

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.
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1 *House* BILL NO. *635*
 2 INTRODUCED BY _____
 3 BY REQUEST OF THE DEPARTMENT
 4 OF SOCIAL AND REHABILITATION SERVICES

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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."
 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
 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
 5 bearing no interest, of unrestricted moneys from other
 6 accounts, provided that there is reasonable evidence that
 7 the income will be sufficient to restore the amount so
 8 transferred within 1 calendar year and provided the loan is
 9 recorded in the state accounting records. The loan must be
 10 repaid within 1 calendar year of the date the loan is
 11 approved unless it is extended under subsection (3) or by
 12 specific legislative authorization. No account shall be so
 13 impaired that all proper demands thereon cannot be met even
 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
 17 loan for up to 1 year. The department of administration
 18 shall prepare a written justification and proposed repayment
 19 plan for each loan extension authorized and shall furnish a
 20 copy of the written justification and proposed repayment
 21 plan to the house appropriations and senate finance and
 22 claims committees at the next legislative session.

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

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:

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.

15 (b) Units of the university system and postsecondary
 16 vocational-technical centers must maintain positive cash
 17 balances in the subfunds provided in subsections
 18 (1)(d)(i)(A) through (1)(d)(i)(D) and (1)(d)(ii) through
 19 (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

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
 12 effective on passage and approval.

-End-

APPROVED BY COMMITTEE
ON APPROPRIATIONS

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