

SENATE BILL NO. 41  
INTRODUCED BY ABRAMS  
BY REQUEST OF THE STATE AUDITOR

IN THE SENATE

|                  |  |
|------------------|--|
| JANUARY 2, 1989  | INTRODUCED AND REFERRED TO COMMITTEE<br>ON STATE ADMINISTRATION. |
|                  | FIRST READING.   |
| JANUARY 9, 1989  | COMMITTEE RECOMMEND BILL<br>DO PASS AS AMENDED. REPORT ADOPTED.  |
| JANUARY 10, 1989 | PRINTING REPORT.   |
| JANUARY 12, 1989 | SECOND READING, DO PASS.   |
| JANUARY 13, 1989 | ENGROSSING REPORT.   |
| JANUARY 14, 1989 | THIRD READING, PASSED.<br>AYES, 48; NOES, 0.                     |
|                  | TRANSMITTED TO HOUSE.  |

IN THE HOUSE

|                   |  |
|-------------------|--|
| JANUARY 14, 1989  | INTRODUCED AND REFERRED TO COMMITTEE<br>ON STATE ADMINISTRATION. |
| FEBRUARY 20, 1989 | FIRST READING.   |
| MARCH 3, 1989     | COMMITTEE RECOMMEND BILL BE<br>CONCURRED IN. REPORT ADOPTED.     |
| MARCH 4, 1989     | SECOND READING, CONCURRED IN.                                    |
| MARCH 6, 1989     | THIRD READING, CONCURRED IN.<br>AYES, 89; NOES, 4.               |
|                   | RETURNED TO SENATE.  |

IN THE SENATE

|               |                      |
|---------------|----------------------|
| MARCH 7, 1989 | RECEIVED FROM HOUSE. |
|---------------|----------------------|

SENT TO ENROLLING.

REPORTED CORRECTLY ENROLLED.

1                    SENATE BILL NO. 41  
2     INTRODUCED BY ABRAMS  
3                    BY REQUEST OF THE STATE AUDITOR  
4  
5     A BILL FOR AN ACT ENTITLED: "AN ACT TO GENERALLY REVISE THE  
6     PROCESSING OF PAYROLL WARRANTS; AUTHORIZING PAYMENT OF  
7     WARRANTS BY ELECTRONIC FUNDS TRANSFER; REDUCING THE LENGTH  
8     OF TIME FOR THE PRESENTMENT OF WARRANTS; EXTENDING THE  
9     DEADLINE BY WHICH THE STATE AUDITOR IS REQUIRED TO CLASSIFY  
10    A CANCELED WARRANT AS UNCLAIMED PROPERTY; AMENDING SECTIONS  
11    2-18-405, 17-8-301, AND 17-8-303, MCA; AND PROVIDING AN  
12    IMMEDIATE EFFECTIVE DATE."  
13  
14    BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:  
15            **Section 1.** Definitions. As used in [this act],  
16    "electronic funds transfer" means any transfer of funds,  
17    other than a transition originated by check, draft, or  
18    similar paper instrument, that is initiated through an  
19    electronic terminal, telephonic instrument, computer, or  
20    magnetic tape and that orders, instructs, or authorizes the  
21    state auditor to debit or credit an account.  
22            **Section 2.** Section 2-18-405, MCA, is amended to read:  
23            "2-18-405. Payroll based on actual, end-of-period  
24    figures -- pay date -- change of payroll periods. (1) By  
25    January 1, 1979, all state payroll systems shall be based

1    upon actual payroll figures submitted after the end of the  
2    payroll period and may not be based upon estimated payroll.  
3            (2) All state payroll systems shall provide for the  
4    fixing of payroll periods and designated days on which  
5    salaried employees shall be paid for the preceding payroll  
6    period. The pay date shall be uniform for all employees of  
7    each state agency employed in the same geographic area, and  
8    payroll warrants shall be distributed or mailed and  
9    electronic funds transfers initiated within 10 business days  
10   following the close of the payroll period.  
11            (3) The payroll period of employees of a state agency  
12   may not be changed by inclusion of the agency into the state  
13   payroll system or by any revision or modification of the  
14   system unless notice of the proposed change has been given  
15   to each employee who will be affected by such change in the  
16   form and manner prescribed by the state auditor not less  
17   than 60 days prior to the effective date of the change."  
18            **Section 3.** Section 17-8-301, MCA, is amended to read:  
19            "17-8-301. State moneys -- how expended by treasurer.  
20   Except as herein provided, no moneys received by the state  
21   treasurer ~~shall~~ may be paid out by him except upon state  
22   warrant issued by the state auditor, ~~and the~~ or on  
23   electronic funds transfer authorized by the state auditor.  
24   The state auditor shall ~~may~~ not issue his warrant or  
25   authorize an electronic funds transfer upon the state

