

SENATE BILL NO. 336

2/06 Introduced
2/07 Referred to Local Government
2/21 Hearing
2/22 Adverse Committee Report
2/22 Bill Killed

1 *Senate* BILL NO. *336*
 2 INTRODUCED BY *Fulker, J. Brown*
 3

4 A BILL FOR AN ACT ENTITLED: "AN ACT CHANGING THE FISCAL
 5 YEAR FOR COUNTIES, CITIES, AND TOWNS; PROVIDING FOR
 6 TRANSITION IN BUDGETS AND MILL LEVIES; AMENDING SECTIONS
 7 7-3-1302, 7-6-2201, 7-6-2313, 7-6-2316, 7-6-2320, 7-6-2321,
 8 7-6-2352, 7-6-4101, 7-6-4103, 7-6-4113, 7-6-4221, 7-6-4224,
 9 7-6-4227, 7-6-4231, 7-6-4232, 7-6-4407, 7-7-2264, 7-7-4264,
 10 AND 7-16-2204, MCA; AND PROVIDING A DELAYED EFFECTIVE DATE
 11 AND AN APPLICABILITY DATE."
 12

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

14 Section 1. Section 7-3-1302, MCA, is amended to read:
 15 "7-3-1302. Fiscal year. The fiscal year of the
 16 municipality shall begin with ~~July~~ October 1 and shall end
 17 with the succeeding ~~June~~ September 30."

18 Section 2. Section 7-6-2201, MCA, is amended to read:
 19 "7-6-2201. Fiscal year for counties. The fiscal year
 20 for county purposes commences on ~~July~~ October 1 of each year
 21 and ends on ~~June~~ September 30 of the following year."

22 Section 3. Section 7-6-4101, MCA, is amended to read:
 23 "7-6-4101. Fiscal year for municipalities. The fiscal
 24 year of cities and towns commences on ~~July~~ October 1 of each
 25 year and ends on ~~June~~ September 30 of the following year."

1 Section 4. Section 7-6-2313, MCA, is amended to read:
 2 "7-6-2313. Preparation of expenditure program and
 3 information on sources of revenue. (1) From those estimates
 4 the county clerk and recorder shall prepare a tabulation
 5 showing the complete estimated expenditure program of the
 6 county for the current next fiscal year and the sources of
 7 revenue by which it is to be financed.

8 (2) The tabulation shall set forth:
 9 (a) the estimated receipts from all sources other than
 10 taxation for each office, department, service, institution,
 11 or district court program funded by the county for the
 12 current next fiscal year;

13 (b) the actual estimated receipts for the ~~last~~
 14 completed current fiscal year;

15 (c) the estimated surplus or unencumbered treasury
 16 balances at the close of ~~that-last~~ the current fiscal year;

17 (d) the amount necessary to be raised by taxation;

18 (e) the estimated expenditure for each office,
 19 department, service, institution, or district court program
 20 funded by the county for the current next fiscal year;

21 (f) the actual estimated expenditures for the ~~last~~
 22 completed current fiscal year;

23 (g) all contracts or other obligations which will
 24 affect the current next year revenues;

25 (h) the total amount of emergency warrants issued



1 during the preceding current fiscal year, with the amount
2 issued for each emergency and the amount issued against each
3 fund."

4 Section 5. Section 7-6-2316, MCA, is amended to read:

5 "7-6-2316. Notice of hearing on preliminary budget.

6 (1) The board of county commissioners shall then have a
7 notice published stating that:

8 (a) the board has completed its preliminary county
9 budget for the current next fiscal year;

10 (b) the budget is open to inspection in the office of
11 the county clerk and recorder;

12 (c) the board will meet on the Wednesday before the
13 second Monday in August to fix the final budget and make
14 appropriations, stating the time and place of the meeting;
15 and

16 (d) any taxpayer or resident of the county may appear
17 and be heard for or against any part of the budget.

18 (2) The notice shall be published at least one time in
19 a newspaper of general circulation in the county."

20 Section 6. Section 7-6-2320, MCA, is amended to read:

21 "7-6-2320. Final budget -- approval, adoption, and
22 amendment. (1) The budget as finally determined, in addition
23 to setting out separately each item for which an
24 appropriation or expenditure is authorized and the fund out
25 of which it is to be paid, shall set out:

1 (a) the total amount appropriated and authorized to be
2 spent from each fund;

3 (b) the estimated cash balance in the fund at the
4 close of the preceding current fiscal year;

5 (c) the amount estimated to accrue to the fund from
6 sources other than taxation;

7 (d) the reserve for the next fiscal year; and

8 (e) the amount necessary to be raised for each fund by
9 tax levy during the current next fiscal year.

