

SENATE BILL NO. 80

INTRODUCED BY HIMSL, VAN VALKENBURG, REGAN
BY REQUEST OF THE LEGISLATIVE FINANCE COMMITTEE

IN THE SENATE

JANUARY 6, 1989	INTRODUCED AND REFERRED TO COMMITTEE ON FINANCE & CLAIMS.
	FIRST READING.
FEBRUARY 6, 1989	COMMITTEE RECOMMEND BILL DO PASS. REPORT ADOPTED.
FEBRUARY 7, 1989	PRINTING REPORT.
FEBRUARY 8, 1989	SECOND READING, DO PASS.
FEBRUARY 9, 1989	ENGROSSING REPORT.
FEBRUARY 10, 1989	THIRD READING, PASSED. AYES, 48; NOES, 0.
	TRANSMITTED TO HOUSE.

IN THE HOUSE

FEBRUARY 10, 1989	INTRODUCED AND REFERRED TO COMMITTEE ON APPROPRIATIONS.
FEBRUARY 20, 1989	FIRST READING.
MARCH 14, 1989	COMMITTEE RECOMMEND BILL BE CONCURRED IN. REPORT ADOPTED.
MARCH 15, 1989	SECOND READING, CONCURRED IN.
MARCH 16, 1989	THIRD READING, CONCURRED IN. AYES, 89; NOES, 6.
	RETURNED TO SENATE.

IN THE SENATE

MARCH 17, 1989	RECEIVED FROM HOUSE.
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SENT TO ENROLLING.
MARCH 21, 1989 REPORTED CORRECTLY ENROLLED.
MARCH 22, 1989 SIGNED BY PRESIDENT.
IN THE HOUSE
MARCH 22, 1989 SIGNED BY SPEAKER.
IN THE SENATE
MARCH 23, 1989 DELIVERED TO GOVERNOR.
MARCH 29, 1989 RETURNED FROM GOVERNOR WITH
RECOMMENDED AMENDMENTS.
APRIL 13, 1989 SECOND READING, GOVERNOR'S RECOM-
MENDED AMENDMENTS CONCURRED IN.
APRIL 15, 1989 THIRD READING, GOVERNOR'S RECOM-
MENDED AMENDMENTS CONCURRED IN.
TRANSMITTED TO HOUSE.
IN THE HOUSE
APRIL 18, 1989 SECOND READING, GOVERNOR'S RECOM-
MENDED AMENDMENTS CONCURRED IN.
APRIL 19, 1989 THIRD READING, GOVERNOR'S RECOM-
MENDED AMENDMENTS CONCURRED IN.
IN THE SENATE
APRIL 19, 1989 RECEIVED FROM HOUSE.
SENT TO ENROLLING.
REPORTED CORRECTLY ENROLLED.

1 *Senate* BILL NO. *80*
2 INTRODUCED BY *Himal Von-Veltburg Rep*
3 BY REQUEST OF THE LEGISLATIVE FINANCE COMMITTEE
4

5 A BILL FOR AN ACT ENTITLED: "AN ACT ELIMINATING THE
6 CATEGORY OF "OTHER SPECIAL REVENUE FUNDS" FROM THE STATE
7 TREASURY FUND STRUCTURE; RECLASSIFYING OTHER SPECIAL REVENUE
8 FUNDS AS STATE OR FEDERAL SPECIAL REVENUE FUNDS; AMENDING
9 SECTIONS 17-2-102, 17-2-111, 17-3-1003, 20-26-1105,
10 53-24-104, 61-10-226, 75-7-306, 76-13-209, 80-11-203,
11 80-11-207, 80-11-210, 80-11-310, 81-8-610, AND 81-8-805,
12 MCA; AND PROVIDING AN EFFECTIVE DATE."

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

15 **Section 1.** Section 17-2-102, MCA, is amended to read:

16 "17-2-102. Fund structure. (1) There are in the state
17 treasury only the following fund categories and types:

18 (a) governmental fund category, which includes:

19 (i) the general fund, which accounts for all financial
20 resources except those required to be accounted for in
21 another fund;

22 (ii) the special revenue fund type, which accounts for
23 the proceeds of specific revenue sources (other than
24 expendable trusts or major capital projects) that are
25 legally restricted to expenditure for specified purposes.

1 The financial activities of the special revenue fund type
2 shall be subdivided for operational purposes into the
3 following funds to serve the purpose indicated:

4 (A) The state special revenue fund consists of money
5 from state and other nonfederal sources deposited in the
6 state treasury that is earmarked for the purposes of
7 defraying particular costs of an agency, program, or
8 function of state government.

9 (B) The federal special revenue fund consists of money
10 deposited in the treasury from federal sources, including
11 trust income, that is used for the operation of state
12 government.

13 ~~{C}--The--other--special--revenue--funds--consist--of--money~~
14 ~~deposited--in--the--state--treasury--from--private--sources,~~
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16 ~~state--government--and--money--used--to--defray--reimbursable~~
17 ~~expenditures.~~

18 (iii) the capital projects fund type, which accounts
19 for financial resources to be used for the acquisition or
20 construction of major capital facilities, other than those
21 financed by proprietary funds or trust funds; and

22 (iv) the debt service fund type, which accounts for the
23 accumulation of resources for and the payment of general
24 long-term debt principal and interest;

25 (b) proprietary fund category, which includes:

1 (i) the enterprise fund type, which accounts for
2 operations:

3 (A) that are financed and operated in a manner similar
4 to private business enterprises whenever the intent of the
5 legislature is that costs (i.e., expenses, including
6 depreciation) of providing goods or services to the general
7 public on a continuing basis are to be financed or recovered
8 primarily through user charges; or

9 (B) whenever the legislature has decided that periodic
10 determination of revenue earned, expenses incurred, or net
11 income is appropriate for capital maintenance, public
12 policy, management control, accountability, or other
13 purposes; and

14 (ii) the internal service fund type, which accounts for
15 the financing of goods or services provided by one
16 department or agency to other departments or agencies of
17 state government or to other governmental entities on a
18 cost-reimbursed basis;

19 (c) the fiduciary fund category, which includes trust
20 and agency fund types used to account for assets held by
21 state government in a trustee capacity or as an agent for
22 individuals, private organizations, other governmental
23 entities, or other funds. These include the:

- 24 (i) expendable trust fund type;
25 (ii) nonexpendable trust fund type;

1 (iii) pension trust fund type; and

2 (iv) agency fund type.

3 (d) the higher education funds, which include:

4 (i) the current fund, which accounts for moneys
5 deposited in the state treasury which are used to pay
6 current operating costs relating to instruction, research,
7 public service, and allied support operations and programs
8 conducted within the Montana university system and
9 vocational-technical centers. The financial activities of
10 the current fund shall be subdivided, for operation
11 purposes, into the four following subfunds to serve the
12 purpose indicated:

13 (A) The unrestricted subfund segregates that portion
14 of the current fund's financial resources that can be
15 expended for general operations and is free of externally
16 imposed restrictions, except those imposed by the
17 legislature.

18 (B) The restricted subfund segregates that portion of
19 the current fund's financial resources that can be expended
20 for general operations but only for purposes imposed by
21 sources external to the board of regents and the
22 legislature.

23 (C) The designated subfund segregates that portion of
24 the current fund's financial resources that is associated
25 with general operations but is separately classified in

1 order to accumulate costs that are to be recharged as
 2 allocated to other funds or subfunds; identifies financial
 3 activities related to special organized activities of
 4 educational departments wherein the activity is fully
 5 supported by supplemental assessments; and identifies
 6 special supply and facility fees that are approved for
 7 collections beyond normal course fees and their disposition.

8 (D) The auxiliary subfund segregates that portion of
 9 the current fund's financial resources that is devoted to
 10 providing essential on-campus services primarily to
 11 students, faculty, or staff wherein a fee, which is directly
 12 related to but does not necessarily equal the cost of the
 13 service provided, is charged to the consumer.

14 (ii) the student loan fund, which accounts for moneys
 15 deposited in the state treasury which may be loaned to
 16 students, faculty, or staff for purposes related to
 17 education, organized research, or public services by the
 18 Montana university system and vocational-technical centers;

19 (iii) the endowment fund, which accounts for moneys
 20 deposited in the state treasury by the Montana university
 21 system and vocational-technical centers wherein the
 22 principal portion of the amount received is nonexpendable
 23 but is available for investment, thus producing consumable
 24 income. Expendable earnings on endowment funds are to be
 25 transferred to appropriate operating funds pursuant to

1 prevailing administrative requirements.

2 (iv) the annuity and life income fund, which accounts
 3 for moneys deposited in the state treasury by the Montana
 4 university system and vocational-technical centers under an
 5 agreement whereby the moneys are made available on condition
 6 that the receiving unit of the Montana university system or
 7 vocational-technical center binds itself to pay stipulated
 8 amounts periodically to the donor or others designated by
 9 the donor over a specified period of time;

10 (v) the plant fund, which accounts for those financial
 11 resources allocated to or received by the Montana university
 12 system and vocational-technical centers for capital outlay
 13 purposes or to retire long-term debts associated with
 14 construction or acquisition of fixed assets and the net
 15 accumulative results of these activities; and

16 (vi) the agency fund, which accounts for moneys
 17 deposited in the state treasury wherein the Montana
 18 university system or a vocational-technical center acts in
 19 the capacity of a custodian or fiscal agent for individual
 20 students, faculty, staff, and qualified organizations.

21 (2) In addition to the funds provided for in
 22 subsection (1) of this section, there are in the state
 23 treasury the following account groups:

24 (a) the fixed assets account group, which is a
 25 self-balancing group of accounts set up to establish

1 accounting control and accountability for the state's
2 general fixed assets, except those accounted for in
3 proprietary funds, trust funds, and the higher education
4 funds designated in subsections (1)(d)(i)(D), (1)(d)(iii),
5 and (1)(d)(v) of this section; and

6 (b) the long-term debt account group, which is a
7 self-balancing group of accounts set up to establish
8 accounting control and accountability for the state's
9 unmatured general long-term liabilities, except those
10 accounted for in proprietary funds, trust funds, and the
11 higher education funds designated in subsections
12 (1)(d)(i)(D), (1)(d)(iii), and (1)(d)(v) of this section."

13 **Section 2.** Section 17-2-111, MCA, is amended to read:

14 "17-2-111. Review of state ~~and other~~ special revenue
15 accounts and proprietary accounts -- report -- transfer of
16 funds. (1) Each biennium, the department of administration
17 shall examine all state ~~and other~~ special revenue accounts
18 and proprietary accounts as required by this section and
19 report the findings and recommendations to the legislative
20 finance committee not later than June 1 of the year
21 preceding a regular session of the legislature.

22 (2) The department shall examine restrictions against
23 the transfer of unobligated balances in state ~~and other~~
24 special revenue accounts to the general fund. If such
25 restrictions are considered unnecessary by the department

1 and if they may be eliminated by administrative action, the
2 department shall to the fullest extent possible eliminate
3 such restrictions and require the transfer of unobligated
4 balances in the accounts to be made to the general fund,
5 either on an annual or biennial basis. If administrative
6 action is unavailable, the department shall make
7 recommendations for legislative action.

