

SENATE BILL NO. 259

INTRODUCED BY VAN VALKENBURG, DONALDSON
BY REQUEST OF THE DEPARTMENT OF INSTITUTIONS

IN THE SENATE

January 28, 1985	Introduced and referred to Committee on State Administration.
February 15, 1985	Committee recommend bill do pass. Report adopted.
February 16, 1985	Bill printed and placed on members' desks.
February 18, 1985	Second reading, do pass.
February 19, 1985	Considered correctly engrossed.
February 20, 1985	Third reading, passed. Ayes, 47; Noes, 2. Transmitted to House.

IN THE HOUSE

February 27, 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, pass consideration.
March 23, 1985	Second reading, concurred in.
March 26, 1985	Third reading, concurred in. Returned to Senate.

IN THE SENATE

March 26, 1985

Received from House.

March 27, 1985

Sent to enrolling.

Reported correctly enrolled.

Senate BILL NO. 259

INTRODUCED BY *V. Volkering*
BY REQUEST OF THE DEPARTMENT OF INSTITUTIONS

A BILL FOR AN ACT ENTITLED: "AN ACT REMOVING THE REQUIREMENT THAT THE STATE PRISON RANCH REPAY GENERAL FUND LOANS BY THE END OF THE FISCAL YEAR; AMENDING SECTION 17-2-107, MCA; AND PROVIDING AN EFFECTIVE DATE."

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

Section 1. Section 17-2-107, MCA, is amended to read:

"17-2-107. Accurate accounting records and interaccount loans. (1) The department of administration shall record receipts and disbursements for treasury funds and for accounts within treasury funds and shall maintain records in such a manner as to reflect the total cash and invested balance of each fund and each account. The department of administration shall adopt the necessary procedures to insure that interdepartmental or intradepartmental transfers of money do not result in inflation of figures reflecting total governmental costs and revenues.

(2) When the expenditure of an appropriation is necessary and the cash balance in the account from which the appropriation was made is insufficient, the department of

administration may authorize a transfer, as a temporary loan bearing no interest, of unrestricted moneys from other accounts, provided that there is reasonable evidence that the income provided for the remainder of the fiscal year will be sufficient to restore the amount so transferred and provided the loan is recorded in the state accounting records. The loan must be repaid before the end of the fiscal year unless it is extended under the criteria of subsection (3) or by specific legislative authorization. No account shall be so impaired that all proper demands thereon cannot be met even if the loan is extended.

(3) No loan may be extended into the next fiscal year unless it is for the sole purpose of:

(a) repairing or replacing property damage covered by insurance; or

(b) payment of expenses which will later be reimbursed by:

(i) contractual receipts due from federal revenue;

(ii) receipts due to the auxiliary and restricted subfunds; or

(iii) receipts due to the loan fund; or

(iv) receipts from the sale of state prison ranch products.

(4) These loans may be extended into the next fiscal year if the department of administration receives sufficient



1 written justification therefor from the borrower. A loan
 2 extended beyond the fiscal yearend must be repaid within 1
 3 calendar year of the date the loan is approved. Under
 4 unusual circumstances the director of the department of
 5 administration may grant one extension of a loan for up to 1
 6 year. The department of administration shall prepare a
 7 written justification and proposed repayment plan for each
 8 loan extension authorized and shall furnish a copy of the
 9 written justification and proposed repayment plan to the
 10 house appropriations and senate finance and claims
 11 committees at the next legislative session.

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

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

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

4 (b) Units of the university system must maintain
 5 positive cash balances in the subfunds provided in
 6 subsections (1)(d)(i)(A) through (1)(d)(i)(D) and (1)(d)(ii)
 7 through (1)(d)(vi) of 17-2-102."

8 NEW SECTION. Section 2. Extension of authority. Any
 9 existing authority of the department of administration to
 10 make rules on the subject of the provisions of this act is
 11 extended to the provisions of this act.

12 NEW SECTION. Section 3. Effective date. This act is
 13 effective July 1, 1985.

-End-

APPROVED BY COMMITTEE
ON STATE ADMINISTRATION

1 *Senate* BILL NO. *259*
2 INTRODUCED BY *V. Valkenburg*
3 BY REQUEST OF THE DEPARTMENT OF INSTITUTIONS
4

5 A BILL FOR AN ACT ENTITLED: "AN ACT REMOVING THE
6 REQUIREMENT THAT THE STATE PRISON RANCH REPAY GENERAL FUND
7 LOANS BY THE END OF THE FISCAL YEAR; AMENDING SECTION
8 17-2-107, MCA; AND PROVIDING AN EFFECTIVE DATE."
9

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

11 Section 1. Section 17-2-107, MCA, is amended to read:

12 "17-2-107. Accurate accounting records and
13 interaccount loans. (1) The department of administration
14 shall record receipts and disbursements for treasury funds
15 and for accounts within treasury funds and shall maintain
16 records in such a manner as to reflect the total cash and
17 invested balance of each fund and each account. The
18 department of administration shall adopt the necessary
19 procedures to insure that interdepartmental or
20 intradepartmental transfers of money do not result in
21 inflation of figures reflecting total governmental costs and
22 revenues.