10 (2) The board shall then by resolution approve and
11 adopt the budget as finally determined and enter the budget
12 at length in the official minutes of the board.

13 (3) (a) Subject to compliance with the procedures set
14 forth in subsection (4), the board may approve and adopt a
15 resolution amending a final budget when:

16 (i) shortfalls in anticipated and budgeted revenues
17 occur that, unless reductions in appropriations are made,
18 will result in expenditures for the year exceeding actual
19 revenues and cash balances available therefor; or

20 (ii) savings result from unanticipated adjustments in
21 projected expenditures.

22 (b) Amended appropriations must be classified as:

23 (i) salaries and wages;

24 (ii) maintenance and operation;

25 (iii) capital outlay;

1 (iv) interest and debt redemption; or
 2 (v) miscellaneous.
 3 (4) Prior to amending a final budget, the board shall:
 4 (a) hold a public hearing on the proposed amendments
 5 at least 7 days prior to a vote on the resolution amending
 6 the budget; and
 7 (b) publish notice, at least once, in a newspaper of
 8 general circulation in the county at least 6 but not more
 9 than 16 days before the hearing on the budget amendments.
 10 The published notice must specify the date, time, place, and
 11 subject of the hearing."
 12 Section 7. Section 7-6-2321, MCA, is amended to read:
 13 "7-6-2321. Fixing of tax levy. (1) On the second
 14 Monday in August and after the approval and adoption of the
 15 final budget, the board of county commissioners shall fix
 16 the tax levy for each fund at a rate which will raise the
 17 amount set out in the budget as the amount necessary to be
 18 raised by tax levy for the fund during the current next
 19 fiscal year. The taxable valuation of the county for the
 20 current next fiscal year shall be the basis for determining
 21 the amount of the tax levy for each fund. Each tax levy
 22 shall be at a rate no higher than is required on that basis,
 23 without including any amount for anticipated tax
 24 delinquency, to produce the amount set out in the budget,
 25 without including any amount for anticipated tax

1 delinquency, as being the amount to be raised by tax levy.
 2 (2) The tax levy shall be made in the manner provided
 3 by 15-10-201."
 4 Section 8. Section 7-6-2352, MCA, is amended to read:
 5 "7-6-2352. State grants to district courts -- rules.
 6 (1) The department of commerce shall make grants to the
 7 governing body of a county for the district courts for
 8 assistance, as provided in this section. The grants are to
 9 be made from funds appropriated to the department for that
 10 purpose. If the department approves grants in excess of the
 11 amount appropriated, each grant shall be reduced an equal
 12 percentage so the appropriation will not be exceeded.
 13 (2) The governing body of a county may apply to the
 14 department of commerce for a grant by filing a written
 15 request on forms provided by the department by ~~July~~ October
 16 20 for the previous fiscal year unless the department grants
 17 a time extension upon request of the county. In its request
 18 for a grant, a county must certify that:
 19 (a) all expenditures from the district court fund have
 20 been lawfully made;
 21 (b) no transfers from the district court fund have
 22 been or will be made to any other fund; and
 23 (c) no expenditures have been made from the district
 24 court fund that are not specifically authorized by 7-6-2511
 25 and 7-6-2351.

1 (3) The department of commerce shall award a grant if
2 the county's district court expenditures for the previous
3 fiscal year exceeded the sum of:

4 (a) the product of the maximum mill levy authorized by
5 law for district court purposes, whether or not assessed,
6 multiplied by the previous year's taxable valuation of the
7 county; and

8 (b) all revenues, except district court grants,
9 required by law to be deposited in the district court fund
10 for the previous fiscal year.

11 (4) Eligible court expenditures for grant purposes
12 include all costs of the county associated with the
13 operation and maintenance of the district court, from
14 whatever fund paid, except costs for building and capital
15 items and library maintenance, replacement, and acquisition.

16 (5) The department of commerce shall notify each
17 eligible county as soon as possible of its intention to
18 award a grant to that county and the amount of the award.

19 (6) The grant received by the county shall be placed
20 in the district court fund.

21 (7) After all grants are awarded, the department of
22 commerce shall audit each approved grant request. The
23 department shall charge each county receiving a grant an
24 audit fee in the same amount as the costs incurred in
25 conducting the audit.

