ public school account ~~nonexpendable trust fund~~ of the state, except that the state treasurer shall retain in the agency fund an amount not exceeding \$25,000 from which he shall make prompt payment of claims allowed by the department as hereinafter provided.

(2) Before making the deposit the department shall record the name and last known address of each person appearing from the holders' reports to be entitled to the abandoned property and of the name and last known address of each insured person or annuitant and, with respect to each policy or contract listed in the report of a life insurance corporation, its number, the name of the corporation, and the amount due. The record shall be available for public inspection at all reasonable business hours.

(3) Before making any deposit to the credit of the public school account ~~nonexpendable trust fund~~, the department may deduct:

(a) any costs in connection with sale of abandoned property;

(b) any costs of mailing and publication in connection with any abandoned property; and

(c) reasonable service charges."

Section 31. Section 72-14-210, MCA, is amended to

1 read:

2 "72-14-210. Agency fund moneys to be held in trust --
3 deposit in public school ~~subfund nonexpendable trust fund~~.
4 Moneys and properties placed in the agency fund shall be
5 held in trust for a period of 5 years prior to deposit in
6 the public school ~~subfund--in the nonexpendable~~ trust and
7 ~~legacy~~ fund by the state treasurer; such trust being for the
8 benefit of persons claiming property pursuant to part 3 of
9 this chapter. Such a claim may be brought for an amount
10 equal to the full amount or value of the property escheated
11 minus the costs and expenses incident to reducing the same
12 to the possession of the state."

13 Section 32. Section 72-14-403, MCA, is amended to
14 read:

15 "72-14-403. Deposit of unclaimed property in state
16 treasury -- escheat. (1) All money or other property
17 distributed in the administration of an estate of a decedent
18 or as the subject of a trust and deposited before or after
19 July 1, 1947, with the county treasurer to the credit of the
20 distributee or beneficiary and any money remaining on
21 deposit to the credit of an estate after final distribution
22 must be delivered into the state treasury for deposit in the
23 agency fund by the county treasurer upon the expiration of 1
24 year from the day of such deposit.

25 (2) Money or other property so deposited in the state

1 treasury, if not claimed by the person or persons entitled
2 thereto by bringing an action as provided in part 3 of this
3 chapter, shall escheat to the state of Montana and be placed
4 in the public school ~~subfund-of-the nonexpendable~~ trust and
5 ~~legacy~~ fund as provided therein."

6 Section 33. Section 76-4-105, MCA, is amended to read:

7 "76-4-105. Lot fees. (1) The department shall adopt
8 reasonable rules setting forth fees, not to exceed \$30 per
9 parcel, for services rendered in the review of plats and
10 subdivisions. The rules shall provide for a schedule of fees
11 to be paid by the applicant for plat or subdivision review
12 to the department for deposit in ~~the agency~~ a ~~STATE~~ special
13 ~~REVENUE~~ fund provided for in 17-2-102. The fees shall be
14 used for review of plats and subdivisions based on the
15 complexity of the subdivision, including but not limited to:

16 (a) number of lots in the subdivision;
17 (b) the type of water system to serve the development;
18 (c) the type of sewage disposal to serve the
19 development; and

20 (d) the degree of environmental research necessary to
21 supplement the review procedure.

22 (2) The department shall adopt rules to determine the
23 distribution of lot fees between the local governing body
24 and the department as provided in 76-4-128. When a
25 subdivision is reviewed under the master plan provisions of

76-4-124, the local governing body shall, within 20 days after receiving an application under the Montana Subdivision and Platting Act, distribute the lot fees as determined by this subsection.

(3) A fee as described in this section is not required for the review of subdivisions in which divisions are made for the purpose of relocating common boundary lines unless the division will result in the installation of additional water supply or sewage disposal facilities."

Section 34. Section 76-13-114, MCA, is amended to read:

"76-13-114. Disposition of fines. Fines collected in a court of the state under this part or part 2 shall be transferred to the state treasurer for deposit in the ~~federal--and-private-grant-clearance agency~~ fund. Whenever a person is convicted in any court of a violation of this part or part 2, the court may levy and collect as costs in the case the amount necessary to compensate the county for the expenditures made in and for the prosecution of the offender. These costs when collected shall be deposited by the court with the proper county treasurer for the benefit of the county."

Section 35. Section 76-13-503, MCA, is amended to read:

"76-13-503. Application for license -- fee. (1)

Whenever a person, firm, or corporation desires to commence the operation of a portable sawmill located or to be located upon forest lands within the state, that person, firm, or corporation shall apply to the department in writing for a license to operate the portable sawmill. The application shall include the name of the person, firm, or corporation contemplating the operation of the sawmill; the location thereof by section, township, and range numbers; the rated capacity of the sawmill and the approximate amount of stumpage to be cut at the proposed setting; and the approximate date desired for the commencement of the operation.

