# HOUSE BILL NO. 635

## INTRODUCED BY SIMON

## BY REQUEST OF THE DEPARTMENT OF SOCIAL AND REHABILITATION SERVICES

IN THE HOUSE

- FEBRUARY 6, 1987 INTRODUCED AND REFERRED TO COMMITTEE ON APPROPRIATIONS.
- FEBRUARY 19, 1987 COMMITTEE RECOMMEND BILL DO PASS. REPORT ADOPTED.
- FEBRUARY 20, 1987 PRINTING REPORT.
- FEBRUARY 21, 1987 SECOND READING, DO PASS.
- FEBRUARY 23, 1987 ENGROSSING REPORT.

THIRD READING, PASSED. AYES, 94; NOES, 4.

TRANSMITTED TO SENATE.

IN THE SENATE

- MARCH 2, 1987 INTRODUCED AND REFERRED TO COMMITTEE ON FINANCE & CLAIMS.
- MARCH 6, 1987 COMMITTEE RECOMMEND BILL BE CONCURRED IN. REPORT ADOPTED.
- MARCH 10, 1987 SECOND READING, CONCURRED IN.
- MARCH 12, 1987 THIRD READING, CONCURRED IN. AYES, 50; NOES, 0.

RETURNED TO HOUSE.

IN THE HOUSE

MARCH 13, 1987 RECEIVED FROM SENATE.

SENT TO ENROLLING.

LC 1138/01

House BILL NO. 675 1 INTRODUCED BY 2 BY REQUEST OF THE DEPARTMENT 3 4 OF SOCIAL AND REHABILITATION SERVICES 5 6 A BILL FOR AN ACT ENTITLED: "AN ACT TO ALLOW THE DEPARTMENT OF SOCIAL AND REHABILITATION SERVICES TO MAINTAIN POSITIVE 7 CASH BALANCES IN THE FEDERAL SPECIAL REVENUE FUND BY 8 BORROWING FROM THE GENERAL FUND WHEN FEDERAL MATCHING FUNDS 9 ARE NOT YET RECEIVED; AMENDING SECTION 17-2-107, MCA; AND 10 11 PROVIDING AN IMMEDIATE EFFECTIVE DATE." 12 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA: 13 Section 1. Section 17-2-107, MCA, is amended to read: 14 15 "17-2-107. Accurate accounting records and 16 interaccount loans. (1) The department of administration shall record receipts and disbursements for treasury funds 17 and for accounts within treasury funds and shall maintain 18 records in such a manner as to reflect the total cash and 19 invested balance of each fund and each account. The 20 21 department of administration shall adopt the necessary 22 procedures to insure that interdepartmental or intradepartmental transfers of money do not result in 23 inflation of figures reflecting total governmental costs and 24 25 revenues.

1 (2) When the expenditure of an appropriation is 2 necessary and the cash balance in the account from which the 3 appropriation was made is insufficient, the department of 4 administration may authorize a transfer, as a temporary loan bearing no interest, of unrestricted moneys from other 5 6 accounts, provided that there is reasonable evidence that the income will be sufficient to restore the amount so 7 transferred within 1 calendar year and provided the loan is 8 9 recorded in the state accounting records. The loan must be 10 repaid within 1 calendar year of the date the loan is approved unless it is extended under subsection (3) or by 11 12 specific legislative authorization. No account shall be so impaired that all proper demands thereon cannot be met even 13 14 if the loan is extended.

15 (3) Under unusual circumstances the director of the 16 department of administration may grant one extension of a loan for up to 1 year. The department of administration 17 18 shall prepare a written justification and proposed repayment 19 plan for each loan extension authorized and shall furnish a copy of the written justification and proposed repayment 20 21 plan to the house appropriations and senate finance and 22 claims committees at the next legislative session.

(4) Any loan from the general fund or the current
unrestricted subfund to funds designated in subsections
(1)(d)(i)(D) and (1)(d)(ii) through (1)(d)(vi) of 17-2-102

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shall bear interest at a rate equivalent to the previous
 fiscal year's average rate of return on the board of
 investments' short-term investment pool. Except for
 investment earnings on restricted donations, all designated
 and restricted subfund investment earnings are credited to
 the state general fund.

7 (5) No accounting entity may have a negative cash 8 balance at fiscal yearend. The department of administration 9 may, however, allow any entity to carry a negative balance 10 at any point during the fiscal year subject to the following 11 restrictions:

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

(b) Units of the university system and postsecondary
vocational-technical centers must maintain positive cash
balances in the subfunds provided in subsections
(1)(d)(i)(A) through (1)(d)(i)(D) and (1)(d)(ii) through
(1)(d)(vi) of 17-2-102.

(6) Notwithstanding the provisions of subsections (2)
through (4), the department of social and rehabilitation
services may maintain positive cash balances in the federal
special revenue fund with long-term repayment whenever
necessary due to the timing for transmittal of obligated
matching funds if it can be demonstrated to the satisfaction

1	of the department of administration that the total loan
2	balance does not exceed total receivables from federal and
3	county governments and receivables have been billed on a
4	timely basis. The loan must be repaid under such terms and
5	conditions as may be determined by the department of
6	administration or by specific legislative authorization."
7	NEW SECTION. Section 2. Extension of authority. Any
8	existing authority of the department of administration to
9	make rules on the subject of the provisions of this act is
10	extended to the provisions of this act.
11	NEW SECTION. Section 3. Effective date. This act is

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12 effective on passage and approval.

