

SENATE BILL NO. 420  
INTRODUCED BY VAN VALKENBURG

IN THE SENATE

February 15, 1985	Introduced and referred to Committee on State Administration.
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 as amended.
February 25, 1985	Correctly engrossed.  Third reading, passed. Ayes, 47; Noes, 0.  Transmitted to House.

IN THE HOUSE

February 27, 1985	Introduced and referred to Committee on State Administration.
March 22, 1985	Committee recommend bill be concurrent in as amended. Report adopted.
March 23, 1985	Second reading, concurred in.
March 26, 1985	Third reading, concurred in.  Returned to Senate with amendments.

IN THE SENATE

March 26, 1985

Received from House.

April 2, 1985

Second reading, amendments  
concurrent in.

April 4, 1985

Third reading, amendments  
concurrent in. Ayes, 50;  
Noes, 0.

Sent to enrolling.

Reported correctly enrolled.

1 *Senate* BILL NO. 420  
 2 INTRODUCED BY *Van Valkenburg*  
 3

4 A BILL FOR AN ACT ENTITLED: "AN ACT AMENDING THE LAW  
 5 RELATING TO THE IDENTIFICATION OR SEGREGATION OF MONEYS OR  
 6 FUNDS IN THE STATE FUND STRUCTURE; REQUIRING EACH FEDERAL  
 7 GRANT OR OTHER FEDERAL MONEY WITHIN THE GOVERNMENTAL,  
 8 PROPRIETARY, AND FIDUCIARY FUND CATEGORIES OR WITHIN A  
 9 SUBFUND OR ACCOUNT OF SUCH FUNDS TO BE IDENTIFIABLE WITHIN  
 10 THE FUND; REQUIRING ACCOUNTINGS OF THE INCOME AND  
 11 EXPENDITURES OF SUCH GRANT MONEY; PROVIDING A TRANSITION  
 12 PERIOD FOR FEDERAL HIGHWAY FUNDS; PROVIDING THAT TAXES  
 13 COLLECTED BY THE STATE FOR DISTRIBUTION TO LOCAL GOVERNMENTS  
 14 ARE NOT TO BE ACCOUNTED FOR IN THE STATE GENERAL FUND;  
 15 AMENDING SECTION 17-2-103, MCA; AND PROVIDING AN EFFECTIVE  
 16 DATE."

17  
 18 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:  
 19 Section 1. Section 17-2-103, MCA, is amended to read:  
 20 "17-2-103. Previous definitions of funds -- ~~future~~  
 21 ~~provisions--for~~ identification or segregation of moneys and  
 22 funds. (1) It is the intent of the legislature that the  
 23 definitions in 17-2-102 supersede all previous definitions  
 24 of public funds which are inconsistent with the definitions  
 25 found in this part.

1 (2) Any laws enacted in the future or any contracts  
 2 entered into in the future in pursuance of law that require  
 3 the segregation of moneys in the state treasury by means of  
 4 a separate treasury fund shall be interpreted as permitting  
 5 the segregation of such moneys by means of a subfund or  
 6 account within one of the funds created by 17-2-102.

7 (3) Each federal grant or other federal money within  
 8 any subfund or account of one of the funds created by  
 9 17-2-102(1)(a) through (1)(c) must be identifiable as a  
 10 separate accounting entity, reporting center, or  
 11 responsibility center, and an account must be made of each  
 12 such grant or other money by income and expenditure for each  
 13 federal grant year or fiscal year as may be applicable.

14 (4) Unless otherwise specifically provided in the  
 15 statutes pertaining to the tax, taxes collected by the state.  
 16 that, pursuant to a statute, are to be wholly or partially  
 17 allocated or distributed to units of local government,  
 18 school districts, authorities, or other local governmental  
 19 entities do not constitute financial resources of the state  
 20 to be accounted for in the state general fund established in  
 21 17-2-102."

22 NEW SECTION. Section 2. Transition -- effective date.  
 23 (1) The provisions of 17-2-103(3) are not applicable to  
 24 federal funds received by the department of highways for or  
 25 on behalf of the state for the construction, reconstruction,



LC 1188/01.

1 repair, and maintenance of highways in the state until July  
2 1, 1987.  
3 (2) This act is effective July 1, 1985.

-End-

APPROVED BY COMMITTEE  
ON STATE ADMINISTRATION

1 SENATE BILL NO. 420

2 INTRODUCED BY VAN VALKENBURG

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12 PERIOD FOR FEDERAL HIGHWAY FUNDS; PROVIDING THAT TAXES  
13 COLLECTED BY THE STATE FOR DISTRIBUTION TO LOCAL GOVERNMENTS  
14 ARE NOT TO BE ACCOUNTED FOR IN THE STATE GENERAL FUND;  
15 AMENDING SECTION 17-2-103, MCA; AND PROVIDING AN EFFECTIVE  
16 DATE."

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

19 Section 1. Section 17-2-103, MCA, is amended to read:

20 "17-2-103. Previous definitions of funds -- future  
21 provisions--for identification or segregation of moneys and  
22 funds. (1) It is the intent of the legislature that the  
23 definitions in 17-2-102 supersede all previous definitions  
24 of public funds which are inconsistent with the definitions  
25 found in this part.

1 (2) Any laws enacted in the future or any contracts  
2 entered into in the future in pursuance of law that require  
3 the segregation of moneys in the state treasury by means of  
4 a separate treasury fund shall be interpreted as permitting  
5 the segregation of such moneys by means of a subfund or  
6 account within one of the funds created by 17-2-102.

