

HOUSE BILL NO. 601

INTRODUCED BY THOFT, GRADY, COBB

IN THE HOUSE

January 31, 1985	Introduced and referred to Committee on State Administration.
February 13, 1985	Committee recommend bill do pass. Report adopted. Bill printed and placed on members' desks.
February 16, 1985	Second reading, do pass. Considered correctly engrossed.
February 18, 1985	Third reading, passed. Transmitted to Senate.

IN THE SENATE

February 19, 1985	Introduced and referred to Committee on State Administration.
March 19, 1985	Committee recommend bill be concurrent in. Report adopted.
March 22, 1985	Second reading, concurred in as amended.
March 25, 1985	Third reading, concurred in. Ayes, 49; Noes, 0. Returned to House with amendments.

IN THE HOUSE

March 26, 1985

Received from Senate.

April 8, 1985

Second reading, pass
consideration.

April 9, 1985

Second reading, amendments
concurrent in.

On motion, rules suspended and
bill placed on third reading this
day.

Third reading, amendments
concurrent in.

Sent to enrolling.

Reported correctly enrolled.

1 HOUSE BILL NO. 601
2 INTRODUCED BY Staff Dennis G. Cobb
3

4 A BILL FOR AN ACT ENTITLED: "AN ACT EXEMPTING SMALL
5 IRRIGATION DISTRICTS FROM AUDIT BY THE DEPARTMENT OF
6 COMMERCE; AMENDING SECTION 2-7-503; AND PROVIDING AN
7 IMMEDIATE EFFECTIVE DATE."

8
9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

10 Section 1. Section 2-7-503, MCA, is amended to read:
11 "2-7-503. Audits of local governmental entities. (1)

12 The department shall audit the affairs of all:

- 13 (a) counties;
- 14 (b) incorporated cities and towns;
- 15 (c) first- and second-class school districts and
16 third-class school districts that maintain a high school;
- 17 (d) school district extracurricular fund for pupil
18 functions;
- 19 (e) irrigation districts, except as provided in
20 subsection (7);
- 21 (f) conservancy districts;
- 22 (g) fire districts and volunteer fire departments in
23 unincorporated areas, towns, and villages supported by a
24 mill levy, except as provided in subsection (6); and
25 (h) fire department relief associations.

1 (2) Each audit shall be made every 2 years and shall
2 cover the immediately preceding 2 fiscal years of the
3 governmental entity, unless annual audits are requested by
4 the governmental entity.

5 (3) Each audit shall be initiated not later than 24
6 months from the close of the fiscal year for which the audit
7 is conducted.

8 (4) In addition to the audits required by this
9 section, the department may at any time conduct a special
10 audit of the affairs of any governmental entity referred to
11 in this part.

12 (5) The fee for the special audit shall be a charge
13 based upon the costs incurred by the department in the
14 conduct of such special audit. The audit fee herein
15 provided shall be paid by the governmental entity to the
16 state treasurer and deposited in the enterprise fund to the
17 credit of the department.

18 (6) (a) Except as herein provided in subsection 6(c),
19 the department may not audit a fire district which has an
20 annual budget of less than \$20,000 and in which fire
21 protection is provided solely by a fire company composed
22 only of volunteer firefighters organized under Title 7,
23 chapter 33.

24 (b) Such district shall annually file with the board
25 of county commissioners of the county in which the majority

1 of the district is located an itemized account of all
2 receipts and expenditures for the year, signed under oath by
3 an officer of the fire company designated by the fire
4 district trustees.

5 (c) The board of county commissioners may require an
6 annual audit to be conducted by the department if it
7 considers such audit to be in the public interest.

8 (7) (a) Except as provided in subsection (7)(c), the
9 department may not audit an irrigation district with annual
10 expenditures of less than \$20,000, excluding the payment of
11 principal and interest on federal loans.

12 (b) Such irrigation district shall annually file with
13 the clerk of the district court in the county in which the
14 irrigation district is located an itemized account of all
15 receipts and expenditures for the year, signed under oath by
16 an officer designated by the irrigation district trustees.

17 (c) The district court may require an annual audit to
18 be conducted by the department if it considers such audit to
19 be in the public interest."

20 NEW SECTION. Section 2. Effective date. This act is
21 effective on passage and approval.

-End-

APPROVED BY COMMITTEE
ON STATE ADMINISTRATION

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24 (b) Such district shall annually file with the board
25 of county commissioners of the county in which the majority



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2 receipts and expenditures for the year, signed under oath by
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10 expenditures of less than \$20,000, excluding the payment of
11 principal and interest on federal loans.

12 (b) Such irrigation district shall annually file with
13 the clerk of the district court in the county in which the
14 irrigation district is located an itemized account of all
15 receipts and expenditures for the year, signed under oath by
16 an officer designated by the irrigation district trustees.

17 (c) The district court may require an annual audit to
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COMMITTEE OF THE WHOLE AMENDMENT

SENATE

3-22-85

DATE

2:45 p.m.

TIME

MR. CHAIRMAN: I MOVE TO AMEND

HOUSE BILL

No. 601

third reading copy (blue) as follows:
Color

Page 3, line 10.

Following: "than"

Strike: "\$20,000"

Insert: "\$30,000"

Jc

ADOPT

REJECT

Les Hirsch

HIRSCH

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