

SENATE BILL NO. 78

INTRODUCED BY TVEIT, AKLESTAD, SHAW, LANE, HIRSCH, LYBECK,
ANDERSON, GAGE, BENGTSON, H. HAMMOND, FARRELL, PINSONEAULT,
E. SMITH, CONOVER, McCALLUM

IN THE SENATE

January 7, 1985	Introduced and referred to Committee on State Administration.
January 9, 1985	On motion by chief sponsor, Senators Aklestad, Shaw, Lane, Hirsch, Lybeck, Anderson, Gage, Bengtson, H. Hammond, Farrell, Pinsoneault, E. Smith, Conover, McCallum added as sponsors.
January 15, 1985	Committee recommend bill do pass as amended. Report adopted.
January 16, 1985	Bill printed and placed on members' desks.
January 17, 1985	Second reading, do pass.
January 18, 1985	Considered correctly engrossed.
January 19, 1985	Third reading, passed. Ayes, 41; Noes, 0. Transmitted to House.

IN THE HOUSE

January 21, 1985	Introduced and referred to Committee on State Administration.
March 7, 1985	Committee recommend bill be concurrent in. Report adopted.
March 9, 1985	Second reading, concurred in.

March 11, 1985

Third reading, concurred in.

Returned to Senate.

IN THE SENATE

March 12, 1985

Received from House.

Sent to enrolling.

Reported correctly enrolled.

1 SENATE BILL NO. 78
 2 INTRODUCED BY TVEIT
 3
 4 A BILL FOR AN ACT ENTITLED: "AN ACT TO EXEMPT FIRE
 5 DEPARTMENT RELIEF ASSOCIATIONS HAVING ANNUAL RECEIPTS OF
 6 LESS THAN \$20,000 FROM AUDIT BY THE DEPARTMENT OF COMMERCE;
 7 AMENDING SECTION 2-7-503, MCA; AND PROVIDING AN IMMEDIATE
 8 EFFECTIVE DATE."
 9
 10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
 11 Section 1. Section 2-7-503, MCA, is amended to read:
 12 "2-7-503. Audits of local governmental entities. (1)
 13 The department shall audit the affairs of all:
 14 (a) counties;
 15 (b) incorporated cities and towns;
 16 (c) first- and second-class school districts and
 17 third-class school districts that maintain a high school;
 18 (d) school district extracurricular fund for pupil
 19 functions;
 20 (e) irrigation districts;
 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, except as

1 provided in subsection (6).
 2 (2) Each audit shall be made every 2 years and shall
 3 cover the immediately preceding 2 fiscal years of the
 4 governmental entity, unless annual audits are requested by
 5 the governmental entity.
 6 (3) Each audit shall be initiated not later than 24
 7 months from the close of the fiscal year for which the audit
 8 is conducted.
 9 (4) In addition to the audits required by this
 10 section, the department may at any time conduct a special
 11 audit of the affairs of any governmental entity referred to
 12 in this part.
 13 (5) The fee for the special audit shall be a charge
 14 based upon the costs incurred by the department in the
 15 conduct of such special audit. The audit fee herein
 16 provided shall be paid by the governmental entity to the
 17 state treasurer and deposited in the enterprise fund to the
 18 credit of the department.
 19 (6) (a) Except as herein provided, the department may
 20 not audit:
 21 (i) a fire district which has an annual budget of less
 22 than \$20,000 and in which fire protection is provided solely
 23 by a fire company composed only of volunteer firefighters
 24 organized under Title 7, chapter 33; or
 25 (ii) a fire department relief association organized

1 under Title 19, chapter 11, which has annual receipts,
2 including earnings on invested funds, of less than \$20,000.

3 (b) Such fire district shall annually file with the
4 board of county commissioners of the county in which the
5 majority of the district is located an itemized account of
6 all receipts and expenditures for the year, signed under
7 oath by an officer of the fire company designated by the
8 fire district trustees. The board of county commissioners
9 may require an annual audit to be conducted by the
10 department if it considers such audit to be in the public
11 interest.

12 (c) Such fire department relief association shall
13 annually file with the municipality in which the fire
14 department relief association is located an itemized account
15 of all receipts and expenditures for the year, signed under
16 oath by an officer designated by the fire department relief
17 association trustees. The municipality may require an annual
18 audit to be conducted by the department if it considers such
19 audit to be in the public interest."

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

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APPROVED BY COMMITTEE
ON STATE ADMINISTRATION

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Section 1. Section 2-7-503, MCA, is amended to read:

"2-7-503. Audits of local governmental entities. (1)

The department shall audit the affairs of all:

- (a) counties;
- (b) incorporated cities and towns;
- (c) first- and second-class school districts and third-class school districts that maintain a high school;
- (d) school district extracurricular fund for pupil functions;
- (e) irrigation districts;
- (f) conservancy districts;
- (g) fire districts and volunteer fire departments in

unincorporated areas, towns, and villages supported by a mill levy, except as provided in subsection (6); and

(h) fire department relief associations, except as provided in subsection (6).

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

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

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

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

(6) (a) Except as herein provided, the department may not audit:

(i) a fire district which has an annual budget of less than \$20,000 and in which fire protection is provided solely

1 by a fire company composed only of volunteer firefighters
2 organized under Title 7, chapter 33; or

3 (ii) a fire department relief association organized
4 under Title 19, chapter 11, which has annual receipts,
5 including earnings on invested funds, of less than \$20,000,
6 EXCEPT FOR AUDITS AS PROVIDED UNDER 19-11-206.

7 (b) Such fire district shall annually file with the
8 board of county commissioners of the county in which the
9 majority of the district is located an itemized account of
10 all receipts and expenditures for the year, signed under
11 oath by an officer of the fire company designated by the
12 fire district trustees. The board of county commissioners
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14 department if it considers such audit to be in the public
15 interest.

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