1 (8) If the audit of a grant recipient discloses that
2 the recipient received a grant in excess of the amount for
3 which it was eligible, the recipient shall repay the excess
4 to the department of commerce. The department shall
5 redistribute any repaid excess amounts to the other counties
6 that received grants from the appropriation from which the
7 overpayment was made, on the same basis as the original
8 awards. No county is eligible for a district court grant if
9 it owes the department a refund of a prior year's
10 overpayment.

11 (9) The department of commerce shall prescribe rules
12 and forms necessary to effectively administer this section.
13 The department may require a county to provide any
14 information considered necessary for the administration of
15 the program."

16 Section 9. Section 7-6-4103, MCA, is amended to read:
17 "7-6-4103. Annual appropriation. The council must,
18 during the month of July August in each fiscal year, pass an
19 ordinance to be known as the "Annual appropriation for the
20 of for the fiscal year beginning July October 1,
21 19..", in which ordinance there must be appropriated enough
22 money to defray the expenses or liabilities of the city or
23 town for such fiscal year. There must be specified therein
24 the amount appropriated for each separate object or fund and
25 the salary or compensation to be paid to each officer of the

1 city or town."

2 Section 10. Section 7-6-4113, MCA, is amended to read:

3 "7-6-4113. Filing of annual financial statement. (1)
4 The city or town clerk must, not later than ~~August--31~~
5 November 30 following the close of each fiscal year,
6 transmit one copy of the statement to the department of
7 commerce and must present the other copy to the city or town
8 council or commission at its first regular meeting in
9 ~~September~~ December.

10 (2) If a city or town clerk fails to file a copy of
11 the statement with the department within the time specified,
12 the department, without delay, shall examine the books,
13 records, and accounts of the city or town. The department
14 shall make from its examination a statement of the financial
15 condition of the city or town for the preceding fiscal year
16 in the manner it should have been made by the city or town
17 clerk. The examination shall be considered a special audit
18 under the provisions of subsections (4) and (5) of 2-7-503,
19 and all of the provisions of subsections (4) and (5) of
20 2-7-503 apply to it."

21 Section 11. Section 7-6-4221, MCA, is amended to read:

22 "7-6-4221. Filing of estimate of revenues and expenses
23 with clerk. (1) Before July 1 of each year the clerk of each
24 city shall notify in writing each official in charge of an
25 office, department, service, or institution of the

1 municipality to file with the clerk, before July 10,
2 detailed and itemized estimates, both of the probable
3 revenues from sources other than taxation and of all
4 expenditures required by the office, department, service, or
5 institution for the current next fiscal year.

6 (2) (a) The council shall submit to the clerk the
7 estimate of expenditures for all purposes for the council.
8 The council shall also submit to the clerk detailed
9 estimates of all expenditures for construction or
10 improvement purposes proposed to be made from the proceeds
11 of bond issues not yet authorized and from the proceeds of
12 tax levies which are required to be submitted to and
13 approved at an election to be held.

14 (b) The mayor of the municipality shall submit to the
15 clerk a detailed estimate showing the amount to be
16 appropriated from funds belonging to the municipality to
17 defray the municipality's portion of the cost of making
18 improvements in special improvement districts and
19 maintaining them and of installing lighting systems in
20 special lighting districts and maintaining them.

21 (c) The city treasurer shall prepare the estimates for
22 interest and debt reduction.

23 (d) The clerk shall prepare all other estimates which
24 properly fall within the duties of his office.

25 (3) The estimates required in this section shall be

1 submitted on forms provided by the clerk and prescribed by
2 the department of commerce. The form may be varied or
3 departed from only with permission and approval of the
4 department. Each of the officials shall file the estimates
5 within the time and in the manner provided in the form and
6 notice.

7 (4) In the absence or disability of an official, the
8 duties required in this section or 7-6-4223 devolve upon the
9 official or employee in charge of the office, department,
10 service, or institution for the time being."

11 Section 12. Section 7-6-4224, MCA, is amended to read:

12 "7-6-4224. Preparation of expenditure program and
13 information on sources of revenue. (1) From estimates of
14 revenue and disbursements, the clerk shall prepare a
15 tabulation showing the complete estimated expenditure
16 program of the municipality for the current next fiscal year
17 and the sources of revenue by which it is to be financed.

18 (2) The tabulation shall set forth:

19 (a) the estimated receipts from all sources other than
20 taxation for each office, department, service, or
21 institution for the current next fiscal year;

22 (b) the ~~actual~~ estimated receipts for the ~~last~~
23 completed current fiscal year;

24 (c) the estimated surplus or unencumbered treasury
25 balances at the close of ~~that-last~~ the current fiscal year;

1 (d) the amount necessary to be raised by taxation;

2 (e) the estimated expenditure for each office,
3 department, service, or institution for the current next
4 fiscal year;

5 (f) the ~~actual~~ estimated expenditures for the ~~last~~
6 completed current fiscal year;

7 (g) all contracts or other obligations which will
8 affect the current next year revenues;

9 (h) the total amount of emergency warrants issued
10 during the preceding current fiscal year, with the amount
11 issued for each emergency and the amount issued against each
12 fund."