-End-

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APPROVED BY COMMITTEE **DN APPROPRIATIONS** 

1	House BILL NO. 435
2	INTRODUCED BY
3	BY REQUEST OF THE DEPARTMENT
4	OF SOCIAL AND REHABILITATION SERVICES
5	
б	A BILL FOR AN ACT ENTITLED: "AN ACT TO ALLOW THE DEPARTMENT
7	OF SOCIAL AND REHABILITATION SERVICES TO MAINTAIN POSITIVE
8	CASH BALANCES IN THE FEDERAL SPECIAL REVENUE FUND BY
9	BORROWING FROM THE GENERAL FUND WHEN FEDERAL MATCHING FUNDS
10	ARE NOT YET RECEIVED; AMENDING SECTION 17-2-107, MCA; AND
11	PROVIDING AN IMMEDIATE EFFECTIVE DATE."
12	
13	BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
14	Section 1. Section 17-2-107, MCA, is amended to read:
15	"17-2-107. Accurate accounting records and
16	interaccount loans. (1) The department of administration
17	shall record receipts and disbursements for treasury funds
18	and for accounts within treasury funds and shall maintain
19	records in such a manner as to reflect the total cash and
20	invested balance of each fund and each account. The
21	department of administration shall adopt the necessary
22	procedures to insure that interdepartmental or
23	intradepartmental transfers of money do not result in
24	inflation of figures reflecting total governmental costs and
25	revenues.

1 (2) When the expenditure of an appropriation is necessary and the cash balance in the account from which the 2 appropriation was made is insufficient, the department of 3 administration may authorize a transfer, as a temporary loan 4 5 bearing no interest, of unrestricted moneys from other accounts, provided that there is reasonable evidence that 6 the income will be sufficient to restore the amount so 7 transferred within I calendar year and provided the loan is 8 recorded in the state accounting records. The loan must be .9 repaid within 1 calendar year of the date the loan is 10 approved unless it is extended under subsection (3) or by 11 specific legislative authorization. No account shall be so 12 impaired that all proper demands thereon cannot be met even 13 14 if the loan is extended.

15 (3) Under unusual circumstances the director of the 16 department of administration may grant one extension of a loan for up to 1 year. The department of administration 17 shall prepare a written justification and proposed repayment 18 plan for each loan extension authorized and shall furnish a 19 copy of the written justification and proposed repayment 20 plan to the house appropriations and senate finance and 21 claims committees at the next legislative session. 22

23 (4) Any loan from the general fund or the current
24 unrestricted subfund to funds designated in subsections
25 (1)(d)(i)(D) and (1)(d)(ii) through (1)(d)(vi) of 17-2-102

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1 shall bear interest at a rate equivalent to the previous 2 fiscal year's average rate of return on the board of 3 investments' short-term investment pool. Except for 4 investment earnings on restricted donations, all designated 5 and restricted subfund investment earnings are credited to 6 the state general fund.

7 (5) No accounting entity may have a negative cash 8 balance at fiscal yearend. The department of administration 9 may, however, allow any entity to carry a negative balance 10 at any point during the fiscal year subject to the following 11 restrictions:

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balances in the subfunds provided in subsections
(1)(d)(i)(A) through (1)(d)(i)(D) and (1)(d)(ii) through
(1)(d)(vi) of 17-2-102.

20 (6) Notwithstanding the provisions of subsections (2)
21 through (4), the department of social and rehabilitation
22 services may maintain positive cash balances in the federal
23 special revenue fund with long-term repayment whenever
24 necessary due to the timing for transmittal of obligated
25 matching funds if it can be demonstrated to the satisfaction

Ĺ of the department of administration that the total loan 2 balance does not exceed total receivables from federal and county governments and receivables have been billed on a 3 timely basis. The loan must be repaid under such terms and 4 conditions as may be determined by the department of 5 Б administration or by specific legislative authorization." 7 NEW SECTION. Section 2. Extension of authority, Any 8 existing authority of the department of administration to 9 make rules on the subject of the provisions of this act is 10 extended to the provisions of this act. 11 NEW SECTION. Section 3. Effective date. This act is

-End-

effective on passage and approval.

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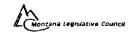
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23 (4) Any loan from the general fund or the current 24 unrestricted subfund to funds designated in subsections 25 (1)(d)(i)(D) and (1)(d)(ii) through (1)(d)(vi) of 17-2-102

> -2- THIRD READING HB-635

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<u>(6) Notwithstanding the provisions of subsections (2)</u>
<u>through (4)</u>, the department of social and rehabilitation
<u>services may maintain positive cash balances in the federal</u>
<u>special revenue fund with long-term repayment whenever</u>
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## HB 0635/02

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3	BY REQUEST OF THE DEPARTMENT
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6 A BILL FOR AN ACT ENTITLED: "AN ACT TO ALLOW THE DEPARTMENT 7 OF SOCIAL AND REHABILITATION SERVICES TO MAINTAIN POSITIVE 8 CASH BALANCES IN THE FEDERAL SPECIAL REVENUE FUND BY 9 BORROWING FROM THE GENERAL FUND WHEN FEDERAL MATCHING FUNDS 10 ARE NOT YET RECEIVED; AMENDING SECTION 17-2-107, MCA; AND 11 PROVIDING AN IMMEDIATE EFFECTIVE DATE."

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HB 635

**REFERENCE BILL** 

### HB 0635/02

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-End-

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