8 (3) The department shall examine all state ~~and other~~
9 special revenue accounts and proprietary accounts to
10 determine if they should continue to exist or be eliminated
11 or modified to provide better program operation or fiscal
12 control. In conducting the examination, the department
13 shall consider whether an account:

14 (a) is accurately classified as a state special
15 revenue account, ~~other special revenue account~~, or
16 proprietary account;

17 (b) is required by the Montana constitution or by
18 statute;

19 (c) operates in compliance with the statutes that
20 established the program;

21 (d) receives an amount of revenue that is equal to or
22 close to the expenditure required for the activity funded by
23 the account;

24 (e) allows the funded program to operate without
25 supplemental general funds; and

(f) has any restrictions against the transfer of unobligated balances in the account to the general fund."

Section 3. Section 17-3-1003, MCA, is amended to read:

"17-3-1003. **Support of state institutions.** (1) For the support and endowment of each state institution, there is annually and perpetually appropriated the income from all permanent endowments therefor and from all land grants as provided by law. All moneys received or collected in connection with such endowments by all higher educational institutions, reformatory, custodial and penal institutions, state hospitals, and sanitariums, for any purpose whatever, except revenues pledged to secure the payment of principal and interest of obligations incurred for the purchase, construction, equipment, or improvement of facilities at units of the Montana university system and for the refunding of such obligations or moneys which may constitute temporary deposits, all or part of which may be subject to withdrawal or repayment, shall be paid over to the state treasurer who shall deposit the same to the credit of the proper fund.

(2) All moneys received from the investment of grants of a state institution and all money received from the leasing of lands granted to a state institution shall be deposited with the state treasurer of Montana for each of such institutions, to the credit of the other state special revenue funds fund."

Section 4. Section 20-26-1105, MCA, is amended to read:

"20-26-1105. **Guaranteed student loan account.** (1) There is a guaranteed student loan account within the other federal special revenue funds fund provided for in 17-2-102.

(2) The board shall credit to the account established in subsection (1) all money designated for the guaranteed student loan program by the United States or by any other public or private source. All expenses incurred by the board in connection with the guaranteed student loan program, including principal and interest payments required because of loan defaults, must be charged against the account.

(3) Money in the account not needed to meet current obligations of the board in the exercise of its responsibilities as guarantor, as provided for in this part, must be invested in accordance with the provisions of Title 17, chapter 6. Interest proceeds must be credited to the account.

(4) Money on deposit in the guaranteed student loan account shall not revert to the general fund at the close of any fiscal year."

Section 5. Section 53-24-104, MCA, is amended to read:

"53-24-104. **Deposit of funds from federal or private sources with state treasurer.** Funds available to the department from federal or private sources for use in

chemical dependency prevention, treatment, and control programs shall be deposited with the state treasurer to the account of the department in the federal special revenue fund or the other state special revenue funds fund."

Section 6. Section 61-10-226, MCA, is amended to read:

"61-10-226. Deposit of state highway money. (1) Any reference to the state highway fund means the state highway account in the state special revenue fund.

(2) Money received for the use of the department from the receipt or transfer of GVW license fees, as provided by law, or from other state sources shall be deposited in the state special revenue fund to the credit of the department.

(3) Money received from the federal government or other agencies shall be deposited in a federal or other state special revenue fund to the credit of the department.

(4) Money collected for the department as authorized by law shall be credited to such fund or funds by the state treasurer.

(5) Money received from the counties shall be deposited in the state special revenue fund to the credit of the department."

Section 7. Section 75-7-306, MCA, is amended to read:

"75-7-306. Establishment of account. There is established in ~~an--other~~ the state special revenue fund a Flathead basin commission account. Money received by the

Flathead basin commission under 75-7-305 and such other funds as are designated or appropriated for its use must be deposited in the account."

Section 8. Section 76-13-209, MCA, is amended to read:

"76-13-209. Disposition of assessments. All sums collected pursuant to 76-13-207 shall be promptly deposited in the other state special revenue funds fund."

Section 9. Section 80-11-203, MCA, is amended to read:

"80-11-203. Compensation -- per diem. Members of the committee shall receive no salary but shall be paid from the wheat and barley account in the other state special revenue funds fund a per diem of \$25 for each day they are engaged in the transaction of official business, together with their actual and necessary travel expenses, as provided for in 2-18-501 through 2-18-503, incurred while on official business."

Section 10. Section 80-11-207, MCA, is amended to read:

"80-11-207. Buyer's delivery of invoice to grower -- form -- filing of sworn statement -- payment of assessment -- refund. (1) The purchaser of the wheat or barley at the time of sale or the pledgee, mortgagee, or other lender at the time of the loan or advance shall give separate invoices for each purchase to the grower. The invoices shall be on forms approved by the department and shall show:

1 (a) the name and address of the grower and seller;
 2 (b) the name and address of the purchaser or the
 3 lender;
 4 (c) the number of bushels of wheat or hundredweights
 5 of barley sold, mortgaged, or pledged;
 6 (d) the date of the purchase, mortgage, or pledge and
 7 the amount of assessment collected and remitted to the
 8 department.

9 (2) The purchaser, mortgagee, or pledgee shall file
 10 with the department, on forms prescribed by the department,
 11 within 20 days after the end of a month in which he
 12 purchases a grower's wheat or barley or in which a lender
 13 makes a loan or advance on a grower's wheat or barley, a
 14 sworn statement of the number of bushels of wheat or
 15 hundredweights of barley purchased in Montana or the number
 16 of bushels of wheat or hundredweights of barley mortgaged or
 17 pledged or otherwise transferred or lienied as security for a
 18 loan during the preceding calendar month. At the time the
 19 sworn statement is filed, the purchaser or lender shall pay
 20 to the department the assessment provided for in 80-11-206
 21 for deposit in the wheat and barley account in the other
 22 state special revenue funds fund.

23 (3) The statement referred to in subsections (1) and
 24 (2) of this section shall be legibly written and shall be
 25 entirely free of any corrections or erasures. A person may

1 not alter any part of a statement.

2 (4) After 30 days and before 90 days following the
 3 deduction of the assessment by the first purchaser or the
 4 first lender, the grower may, upon the submission of a
 5 written, verified request to the department, obtain a refund
 6 of the assessment. The request shall be accompanied by the
 7 original invoices received by the grower at the time of
 8 settlement. The department shall keep complete records of
 9 all refunds made under the provisions of this section.
 10 Records of refunds may be destroyed 2 years after the refund
 11 is made. All original invoices shall be returned to the
 12 grower with the refund payment."

13 **Section 11.** Section 80-11-210, MCA, is amended to
 14 read:

15 "80-11-210. Wheat and barley account -- sources -- use
 16 -- expenditures. (1) There shall be an account in the ~~other~~
 17 state special revenue funds fund known as the wheat and
 18 barley account. The following shall be placed in the
 19 account:

20 (a) the proceeds of all millage levies collected under
 21 this part; and
 22 (b) the proceeds from all gifts, grants, or donations
 23 to the department for research authorized under this part.

24 (2) The account shall be maintained for the purposes
 25 of this part and shall be separate from all other accounts

1 of the department.

2 (3) The department may direct the board of investments
3 to invest funds from the account pursuant to the provisions
4 of the unified investment program for state funds. The
5 income from such investments shall be credited to the wheat
6 and barley account."

7 **Section 12.** Section 80-11-310, MCA, is amended to
8 read:

9 "80-11-310. Deposit and disbursement of funds --
10 records -- investment. (1) As soon as possible after
11 receipt, all money received by the department from the
12 assessment levied under 80-11-307 and all other money
13 received shall be deposited in the other state special
14 revenue funds fund.

15 (2) All money referred to in subsection (1) of this
16 section may be used only for the payment of expenses
17 incurred in carrying out the provisions of this part. The
18 committee may be assessed costs by the department for the
19 services it provides upon request or pursuant to 2-15-121;
20 however, the costs charged must have a substantial
21 relationship to the cost of services supplied.

22 (3) Money received under this section, 80-11-312, and
23 80-11-313 not immediately required for the purposes of this
24 part must be invested under provisions of the unified
25 investment program established in Title 17, chapter 6, part

1 2.

2 (4) Money received under this section, 80-11-312, and
3 80-11-313 is appropriated to the committee for the purposes
4 of this part."

5 **Section 13.** Section 81-8-610, MCA, is amended to read:

6 "81-8-610. Research and marketing account -- sources
7 -- use -- expenditures. (1) The proceeds of all assessments
8 made, paid, and collected under this part and the proceeds
9 from all gifts, grants, or donations to the department of
10 livestock for research authorized by this part shall be
11 deposited in the other state special revenue funds fund for
12 the use of the committee as provided in this part.

13 (2) The account shall be maintained for the purposes
14 of this part and shall be separate and apart from all other
15 accounts of the department.

16 (3) A percentage of all unrefunded assessments,
17 determined by the committee, shall be paid to the national
18 pork producer council.

19 (4) The committee may be assessed costs by the
20 department for the services the department provides upon
21 request of the committee or pursuant to 2-15-121. However,
22 the costs charged must have a substantial relationship to
23 the cost of the services provided."

24 **Section 14.** Section 81-8-805, MCA, is amended to read:

25 "81-8-805. Beef production research account -- sources

1 -- use -- expenditures. (1) There is an account in the other
 2 state special revenue funds fund known as the beef
 3 production research account. The following shall be placed
 4 in the account:

5 (a) the proceeds of all taxes collected under
 6 81-8-804; and

7 (b) the proceeds from all gifts, grants, and donations
 8 to the department for activities authorized under this part.

9 (2) The account shall be maintained for the purposes
 10 of this part and shall be separate from all other accounts
 11 of the department.

12 (3) At least 20% of all contributions and unrefunded
 13 taxes received by the department shall be paid to the
 14 national livestock and meat board and at least 20% of such
 15 contributions and taxes shall be paid to the national beef
 16 industry council to carry out, on a national level, work and
 17 programs approved by the department.

18 (4) The beef production research account may be
 19 assessed costs by the department for services it provides in
 20 administering this part. The costs charged must have a
 21 substantial relationship to the cost of the services
 22 provided.

23 (5) Money deposited in the beef production research
 24 account pursuant to this section is appropriated to the
 25 department and must be used only for the purposes of this

1 part."

2 NEW SECTION. Section 15. Effective date. {This act}
 3 is effective July 1, 1989.

-End-

APPROVED BY COMM. ON
FINANCE AND CLAIMS

1 *Senates* BILL NO. *80*
2 INTRODUCED BY *Michael Van Valkenburg*
3 BY REQUEST OF THE LEGISLATIVE FINANCE COMMITTEE

4
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10 determination of revenue earned, expenses incurred, or net
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8 amounts periodically to the donor or others designated by
9 the donor over a specified period of time;

10 (v) the plant fund, which accounts for those financial
11 resources allocated to or received by the Montana university
12 system and vocational-technical centers for capital outlay
13 purposes or to retire long-term debts associated with
14 construction or acquisition of fixed assets and the net
15 accumulative results of these activities; and

16 (vi) the agency fund, which accounts for moneys
17 deposited in the state treasury wherein the Montana
18 university system or a vocational-technical center acts in
19 the capacity of a custodian or fiscal agent for individual
20 students, faculty, staff, and qualified organizations.