(2) The application shall be accompanied by the payment of a fee of \$2, which is fixed as the license fee for the operation of any portable sawmill, to be credited to the ~~federal--and-private-grant-clearance agency~~ fund."

Section 36. Section 77-1-602, MCA, is amended to read:

"77-1-602. Definition of terms. Unless the context requires otherwise, in this part the following definitions apply:

(1) "Account" means the resource development account in the ~~earmarked~~ a ~~SIATF~~ special revenue fund.

(2) "Income" means all proceeds received for the use of state land except revenues required by law to be placed in the Montana ~~nonexpendable~~ trust and ~~legacy~~ fund ~~type~~."

Section 37. Section 77-6-203, MCA, is amended to read:

"77-6-203. Bid deposit. (1) A person bidding for the lease of state lands shall deposit with the department, as evidence of good faith, a certified check, cashier's check, or money order in an amount equal to 20% of the annual rental bid in the case of grazing land and an amount equal to \$1 per acre for each acre of agricultural land contained in the lease in the case of agricultural land on which the bid is made on a crop share basis.

(2) The department shall retain the deposit of the successful bidder, apply it on the rental for the first year of the lease only, and return any balance of the deposit at the end of the first year to the successful bidder. The department shall return the deposits of the unsuccessful bidders.

(3) If the successful bidder fails to execute the lease for any reason, his deposit shall be forfeited and deposited by the department to the credit of the proper interest and income account in the ~~federal--and--private~~ revenue agency fund."

Section 38. Section 80-2-103, MCA, is amended to read:

"80-2-103. Administration of trust assets. Funds and the proceeds of the trust assets which are not authorized to be administered by the secretary of agriculture under 80-2-102 shall be received by the department and paid by it

to the state treasurer for deposit in the ~~federal--and~~ private--grant--reference expendable trust fund and used for expenditure or obligation by the department for the purposes of 80-2-102 or for the rural rehabilitation purposes permissible under the charter of the now dissolved Montana rural rehabilitation corporation as may be agreed upon between the department and the secretary of agriculture, subject to Public Law 499."

Section 39. Section 80-2-222, MCA, is amended to read:

"80-2-222. Board to establish amount of levy -- disposition of funds. (1) The board of hail insurance may, when it considers it advisable, establish as many districts as it considers advisable and may maintain maximum rates in various parts of the state, which rates shall be commensurate with the risk incurred as nearly as it can determine from past experiences or from any records available. The highest of these rates shall be the same as the maximum established herein and the lowest may not be less than \$1.20 per acre on lands sown to grain crops and a proportionate amount on lands sown to hay crops.

(2) Notice of the various rates established for any year shall be plainly printed on the application for hail insurance, and in any year when the requirements of the hail insurance law as herein provided do not require a levy of the maximum rates as established, then the rates for the

1 year shall be determined and levied by the board of hail
2 insurance for each of the various districts as established,
3 in such proportions as will in its judgment be fair and
4 equitable.

5 (3) In making the levy provided in this section and
6 80-2-223, the board of hail insurance shall provide for:

7 (a) the payment of all expenses of administration,
8 together with all interest owed or to be owing on registered
9 warrants;

10 (b) that portion of the losses incurred during the
11 current year which are not paid from funds drawn from the
12 reserve;

13 (c) the maintenance of the reserve, a part or all of
14 which may be used in any one year for the purpose of paying
15 the costs of administration, interest on the warrants, and
16 losses as the same shall be settled and adjusted by the
17 board, including the losses sustained in any prior year or
18 years under the hail insurance law during or subsequent to
19 the year 1919 that have not been paid.

20 (4) If at the end of any hail insurance season the
21 board determines and finds that more funds are accumulating
22 from the current year's levies than were estimated when the
23 levy was made and are in excess of the need for the payment
24 of losses and expenses and maintenance of the reserve, the
25 board may, at its discretion, refund the excess to the

1 farmers insured for the year, on a pro rata or percentage
2 basis.

3 (5) The board of hail insurance may direct the board
4 of investments to invest funds from the agency ~~expendable~~
5 ~~trust~~ fund pursuant to the provisions of the unified
6 investment program for state funds. The income from such
7 investments shall be credited to the board of hail insurance
8 account in the agency ~~expendable trust~~ fund."

9 Section 40. Section 80-2-228, MCA, is amended to read:

10 "80-2-228. Reserve fund. (1) Each year when the hail
11 board makes its annual levy for the payment of current
12 losses, expenses of administration, and for an addition to
13 the reserve if conditions permit, it may not increase the
14 levy enough in any year so that such addition to the reserve
15 will exceed 5% of the maximum risk written for that year.

16 (2) The reserve fund may not exceed \$4 million prior
17 to January 1, 1976. On January 1, 1976, and thereafter, the
18 maximum permissible reserve fund shall be established as set
19 forth in subsection (3) of this section.