1 treasurer except upon a claim duly approved by the  
2 department of administration in accordance with the laws  
3 governing the expenditure of state moneys; however, interest  
4 and principal on the public debt may be paid by treasurer's  
5 check from the moneys pledged for such payment, and the  
6 provisions of this section shall do not apply to warrants  
7 issued upon contingent revolving accounts that are in the  
8 custody of the state treasurer."

9 **Section 4.** Section 17-8-303, MCA, is amended to read:

10 "17-8-303. Warrants -- presentation and cancellation.  
11 (1) State warrants must be presented for payment within the  
12 time limits specified as follows:

13 (a) Except as provided in subsection (1)(b), all  
14 warrants drawn by the state auditor on the state treasury  
15 shall be presented for payment within ~~1-year~~ 6 months after  
16 the date of the issue thereof.

17 (b) Warrants issued for the department of social and  
18 rehabilitation services that are funded to any extent with  
19 federal money shall be presented for payment within 180 days  
20 after the date of issue.

21 (2) Should the payee or legal holder of any warrant  
22 fail to present it for payment within the time specified in  
23 subsection (1), the state auditor shall enter the same as  
24 canceled on the books of his office and the amount shall be  
25 credited to a separate agency fund account administered by

1 the state auditor. Should the payee or legal owner of any  
2 canceled warrant present it for payment or present a claim  
3 for payment within 4 years from the date of issue, the state  
4 auditor may, upon proper showing by affidavit, issue a new  
5 warrant in lieu thereof.

6 (3) Three years and 6 months after cancellation, the  
7 warrant shall be classed as unclaimed property subject to  
8 the provisions of Title 70, chapter 9, parts 1 through 3.  
9 Should the payee or legal owner of any canceled warrant  
10 present it for payment or present a claim for payment, such  
11 presentation shall be to the department of revenue as  
12 provided in 70-9-310."

13 **Section 5.** Codification instruction. [Section 1] is  
14 intended to be codified as an integral part of Title 17,  
15 chapter 8, part 3, and the provisions of Title 17, chapter  
16 8, part 3, apply to [section 1].

17 **Section 6.** Effective date. [This act] is effective on  
18 passage and approval.

-End-

APPROVED BY COMMITTEE  
ON STATE ADMINISTRATION

SENATE BILL NO. 41

INTRODUCED BY ABRAMS

BY REQUEST OF THE STATE AUDITOR

A BILL FOR AN ACT ENTITLED: "AN ACT TO GENERALLY REVISE THE PROCESSING OF PAYROLL WARRANTS; AUTHORIZING PAYMENT OF WARRANTS BY ELECTRONIC FUNDS TRANSFER; REDUCING THE LENGTH OF TIME FOR THE PRESENTMENT OF WARRANTS; EXTENDING THE DEADLINE BY WHICH THE STATE AUDITOR IS REQUIRED TO CLASSIFY A CANCELED WARRANT AS UNCLAIMED PROPERTY; AMENDING SECTIONS 2-18-405, 17-8-301, AND 17-8-303, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

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

NEW SECTION. **Section 1.** Definitions. As used in [this act], "electronic funds transfer" means any transfer of funds, other than a transition TRANSACTION originated by check, draft, or similar paper instrument, that is initiated through an electronic terminal, telephonic instrument, computer, or magnetic tape and that orders, instructs, or authorizes the state auditor to debit or credit an account.

**Section 2.** Section 2-18-405, MCA, is amended to read:

"2-18-405. Payroll based on actual, end-of-period figures -- pay date -- change of payroll periods. (1) By January 1, 1979, all state payroll systems shall be based

upon actual payroll figures submitted after the end of the payroll period and may not be based upon estimated payroll.