21 (2) In addition to the funds provided for in
22 subsection (1) of this section, there are in the state
23 treasury the following account groups:

24 (a) the fixed assets account group, which is a
25 self-balancing group of accounts set up to establish

1 accounting control and accountability for the state's
2 general fixed assets, except those accounted for in
3 proprietary funds, trust funds, and the higher education
4 funds designated in subsections (1)(d)(i)(D), (1)(d)(iii),
5 and (1)(d)(v) of this section; and

6 (b) the long-term debt account group, which is a
7 self-balancing group of accounts set up to establish
8 accounting control and accountability for the state's
9 unmatured general long-term liabilities, except those
10 accounted for in proprietary funds, trust funds, and the
11 higher education funds designated in subsections
12 (1)(d)(i)(D), (1)(d)(iii), and (1)(d)(v) of this section."

13 **Section 2.** Section 17-2-111, MCA, is amended to read:

14 "17-2-111. Review of state and-other special revenue
15 accounts and proprietary accounts -- report -- transfer of
16 funds. (1) Each biennium, the department of administration
17 shall examine all state and-other special revenue accounts
18 and proprietary accounts as required by this section and
19 report the findings and recommendations to the legislative
20 finance committee not later than June 1 of the year
21 preceding a regular session of the legislature.

22 (2) The department shall examine restrictions against
23 the transfer of unobligated balances in state and-other
24 special revenue accounts to the general fund. If such
25 restrictions are considered unnecessary by the department

1 and if they may be eliminated by administrative action, the
2 department shall to the fullest extent possible eliminate
3 such restrictions and require the transfer of unobligated
4 balances in the accounts to be made to the general fund,
5 either on an annual or biennial basis. If administrative
6 action is unavailable, the department shall make
7 recommendations for legislative action.

8 (3) The department shall examine all state and--other
9 special revenue accounts and proprietary accounts to
10 determine if they should continue to exist or be eliminated
11 or modified to provide better program operation or fiscal
12 control. In conducting the examination, the department
13 shall consider whether an account:

14 (a) is accurately classified as a state special
15 revenue account,--other---special---revenue---account, or
16 proprietary account;

17 (b) is required by the Montana constitution or by
18 statute;

19 (c) operates in compliance with the statutes that
20 established the program;

21 (d) receives an amount of revenue that is equal to or
22 close to the expenditure required for the activity funded by
23 the account;

24 (e) allows the funded program to operate without
25 supplemental general funds; and

1 (f) has any restrictions against the transfer of
2 unobligated balances in the account to the general fund."

3 **Section 3.** Section 17-3-1003, MCA, is amended to read:

4 "17-3-1003. Support of state institutions. (1) For the
5 support and endowment of each state institution, there is
6 annually and perpetually appropriated the income from all
7 permanent endowments therefor and from all land grants as
8 provided by law. All moneys received or collected in
9 connection with such endowments by all higher educational
10 institutions, reformatory, custodial and penal institutions,
11 state hospitals, and sanitariums, for any purpose whatever,
12 except revenues pledged to secure the payment of principal
13 and interest of obligations incurred for the purchase,
14 construction, equipment, or improvement of facilities at
15 units of the Montana university system and for the refunding
16 of such obligations or moneys which may constitute temporary
17 deposits, all or part of which may be subject to withdrawal
18 or repayment, shall be paid over to the state treasurer who
19 shall deposit the same to the credit of the proper fund.

20 (2) All moneys received from the investment of grants
21 of a state institution and all money received from the
22 leasing of lands granted to a state institution shall be
23 deposited with the state treasurer of Montana for each of
24 such institutions, to the credit of the other state special
25 revenue funds fund."

1 **Section 4.** Section 20-26-1105, MCA, is amended to
2 read:

3 "20-26-1105. Guaranteed student loan account. (1)
4 There is a guaranteed student loan account within the other
5 federal special revenue funds fund provided for in 17-2-102.

6 (2) The board shall credit to the account established
7 in subsection (1) all money designated for the guaranteed
8 student loan program by the United States or by any other
9 public or private source. All expenses incurred by the board
10 in connection with the guaranteed student loan program,
11 including principal and interest payments required because
12 of loan defaults, must be charged against the account.

13 (3) Money in the account not needed to meet current
14 obligations of the board in the exercise of its
15 responsibilities as guarantor, as provided for in this part,
16 must be invested in accordance with the provisions of Title
17 17, chapter 6. Interest proceeds must be credited to the
18 account.

19 (4) Money on deposit in the guaranteed student loan
20 account shall not revert to the general fund at the close of
21 any fiscal year."

22 **Section 5.** Section 53-24-104, MCA, is amended to read:

23 "53-24-104. Deposit of funds from federal or private
24 sources with state treasurer. Funds available to the
25 department from federal or private sources for use in

1 chemical dependency prevention, treatment, and control
2 programs shall be deposited with the state treasurer to the
3 account of the department in the federal special revenue
4 fund or the other state special revenue funds fund."

5 **Section 6.** Section 61-10-226, MCA, is amended to read:

6 **"61-10-226. Deposit of state highway money.** (1) Any
7 reference to the state highway fund means the state highway
8 account in the state special revenue fund.

9 (2) Money received for the use of the department from
10 the receipt or transfer of GVW license fees, as provided by
11 law, or from other state sources shall be deposited in the
12 state special revenue fund to the credit of the department.

13 (3) Money received from the federal government or
14 other agencies shall be deposited in a federal or other
15 state special revenue fund to the credit of the department.

16 (4) Money collected for the department as authorized
17 by law shall be credited to such fund or funds by the state
18 treasurer.

19 (5) Money received from the counties shall be
20 deposited in the state special revenue fund to the credit of
21 the department."

22 **Section 7.** Section 75-7-306, MCA, is amended to read:

23 **"75-7-306. Establishment of account.** There is
24 established in ~~an--other~~ the state special revenue fund a
25 Flathead basin commission account. Money received by the

1 Flathead basin commission under 75-7-305 and such other
2 funds as are designated or appropriated for its use must be
3 deposited in the account."

4 **Section 8.** Section 76-13-209, MCA, is amended to read:

5 **"76-13-209. Disposition of assessments.** All sums
6 collected pursuant to 76-13-207 shall be promptly deposited
7 in the other state special revenue funds fund."

8 **Section 9.** Section 80-11-203, MCA, is amended to read:

9 **"80-11-203. Compensation -- per diem.** Members of the
10 committee shall receive no salary but shall be paid from the
11 wheat and barley account in the other state special revenue
12 funds fund a per diem of \$25 for each day they are engaged
13 in the transaction of official business, together with their
14 actual and necessary travel expenses, as provided for in
15 2-18-501 through 2-18-503, incurred while on official
16 business."

17 **Section 10.** Section 80-11-207, MCA, is amended to
18 read:

19 **"80-11-207. Buyer's delivery of invoice to grower --**
20 **form -- filing of sworn statement -- payment of assessment**
21 **-- refund.** (1) The purchaser of the wheat or barley at the
22 time of sale or the pledgee, mortgagee, or other lender at
23 the time of the loan or advance shall give separate invoices
24 for each purchase to the grower. The invoices shall be on
25 forms approved by the department and shall show:

(a) the name and address of the grower and seller;

(b) the name and address of the purchaser or the lender;

(c) the number of bushels of wheat or hundredweights of barley sold, mortgaged, or pledged;

(d) the date of the purchase, mortgage, or pledge and the amount of assessment collected and remitted to the department.

(2) The purchaser, mortgagee, or pledgee shall file with the department, on forms prescribed by the department, within 20 days after the end of a month in which he purchases a grower's wheat or barley or in which a lender makes a loan or advance on a grower's wheat or barley, a sworn statement of the number of bushels of wheat or hundredweights of barley purchased in Montana or the number of bushels of wheat or hundredweights of barley mortgaged or pledged or otherwise transferred or lien as security for a loan during the preceding calendar month. At the time the sworn statement is filed, the purchaser or lender shall pay to the department the assessment provided for in 80-11-206 for deposit in the wheat and barley account in the other state special revenue funds fund.

(3) The statement referred to in subsections (1) and (2) of this section shall be legibly written and shall be entirely free of any corrections or erasures. A person may

not alter any part of a statement.

(4) After 30 days and before 90 days following the deduction of the assessment by the first purchaser or the first lender, the grower may, upon the submission of a written, verified request to the department, obtain a refund of the assessment. The request shall be accompanied by the original invoices received by the grower at the time of settlement. The department shall keep complete records of all refunds made under the provisions of this section. Records of refunds may be destroyed 2 years after the refund is made. All original invoices shall be returned to the grower with the refund payment."

Section 11. Section 80-11-210, MCA, is amended to read:

"80-11-210. Wheat and barley account -- sources -- use -- expenditures. (1) There shall be an account in the other state special revenue funds fund known as the wheat and barley account. The following shall be placed in the account:

(a) the proceeds of all millage levies collected under this part; and

(b) the proceeds from all gifts, grants, or donations to the department for research authorized under this part.

(2) The account shall be maintained for the purposes of this part and shall be separate from all other accounts

1 of the department.

2 (3) The department may direct the board of investments
3 to invest funds from the account pursuant to the provisions
4 of the unified investment program for state funds. The
5 income from such investments shall be credited to the wheat
6 and barley account."

7 **Section 12.** Section 80-11-310, MCA, is amended to
8 read:

9 "80-11-310. Deposit and disbursement of funds --
10 records -- investment. (1) As soon as possible after
11 receipt, all money received by the department from the
12 assessment levied under 80-11-307 and all other money
13 received shall be deposited in the other state special
14 revenue funds fund.

15 (2) All money referred to in subsection (1) of this
16 section may be used only for the payment of expenses
17 incurred in carrying out the provisions of this part. The
18 committee may be assessed costs by the department for the
19 services it provides upon request or pursuant to 2-15-121;
20 however, the costs charged must have a substantial
21 relationship to the cost of services supplied.

22 (3) Money received under this section, 80-11-312, and
23 80-11-313 not immediately required for the purposes of this
24 part must be invested under provisions of the unified
25 investment program established in Title 17, chapter 6, part

1 2.

2 (4) Money received under this section, 80-11-312, and
3 80-11-313 is appropriated to the committee for the purposes
4 of this part."

5 **Section 13.** Section 81-8-610, MCA, is amended to read:

6 "81-8-610. Research and marketing account -- sources
7 -- use -- expenditures. (1) The proceeds of all assessments
8 made, paid, and collected under this part and the proceeds
9 from all gifts, grants, or donations to the department of
10 livestock for research authorized by this part shall be
11 deposited in the other state special revenue funds fund for
12 the use of the committee as provided in this part.

13 (2) The account shall be maintained for the purposes
14 of this part and shall be separate and apart from all other
15 accounts of the department.

16 (3) A percentage of all unrefunded assessments,
17 determined by the committee, shall be paid to the national
18 pork producer council.