20 (3) The board may engage the services of a qualified
21 actuary to conduct an actuarial valuation of the reserve.
22 This valuation shall include the actuary's determination of
23 the amount of reserve necessary to absorb all reasonably
24 anticipated catastrophic losses. This amount shall be the
25 maximum permissible reserve fund for the next year.

(4) The reserve hereby created shall be deposited in the agency expendable trust fund, and the board is hereby granted the power to draw from its moneys in the fund such amounts as it considers necessary for the purpose of paying costs of administration, interest, and losses.

(5) Whenever there are no unpaid losses for prior years and whenever in any one year the cost of administration, interest, and losses for the current year is less than the sum of 60 cents per acre on nonirrigated grains and a proportionate amount on irrigated grains and other crops, the board may not draw on the reserve for any purpose unless the amount required for the payment of losses for the current year, including interest on warrants and costs of administration, exceeds the amount of the estimate made by the board."

Section 41. Section 80-2-232, MCA, is amended to read:

"80-2-232. State treasurer's duty ~~---transfer-of-funds~~
-- warrants -- transfers to county and state general fund.

(1) The state treasurer shall receive all moneys paid to him under this part and shall place same to the credit of the agency expendable trust fund and ~~and may from time to time transfer to the earmarked revenue fund such sums as the board of hail insurance may deem necessary and proper to pay the expenses of administration.~~ All moneys collected by the board shall be deposited in the agency expendable trust

fund, and all losses shall be paid from that fund. All other costs are administrative expenses and shall be paid from the board's ~~account in the earmarked revenue~~ expendable trust fund. If registered warrants be presented and there be no money to pay the same, such warrants shall be registered and thereafter bear interest at the rate of 4% per annum until called for payment by the state treasurer. ~~If at any time more funds are in the earmarked revenue fund than the board estimates are needed for administrative expenses, the state treasurer may on the order of the board transfer such funds back to the agency fund as the board may direct.~~

(2) Upon warrants drawn by order of the board, the state treasurer shall pay out of the board's ~~account in the~~ agency expendable trust fund to the county treasurer of each county where state hail insurance coverage is in force 1% of the gross annual levies made and collected in such county under this part for the use of the county as the board of county commissioners may determine.

(3) Upon authorization from the board of hail insurance, the state treasurer shall transfer out of the board's ~~account in the agency~~ expendable trust fund to the general fund of the state of Montana 2% of the gross annual levies made and collected in the state of Montana."

Section 42. Section 80-6-1109, MCA, is amended to read:

1 "80-6-1109. Fees to be set by rule -- self-supporting
2 program -- ~~earmarked--account enterprise fund~~ established.
3 (1) Fees authorized to be charged by this part shall be set
4 by department rule. Such fees shall be designed to reimburse
5 the department for costs incurred in providing services and
6 carrying out its duties under this part. It is the intent
7 of the legislature that department activities under this
8 part be self-supporting.

9 (2) There is an ~~earmarked-revenue--account enterprise~~
10 ~~fund~~ known as the leaf-cutting bee account ~~fund~~ for use by
11 the department. Fees collected under this part shall be
12 paid into the leaf-cutting bee account ~~fund~~."

13 Section 43. Section 80-11-207, MCA, is amended to
14 read:

15 "80-11-207. Buyer's delivery of invoice to grower --
16 form -- filing of sworn statement -- payment of assessment
17 -- refund. (1) The purchaser of the wheat or barley at the
18 time of sale or the pledgee, mortgagee, or other lender at
19 the time of the loan or advance shall give separate invoices
20 for each purchase to the grower. The invoices shall be on
21 forms approved by the department and shall show:

- 22 (a) the name and address of the grower and seller;
23 (b) the name and address of the purchaser or the
24 lender;
25 (c) the number of bushels of wheat or hundredweights

1 of barley sold, mortgaged, or pledged;

2 (d) the date of the purchase, mortgage, or pledge and
3 the amount of assessment collected and remitted to the
4 department.

5 (2) The purchaser, mortgagee, or pledgee shall file
6 with the department, on forms prescribed by the department,
7 within 20 days after the end of a month in which he
8 purchases a grower's wheat or barley or in which a lender
9 makes a loan or advance on a grower's wheat or barley, a
10 sworn statement of the number of bushels of wheat or
11 hundredweights of barley purchased in Montana or the number
12 of bushels of wheat or hundredweights of barley mortgaged or
13 pledged or otherwise transferred or liened as security for a
14 loan during the preceding calendar month. At the time the
15 sworn statement is filed, the purchaser or lender shall pay
16 to the department the assessment provided for in 80-11-206
17 for deposit in the wheat research and marketing account in
18 ~~the revolving~~ THE OTHER special revenue fund FUNDS.