(2) All state payroll systems shall provide for the fixing of payroll periods and designated days on which salaried employees shall be paid for the preceding payroll period. The pay date shall be uniform for all employees of each state agency employed in the same geographic area, and payroll warrants shall be distributed or mailed and electronic funds transfers initiated within 10 business days following the close of the payroll period.

(3) The payroll period of employees of a state agency may not be changed by inclusion of the agency into the state payroll system or by any revision or modification of the system unless notice of the proposed change has been given to each employee who will be affected by such change in the form and manner prescribed by the state auditor not less than 60 days prior to the effective date of the change."

**Section 3.** Section 17-8-301, MCA, is amended to read:

"17-8-301. State moneys -- how expended by treasurer. Except as herein provided, no moneys received by the state treasurer ~~shall~~ may be paid out by him except upon state warrant issued by the state auditor, ~~--and--the~~ or on electronic funds transfer authorized by the state auditor. The state auditor shall may not issue his warrant or authorize an electronic funds transfer upon the state

1 treasurer except upon a claim duly approved by the  
 2 department of administration in accordance with the laws  
 3 governing the expenditure of state moneys; however, interest  
 4 and principal on the public debt may be paid by treasurer's  
 5 check from the moneys pledged for such payment, and the  
 6 provisions of this section ~~shall~~ do not apply to warrants  
 7 issued upon contingent revolving accounts that are in the  
 8 custody of the state treasurer."

9 **Section 4.** Section 17-8-303, MCA, is amended to read:

10 "17-8-303. Warrants -- presentation and cancellation.  
 11 (1) State warrants must be presented for payment within the  
 12 time limits specified as follows:

13 (a) Except as provided in subsection (1)(b), all  
 14 warrants drawn by the state auditor on the state treasury  
 15 shall be presented for payment within ~~1-year~~ 6 months after  
 16 the date of the issue thereof.

17 (b) Warrants issued for the department of social and  
 18 rehabilitation services that are funded to any extent with  
 19 federal money shall be presented for payment within 180 days  
 20 after the date of issue.

21 (2) Should the payee or legal holder of any warrant  
 22 fail to present it for payment within the time specified in  
 23 subsection (1), the state auditor shall enter the same as  
 24 canceled on the books of his office and the amount shall be  
 25 credited to a separate agency fund account administered by

1 the state auditor. Should the payee or legal owner of any  
 2 canceled warrant present it for payment or present a claim  
 3 for payment within 4 years from the date of issue, the state  
 4 auditor may, upon proper showing by affidavit, issue a new  
 5 warrant in lieu thereof.

6 (3) Three years and 6 months after cancellation, the  
 7 warrant shall be classed as unclaimed property subject to  
 8 the provisions of Title 70, chapter 9, parts 1 through 3.  
 9 Should the payee or legal owner of any canceled warrant  
 10 present it for payment or present a claim for payment, such  
 11 presentation shall be to the department of revenue as  
 12 provided in 70-9-310."

13 NEW SECTION. **Section 5.** Codification instruction.  
 14 [Section 1] is intended to be codified as an integral part  
 15 of Title 17, chapter 8, part 3, and the provisions of Title  
 16 17, chapter 8, part 3, apply to [section 1].

17 NEW SECTION. **Section 6.** Effective date. [This act] is  
 18 effective on passage and approval.

-End-

## SENATE BILL NO. 41

INTRODUCED BY ABRAMS

BY REQUEST OF THE STATE AUDITOR

A BILL FOR AN ACT ENTITLED: "AN ACT TO GENERALLY REVISE THE PROCESSING OF PAYROLL WARRANTS; AUTHORIZING PAYMENT OF WARRANTS BY ELECTRONIC FUNDS TRANSFER; REDUCING THE LENGTH OF TIME FOR THE PRESENTMENT OF WARRANTS; EXTENDING THE DEADLINE BY WHICH THE STATE AUDITOR IS REQUIRED TO CLASSIFY A CANCELED WARRANT AS UNCLAIMED PROPERTY; AMENDING SECTIONS 2-18-405, 17-8-301, AND 17-8-303, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

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

NEW SECTION. **Section 1.** Definitions. As used in [this act], "electronic funds transfer" means any transfer of funds, other than a transition TRANSACTION originated by check, draft, or similar paper instrument, that is initiated through an electronic terminal, telephonic instrument, computer, or magnetic tape and that orders, instructs, or authorizes the state auditor to debit or credit an account.