19 (4) The committee may be assessed costs by the
20 department for the services the department provides upon
21 request of the committee or pursuant to 2-15-121. However,
22 the costs charged must have a substantial relationship to
23 the cost of the services provided."

24 **Section 14.** Section 81-8-805, MCA, is amended to read:

25 "81-8-805. Beef production research account -- sources

1 -- use -- expenditures. (1) There is an account in the other
 2 state special revenue funds fund known as the beef
 3 production research account. The following shall be placed
 4 in the account:

5 (a) the proceeds of all taxes collected under
 6 81-8-804; and

7 (b) the proceeds from all gifts, grants, and donations
 8 to the department for activities authorized under this part.

9 (2) The account shall be maintained for the purposes
 10 of this part and shall be separate from all other accounts
 11 of the department.

12 (3) At least 20% of all contributions and unrefunded
 13 taxes received by the department shall be paid to the
 14 national livestock and meat board and at least 20% of such
 15 contributions and taxes shall be paid to the national beef
 16 industry council to carry out, on a national level, work and
 17 programs approved by the department.

18 (4) The beef production research account may be
 19 assessed costs by the department for services it provides in
 20 administering this part. The costs charged must have a
 21 substantial relationship to the cost of the services
 22 provided.

23 (5) Money deposited in the beef production research
 24 account pursuant to this section is appropriated to the
 25 department and must be used only for the purposes of this

1 part."

2 NEW SECTION. **Section 15.** Effective date. [This act]
 3 is effective July 1, 1989.

-End-

1 *Senate* BILL NO. *80*
 2 INTRODUCED BY *Hiram Van Vleetburg*
 3 BY REQUEST OF THE LEGISLATIVE FINANCE COMMITTEE
 4

5 A BILL FOR AN ACT ENTITLED: "AN ACT ELIMINATING THE
 6 CATEGORY OF "OTHER SPECIAL REVENUE FUNDS" FROM THE STATE
 7 TREASURY FUND STRUCTURE; RECLASSIFYING OTHER SPECIAL REVENUE
 8 FUNDS AS STATE OR FEDERAL SPECIAL REVENUE FUNDS; AMENDING
 9 SECTIONS 17-2-102, 17-2-111, 17-3-1003, 20-26-1105,
 10 53-24-104, 61-10-226, 75-7-306, 76-13-209, 80-11-203,
 11 80-11-207, 80-11-210, 80-11-310, 81-8-610, AND 81-8-805,
 12 MCA; AND PROVIDING AN EFFECTIVE DATE."

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

15 **Section 1.** Section 17-2-102, MCA, is amended to read:

16 "17-2-102. Fund structure. (1) There are in the state
 17 treasury only the following fund categories and types:

18 (a) governmental fund category, which includes:

19 (i) the general fund, which accounts for all financial
 20 resources except those required to be accounted for in
 21 another fund;

22 (ii) the special revenue fund type, which accounts for
 23 the proceeds of specific revenue sources (other than
 24 expendable trusts or major capital projects) that are
 25 legally restricted to expenditure for specified purposes.

1 The financial activities of the special revenue fund type
 2 shall be subdivided for operational purposes into the
 3 following funds to serve the purpose indicated:

4 (A) The state special revenue fund consists of money
 5 from state and other nonfederal sources deposited in the
 6 state treasury that is earmarked for the purposes of
 7 defraying particular costs of an agency, program, or
 8 function of state government.

9 (B) The federal special revenue fund consists of money
 10 deposited in the treasury from federal sources, including
 11 trust income, that is used for the operation of state
 12 government.

13 ~~(C) The other special revenue funds consist of money~~
 14 ~~deposited in the state treasury from private sources,~~
 15 ~~including trust income, that is used for the operation of~~
 16 ~~state government and money used to defray reimbursable~~
 17 ~~expenditures.~~

18 (iii) the capital projects fund type, which accounts
 19 for financial resources to be used for the acquisition or
 20 construction of major capital facilities, other than those
 21 financed by proprietary funds or trust funds; and

22 (iv) the debt service fund type, which accounts for the
 23 accumulation of resources for and the payment of general
 24 long-term debt principal and interest;

25 (b) proprietary fund category, which includes:

1 (i) the enterprise fund type, which accounts for
2 operations:

3 (A) that are financed and operated in a manner similar
4 to private business enterprises whenever the intent of the
5 legislature is that costs (i.e., expenses, including
6 depreciation) of providing goods or services to the general
7 public on a continuing basis are to be financed or recovered
8 primarily through user charges; or

9 (B) whenever the legislature has decided that periodic
10 determination of revenue earned, expenses incurred, or net
11 income is appropriate for capital maintenance, public
12 policy, management control, accountability, or other
13 purposes; and

14 (ii) the internal service fund type, which accounts for
15 the financing of goods or services provided by one
16 department or agency to other departments or agencies of
17 state government or to other governmental entities on a
18 cost-reimbursed basis;

19 (c) the fiduciary fund category, which includes trust
20 and agency fund types used to account for assets held by
21 state government in a trustee capacity or as an agent for
22 individuals, private organizations, other governmental
23 entities, or other funds. These include the:

- 24 (i) expendable trust fund type;
25 (ii) nonexpendable trust fund type;

1 (iii) pension trust fund type; and

2 (iv) agency fund type.

3 (d) the higher education funds, which include:

4 (i) the current fund, which accounts for moneys
5 deposited in the state treasury which are used to pay
6 current operating costs relating to instruction, research,
7 public service, and allied support operations and programs
8 conducted within the Montana university system and
9 vocational-technical centers. The financial activities of
10 the current fund shall be subdivided, for operation
11 purposes, into the four following subfunds to serve the
12 purpose indicated:

13 (A) The unrestricted subfund segregates that portion
14 of the current fund's financial resources that can be
15 expended for general operations and is free of externally
16 imposed restrictions, except those imposed by the
17 legislature.

18 (B) The restricted subfund segregates that portion of
19 the current fund's financial resources that can be expended
20 for general operations but only for purposes imposed by
21 sources external to the board of regents and the
22 legislature.

23 (C) The designated subfund segregates that portion of
24 the current fund's financial resources that is associated
25 with general operations but is separately classified in

1 order to accumulate costs that are to be recharged as
 2 allocated to other funds or subfunds; identifies financial
 3 activities related to special organized activities of
 4 educational departments wherein the activity is fully
 5 supported by supplemental assessments; and identifies
 6 special supply and facility fees that are approved for
 7 collections beyond normal course fees and their disposition.

8 (D) The auxiliary subfund segregates that portion of
 9 the current fund's financial resources that is devoted to
 10 providing essential on-campus services primarily to
 11 students, faculty, or staff wherein a fee, which is directly
 12 related to but does not necessarily equal the cost of the
 13 service provided, is charged to the consumer.

14 (ii) the student loan fund, which accounts for moneys
 15 deposited in the state treasury which may be loaned to
 16 students, faculty, or staff for purposes related to
 17 education, organized research, or public services by the
 18 Montana university system and vocational-technical centers;

19 (iii) the endowment fund, which accounts for moneys
 20 deposited in the state treasury by the Montana university
 21 system and vocational-technical centers wherein the
 22 principal portion of the amount received is nonexpendable
 23 but is available for investment, thus producing consumable
 24 income. Expendable earnings on endowment funds are to be
 25 transferred to appropriate operating funds pursuant to

1 prevailing administrative requirements.

2 (iv) the annuity and life income fund, which accounts
 3 for moneys deposited in the state treasury by the Montana
 4 university system and vocational-technical centers under an
 5 agreement whereby the moneys are made available on condition
 6 that the receiving unit of the Montana university system or
 7 vocational-technical center binds itself to pay stipulated
 8 amounts periodically to the donor or others designated by
 9 the donor over a specified period of time;

10 (v) the plant fund, which accounts for those financial
 11 resources allocated to or received by the Montana university
 12 system and vocational-technical centers for capital outlay
 13 purposes or to retire long-term debts associated with
 14 construction or acquisition of fixed assets and the net
 15 accumulative results of these activities; and

16 (vi) the agency fund, which accounts for moneys
 17 deposited in the state treasury wherein the Montana
 18 university system or a vocational-technical center acts in
 19 the capacity of a custodian or fiscal agent for individual
 20 students, faculty, staff, and qualified organizations.

21 (2) In addition to the funds provided for in
 22 subsection (1) of this section, there are in the state
 23 treasury the following account groups:

24 (a) the fixed assets account group, which is a
 25 self-balancing group of accounts set up to establish

1 accounting control and accountability for the state's
2 general fixed assets, except those accounted for in
3 proprietary funds, trust funds, and the higher education
4 funds designated in subsections (1)(d)(i)(D), (1)(d)(iii),
5 and (1)(d)(v) of this section; and

6 (b) the long-term debt account group, which is a
7 self-balancing group of accounts set up to establish
8 accounting control and accountability for the state's
9 unmatured general long-term liabilities, except those
10 accounted for in proprietary funds, trust funds, and the
11 higher education funds designated in subsections
12 (1)(d)(i)(D), (1)(d)(iii), and (1)(d)(v) of this section."

13 **Section 2.** Section 17-2-111, MCA, is amended to read:

14 "17-2-111. Review of state and other special revenue
15 accounts and proprietary accounts -- report -- transfer of
16 funds. (1) Each biennium, the department of administration
17 shall examine all state and other special revenue accounts
18 and proprietary accounts as required by this section and
19 report the findings and recommendations to the legislative
20 finance committee not later than June 1 of the year
21 preceding a regular session of the legislature.

22 (2) The department shall examine restrictions against
23 the transfer of unobligated balances in state and other
24 special revenue accounts to the general fund. If such
25 restrictions are considered unnecessary by the department

1 and if they may be eliminated by administrative action, the
2 department shall to the fullest extent possible eliminate
3 such restrictions and require the transfer of unobligated
4 balances in the accounts to be made to the general fund,
5 either on an annual or biennial basis. If administrative
6 action is unavailable, the department shall make
7 recommendations for legislative action.

8 (3) The department shall examine all state ~~and other~~
9 special revenue accounts and proprietary accounts to
10 determine if they should continue to exist or be eliminated
11 or modified to provide better program operation or fiscal
12 control. In conducting the examination, the department
13 shall consider whether an account:

14 (a) is accurately classified as a state special
15 revenue account, ~~other special revenue account,~~ or
16 proprietary account;

17 (b) is required by the Montana constitution or by
18 statute;

19 (c) operates in compliance with the statutes that
20 established the program;

21 (d) receives an amount of revenue that is equal to or
22 close to the expenditure required for the activity funded by
23 the account;

24 (e) allows the funded program to operate without
25 supplemental general funds; and

(f) has any restrictions against the transfer of unobligated balances in the account to the general fund."

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(2) All moneys received from the investment of grants of a state institution and all money received from the leasing of lands granted to a state institution shall be deposited with the state treasurer of Montana for each of such institutions, to the credit of the other state special revenue funds fund."

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"20-26-1105. Guaranteed student loan account. (1) There is a guaranteed student loan account within the other federal special revenue funds fund provided for in 17-2-102.

