

HOUSE BILL NO. 74

INTRODUCED BY COBB

BY REQUEST OF THE DEPARTMENT OF SOCIAL
AND REHABILITATION SERVICES

IN THE HOUSE

JANUARY 5, 1989

INTRODUCED AND REFERRED TO COMMITTEE
ON STATE ADMINISTRATION.

FIRST READING.

JANUARY 19, 1989

COMMITTEE RECOMMEND BILL
DO PASS AS AMENDED. REPORT ADOPTED.

JANUARY 20, 1989

POSTED ON CONSENT CALENDAR.

ENGROSSING REPORT.

JANUARY 23, 1989

CONSENT CALENDAR, QUESTIONS
AND ANSWERS.

THIRD READING, PASSED.
AYES, 97; NOES, 0.

TRANSMITTED TO SENATE.

IN THE SENATE

JANUARY 25, 1989

INTRODUCED AND REFERRED TO COMMITTEE
ON FINANCE & CLAIMS.

FIRST READING.

MARCH 3, 1989

COMMITTEE RECOMMEND BILL BE
CONCURRED IN. REPORT ADOPTED.

MARCH 4, 1989

SECOND READING, CONCURRED IN.

MARCH 7, 1989

THIRD READING, CONCURRED IN.
AYES, 50; NOES, 0.

RETURNED TO HOUSE.

MARCH 8, 1989

IN THE HOUSE

RECEIVED FROM SENATE.

SENT TO ENROLLING.

REPORTED CORRECTLY ENROLLED.

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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 OTHER SPECIAL REVENUE FUNDS IF FUNDS FROM
9 OTHER SOURCES ARE OUTSTANDING; AMENDING SECTION 17-2-107,
10 MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."
11

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 "17-2-107. Accurate accounting records and
15 interaccount loans. (1) The department of administration
16 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 department of administration shall adopt the necessary
21 procedures to insure that interdepartmental or
22 intradepartmental transfers of money do not result in
23 inflation of figures reflecting total governmental costs and
24 revenues.

25 (2) When the expenditure of an appropriation is

1 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 bearing no interest, of unrestricted moneys from other
5 accounts, provided that there is reasonable evidence that
6 the income will be sufficient to restore the amount so
7 transferred within 1 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 if the loan is extended.

14 (3) Under unusual circumstances the director of the
15 department of administration may grant one extension of a
16 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 (4) Any loan from the general fund or the current
23 unrestricted subfund to funds designated in subsections
24 (1)(d)(i)(C), (1)(d)(i)(D), and (1)(d)(ii) through
25 (1)(d)(vi) of 17-2-102 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, other than investment earnings on student activity fees used to support student governments at units of the university system, are credited to the state general fund.

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

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

(b) Units of the university system and 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 and other special revenue fund funds with long-term repayment whenever necessary due to the timing for

transmittal of obligated matching funds if it can be demonstrated to the satisfaction of the department of administration that the total loan balance does not exceed total receivables from federal and county governments and receivables have been billed on a timely basis. The loan must be repaid under such terms and conditions as may be determined by the department of administration or by specific legislative authorization."

NEW SECTION. **Section 2. Extension of authority.** Any existing authority to make rules on the subject of the provisions of [this act] is extended to the provisions of [this act].

NEW SECTION. **Section 3. Coordination instruction.** If _ Bill No. _ [LC 468] is passed and approved to eliminate the other special revenue funds category, then the language "and other" inserted in 17-2-107 is deleted and the language "and state" is inserted in 17-2-107 in place of the language "and other".

NEW SECTION. **Section 4. Effective date.** [This act] is effective on passage and approval.

-End-

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