**Section 2.** Section 2-18-405, MCA, is amended to read:

"2-18-405. Payroll based on actual, end-of-period figures -- pay date -- change of payroll periods. (1) By January 1, 1979, all state payroll systems shall be based

upon actual payroll figures submitted after the end of the payroll period and may not be based upon estimated payroll.

(2) All state payroll systems shall provide for the fixing of payroll periods and designated days on which salaried employees shall be paid for the preceding payroll period. The pay date shall be uniform for all employees of each state agency employed in the same geographic area, and payroll warrants shall be distributed or mailed and electronic funds transfers initiated within 10 business days following the close of the payroll period.

(3) The payroll period of employees of a state agency may not be changed by inclusion of the agency into the state payroll system or by any revision or modification of the system unless notice of the proposed change has been given to each employee who will be affected by such change in the form and manner prescribed by the state auditor not less than 60 days prior to the effective date of the change."

**Section 3.** Section 17-8-301, MCA, is amended to read:

"17-8-301. State moneys -- how expended by treasurer. Except as herein provided, no moneys received by the state treasurer shall may be paid out by him except upon state warrant issued by the state auditor;--and--the or on electronic funds transfer authorized by the state auditor. The state auditor shall may not issue his warrant or authorize an electronic funds transfer upon the state

1 treasurer except upon a claim duly approved by the  
2 department of administration in accordance with the laws  
3 governing the expenditure of state moneys; however, interest  
4 and principal on the public debt may be paid by treasurer's  
5 check from the moneys pledged for such payment, and the  
6 provisions of this section shall do not apply to warrants  
7 issued upon contingent revolving accounts that are in the  
8 custody of the state treasurer."

9 **Section 4.** Section 17-8-303, MCA, is amended to read:

10 "17-8-303. Warrants -- presentation and cancellation.

11 (1) State warrants must be presented for payment within the  
12 time limits specified as follows:

13 (a) Except as provided in subsection (1)(b), all  
14 warrants drawn by the state auditor on the state treasury  
15 shall be presented for payment within ~~1-year~~ 6 months after  
16 the date of the issue thereof.

17 (b) Warrants issued for the department of social and  
18 rehabilitation services that are funded to any extent with  
19 federal money shall be presented for payment within 180 days  
20 after the date of issue.

21 (2) Should the payee or legal holder of any warrant  
22 fail to present it for payment within the time specified in  
23 subsection (1), the state auditor shall enter the same as  
24 canceled on the books of his office and the amount shall be  
25 credited to a separate agency fund account administered by

1 the state auditor. Should the payee or legal owner of any  
2 canceled warrant present it for payment or present a claim  
3 for payment within 4 years from the date of issue, the state  
4 auditor may, upon proper showing by affidavit, issue a new  
5 warrant in lieu thereof.

6 (3) Three years and 6 months after cancellation, the  
7 warrant shall be classed as unclaimed property subject to  
8 the provisions of Title 70, chapter 9, parts 1 through 3.  
9 Should the payee or legal owner of any canceled warrant  
10 present it for payment or present a claim for payment, such  
11 presentation shall be to the department of revenue as  
12 provided in 70-9-310."

13 **NEW SECTION. Section 5.** Codification instruction.  
14 [Section 1] is intended to be codified as an integral part  
15 of Title 17, chapter 8, part 3, and the provisions of Title  
16 17, chapter 8, part 3, apply to [section 1].

17 **NEW SECTION. Section 6.** Effective date. [This act] is  
18 effective on passage and approval.

-End-



## 1 SENATE BILL NO. 41

2 INTRODUCED BY ABRAMS

3 BY REQUEST OF THE STATE AUDITOR

4  
5 A BILL FOR AN ACT ENTITLED: "AN ACT TO GENERALLY REVISE THE  
6 PROCESSING OF PAYROLL WARRANTS; AUTHORIZING PAYMENT OF  
7 WARRANTS BY ELECTRONIC FUNDS TRANSFER; REDUCING THE LENGTH  
8 OF TIME FOR THE PRESENTMENT OF WARRANTS; EXTENDING THE  
9 DEADLINE BY WHICH THE STATE AUDITOR IS REQUIRED TO CLASSIFY  
10 A CANCELED WARRANT AS UNCLAIMED PROPERTY; AMENDING SECTIONS  
11 2-18-405, 17-8-301, AND 17-8-303, MCA; AND PROVIDING AN  
12 IMMEDIATE EFFECTIVE DATE."