(2) The board shall credit to the account established in subsection (1) all money designated for the guaranteed student loan program by the United States or by any other public or private source. All expenses incurred by the board in connection with the guaranteed student loan program, including principal and interest payments required because of loan defaults, must be charged against the account.

(3) Money in the account not needed to meet current obligations of the board in the exercise of its responsibilities as guarantor, as provided for in this part, must be invested in accordance with the provisions of Title 17, chapter 6. Interest proceeds must be credited to the account.

(4) Money on deposit in the guaranteed student loan account shall not revert to the general fund at the close of any fiscal year."

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"61-10-226. Deposit of state highway money. (1) Any reference to the state highway fund means the state highway account in the state special revenue fund.

(2) Money received for the use of the department from the receipt or transfer of GVW license fees, as provided by law, or from other state sources shall be deposited in the state special revenue fund to the credit of the department.

(3) Money received from the federal government or other agencies shall be deposited in a federal or other state special revenue fund to the credit of the department.

(4) Money collected for the department as authorized by law shall be credited to such fund or funds by the state treasurer.

(5) Money received from the counties shall be deposited in the state special revenue fund to the credit of the department."

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"75-7-306. Establishment of account. There is established in ~~an--other~~ the state special revenue fund a Flathead basin commission account. Money received by the

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"80-11-203. Compensation -- per diem. Members of the committee shall receive no salary but shall be paid from the wheat and barley account in the other state special revenue funds fund a per diem of \$25 for each day they are engaged in the transaction of official business, together with their actual and necessary travel expenses, as provided for in 2-18-501 through 2-18-503, incurred while on official business."

Section 10. Section 80-11-207, MCA, is amended to read:

"80-11-207. Buyer's delivery of invoice to grower -- form -- filing of sworn statement -- payment of assessment -- refund. (1) The purchaser of the wheat or barley at the time of sale or the pledgee, mortgagee, or other lender at the time of the loan or advance shall give separate invoices for each purchase to the grower. The invoices shall be on forms approved by the department and shall show:

(a) the name and address of the grower and seller;

(b) the name and address of the purchaser or the lender;

(c) the number of bushels of wheat or hundredweights of barley sold, mortgaged, or pledged;

(d) the date of the purchase, mortgage, or pledge and the amount of assessment collected and remitted to the department.

(2) The purchaser, mortgagee, or pledgee shall file with the department, on forms prescribed by the department, within 20 days after the end of a month in which he purchases a grower's wheat or barley or in which a lender makes a loan or advance on a grower's wheat or barley, a sworn statement of the number of bushels of wheat or hundredweights of barley purchased in Montana or the number of bushels of wheat or hundredweights of barley mortgaged or pledged or otherwise transferred or lienied as security for a loan during the preceding calendar month. At the time the sworn statement is filed, the purchaser or lender shall pay to the department the assessment provided for in 80-11-206 for deposit in the wheat and barley account in the other state special revenue funds fund.

(3) The statement referred to in subsections (1) and (2) of this section shall be legibly written and shall be entirely free of any corrections or erasures. A person may

not alter any part of a statement.

(4) After 30 days and before 90 days following the deduction of the assessment by the first purchaser or the first lender, the grower may, upon the submission of a written, verified request to the department, obtain a refund of the assessment. The request shall be accompanied by the original invoices received by the grower at the time of settlement. The department shall keep complete records of all refunds made under the provisions of this section. Records of refunds may be destroyed 2 years after the refund is made. All original invoices shall be returned to the grower with the refund payment."

Section 11. Section 80-11-210, MCA, is amended to read:

"80-11-210. Wheat and barley account -- sources -- use -- expenditures. (1) There shall be an account in the other state special revenue funds fund known as the wheat and barley account. The following shall be placed in the account:

(a) the proceeds of all millage levies collected under this part; and

(b) the proceeds from all gifts, grants, or donations to the department for research authorized under this part.

(2) The account shall be maintained for the purposes of this part and shall be separate from all other accounts

1 of the department.

2 (3) The department may direct the board of investments
3 to invest funds from the account pursuant to the provisions
4 of the unified investment program for state funds. The
5 income from such investments shall be credited to the wheat
6 and barley account."

7 **Section 12.** Section 80-11-310, MCA, is amended to
8 read:

9 "80-11-310. Deposit and disbursement of funds --
10 records -- investment. (1) As soon as possible after
11 receipt, all money received by the department from the
12 assessment levied under 80-11-307 and all other money
13 received shall be deposited in the other state special
14 revenue funds fund.

15 (2) All money referred to in subsection (1) of this
16 section may be used only for the payment of expenses
17 incurred in carrying out the provisions of this part. The
18 committee may be assessed costs by the department for the
19 services it provides upon request or pursuant to 2-15-121;
20 however, the costs charged must have a substantial
21 relationship to the cost of services supplied.

22 (3) Money received under this section, 80-11-312, and
23 80-11-313 not immediately required for the purposes of this
24 part must be invested under provisions of the unified
25 investment program established in Title 17, chapter 6, part

1 2.

2 (4) Money received under this section, 80-11-312, and
3 80-11-313 is appropriated to the committee for the purposes
4 of this part."

5 **Section 13.** Section 81-8-610, MCA, is amended to read:

6 "81-8-610. Research and marketing account -- sources
7 -- use -- expenditures. (1) The proceeds of all assessments
8 made, paid, and collected under this part and the proceeds
9 from all gifts, grants, or donations to the department of
10 livestock for research authorized by this part shall be
11 deposited in the other state special revenue funds fund for
12 the use of the committee as provided in this part.

13 (2) The account shall be maintained for the purposes
14 of this part and shall be separate and apart from all other
15 accounts of the department.

16 (3) A percentage of all unrefunded assessments,
17 determined by the committee, shall be paid to the national
18 pork producer council.

19 (4) The committee may be assessed costs by the
20 department for the services the department provides upon
21 request of the committee or pursuant to 2-15-121. However,
22 the costs charged must have a substantial relationship to
23 the cost of the services provided."

24 **Section 14.** Section 81-8-805, MCA, is amended to read:

25 "81-8-805. Beef production research account -- sources

1 -- use -- expenditures. (1) There is an account in the other
 2 state special revenue funds fund known as the beef
 3 production research account. The following shall be placed
 4 in the account:

5 (a) the proceeds of all taxes collected under
 6 81-8-804; and

7 (b) the proceeds from all gifts, grants, and donations
 8 to the department for activities authorized under this part.

9 (2) The account shall be maintained for the purposes
 10 of this part and shall be separate from all other accounts
 11 of the department.

12 (3) At least 20% of all contributions and unrefunded
 13 taxes received by the department shall be paid to the
 14 national livestock and meat board and at least 20% of such
 15 contributions and taxes shall be paid to the national beef
 16 industry council to carry out, on a national level, work and
 17 programs approved by the department.

18 (4) The beef production research account may be
 19 assessed costs by the department for services it provides in
 20 administering this part. The costs charged must have a
 21 substantial relationship to the cost of the services
 22 provided.

23 (5) Money deposited in the beef production research
 24 account pursuant to this section is appropriated to the
 25 department and must be used only for the purposes of this

1 part."

2 NEW SECTION. **Section 15.** Effective date. [This act]
 3 is effective July 1, 1989.

-End-

SENATE BILL NO. 80

INTRODUCED BY HIMSL, VAN VALKENBURG, REGAN

BY REQUEST OF THE LEGISLATIVE FINANCE COMMITTEE

A BILL FOR AN ACT ENTITLED: "AN ACT ELIMINATING THE CATEGORY OF "OTHER SPECIAL REVENUE FUNDS" FROM THE STATE TREASURY FUND STRUCTURE; RECLASSIFYING OTHER SPECIAL REVENUE FUNDS AS STATE OR FEDERAL SPECIAL REVENUE FUNDS; AMENDING SECTIONS 17-2-102, 17-2-111, 17-3-1003, 20-26-1105, 53-24-104, 61-10-226, 75-7-306, 76-13-209, 80-11-203, 80-11-207, 80-11-210, 80-11-310, 81-8-610, AND 81-8-805, MCA; AND PROVIDING AN EFFECTIVE DATE."

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

Section 1. Section 17-2-102, MCA, is amended to read:

"17-2-102. Fund structure. (1) There are in the state treasury only the following fund categories and types:

(a) governmental fund category, which includes:

(i) the general fund, which accounts for all financial resources except those required to be accounted for in another fund;

(ii) the special revenue fund type, which accounts for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditure for specified purposes.

The financial activities of the special revenue fund type shall be subdivided for operational purposes into the following funds to serve the purpose indicated:

(A) The state special revenue fund consists of money from state and other nonfederal sources deposited in the state treasury that is earmarked for the purposes of defraying particular costs of an agency, program, or function of state government.

(B) The federal special revenue fund consists of money deposited in the treasury from federal sources, including trust income, that is used for the operation of state government.

~~(C) The other special revenue funds consist of money deposited in the state treasury from private sources, including trust income, that is used for the operation of state government and money used to defray reimbursable expenditures.~~

(iii) the capital projects fund type, which accounts for financial resources to be used for the acquisition or construction of major capital facilities, other than those financed by proprietary funds or trust funds; and

(iv) the debt service fund type, which accounts for the accumulation of resources for and the payment of general long-term debt principal and interest;

(b) proprietary fund category, which includes:

1 (i) the enterprise fund type, which accounts for
2 operations:

3 (A) that are financed and operated in a manner similar
4 to private business enterprises whenever the intent of the
5 legislature is that costs (i.e., expenses, including
6 depreciation) of providing goods or services to the general
7 public on a continuing basis are to be financed or recovered
8 primarily through user charges; or

9 (B) whenever the legislature has decided that periodic
10 determination of revenue earned, expenses incurred, or net
11 income is appropriate for capital maintenance, public
12 policy, management control, accountability, or other
13 purposes; and

14 (ii) the internal service fund type, which accounts for
15 the financing of goods or services provided by one
16 department or agency to other departments or agencies of
17 state government or to other governmental entities on a
18 cost-reimbursed basis;

19 (c) the fiduciary fund category, which includes trust
20 and agency fund types used to account for assets held by
21 state government in a trustee capacity or as an agent for
22 individuals, private organizations, other governmental
23 entities, or other funds. These include the:

- 24 (i) expendable trust fund type;
25 (ii) nonexpendable trust fund type;

1 (iii) pension trust fund type; and

2 (iv) agency fund type.

3 (d) the higher education funds, which include:

4 (i) the current fund, which accounts for moneys
5 deposited in the state treasury which are used to pay
6 current operating costs relating to instruction, research,
7 public service, and allied support operations and programs
8 conducted within the Montana university system and
9 vocational-technical centers. The financial activities of
10 the current fund shall be subdivided, for operation
11 purposes, into the four following subfunds to serve the
12 purpose indicated:

13 (A) The unrestricted subfund segregates that portion
14 of the current fund's financial resources that can be
15 expended for general operations and is free of externally
16 imposed restrictions, except those imposed by the
17 legislature.