19 (3) The statement referred to in subsections (1) and
20 (2) of this section shall be legibly written and shall be
21 entirely free of any corrections or erasures. A person may
22 not alter any part of a statement.

23 (4) After 30 days and before 90 days following the
24 deduction of the assessment by the first purchaser or the
25 first lender, the grower may, upon the submission of a

1 written, verified request to the department, obtain a refund
2 of the assessment. The request shall be accompanied by the
3 original invoices received by the grower at the time of
4 settlement. The department shall keep complete records of
5 all refunds made under the provisions of this section.
6 Records of refunds may be destroyed 2 years after the refund
7 is made. All original invoices shall be returned to the
8 grower with the refund payment."

9 Section 44. Section 81-1-104, MCA, is amended to read:

10 "81-1-104. Investment of earmarked STATE special
11 revenue account funds -- crediting of investment income. The
12 board may direct the board of investments to invest funds
13 from the--earmarked STATE special revenue accounts of the
14 department pursuant to the provisions of the unified
15 investment program for state funds. The income from such
16 investments shall be credited to the earmarked STATE special
17 ~~revenue~~ account of the department from which the investment
18 is made."

19 Section 45. Section 87-1-601, MCA, is amended to read:

20 "87-1-601. Use of fish and game money. (1) All money
21 collected or received from the sale of hunting and fishing
22 licenses or permits, from the sale of seized game or hides,
23 or from damages collected for violations of the fish and
24 game laws of this state, from appropriations, or received by
25 the department from any other state source shall be turned

1 over to the state treasurer and placed by him in the
2 earmarked a STATE special revenue fund to the credit of the
3 department. Any money received from federal sources shall be
4 deposited in the--federal--and--private a THE FEDERAL special
5 revenue fund to the credit of the department.

6 (2) That money shall be exclusively set apart and made
7 available for the payment of all salaries, per diem, fees,
8 expenses, and expenditures authorized to be made by the
9 department under the terms of this title. That money shall
10 be spent for those purposes by the department, subject to
11 appropriation by the legislature.

12 (3) Any reference to the fish and game fund in this
13 code means fish and game money in the--earmarked a STATE
14 special revenue fund and--federal--and--private--revenue--fund
15 AND THE FEDERAL SPECIAL REVENUE FUND.

16 (4) All money collected or received from fines and
17 forfeited bonds relating to violations of state fish and
18 game laws under Title 87 shall be deposited by the state
19 treasurer and credited to the department of fish, wildlife,
20 and parks in an--earmarked a STATE special revenue fund
21 account for this purpose. Out of any fine imposed by a court
22 for the violation of the fish and game laws, the costs of
23 prosecution shall be paid to the county where the trial was
24 held in any case where the fine is not imposed in addition
25 to the costs of prosecution.

(5) Money received by the department from the sale of surplus real property; exploration or development of oil, gas, or mineral deposits from lands acquired by the department except royalties or other compensation based on production; and from leases of interests in department real property not contemplated at the time of acquisition shall be deposited in an account within the ~~trust--and--legacy nonexpendable trust~~ fund of the state treasury. The interest derived therefrom, but not the principal, may be used only for the purpose of operation, development, and maintenance of real property of the department, and only upon appropriation by the legislature. If the use of money as set forth herein would result in violation of applicable federal laws or state statutes specifically naming the department or money received by the department, then the use of this money must be limited in the manner, method, and amount to those uses that do not result in such violation."

Section 46. Section 87-1-602, MCA, is amended to read:

"87-1-602. Payment of salaries, per diem, and expenses. All salaries, per diem, expenses, and claims incurred by the department or a person appointed or employed by it shall be paid out of fish and game moneys in the general fund, ~~federal--and--private THE FEDERAL special revenue fund, earmarked--revenue--funds~~ A STATE SPECIAL REVENUE FUND, or other applicable fund upon warrants

properly drawn on those funds."

Section 47. Section 90-6-202, MCA, is amended to read:

"90-6-202. Accounts established. (1) There is within the--earmarked a STATE special revenue fund a local impact and education trust fund account. Moneys are payable into this account under 15-35-108. The state treasurer shall draw warrants from this account upon order of the coal board.

(2) There is within the--earmarked a STATE special revenue fund a coal area highway improvement account."

NEW SECTION. Section 48. Code commissioner to make changes. Whenever a reference to a treasury fund type, fund, or account appears in any new material that is enacted by the 48th legislature and approved by the governor, whether in new sections or amended sections, the code commissioner, in consultation with the department of administration and the legislative fiscal analyst, shall change the reference in that material as necessary to reflect the fund structure provided for in 17-2-102. The code commissioner may make other incidental changes that reflect the intent of this act but do not change the meaning.

NEW SECTION. Section 49. Effective date. This act is effective July 1, 1983.

-End-