7 (3) Each federal grant or other federal money within  
8 any subfund or account of one of the funds created by  
9 17-2-102(1)(a) through (1)(c) must be identifiable as a  
10 separate accounting entity, reporting center, or  
11 responsibility center, and an account must be made of each  
12 such grant or other money by income and expenditure for each  
13 federal grant year or fiscal year as may be applicable.

14 (4) Unless otherwise specifically provided in the  
15 statutes pertaining to the tax, THE PORTION OF taxes  
16 collected by the state that, pursuant to a statute, are to  
17 be wholly or partially allocated or distributed to units of  
18 local government, school districts, authorities, or other  
19 local governmental entities do--not--constitute--financial  
20 resources--of--the--state--to SHALL be accounted for in the  
21 state general SPECIAL REVENUE fund established in 17-2-102."

22 NEW SECTION. Section 2. Transition -- effective date.  
23 (1) The provisions of 17-2-103(3) are not applicable to  
24 federal funds received by the department of highways for or  
25 on behalf of the state for the construction, reconstruction,

1 repair, and maintenance of highways in the state until July  
2 1, 1987.

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11 EXPENDITURES OF SUCH GRANT MONEY; PROVIDING A TRANSITION  
12 PERIOD FOR FEDERAL HIGHWAY FUNDS; PROVIDING THAT TAXES  
13 COLLECTED BY THE STATE FOR DISTRIBUTION TO LOCAL GOVERNMENTS  
14 ARE NOT TO BE ACCOUNTED FOR IN THE STATE GENERAL SPECIAL  
15 REVENUE FUND; AMENDING SECTION 17-2-103, MCA; AND PROVIDING  
16 AN EFFECTIVE DATE."

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23 definitions in 17-2-102 supersede all previous definitions  
24 of public funds which are inconsistent with the definitions  
25 found in this part.

1 (2) Any laws enacted in the future or any contracts  
2 entered into in the future in pursuance of law that require  
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4 a separate treasury fund shall be interpreted as permitting  
5 the segregation of such moneys by means of a subfund or  
6 account within one of the funds created by 17-2-102.

7 (3) Each federal grant or other federal money within  
8 any subfund or account of one of the funds created by  
9 17-2-102(1)(a) through (1)(c) must be identifiable as a  
10 separate accounting entity, reporting center, or  
11 responsibility center, and an account must be made of each  
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15 statutes pertaining to the tax, THE PORTION OF taxes  
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19 local governmental entities do--not--constitute--financial  
20 resources--of--the--state--to SHALL be accounted for in the  
21 state general SPECIAL REVENUE fund established in 17-2-102."

22 NEW SECTION. Section 2. Transition -- effective date.

23 (1) The provisions of 17-2-103(3) are not applicable to  
24 federal funds received by the department of highways for or  
25 on behalf of the state for the construction, reconstruction,

SB 0420/03

1 repair, and maintenance of highways in the state until July  
2 1, 1987.  
3 (2) This act is effective July 1, 1985.

-End-



# STANDING COMMITTEE REPORT

HOUSE

March 22

19 95

MR. SPEAKER

We, your committee on State Administration

having had under consideration Senate Bill No. 420

Third reading copy ( Blue )  
color

## FUND STRUCTURE CLARIFICATION - FEDERAL FUNDS AND TAXES FOR LOCALITIES

Respectfully report as follows: That Senate Bill No. 420

### BE AMENDED AS FOLLOWS:

1) Page 2, line 10.

Strike: "or"

2) Page 2, line 11.

Following: "center,"

Insert: "or revenue identification code,"

  
AND AS AMENDED  
BE CONCURRED IN

~~XXXXXX~~

543/22

Walter R. Sales.

Chairman.

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Section 1. Section 17-2-103, MCA, is amended to read:

"17-2-103. Previous definitions of funds -- ~~future provisions--for~~ identification or segregation of moneys and funds. (1) It is the intent of the legislature that the definitions in 17-2-102 supersede all previous definitions of public funds which are inconsistent with the definitions found in this part.

(2) Any laws enacted in the future or any contracts entered into in the future in pursuance of law that require the segregation of moneys in the state treasury by means of a separate treasury fund shall be interpreted as permitting the segregation of such moneys by means of a subfund or account within one of the funds created by 17-2-102.

(3) Each federal grant or other federal money within any subfund or account of one of the funds created by 17-2-102(1)(a) through (1)(c) must be identifiable as a separate accounting entity, reporting center, or responsibility center, OR REVENUE IDENTIFICATION CODE, and an account must be made of each such grant or other money by income and expenditure for each federal grant year or fiscal year as may be applicable.

(4) Unless otherwise specifically provided in the statutes pertaining to the tax, THE PORTION OF taxes collected by the state that, pursuant to a statute, are to be wholly or partially allocated or distributed to units of local government, school districts, authorities, or other local governmental entities do--not--constitute--financial resources--of--the--state--to SHALL be accounted for in the state general SPECIAL REVENUE fund established in 17-2-102."

NEW SECTION. Section 2. Transition -- effective date.

(1) The provisions of 17-2-103(3) are not applicable to federal funds received by the department of highways for or

SB 0420/04

1 on behalf of the state for the construction, reconstruction,  
2 repair, and maintenance of highways in the state until July  
3 1, 1987.

4 (2) This act is effective July 1, 1985.

-End-