18 (B) The restricted subfund segregates that portion of
19 the current fund's financial resources that can be expended
20 for general operations but only for purposes imposed by
21 sources external to the board of regents and the
22 legislature.

23 (C) The designated subfund segregates that portion of
24 the current fund's financial resources that is associated
25 with general operations but is separately classified in

order to accumulate costs that are to be recharged as allocated to other funds or subfunds; identifies financial activities related to special organized activities of educational departments wherein the activity is fully supported by supplemental assessments; and identifies special supply and facility fees that are approved for collections beyond normal course fees and their disposition.

(D) The auxiliary subfund segregates that portion of the current fund's financial resources that is devoted to providing essential on-campus services primarily to students, faculty, or staff wherein a fee, which is directly related to but does not necessarily equal the cost of the service provided, is charged to the consumer.

(ii) the student loan fund, which accounts for moneys deposited in the state treasury which may be loaned to students, faculty, or staff for purposes related to education, organized research, or public services by the Montana university system and vocational-technical centers;

(iii) the endowment fund, which accounts for moneys deposited in the state treasury by the Montana university system and vocational-technical centers wherein the principal portion of the amount received is nonexpendable but is available for investment, thus producing consumable income. Expendable earnings on endowment funds are to be transferred to appropriate operating funds pursuant to

prevailing administrative requirements.

(iv) the annuity and life income fund, which accounts for moneys deposited in the state treasury by the Montana university system and vocational-technical centers under an agreement whereby the moneys are made available on condition that the receiving unit of the Montana university system or vocational-technical center binds itself to pay stipulated amounts periodically to the donor or others designated by the donor over a specified period of time;

(v) the plant fund, which accounts for those financial resources allocated to or received by the Montana university system and vocational-technical centers for capital outlay purposes or to retire long-term debts associated with construction or acquisition of fixed assets and the net accumulative results of these activities; and

(vi) the agency fund, which accounts for moneys deposited in the state treasury wherein the Montana university system or a vocational-technical center acts in the capacity of a custodian or fiscal agent for individual students, faculty, staff, and qualified organizations.

(2) In addition to the funds provided for in subsection (1) of this section, there are in the state treasury the following account groups:

(a) the fixed assets account group, which is a self-balancing group of accounts set up to establish

accounting control and accountability for the state's general fixed assets, except those accounted for in proprietary funds, trust funds, and the higher education funds designated in subsections (1)(d)(i)(D), (1)(d)(iii), and (1)(d)(v) of this section; and

(b) the long-term debt account group, which is a self-balancing group of accounts set up to establish accounting control and accountability for the state's unmatured general long-term liabilities, except those accounted for in proprietary funds, trust funds, and the higher education funds designated in subsections (1)(d)(i)(D), (1)(d)(iii), and (1)(d)(v) of this section."

Section 2. Section 17-2-111, MCA, is amended to read:

"17-2-111. Review of state and--other special revenue accounts and proprietary accounts -- report -- transfer of funds. (1) Each biennium, the department of administration shall examine all state and--other special revenue accounts and proprietary accounts as required by this section and report the findings and recommendations to the legislative finance committee not later than June 1 of the year preceding a regular session of the legislature.

(2) The department shall examine restrictions against the transfer of unobligated balances in state and--other special revenue accounts to the general fund. If such restrictions are considered unnecessary by the department

and if they may be eliminated by administrative action, the department shall to the fullest extent possible eliminate such restrictions and require the transfer of unobligated balances in the accounts to be made to the general fund, either on an annual or biennial basis. If administrative action is unavailable, the department shall make recommendations for legislative action.

(3) The department shall examine all state and--other special revenue accounts and proprietary accounts to determine if they should continue to exist or be eliminated or modified to provide better program operation or fiscal control. In conducting the examination, the department shall consider whether an account:

(a) is accurately classified as a state special revenue account,--other---special---revenue---account, or proprietary account;

(b) is required by the Montana constitution or by statute;

(c) operates in compliance with the statutes that established the program;

(d) receives an amount of revenue that is equal to or close to the expenditure required for the activity funded by the account;

(e) allows the funded program to operate without supplemental general funds; and

(f) has any restrictions against the transfer of unobligated balances in the account to the general fund."

Section 3. Section 17-3-1003, MCA, is amended to read:

"17-3-1003. Support of state institutions. (1) For the support and endowment of each state institution, there is annually and perpetually appropriated the income from all permanent endowments therefor and from all land grants as provided by law. All moneys received or collected in connection with such endowments by all higher educational institutions, reformatory, custodial and penal institutions, state hospitals, and sanitariums, for any purpose whatever, except revenues pledged to secure the payment of principal and interest of obligations incurred for the purchase, construction, equipment, or improvement of facilities at units of the Montana university system and for the refunding of such obligations or moneys which may constitute temporary deposits, all or part of which may be subject to withdrawal or repayment, shall be paid over to the state treasurer who shall deposit the same to the credit of the proper fund.

(2) All moneys received from the investment of grants of a state institution and all money received from the leasing of lands granted to a state institution shall be deposited with the state treasurer of Montana for each of such institutions, to the credit of the other state special revenue funds fund."

Section 4. Section 20-26-1105, MCA, is amended to read:

"20-26-1105. Guaranteed student loan account. (1)

There is a guaranteed student loan account within the other federal special revenue funds fund provided for in 17-2-102.

(2) The board shall credit to the account established in subsection (1) all money designated for the guaranteed student loan program by the United States or by any other public or private source. All expenses incurred by the board in connection with the guaranteed student loan program, including principal and interest payments required because of loan defaults, must be charged against the account.

(3) Money in the account not needed to meet current obligations of the board in the exercise of its responsibilities as guarantor, as provided for in this part, must be invested in accordance with the provisions of Title 17, chapter 6. Interest proceeds must be credited to the account.

(4) Money on deposit in the guaranteed student loan account shall not revert to the general fund at the close of any fiscal year."

Section 5. Section 53-24-104, MCA, is amended to read:

"53-24-104. Deposit of funds from federal or private sources with state treasurer. Funds available to the department from federal or private sources for use in

chemical dependency prevention, treatment, and control programs shall be deposited with the state treasurer to the account of the department in the federal special revenue fund or the other state special revenue funds fund."

Section 6. Section 61-10-226, MCA, is amended to read:

"61-10-226. Deposit of state highway money. (1) Any reference to the state highway fund means the state highway account in the state special revenue fund.

(2) Money received for the use of the department from the receipt or transfer of GVW license fees, as provided by law, or from other state sources shall be deposited in the state special revenue fund to the credit of the department.

(3) Money received from the federal government or other agencies shall be deposited in a federal or other state special revenue fund to the credit of the department.

(4) Money collected for the department as authorized by law shall be credited to such fund or funds by the state treasurer.

(5) Money received from the counties shall be deposited in the state special revenue fund to the credit of the department."

Section 7. Section 75-7-306, MCA, is amended to read:

"75-7-306. Establishment of account. There is established in an--other the state special revenue fund a Flathead basin commission account. Money received by the

Flathead basin commission under 75-7-305 and such other funds as are designated or appropriated for its use must be deposited in the account."

Section 8. Section 76-13-209, MCA, is amended to read:

"76-13-209. Disposition of assessments. All sums collected pursuant to 76-13-207 shall be promptly deposited in the other state special revenue funds fund."

Section 9. Section 80-11-203, MCA, is amended to read:

"80-11-203. Compensation -- per diem. Members of the committee shall receive no salary but shall be paid from the wheat and barley account in the other state special revenue funds fund a per diem of \$25 for each day they are engaged in the transaction of official business, together with their actual and necessary travel expenses, as provided for in 2-18-501 through 2-18-503, incurred while on official business."

Section 10. Section 80-11-207, MCA, is amended to read:

"80-11-207. Buyer's delivery of invoice to grower -- form -- filing of sworn statement -- payment of assessment -- refund. (1) The purchaser of the wheat or barley at the time of sale or the pledgee, mortgagee, or other lender at the time of the loan or advance shall give separate invoices for each purchase to the grower. The invoices shall be on forms approved by the department and shall show:

- 1 (a) the name and address of the grower and seller;
- 2 (b) the name and address of the purchaser or the
- 3 lender;
- 4 (c) the number of bushels of wheat or hundredweights
- 5 of barley sold, mortgaged, or pledged;
- 6 (d) the date of the purchase, mortgage, or pledge and
- 7 the amount of assessment collected and remitted to the
- 8 department.
- 9 (2) The purchaser, mortgagee, or pledgee shall file
- 10 with the department, on forms prescribed by the department,
- 11 within 20 days after the end of a month in which he
- 12 purchases a grower's wheat or barley or in which a lender
- 13 makes a loan or advance on a grower's wheat or barley, a
- 14 sworn statement of the number of bushels of wheat or
- 15 hundredweights of barley purchased in Montana or the number
- 16 of bushels of wheat or hundredweights of barley mortgaged or
- 17 pledged or otherwise transferred or liened as security for a
- 18 loan during the preceding calendar month. At the time the
- 19 sworn statement is filed, the purchaser or lender shall pay
- 20 to the department the assessment provided for in 80-11-206
- 21 for deposit in the wheat and barley account in the other
- 22 state special revenue funds fund.
- 23 (3) The statement referred to in subsections (1) and
- 24 (2) of this section shall be legibly written and shall be
- 25 entirely free of any corrections or erasures. A person may

1 not alter any part of a statement.

- 2 (4) After 30 days and before 90 days following the
- 3 deduction of the assessment by the first purchaser or the
- 4 first lender, the grower may, upon the submission of a
- 5 written, verified request to the department, obtain a refund
- 6 of the assessment. The request shall be accompanied by the
- 7 original invoices received by the grower at the time of
- 8 settlement. The department shall keep complete records of
- 9 all refunds made under the provisions of this section.
- 10 Records of refunds may be destroyed 2 years after the refund
- 11 is made. All original invoices shall be returned to the
- 12 grower with the refund payment."

13 **Section 11.** Section 80-11-210, MCA, is amended to
14 read:

15 "80-11-210. Wheat and barley account -- sources -- use
16 -- expenditures. (1) There shall be an account in the other
17 state special revenue funds fund known as the wheat and
18 barley account. The following shall be placed in the
19 account:

- 20 (a) the proceeds of all millage levies collected under
- 21 this part; and
- 22 (b) the proceeds from all gifts, grants, or donations
- 23 to the department for research authorized under this part.
- 24 (2) The account shall be maintained for the purposes
- 25 of this part and shall be separate from all other accounts

1 of the department.

2 (3) The department may direct the board of investments
3 to invest funds from the account pursuant to the provisions
4 of the unified investment program for state funds. The
5 income from such investments shall be credited to the wheat
6 and barley account."

7 **Section 12.** Section 80-11-310, MCA, is amended to
8 read:

9 "80-11-310. Deposit and disbursement of funds --
10 records -- investment. (1) As soon as possible after
11 receipt, all money received by the department from the
12 assessment levied under 80-11-307 and all other money
13 received shall be deposited in the other state special
14 revenue funds fund.

