

SENATE BILL NO. 297

INTRODUCED BY HAMMOND, HARP, DAILY, D. BROWN, KADAS,
BENGTSON, BECK, THAYER

IN THE SENATE

JANUARY 31, 1989	INTRODUCED AND REFERRED TO COMMITTEE ON STATE ADMINISTRATION.
	FIRST READING.
FEBRUARY 6, 1989	COMMITTEE RECOMMEND BILL DO PASS. REPORT ADOPTED.
FEBRUARY 7, 1989	PRINTING REPORT.
FEBRUARY 9, 1989	SECOND READING, DO PASS.
FEBRUARY 10, 1989	ENGROSSING REPORT.
FEBRUARY 11, 1989	THIRD READING, PASSED. AYES, 43; NOES, 3.
	TRANSMITTED TO HOUSE.

IN THE HOUSE

FEBRUARY 11, 1989	INTRODUCED AND REFERRED TO COMMITTEE ON STATE ADMINISTRATION.
FEBRUARY 20, 1989	FIRST READING.
MARCH 10, 1989	COMMITTEE RECOMMEND BILL BE CONCURRED IN AS AMENDED. REPORT ADOPTED.
MARCH 14, 1989	SECOND READING, CONCURRED IN.
MARCH 16, 1989	THIRD READING, CONCURRED IN. AYES, 89; NOES, 6.
	RETURNED TO SENATE WITH AMENDMENTS.

IN THE SENATE

APRIL 1, 1989

RECEIVED FROM HOUSE.

SECOND READING, AMENDMENTS
CONCURRED IN.

APRIL 4, 1989

THIRD READING, AMENDMENTS
CONCURRED IN.

SENT TO ENROLLING.

REPORTED CORRECTLY ENROLLED.

1 *Senate* BILL NO. *297*
2 INTRODUCED BY *Hammond* *HARP* *Duffy*
3 *Don Brown* *Kados* *Bengton* *Back* *Harp*
4 A BILL FOR AN ACT ENTITLED: "AN ACT ALLOWING LOCAL
5 GOVERNMENT ENTITIES TO RESTRICT PUBLICATION OF AUDIT REPORTS
6 TO A SUMMARY OF SIGNIFICANT FINDINGS AND A STATEMENT THAT
7 THE REPORT IS ON FILE AND OPEN TO PUBLIC INSPECTION; AND
8 AMENDING SECTION 2-7-521, MCA."

9
10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

11 **Section 1.** Section 2-7-521, MCA, is amended to read:

12 "2-7-521. Publication. (1) Except as provided in
13 subsection (3), after the expiration of the 30-day period
14 provided for in 2-7-515(1), the department shall send a copy
15 of the general comments section of each audit report to a
16 newspaper of general circulation for publication. However,
17 the general comments section of each county audit report
18 shall be sent to the official newspaper of the county for
19 publication.

20 (2) The publication shall include a summary of
21 significant findings, not to exceed 800 words, prepared by
22 the auditing agency or firm and a statement to the effect
23 that the audit report is on file in its entirety and open to
24 public inspection.

25 (3) A publication concerning the audit report of a

1 local government entity within (1)(c) through (1)(h) of
2 2-7-503 is required to contain only the statement provided
3 for in subsection (2) and a statement providing that the
4 audited government entity will send a copy of the audit
5 report to any interested person upon request. A copy of the
6 audit report must be sent to the newspaper publishing the
7 statement.

8 (4) Publication costs shall be borne by the audited
9 governmental entity."

-End-

APPROVED BY COMMITTEE
ON STATE ADMINISTRATION

1 *Senate* BILL NO. *297*
2 INTRODUCED BY *Hammond* *HARP* *Day*
3 *Don Bacon* *Kados* *Bengton* *Beck* *Thompson*
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7 statement.

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9 governmental entity."

-End-

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2 INTRODUCED BY *Thomson* HARP *Daniel*
3 *Don Brown* *Kados* *Bengton* *Back* *Stacy*
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9 governmental entity."

-End-

STANDING COMMITTEE REPORT

March 10, 1989

Page 1 of 2

March 10, 1989
Page 2 of 2

Mr. Speaker: We, the committee on State Administration report that SENATE BILL 297 (third reading copy -- blue) be concurred in as amended.