13 Section 13. Section 7-6-4227, MCA, is amended to read:

14 "7-6-4227. Notice of hearing on preliminary budget.

15 (1) The council shall then cause a notice to be published
16 stating that:

17 (a) the council has completed its preliminary
18 municipal budget for the current next fiscal year;

19 (b) the budget has been placed on file and is open to
20 inspection in the office of the clerk of the municipality;

21 (c) the council will meet on the Wednesday immediately
22 preceding the second Monday in August for the purpose of
23 fixing the final budget and making appropriations,
24 designating the time and place when and where such meeting
25 will be held; and

1 (d) any taxpayer or resident may appear at the meeting
2 and be heard for or against any part of the budget.

3 (2) The notice shall be published at least one time in
4 the official newspaper of the municipality or, if there is
5 none, then in a newspaper of general circulation in the
6 county in which the municipality is situated."

7 Section 14. Section 7-6-4231, MCA, is amended to read:

8 "7-6-4231. Final budget -- approval, adoption, and
9 amendment. (1) The budget as finally determined, in addition
10 to setting out separately each item for which an
11 appropriation is made or expenditure authorized and the fund
12 out of which it is to be paid, shall set out:

13 (a) the total amount appropriated and authorized to be
14 spent from each fund;

15 (b) the estimated cash balance in excess of
16 outstanding unpaid warrants at the close of the preceding
17 current fiscal year;

18 (c) the amount estimated to accrue to the fund from
19 sources other than taxation;

20 (d) the reserve for the end of the next fiscal year;
21 and

22 (e) the amount necessary to be raised for each fund by
23 tax levy during the current next fiscal year.

24 (2) The council shall then by resolution approve and
25 adopt the budget as finally determined, and the clerk shall

1 enter it at length in the official minutes of the council.

2 (3) (a) Subject to compliance with the procedures set
3 forth in subsection (4), the council may approve and adopt a
4 resolution amending a final budget when:

5 (i) shortfalls in anticipated and budgeted revenues
6 occur that, unless reductions in appropriations are made,
7 will result in expenditures for the year exceeding actual
8 revenues and cash balances available therefor; or

9 (ii) savings result from unanticipated adjustments in
10 projected expenditures.

11 (b) Amended appropriations must be classified as:

12 (i) salaries and wages;

13 (ii) maintenance and operation;

14 (iii) capital outlay;

15 (iv) interest and debt redemption; or

16 (v) miscellaneous.

17 (4) Prior to amending a final budget, the council
18 shall:

19 (a) hold a public hearing on the proposed amendments
20 at least 7 days prior to a vote on the resolution amending
21 the budget; and

22 (b) publish notice at least once in a newspaper of
23 general circulation in the city or town at least 6 but not
24 more than 16 days before the hearing on the budget
25 amendments. The published notice must specify the date,

1 time, place, and subject of the hearing."

2 Section 15. Section 7-6-4232, MCA, is amended to read:

3 "7-6-4232. Fixing of tax levy. (1) On the second
4 Monday in August and after the approval and adoption of the
5 final budget, the council shall fix the tax levy for each
6 fund at a rate, not exceeding limits prescribed by law,
7 which will raise the amount set out in the budget as the
8 amount necessary to be raised by tax levy for that fund
9 during the current next fiscal year. The taxable valuation
10 of the city for the current next fiscal year shall be the
11 basis for determining the amount of the tax levy for each
12 fund, and each tax levy shall be at a rate no higher than is
13 required on that basis, without including any amount for
14 anticipated tax delinquency, to raise the amount set out in
15 the budget.

16 (2) If the council considers that a levy made for a
17 bond sinking or interest fund will not provide a sufficient
18 amount to pay all bond principal and interest becoming due
19 during the current next fiscal year or within 6 months after
20 the current next fiscal year because of anticipated tax
21 delinquency, the council may fix the levy at a rate it
22 considers necessary to raise the amount for making the
23 payments of principal and interest over and above the
24 anticipated tax delinquency.

25 (3) Each levy shall be made in the manner provided by

1 15-10-201."