15 (2) All money referred to in subsection (1) of this
16 section may be used only for the payment of expenses
17 incurred in carrying out the provisions of this part. The
18 committee may be assessed costs by the department for the
19 services it provides upon request or pursuant to 2-15-121;
20 however, the costs charged must have a substantial
21 relationship to the cost of services supplied.

22 (3) Money received under this section, 80-11-312, and
23 80-11-313 not immediately required for the purposes of this
24 part must be invested under provisions of the unified
25 investment program established in Title 17, chapter 6, part

1 2.

2 (4) Money received under this section, 80-11-312, and
3 80-11-313 is appropriated to the committee for the purposes
4 of this part."

5 **Section 13.** Section 81-8-610, MCA, is amended to read:

6 "81-8-610. Research and marketing account -- sources
7 -- use -- expenditures. (1) The proceeds of all assessments
8 made, paid, and collected under this part and the proceeds
9 from all gifts, grants, or donations to the department of
10 livestock for research authorized by this part shall be
11 deposited in the other state special revenue funds fund for
12 the use of the committee as provided in this part.

13 (2) The account shall be maintained for the purposes
14 of this part and shall be separate and apart from all other
15 accounts of the department.

16 (3) A percentage of all unrefunded assessments,
17 determined by the committee, shall be paid to the national
18 pork producer council.

19 (4) The committee may be assessed costs by the
20 department for the services the department provides upon
21 request of the committee or pursuant to 2-15-121. However,
22 the costs charged must have a substantial relationship to
23 the cost of the services provided."

24 **Section 14.** Section 81-8-805, MCA, is amended to read:

25 "81-8-805. Beef production research account -- sources

1 -- use -- expenditures. (1) There is an account in the other
 2 state special revenue funds fund known as the beef
 3 production research account. The following shall be placed
 4 in the account:

5 (a) the proceeds of all taxes collected under
 6 81-8-804; and

7 (b) the proceeds from all gifts, grants, and donations
 8 to the department for activities authorized under this part.

9 (2) The account shall be maintained for the purposes
 10 of this part and shall be separate from all other accounts
 11 of the department.

12 (3) At least 20% of all contributions and unrefunded
 13 taxes received by the department shall be paid to the
 14 national livestock and meat board and at least 20% of such
 15 contributions and taxes shall be paid to the national beef
 16 industry council to carry out, on a national level, work and
 17 programs approved by the department.

18 (4) The beef production research account may be
 19 assessed costs by the department for services it provides in
 20 administering this part. The costs charged must have a
 21 substantial relationship to the cost of the services
 22 provided.

23 (5) Money deposited in the beef production research
 24 account pursuant to this section is appropriated to the
 25 department and must be used only for the purposes of this

1 part."

2 NEW SECTION. **Section 15.** Effective date. [This act]
 3 is effective July 1, 1989.

-End-

GOVERNOR'S AMENDMENTS
TO SENATE BILL 80
(Reference Copy)
March 28, 1989

1. Page 2, following line 8.
Insert: "Other nonstate and nonfederal revenue deposited
in the state special revenue account is not subject to the
emergency budget amendment provisions of 17-7-403, MCA."

- END -

SENATE BILL NO. 80

INTRODUCED BY HIMSL, VAN VALKENBURG, REGAN

BY REQUEST OF THE LEGISLATIVE FINANCE COMMITTEE

A BILL FOR AN ACT ENTITLED: "AN ACT ELIMINATING THE CATEGORY OF "OTHER SPECIAL REVENUE FUNDS" FROM THE STATE TREASURY FUND STRUCTURE; RECLASSIFYING OTHER SPECIAL REVENUE FUNDS AS STATE OR FEDERAL SPECIAL REVENUE FUNDS; AMENDING SECTIONS 17-2-102, 17-2-111, 17-3-1003, 20-26-1105, 53-24-104, 61-10-226, 75-7-306, 76-13-209, 80-11-203, 80-11-207, 80-11-210, 80-11-310, 81-8-610, AND 81-8-805, MCA; AND PROVIDING AN EFFECTIVE DATE."

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

Section 1. Section 17-2-102, MCA, is amended to read:

"17-2-102. Fund structure. (1) There are in the state treasury only the following fund categories and types:

(a) governmental fund category, which includes:

(i) the general fund, which accounts for all financial resources except those required to be accounted for in another fund;

(ii) the special revenue fund type, which accounts for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditure for specified purposes.

The financial activities of the special revenue fund type shall be subdivided for operational purposes into the following funds to serve the purpose indicated:

(A) The state special revenue fund consists of money from state and other nonfederal sources deposited in the state treasury that is earmarked for the purposes of defraying particular costs of an agency, program, or function of state government. OTHER NONSTATE AND NONFEDERAL REVENUE DEPOSITED IN THE STATE SPECIAL REVENUE ACCOUNT IS NOT SUBJECT TO THE EMERGENCY BUDGET AMENDMENT PROVISIONS OF 17-7-403.

(B) The federal special revenue fund consists of money deposited in the treasury from federal sources, including trust income, that is used for the operation of state government.

~~(C) The other special revenue funds consist of money deposited in the state treasury from private sources, including trust income, that is used for the operation of state government and money used to defray reimbursable expenditures.~~

(iii) the capital projects fund type, which accounts for financial resources to be used for the acquisition or construction of major capital facilities, other than those financed by proprietary funds or trust funds; and

(iv) the debt service fund type, which accounts for the



1 accumulation of resources for and the payment of general
 2 long-term debt principal and interest;
 3 (b) proprietary fund category, which includes:
 4 (i) the enterprise fund type, which accounts for
 5 operations:
 6 (A) that are financed and operated in a manner similar
 7 to private business enterprises whenever the intent of the
 8 legislature is that costs (i.e., expenses, including
 9 depreciation) of providing goods or services to the general
 10 public on a continuing basis are to be financed or recovered
 11 primarily through user charges; or
 12 (B) whenever the legislature has decided that periodic
 13 determination of revenue earned, expenses incurred, or net
 14 income is appropriate for capital maintenance, public
 15 policy, management control, accountability, or other
 16 purposes; and
 17 (ii) the internal service fund type, which accounts for
 18 the financing of goods or services provided by one
 19 department or agency to other departments or agencies of
 20 state government or to other governmental entities on a
 21 cost-reimbursed basis;
 22 (c) the fiduciary fund category, which includes trust
 23 and agency fund types used to account for assets held by
 24 state government in a trustee capacity or as an agent for
 25 individuals, private organizations, other governmental

1 entities, or other funds. These include the:
 2 (i) expendable trust fund type;
 3 (ii) nonexpendable trust fund type;
 4 (iii) pension trust fund type; and
 5 (iv) agency fund type.
 6 (d) the higher education funds, which include:
 7 (i) the current fund, which accounts for moneys
 8 deposited in the state treasury which are used to pay
 9 current operating costs relating to instruction, research,
 10 public service, and allied support operations and programs
 11 conducted within the Montana university system and
 12 vocational-technical centers. The financial activities of
 13 the current fund shall be subdivided, for operation
 14 purposes, into the four following subfunds to serve the
 15 purpose indicated:
 16 (A) The unrestricted subfund segregates that portion
 17 of the current fund's financial resources that can be
 18 expended for general operations and is free of externally
 19 imposed restrictions, except those imposed by the
 20 legislature.
 21 (B) The restricted subfund segregates that portion of
 22 the current fund's financial resources that can be expended
 23 for general operations but only for purposes imposed by
 24 sources external to the board of regents and the
 25 legislature.

1 (C) The designated subfund segregates that portion of
 2 the current fund's financial resources that is associated
 3 with general operations but is separately classified in
 4 order to accumulate costs that are to be recharged as
 5 allocated to other funds or subfunds; identifies financial
 6 activities related to special organized activities of
 7 educational departments wherein the activity is fully
 8 supported by supplemental assessments; and identifies
 9 special supply and facility fees that are approved for
 10 collections beyond normal course fees and their disposition.

11 (D) The auxiliary subfund segregates that portion of
 12 the current fund's financial resources that is devoted to
 13 providing essential on-campus services primarily to
 14 students, faculty, or staff wherein a fee, which is directly
 15 related to but does not necessarily equal the cost of the
 16 service provided, is charged to the consumer.

17 (ii) the student loan fund, which accounts for moneys
 18 deposited in the state treasury which may be loaned to
 19 students, faculty, or staff for purposes related to
 20 education, organized research, or public services by the
 21 Montana university system and vocational-technical centers;

22 (iii) the endowment fund, which accounts for moneys
 23 deposited in the state treasury by the Montana university
 24 system and vocational-technical centers wherein the
 25 principal portion of the amount received is nonexpendable

1 but is available for investment, thus producing consumable
 2 income. Expendable earnings on endowment funds are to be
 3 transferred to appropriate operating funds pursuant to
 4 prevailing administrative requirements.

5 (iv) the annuity and life income fund, which accounts
 6 for moneys deposited in the state treasury by the Montana
 7 university system and vocational-technical centers under an
 8 agreement whereby the moneys are made available on condition
 9 that the receiving unit of the Montana university system or
 10 vocational-technical center binds itself to pay stipulated
 11 amounts periodically to the donor or others designated by
 12 the donor over a specified period of time;

13 (v) the plant fund, which accounts for those financial
 14 resources allocated to or received by the Montana university
 15 system and vocational-technical centers for capital outlay
 16 purposes or to retire long-term debts associated with
 17 construction or acquisition of fixed assets and the net
 18 accumulative results of these activities; and

19 (vi) the agency fund, which accounts for moneys
 20 deposited in the state treasury wherein the Montana
 21 university system or a vocational-technical center acts in
 22 the capacity of a custodian or fiscal agent for individual
 23 students, faculty, staff, and qualified organizations.

24 (2) In addition to the funds provided for in
 25 subsection (1) of this section, there are in the state

1 treasury the following account groups:

2 (a) the fixed assets account group, which is a
3 self-balancing group of accounts set up to establish
4 accounting control and accountability for the state's
5 general fixed assets, except those accounted for in
6 proprietary funds, trust funds, and the higher education
7 funds designated in subsections (1)(d)(i)(D), (1)(d)(iii),
8 and (1)(d)(v) of this section; and

9 (b) the long-term debt account group, which is a
10 self-balancing group of accounts set up to establish
11 accounting control and accountability for the state's
12 unmatured general long-term liabilities, except those
13 accounted for in proprietary funds, trust funds, and the
14 higher education funds designated in subsections
15 (1)(d)(i)(D), (1)(d)(iii), and (1)(d)(v) of this section."

16 Section 2. Section 17-2-111, MCA, is amended to read:

17 "17-2-111. Review of state and other special revenue
18 accounts and proprietary accounts -- report -- transfer of
19 funds. (1) Each biennium, the department of administration
20 shall examine all state and other special revenue accounts
21 and proprietary accounts as required by this section and
22 report the findings and recommendations to the legislative
23 finance committee not later than June 1 of the year
24 preceding a regular session of the legislature.

25 (2) The department shall examine restrictions against

1 the transfer of unobligated balances in state and other
2 special revenue accounts to the general fund. If such
3 restrictions are considered unnecessary by the department
4 and if they may be eliminated by administrative action, the
5 department shall to the fullest extent possible eliminate
6 such restrictions and require the transfer of unobligated
7 balances in the accounts to be made to the general fund,
8 either on an annual or biennial basis. If administrative
9 action is unavailable, the department shall make
10 recommendations for legislative action.

