

SENATE BILL NO. 291

INTRODUCED BY H. HAMMOND, SHAW, AKLESTAD, MCCALLUM,
SEVERSON, GAGE, PINSONEAULT, NEUMAN, COMPTON

IN THE SENATE

January 31, 1985	Introduced and referred to Committee on Local Government.
February 21, 1985	Committee recommend bill do pass as amended. Report adopted.
February 22, 1985	Bill printed and placed on members' desks.
February 23, 1985	Second reading, do pass.
February 25, 1985	Considered correctly engrossed. Third reading, passed. Ayes, 48; Noes, 0. Transmitted to House.

IN THE HOUSE

February 27, 1985	Introduced and referred to Committee on Local Government.
April 19, 1985	Committee recommend bill be concurring in. Report adopted.
April 20, 1985	Second reading, concurring in.
April 22, 1985	Third reading, concurring in. Returned to Senate.

IN THE SENATE

April 22, 1985	Received from House.
April 23, 1985	Sent to enrolling. Reported correctly enrolled.

Senate BILL NO. 291

INTRODUCED BY *Sen. Hammond* *Sen. [unclear]*
Sen. [unclear] *Sen. [unclear]*

A BILL FOR AN ACT ENTITLED: "AN ACT TO LIMIT STATE-MANDATED AUDITS OF MUNICIPALITIES TO FIRST-, SECOND-, AND THIRD-CLASS CITIES; AMENDING SECTION 2-7-503, MCA."

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

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 of the first, second, and third class;
- (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.

(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.

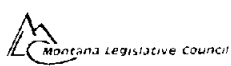
(3) Each audit shall be initiated not later than 24 months from the close of the fiscal year for which the audit is conducted.

(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) Except as herein provided, the department may not audit a fire district which has an annual budget of less than \$20,000 and in which fire protection is provided solely by a fire company composed only of volunteer firefighters organized under Title 7, chapter 33. Such district shall annually file with the board of county commissioners of the county in which the majority of the district is located an itemized account of all receipts and expenditures for the year, signed under oath by an officer of the fire company

**INTRODUCED BILL
SB 291**



1 designated by the fire district trustees. The board of
2 county commissioners may require an annual audit to be
3 conducted by the department if it considers such audit to
4 be in the public interest."

5 NEW SECTION. Section 2. Extension of authority. Any
6 existing authority of the department of commerce to make
7 rules on the subject of the provisions of this act is
8 extended to the provisions of this act.

-End-

APPROVED BY COMM.
ON LOCAL GOVERNMENT

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A BILL FOR AN ACT ENTITLED: "AN ACT TO LIMIT STATE-MANDATED
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CITIES AND TOWNS HAVING A POPULATION OF MORE THAN 300;
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MORE THAN 300 IN THE MOST RECENT CENSUS TAKEN UNDER THE
DIRECTION OF CONGRESS;

(c) first- and second-class school districts and
third-class school districts that maintain a high school;

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functions;

(e) irrigation districts;

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