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

15 NEW SECTION. **Section 1.** Definitions. As used in [this  
16 act], "electronic funds transfer" means any transfer of  
17 funds, other than a transition TRANSACTION originated by  
18 check, draft, or similar paper instrument, that is initiated  
19 through an electronic terminal, telephonic instrument,  
20 computer, or magnetic tape and that orders, instructs, or  
21 authorizes the state auditor to debit or credit an account.

22 **Section 2.** Section 2-18-405, MCA, is amended to read:  
23 "2-18-405. Payroll based on actual, end-of-period  
24 figures -- pay date -- change of payroll periods. (1) By  
25 January 1, 1979, all state payroll systems shall be based

1 upon actual payroll figures submitted after the end of the  
2 payroll period and may not be based upon estimated payroll.

3 (2) All state payroll systems shall provide for the  
4 fixing of payroll periods and designated days on which  
5 salaried employees shall be paid for the preceding payroll  
6 period. The pay date shall be uniform for all employees of  
7 each state agency employed in the same geographic area, and  
8 payroll warrants shall be distributed or mailed and  
9 electronic funds transfers initiated within 10 business days  
10 following the close of the payroll period.

11 (3) The payroll period of employees of a state agency  
12 may not be changed by inclusion of the agency into the state  
13 payroll system or by any revision or modification of the  
14 system unless notice of the proposed change has been given  
15 to each employee who will be affected by such change in the  
16 form and manner prescribed by the state auditor not less  
17 than 60 days prior to the effective date of the change."

18 **Section 3.** Section 17-8-301, MCA, is amended to read:

19 "17-8-301. State moneys -- how expended by treasurer.  
20 Except as herein provided, no moneys received by the state  
21 treasurer shall may be paid out by him except upon state  
22 warrant issued by the state auditor;--and--the or on  
23 electronic funds transfer authorized by the state auditor.  
24 The state auditor shall may not issue his warrant or  
25 authorize an electronic funds transfer upon the state

1 treasurer except upon a claim duly approved by the  
2 department of administration in accordance with the laws  
3 governing the expenditure of state moneys; however, interest  
4 and principal on the public debt may be paid by treasurer's  
5 check from the moneys pledged for such payment, and the  
6 provisions of this section shall do not apply to warrants  
7 issued upon contingent revolving accounts that are in the  
8 custody of the state treasurer."

9 **Section 4.** Section 17-8-303, MCA, is amended to read:

10 **"17-8-303. Warrants -- presentation and cancellation.**

11 (1) State warrants must be presented for payment within the  
12 time limits specified as follows:

13 (a) Except as provided in subsection (1)(b), all  
14 warrants drawn by the state auditor on the state treasury  
15 shall be presented for payment within ~~1-year~~ 6 months after  
16 the date of the issue thereof.

17 (b) Warrants issued for the department of social and  
18 rehabilitation services that are funded to any extent with  
19 federal money shall be presented for payment within 180 days  
20 after the date of issue.

21 (2) Should the payee or legal holder of any warrant  
22 fail to present it for payment within the time specified in  
23 subsection (1), the state auditor shall enter the same as  
24 canceled on the books of his office and the amount shall be  
25 credited to a separate agency fund account administered by

1 the state auditor. Should the payee or legal owner of any  
2 canceled warrant present it for payment or present a claim  
3 for payment within 4 years from the date of issue, the state  
4 auditor may, upon proper showing by affidavit, issue a new  
5 warrant in lieu thereof.

6 (3) Three years and 6 months after cancellation, the  
7 warrant shall be classed as unclaimed property subject to  
8 the provisions of Title 70, chapter 9, parts 1 through 3.  
9 Should the payee or legal owner of any canceled warrant  
10 present it for payment or present a claim for payment, such  
11 presentation shall be to the department of revenue as  
12 provided in 70-9-310."

13 **NEW SECTION. Section 5.** Codification instruction.  
14 [Section 1] is intended to be codified as an integral part  
15 of Title 17, chapter 8, part 3, and the provisions of Title  
16 17, chapter 8, part 3, apply to [section 1].

17 **NEW SECTION. Section 6.** Effective date. [This act] is  
18 effective on passage and approval.

-End-