23 (2) When the expenditure of an appropriation is
24 necessary and the cash balance in the account from which the
25 appropriation was made is insufficient, the department of

1 administration may authorize a transfer, as a temporary loan
2 bearing no interest, of unrestricted moneys from other
3 accounts, provided that there is reasonable evidence that
4 the income provided for the remainder of the fiscal year
5 will be sufficient to restore the amount so transferred and
6 provided the loan is recorded in the state accounting
7 records. The loan must be repaid before the end of the
8 fiscal year unless it is extended under the criteria of
9 subsection (3) or by specific legislative authorization. No
10 account shall be so impaired that all proper demands thereon
11 cannot be met even if the loan is extended.

12 (3) No loan may be extended into the next fiscal year
13 unless it is for the sole purpose of:

14 (a) repairing or replacing property damage covered by
15 insurance; or

16 (b) payment of expenses which will later be reimbursed
17 by:

18 (i) contractual receipts due from federal revenue;

19 (ii) receipts due to the auxiliary and restricted
20 subfunds; or

21 (iii) receipts due to the loan fund; or

22 (iv) receipts from the sale of state prison ranch
23 products.

24 (4) These loans may be extended into the next fiscal
25 year if the department of administration receives sufficient



-2- SECOND READING
SB 259

1 written justification therefor from the borrower. A loan
 2 extended beyond the fiscal yearend must be repaid within 1
 3 calendar year of the date the loan is approved. Under
 4 unusual circumstances the director of the department of
 5 administration may grant one extension of a loan for up to 1
 6 year. The department of administration shall prepare a
 7 written justification and proposed repayment plan for each
 8 loan extension authorized and shall furnish a copy of the
 9 written justification and proposed repayment plan to the
 10 house appropriations and senate finance and claims
 11 committees at the next legislative session.

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

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

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

4 (b) Units of the university system must maintain
 5 positive cash balances in the subfunds provided in
 6 subsections (1)(d)(i)(A) through (1)(d)(i)(D) and (1)(d)(ii)
 7 through (1)(d)(vi) of 17-2-102."

8 NEW SECTION. Section 2. Extension of authority. Any
 9 existing authority of the department of administration to
 10 make rules on the subject of the provisions of this act is
 11 extended to the provisions of this act.

12 NEW SECTION. Section 3. Effective date. This act is
 13 effective July 1, 1985.

-End-

1 Senate BILL NO. 259
 2 INTRODUCED BY V. Volkering
 3 BY REQUEST OF THE DEPARTMENT OF INSTITUTIONS

4
 5 A BILL FOR AN ACT ENTITLED: "AN ACT REMOVING THE
 6 REQUIREMENT THAT THE STATE PRISON RANCH REPAY GENERAL FUND
 7 LOANS BY THE END OF THE FISCAL YEAR; AMENDING SECTION
 8 17-2-107, MCA; AND PROVIDING AN EFFECTIVE DATE."

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

11 Section 1. Section 17-2-107, MCA, is amended to read:

12 "17-2-107. Accurate accounting records and
 13 interaccount loans. (1) The department of administration
 14 shall record receipts and disbursements for treasury funds
 15 and for accounts within treasury funds and shall maintain
 16 records in such a manner as to reflect the total cash and
 17 invested balance of each fund and each account. The
 18 department of administration shall adopt the necessary
 19 procedures to insure that interdepartmental or
 20 intradepartmental transfers of money do not result in
 21 inflation of figures reflecting total governmental costs and
 22 revenues.

23 (2) When the expenditure of an appropriation is
 24 necessary and the cash balance in the account from which the
 25 appropriation was made is insufficient, the department of

1 administration may authorize a transfer, as a temporary loan
 2 bearing no interest, of unrestricted moneys from other
 3 accounts, provided that there is reasonable evidence that
 4 the income provided for the remainder of the fiscal year
 5 will be sufficient to restore the amount so transferred and
 6 provided the loan is recorded in the state accounting
 7 records. The loan must be repaid before the end of the
 8 fiscal year unless it is extended under the criteria of
 9 subsection (3) or by specific legislative authorization. No
 10 account shall be so impaired that all proper demands thereon
 11 cannot be met even if the loan is extended.

12 (3) No loan may be extended into the next fiscal year
 13 unless it is for the sole purpose of:

14 (a) repairing or replacing property damage covered by
 15 insurance; or

16 (b) payment of expenses which will later be reimbursed
 17 by:

18 (i) contractual receipts due from federal revenue;

19 (ii) receipts due to the auxiliary and restricted
 20 subfunds; or

21 (iii) receipts due to the loan fund; or

22 (iv) receipts from the sale of state prison ranch
 23 products.