2 Section 16. Section 7-6-4407, MCA, is amended to read:

3 "7-6-4407. Resolution to fix annual tax levy. (1) The
4 council must, on or before the second Monday of August of
5 each year, by resolution determine the amount of the city or
6 town taxes for all purposes to be levied and assessed on the
7 taxable property in the city or town for the current next
8 fiscal year.

9 (2) (a) Except as provided in subsection (2)(b), the
10 city or town clerk must at once certify to the county clerk
11 a copy of such resolution, and the county treasurer must
12 collect said taxes as provided in this part.

13 (b) In cities where the council has provided by
14 ordinance for the collection of such taxes by the city
15 treasurer, the city clerk must certify a copy of such
16 resolution to said city treasurer."

17 Section 17. Section 7-7-2264, MCA, is amended to read:

18 "7-7-2264. Statement as to amount of principal and
19 interest due and payable on bonds. (1) Whenever any county
20 has any issue or series of bonds outstanding and there are
21 not sufficient funds on hand available for the payment of
22 the full amount of the interest and principal thereof, the
23 county treasurer of such county shall, between the first and
24 fifth days of August in each year while such bonds or any
25 thereof remain outstanding and unpaid, make out and deliver

1 to the board of county commissioners of such county a
2 statement.

3 (2) The statement required by subsection (1) shall
4 show the amount required to be raised by tax levy during the
5 ~~then-current~~ next fiscal year for payment of interest and
6 principal becoming due and payable during such fiscal year
7 or within 90 days thereafter on each issue or series of
8 bonds outstanding. If no part of the principal of any such
9 issue or series of bonds will become due and payable within
10 such time, then such statement shall show the amount
11 required to be raised by tax levy during such year for
12 payment of interest becoming due during such time and to
13 place the proper amount in the sinking fund for the payment
14 of the principal of such bonds when they become due, as
15 provided in 7-7-2265."

16 Section 18. Section 7-7-4264, MCA, is amended to read:

17 "7-7-4264. Statement as to amount of principal and
18 interest due and payable on bonds. (1) Whenever any city or
19 town has any issue or series of bonds outstanding and there
20 are not sufficient funds on hand available for the payment
21 of the full amount of the interest and principal thereof,
22 the city treasurer or town clerk shall, between July 1 and
23 July 15 in each year while such bonds or any of them remain
24 outstanding and unpaid, make out and deliver to the city or
25 town clerk a statement.

1 (2) The statement required by subsection (1) shall
2 show the amount required to be raised by tax levy during the
3 ~~then-current~~ next fiscal year for payment of interest and
4 principal becoming due and payable during such fiscal year
5 or within 90 days thereafter on each issue or series of
6 bonds outstanding. If no part of the principal of any such
7 issue or series of bonds outstanding or if no part of the
8 principal of any such issue or series of bonds will become
9 due and payable within such time, then such statement shall
10 show the amount required to be raised by tax levy during
11 such year for payment of interest becoming due during such
12 time and to place the proper amount in the sinking fund for
13 the payment of the principal of such bonds when they become
14 due, as provided in 7-7-4204.

15 (3) The statement prepared by the city treasurer or
16 town clerk shall be presented by the city or town clerk to
17 the city or town council at its next meeting."

18 Section 19. Section 7-16-2204, MCA, is amended to
19 read:

20 "7-16-2204. Role of museum board of trustees. It shall
21 be the duty of such board:

22 (1) to have the immediate custody, charge, and control
23 of such museum or collection;

24 (2) to make such rules as may be necessary and
25 reasonable for the preservation, upkeep, care, maintenance,

1 operation, support, and display thereof; and

2 (3) to make to the board of county commissioners, not
3 later than July 15 of each year:

4 (a) a report in writing, detailing all gifts and
5 donations made to such museum or collection and the receipts
6 and expenditures during the ~~immediately--preceding~~ current
7 fiscal year; and

8 (b) an estimate of the amount to be budgeted for such
9 museum or collection in the budget of the county for the
10 then current next fiscal year."

11 NEW SECTION. Section 20. Transition. Budgets adopted
12 for fiscal year 1987 must allow for the following
13 transitional provisions:

14 (1) For the purposes of transition, fiscal year 1987
15 shall consist of 15 months from July 1, 1986, to September
16 30, 1987.

17 (2) The mill levies adopted for fiscal year 1987 may
18 exceed the statutory annual mill levy limits by 25% to fund
19 the additional 3 months contained in the transitional fiscal
20 year.

21 NEW SECTION. Section 21. Effective date --
22 applicability date. This act is effective January 1, 1986,
23 and applies to fiscal years beginning after June 30, 1986.

-End-