Signed: _____

Jan Brown, Chairman

[REP. PHILLIPS WILL CARRY THIS BILL ON THE HOUSE FLOOR]

And, that such amendments read:

1. Page 1, line 12.
Following: "(1)"
Insert: "(a)"
2. Page 1, line 16.
Strike: "for publication"
3. Page 1, line 18.
Strike: "shall"
Insert: "must"
4. Page 1, lines 18 and 19.
Strike: "for" on line 18 and "publication" on line 19
5. Page 1.
Following: line 19
Insert: "(b) For an audit report of a local government entity provided for in 2-7-503(1)(a) or (1)(b), the department shall send to the appropriate newspaper a copy of a summary of significant findings regarding the audit report. The summary, which may not exceed 800 words, must be prepared by the auditing agency or firm and contain a statement indicating that it is only a summary and is not intended to be used as an audit report."
6. Page 1, line 20.
Strike: "The" through "a"
Insert: "For an audit report of a local government entity provided for in 2-7-503(1)(a) or (1)(b), a newspaper is

required to publish only:
(a) the"

7. Page 1, lines 21 and 22.
Strike: ", not" on line 21 through "firm" on line 22
Insert: "provided for in subsection (1)(b);"
8. Page 1, line 22.
Following: "and"
Insert: "(b)"
9. Page 1, line 25.
Strike: "A" through "the"
Insert: "For an"
10. Page 2, lines 1 and 2.
Strike: "within" on line 1 through "2-7-503" on line 2
Insert: "provided for in 2-7-503(1)(c) through (1)(h), the newspaper"
11. Page 2, line 2.
Strike: "contain"
Insert: "publish"
12. Page 2, line 3.
Following: "(2)"
Insert: "(b)"
13. Page 2, line 7.
Strike: "statement"
Insert: "statements"
14. Page 2, line 8.
Strike: "shall"
Insert: "must"

HOUSE

SB 297

SENATE BILL NO. 297

INTRODUCED BY HAMMOND, HARP, DAILY, D. BROWN, KADAS,
BENGTSON, BECK, THAYER

A BILL FOR AN ACT ENTITLED: "AN ACT ALLOWING LOCAL
GOVERNMENT ENTITIES TO RESTRICT PUBLICATION OF AUDIT REPORTS
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subsection (3), after the expiration of the 30-day period
provided for in 2-7-515(1), the department shall send a copy
of the general comments section of each audit report to a
newspaper of general circulation for publication. However,
the general comments section of each county audit report
shall MUST be sent to the official newspaper of the county
for publication.

(B) FOR AN AUDIT REPORT OF A LOCAL GOVERNMENT ENTITY
PROVIDED FOR IN 2-7-503(1)(A) OR (1)(B), THE DEPARTMENT
SHALL SEND TO THE APPROPRIATE NEWSPAPER A COPY OF A SUMMARY
OF SIGNIFICANT FINDINGS REGARDING THE AUDIT REPORT. THE
SUMMARY, WHICH MAY NOT EXCEED 800 WORDS, MUST BE PREPARED BY

THE AUDITING AGENCY OR FIRM AND CONTAIN A STATEMENT
INDICATING THAT IT IS ONLY A SUMMARY AND IS NOT INTENDED TO
BE USED AS AN AUDIT REPORT.

(2) ~~The publication shall include a~~ FOR AN AUDIT
REPORT OF A LOCAL GOVERNMENT ENTITY PROVIDED FOR IN
2-7-503(1)(A) OR (1)(B), A NEWSPAPER IS REQUIRED TO PUBLISH
ONLY:

(A) ~~THE summary of significant findings, not to exceed
800 words, prepared by the auditing agency or firm~~ PROVIDED
FOR IN SUBSECTION (1)(B); and

(B) a statement to the effect that the audit report is
on file in its entirety and open to public inspection.

(3) ~~A publication concerning the~~ FOR AN audit report
of a local government entity ~~within (1)(c) through (1)(h) of~~
~~2-7-503~~ PROVIDED FOR IN 2-7-503(1)(C) THROUGH (1)(H), THE
NEWSPAPER is required to ~~contain~~ PUBLISH only the statement
provided for in subsection (2)(B) and a statement providing
that the audited government entity will send a copy of the
audit report to any interested person upon request. A copy
of the audit report must be sent to the newspaper publishing
the statement STATEMENTS.

(4) Publication costs shall MUST be borne by the
audited governmental entity."

-End-