24 (4) These loans may be extended into the next fiscal
 25 year if the department of administration receives sufficient

1 written justification therefor from the borrower. A loan
 2 extended beyond the fiscal yearend must be repaid within 1
 3 calendar year of the date the loan is approved. Under
 4 unusual circumstances the director of the department of
 5 administration may grant one extension of a loan for up to 1
 6 year. The department of administration shall prepare a
 7 written justification and proposed repayment plan for each
 8 loan extension authorized and shall furnish a copy of the
 9 written justification and proposed repayment plan to the
 10 house appropriations and senate finance and claims
 11 committees at the next legislative session.

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

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

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

4 (b) Units of the university system must maintain
 5 positive cash balances in the subfunds provided in
 6 subsections (1)(d)(i)(A) through (1)(d)(i)(D) and (1)(d)(ii)
 7 through (1)(d)(vi) of 17-2-102."

8 NEW SECTION. Section 2. Extension of authority. Any
 9 existing authority of the department of administration to
 10 make rules on the subject of the provisions of this act is
 11 extended to the provisions of this act.

12 NEW SECTION. Section 3. Effective date. This act is
 13 effective July 1, 1985."

-End-

1 SENATE BILL NO. 259

2 INTRODUCED BY VAN VALKENBURG, DONALDSON

3 BY REQUEST OF THE DEPARTMENT OF INSTITUTIONS

4
5 A BILL FOR AN ACT ENTITLED: "AN ACT REMOVING THE
6 REQUIREMENT THAT THE STATE PRISON RANCH REPAY GENERAL FUND
7 LOANS BY THE END OF THE FISCAL YEAR; AMENDING SECTION
8 17-2-107, MCA; AND PROVIDING AN EFFECTIVE DATE."

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

11 Section 1. Section 17-2-107, MCA, is amended to read:

12 "17-2-107. Accurate accounting records and
13 interaccount loans. (1) The department of administration
14 shall record receipts and disbursements for treasury funds
15 and for accounts within treasury funds and shall maintain
16 records in such a manner as to reflect the total cash and
17 invested balance of each fund and each account. The
18 department of administration shall adopt the necessary
19 procedures to insure that interdepartmental or
20 intradepartmental transfers of money do not result in
21 inflation of figures reflecting total governmental costs and
22 revenues.

23 (2) When the expenditure of an appropriation is
24 necessary and the cash balance in the account from which the
25 appropriation was made is insufficient, the department of

1 administration may authorize a transfer, as a temporary loan
2 bearing no interest, of unrestricted moneys from other
3 accounts, provided that there is reasonable evidence that
4 the income provided for the remainder of the fiscal year
5 will be sufficient to restore the amount so transferred and
6 provided the loan is recorded in the state accounting
7 records. The loan must be repaid before the end of the
8 fiscal year unless it is extended under the criteria of
9 subsection (3) or by specific legislative authorization. No
10 account shall be so impaired that all proper demands thereon
11 cannot be met even if the loan is extended.

12 (3) No loan may be extended into the next fiscal year
13 unless it is for the sole purpose of:

14 (a) repairing or replacing property damage covered by
15 insurance; or

16 (b) payment of expenses which will later be reimbursed.
17 by:

18 (i) contractual receipts due from federal revenue;

19 (ii) receipts due to the auxiliary and restricted
20 subfunds; or

21 (iii) receipts due to the loan fund; or

22 (iv) receipts from the sale of state prison ranch
23 products.

24 (4) These loans may be extended into the next fiscal
25 year if the department of administration receives sufficient

1 written justification therefor from the borrower. A loan
 2 extended beyond the fiscal yearend must be repaid within 1
 3 calendar year of the date the loan is approved. Under
 4 unusual circumstances the director of the department of
 5 administration may grant one extension of a loan for up to 1
 6 year. The department of administration shall prepare a
 7 written justification and proposed repayment plan for each
 8 loan extension authorized and shall furnish a copy of the
 9 written justification and proposed repayment plan to the
 10 house appropriations and senate finance and claims
 11 committees at the next legislative session.

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

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

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

4 (b) Units of the university system must maintain
 5 positive cash balances in the subfunds provided in
 6 subsections (1)(d)(i)(A) through (1)(d)(i)(D) and (1)(d)(ii)
 7 through (1)(d)(vi) of 17-2-102."

8 NEW SECTION. Section 2. Extension of authority. Any
 9 existing authority of the department of administration to
 10 make rules on the subject of the provisions of this act is
 11 extended to the provisions of this act.

12 NEW SECTION. Section 3. Effective date. This act is
 13 effective July 1, 1985.

-End-