11 (3) The department shall examine all state and other
12 special revenue accounts and proprietary accounts to
13 determine if they should continue to exist or be eliminated
14 or modified to provide better program operation or fiscal
15 control. In conducting the examination, the department
16 shall consider whether an account:

17 (a) is accurately classified as a state special
18 revenue account, ~~other special revenue account~~, or
19 proprietary account;

20 (b) is required by the Montana constitution or by
21 statute;

22 (c) operates in compliance with the statutes that
23 established the program;

24 (d) receives an amount of revenue that is equal to or
25 close to the expenditure required for the activity funded by

1 the account;

2 (e) allows the funded program to operate without
3 supplemental general funds; and

4 (f) has any restrictions against the transfer of
5 unobligated balances in the account to the general fund."

6 Section 3. Section 17-3-1003, MCA, is amended to read:

7 "17-3-1003. Support of state institutions. (1) For the
8 support and endowment of each state institution, there is
9 annually and perpetually appropriated the income from all
10 permanent endowments therefor and from all land grants as
11 provided by law. All moneys received or collected in
12 connection with such endowments by all higher educational
13 institutions, reformatory, custodial and penal institutions,
14 state hospitals, and sanitariums, for any purpose whatever,
15 except revenues pledged to secure the payment of principal
16 and interest of obligations incurred for the purchase,
17 construction, equipment, or improvement of facilities at
18 units of the Montana university system and for the refunding
19 of such obligations or moneys which may constitute temporary
20 deposits, all or part of which may be subject to withdrawal
21 or repayment, shall be paid over to the state treasurer who
22 shall deposit the same to the credit of the proper fund.

23 (2) All moneys received from the investment of grants
24 of a state institution and all money received from the
25 leasing of lands granted to a state institution shall be

1 deposited with the state treasurer of Montana for each of
2 such institutions, to the credit of the other state special
3 revenue funds fund."

4 Section 4. Section 20-26-1105, MCA, is amended to
5 read:

6 "20-26-1105. Guaranteed student loan account. (1)
7 There is a guaranteed student loan account within the other
8 federal special revenue funds fund provided for in 17-2-102.

9 (2) The board shall credit to the account established
10 in subsection (1) all money designated for the guaranteed
11 student loan program by the United States or by any other
12 public or private source. All expenses incurred by the board
13 in connection with the guaranteed student loan program,
14 including principal and interest payments required because
15 of loan defaults, must be charged against the account.

16 (3) Money in the account not needed to meet current
17 obligations of the board in the exercise of its
18 responsibilities as guarantor, as provided for in this part,
19 must be invested in accordance with the provisions of Title
20 17, chapter 6. Interest proceeds must be credited to the
21 account.

22 (4) Money on deposit in the guaranteed student loan
23 account shall not revert to the general fund at the close of
24 any fiscal year."

25 Section 5. Section 53-24-104, MCA, is amended to read:

1 "53-24-104. Deposit of funds from federal or private
2 sources with state treasurer. Funds available to the
3 department from federal or private sources for use in
4 chemical dependency prevention, treatment, and control
5 programs shall be deposited with the state treasurer to the
6 account of the department in the federal special revenue
7 fund or the other state special revenue funds fund."

8 Section 6. Section 61-10-226, MCA, is amended to read:

9 "61-10-226. Deposit of state highway money. (1) Any
10 reference to the state highway fund means the state highway
11 account in the state special revenue fund.

12 (2) Money received for the use of the department from
13 the receipt or transfer of GVW license fees, as provided by
14 law, or from other state sources shall be deposited in the
15 state special revenue fund to the credit of the department.

16 (3) Money received from the federal government or
17 other agencies shall be deposited in a federal or other
18 state special revenue fund to the credit of the department.

19 (4) Money collected for the department as authorized
20 by law shall be credited to such fund or funds by the state
21 treasurer.

22 (5) Money received from the counties shall be
23 deposited in the state special revenue fund to the credit of
24 the department."

25 Section 7. Section 75-7-306, MCA, is amended to read:

1 "75-7-306. Establishment of account. There is
2 established in ~~an other~~ the state special revenue fund a
3 Flathead basin commission account. Money received by the
4 Flathead basin commission under 75-7-305 and such other
5 funds as are designated or appropriated for its use must be
6 deposited in the account."

7 Section 8. Section 76-13-209, MCA, is amended to read:

8 "76-13-209. Disposition of assessments. All sums
9 collected pursuant to 76-13-207 shall be promptly deposited
10 in the ~~other~~ state special revenue funds fund."

11 Section 9. Section 80-11-203, MCA, is amended to read:

12 "80-11-203. Compensation -- per diem. Members of the
13 committee shall receive no salary but shall be paid from the
14 wheat and barley account in the ~~other~~ state special revenue
15 funds fund a per diem of \$25 for each day they are engaged
16 in the transaction of official business, together with their
17 actual and necessary travel expenses, as provided for in
18 2-18-501 through 2-18-503, incurred while on official
19 business."

20 Section 10. Section 80-11-207, MCA, is amended to
21 read:

22 "80-11-207. Buyer's delivery of invoice to grower --
23 form -- filing of sworn statement -- payment of assessment
24 -- refund. (1) The purchaser of the wheat or barley at the
25 time of sale or the pledgee, mortgagee, or other lender at

1 the time of the loan or advance shall give separate invoices
2 for each purchase to the grower. The invoices shall be on
3 forms approved by the department and shall show:

- 4 (a) the name and address of the grower and seller;
- 5 (b) the name and address of the purchaser or the
6 lender;
- 7 (c) the number of bushels of wheat or hundredweights
8 of barley sold, mortgaged, or pledged;
- 9 (d) the date of the purchase, mortgage, or pledge and
10 the amount of assessment collected and remitted to the
11 department.

12 (2) The purchaser, mortgagee, or pledgee shall file
13 with the department, on forms prescribed by the department,
14 within 20 days after the end of a month in which he
15 purchases a grower's wheat or barley or in which a lender
16 makes a loan or advance on a grower's wheat or barley, a
17 sworn statement of the number of bushels of wheat or
18 hundredweights of barley purchased in Montana or the number
19 of bushels of wheat or hundredweights of barley mortgaged or
20 pledged or otherwise transferred or liened as security for a
21 loan during the preceding calendar month. At the time the
22 sworn statement is filed, the purchaser or lender shall pay
23 to the department the assessment provided for in 80-11-206
24 for deposit in the wheat and barley account in the other
25 state special revenue funds fund.

1 (3) The statement referred to in subsections (1) and
2 (2) of this section shall be legibly written and shall be
3 entirely free of any corrections or erasures. A person may
4 not alter any part of a statement.

5 (4) After 30 days and before 90 days following the
6 deduction of the assessment by the first purchaser or the
7 first lender, the grower may, upon the submission of a
8 written, verified request to the department, obtain a refund
9 of the assessment. The request shall be accompanied by the
10 original invoices received by the grower at the time of
11 settlement. The department shall keep complete records of
12 all refunds made under the provisions of this section.
13 Records of refunds may be destroyed 2 years after the refund
14 is made. All original invoices shall be returned to the
15 grower with the refund payment."

16 Section 11. Section 80-11-210, MCA, is amended to
17 read:

18 "80-11-210. Wheat and barley account -- sources -- use
19 -- expenditures. (1) There shall be an account in the other
20 state special revenue funds fund known as the wheat and
21 barley account. The following shall be placed in the
22 account:

- 23 (a) the proceeds of all millage levies collected under
24 this part; and
- 25 (b) the proceeds from all gifts, grants, or donations

1 to the department for research authorized under this part.

2 (2) The account shall be maintained for the purposes
3 of this part and shall be separate from all other accounts
4 of the department.

5 (3) The department may direct the board of investments
6 to invest funds from the account pursuant to the provisions
7 of the unified investment program for state funds. The
8 income from such investments shall be credited to the wheat
9 and barley account."

10 Section 12. Section 80-11-310, MCA, is amended to
11 read:

12 "80-11-310. Deposit and disbursement of funds --
13 records -- investment. (1) As soon as possible after
14 receipt, all money received by the department from the
15 assessment levied under 80-11-307 and all other money
16 received shall be deposited in the other state special
17 revenue funds fund.

18 (2) All money referred to in subsection (1) of this
19 section may be used only for the payment of expenses
20 incurred in carrying out the provisions of this part. The
21 committee may be assessed costs by the department for the
22 services it provides upon request or pursuant to 2-15-121;
23 however, the costs charged must have a substantial
24 relationship to the cost of services supplied.

25 (3) Money received under this section, 80-11-312, and

1 80-11-313 not immediately required for the purposes of this
2 part must be invested under provisions of the unified
3 investment program established in Title 17, chapter 6, part
4 2.

5 (4) Money received under this section, 80-11-312, and
6 80-11-313 is appropriated to the committee for the purposes
7 of this part."

8 Section 13. Section 81-8-610, MCA, is amended to read:

9 "81-8-610. Research and marketing account -- sources
10 -- use -- expenditures. (1) The proceeds of all assessments
11 made, paid, and collected under this part and the proceeds
12 from all gifts, grants, or donations to the department of
13 livestock for research authorized by this part shall be
14 deposited in the other state special revenue funds fund for
15 the use of the committee as provided in this part.

16 (2) The account shall be maintained for the purposes
17 of this part and shall be separate and apart from all other
18 accounts of the department.

19 (3) A percentage of all unrefunded assessments,
20 determined by the committee, shall be paid to the national
21 pork producer council.

22 (4) The committee may be assessed costs by the
23 department for the services the department provides upon
24 request of the committee or pursuant to 2-15-121. However,
25 the costs charged must have a substantial relationship to

1 the cost of the services provided."

2 Section 14. Section 81-8-805, MCA, is amended to read:

3 "81-8-805. Beef production research account -- sources
4 -- use -- expenditures. (1) There is an account in the other
5 state special revenue funds fund known as the beef
6 production research account. The following shall be placed
7 in the account:

8 (a) the proceeds of all taxes collected under
9 81-8-804; and

10 (b) the proceeds from all gifts, grants, and donations
11 to the department for activities authorized under this part.

12 (2) The account shall be maintained for the purposes
13 of this part and shall be separate from all other accounts
14 of the department.

15 (3) At least 20% of all contributions and unrefunded
16 taxes received by the department shall be paid to the
17 national livestock and meat board and at least 20% of such
18 contributions and taxes shall be paid to the national beef
19 industry council to carry out, on a national level, work and
20 programs approved by the department.

21 (4) The beef production research account may be
22 assessed costs by the department for services it provides in
23 administering this part. The costs charged must have a
24 substantial relationship to the cost of the services
25 provided.

1 (5) Money deposited in the beef production research
2 account pursuant to this section is appropriated to the
3 department and must be used only for the purposes of this
4 part."

5 NEW SECTION. Section 15. Effective date. [This act]
6 is effective July 1, 1989.

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