

SENATE BILL NO. 189

1/21 Introduced
1/22 Referred to Finance & Claims
1/30 Hearing
1/31 Committee Report-Bill Do Pass
2/02 2nd Reading Pass
2/05 3rd Reading Pass

Transmitted to House

2/27 Referred to Appropriations
3/25 Hearing
Died in Committee

1 *Senate* BILL NO. 189
 2 INTRODUCED BY *Richard E. Manning*
 3 BY REQUEST OF THE DEPARTMENT OF ADMINISTRATION
 4

5 A BILL FOR AN ACT ENTITLED: "AN ACT TO ALLOW THE
 6 ENCUMBRANCE AT FISCAL YEAREND OF APPROPRIATIONS FOR CERTAIN
 7 STATE PROCUREMENTS OF SUPPLIES AND SERVICES; AMENDING
 8 SECTION 17-7-302, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE
 9 DATE."
 10

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

12 Section 1. Section 17-7-302, MCA, is amended to read:

13 "17-7-302. Encumbrance of fiscal yearend obligations.

14 (1) Any valid obligation not paid within the fiscal year,
 15 including valid written interagency or intra-agency service
 16 agreements for systems development, shall be encumbered for
 17 payment thereof at the end of each fiscal year in the
 18 department of administration's accounts. An appropriation
 19 shall be deemed to be encumbered at the time and to the
 20 extent that a valid obligation against the appropriation is
 21 created, except construction contracts which, upon approval
 22 of the department of administration, may be encumbered for
 23 only that portion of the contract for which services or
 24 materials have been received by the fiscal year's end.

25 (2) (a) For the purposes of encumbering appropriations

1 under subsection (1), a valid obligation includes a
 2 requisition for supplies or services submitted to the
 3 department of administration pursuant to the provisions of
 4 Title 18, chapter 4, and rules promulgated thereunder, if
 5 the department has attempted to establish a contract for the
 6 procurement of the supply or service and the procurement
 7 process is extended beyond the fiscal yearend because no
 8 acceptable bids or proposals are received or a protest
 9 delays issuance of a contract.

10 (b) Appropriations encumbered under the provisions of
 11 subsection (2)(a) that remain unexpended at the end of the
 12 next fiscal year shall revert to the funds from which they
 13 were originally appropriated."

14 NEW SECTION. Section 2. Extension of authority. Any
 15 existing authority of the department of administration to
 16 make rules on the subject of the provisions of this act is
 17 extended to the provisions of this act.

18 NEW SECTION. Section 3. Effective date. This act is
 19 effective on passage and approval.

-End-



INTRODUCED BILL
 SB 189

APPROVED BY COMM. ON
FINANCE AND CLAIMS

Senate BILL NO. 189
Richard E. Manning

INTRODUCED BY _____
BY REQUEST OF THE DEPARTMENT OF ADMINISTRATION

A BILL FOR AN ACT ENTITLED: "AN ACT TO ALLOW THE ENCUMBRANCE AT FISCAL YEAREND OF APPROPRIATIONS FOR CERTAIN STATE PROCUREMENTS OF SUPPLIES AND SERVICES; AMENDING SECTION 17-7-302, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

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

Section 1. Section 17-7-302, MCA, is amended to read:

"17-7-302. Encumbrance of fiscal yearend obligations.

(1) Any valid obligation not paid within the fiscal year, including valid written interagency or intra-agency service agreements for systems development, shall be encumbered for payment thereof at the end of each fiscal year in the department of administration's accounts. An appropriation shall be deemed to be encumbered at the time and to the extent that a valid obligation against the appropriation is created, except construction contracts which, upon approval of the department of administration, may be encumbered for only that portion of the contract for which services or materials have been received by the fiscal year's end.

(2) (a) For the purposes of encumbering appropriations

under subsection (1), a valid obligation includes a requisition for supplies or services submitted to the department of administration pursuant to the provisions of Title 18, chapter 4, and rules promulgated thereunder, if the department has attempted to establish a contract for the procurement of the supply or service and the procurement process is extended beyond the fiscal yearend because no acceptable bids or proposals are received or a protest delays issuance of a contract.

(b) Appropriations encumbered under the provisions of subsection (2)(a) that remain unexpended at the end of the next fiscal year shall revert to the funds from which they were originally appropriated."

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