

HOUSE BILL 48

Introduced by R. Johnson

12/01	Introduced
12/01	Referred to Appropriations
12/01	First Reading
12/01	Fiscal Note Requested
12/02	Hearing
12/02	Fiscal Note Received
12/02	Fiscal Note Printed
12/03	Committee Report--Bill Passed as Amended
	Died in Process

1 House BILL NO. 48
2 INTRODUCED BY [Signature]
3 BY REQUEST OF THE DEPARTMENT OF ADMINISTRATION
4

5 A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING THAT THE
6 DEPARTMENT OF ADMINISTRATION MAY TEMPORARILY BORROW MONEY
7 FROM THE COAL SEVERANCE TAX TRUST FUND TO COVER CASH FLOW
8 NEEDS OF THE GENERAL FUND; ALLOWING THE DEPARTMENT OF
9 ADMINISTRATION TO AUTHORIZE LOANS FROM THE COAL SEVERANCE
10 TAX TRUST FUND, THE GENERAL FUND, AND OTHER TREASURY FUNDS
11 TO MEET OTHER CASH FLOW NEEDS; STATUTORILY APPROPRIATING
12 FROM THE GENERAL FUND INTEREST PAYMENTS ON TRUST FUND LOANS;
13 AMENDING SECTIONS 17-2-105, 17-2-107, AND 17-7-502, MCA; AND
14 PROVIDING AN IMMEDIATE EFFECTIVE DATE."
15

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

17 **Section 1.** Section 17-2-105, MCA, is amended to read:

18 "17-2-105. Maintenance of fund and account records and
19 interfund loans -- statutory appropriation. (1) The state
20 treasurer shall record receipts and disbursements for
21 treasury funds and shall maintain fund records in such a
22 manner as--to--reflect that reflects the total cash and
23 invested balance of each fund. The state treasurer shall
24 also maintain records of individual funds within the debt
25 service, agency, capital projects, and trust fund types in

1 such a manner as-to-reflect that reflects the total cash and
2 invested balance of each fund. When necessary to meet
3 federal or other requirements that moneys money be
4 segregated in the treasury, the state treasurer may
5 establish accounts, funds, or subfunds within any fund type
6 listed in 17-2-102.

7 (2) (a) For the purpose of supplying deficiencies in
8 the general fund, the state treasurer may temporarily borrow
9 from other treasury funds and the coal severance tax trust
10 fund, providing that the loan is recorded in the state
11 accounting records. Such Except as provided in subsection
12 (2)(b), the loan shall may not bear no interest--and no. A
13 fund shall may not be so impaired that all proper demands
14 thereon on the fund cannot be met.

15 (b) The department shall repay a loan from the coal
16 severance tax trust fund with interest in an amount equal to
17 the interest that would have been earned on the loan amount
18 had the amount been invested in the short-term investment
19 pool. The interest payment is statutorily appropriated, as
20 provided in 17-7-502."

21 **Section 2.** Section 17-2-107, MCA, is amended to read:

22 "17-2-107. Accurate accounting records and interentity
23 loans. (1) The department of administration shall record
24 receipts and disbursements for treasury funds and for
25 accounting entities within treasury funds and shall maintain

1 records in ~~such~~ a manner ~~as-to-reflect~~ that reflects the
 2 total cash and invested balance of each fund and each
 3 accounting entity. The department ~~of-administration~~ shall
 4 adopt the necessary procedures to ~~insure~~ ensure that
 5 interdepartmental or intradepartmental transfers of money or
 6 loans do not result in inflation of figures reflecting total
 7 governmental costs and revenues.

8 (2) (a) When the expenditure of an appropriation from a
 9 fund designated in 17-2-102(1)(a) through (1)(c) is
 10 necessary and the cash balance in the accounting entity from
 11 which the appropriation was made is insufficient, the
 12 department ~~of-administration~~ may authorize a temporary loan,
 13 bearing no interest, of unrestricted money from other
 14 accounting entities if there is reasonable evidence that the
 15 income will be sufficient to repay the loan within 1
 16 calendar year and if the loan is recorded in the state
 17 accounting records. An accounting entity receiving a loan or
 18 an accounting entity from which a loan is made may not be so
 19 impaired that all proper demands on the accounting entity
 20 cannot be met even if the loan is extended.

21 (b) (i) When an expenditure from a fund or subfund
 22 designated in 17-2-102(1)(d)(i)(A) through (1)(d)(vi) is
 23 necessary and the cash balance in the fund or subfund from
 24 which the expenditure is to be made is insufficient, the
 25 commissioner of higher education may authorize a temporary

1 loan, bearing interest as provided in subsection (4), of
 2 money from the agency's other funds or subfunds if there is
 3 reasonable evidence that the income will be sufficient to
 4 repay the loan within 1 calendar year and if the loan is
 5 recorded in the state accounting records. A fund or subfund
 6 receiving a loan or from which a loan is made may not be so
 7 impaired that all proper demands on the fund or subfund
 8 cannot be met even if the loan is extended.

9 (ii) One accounting entity within each fund or subfund
 10 designated in 17-2-102(1)(d)(i)(A) through (1)(d)(vi) must
 11 be established for the sole purpose of recording loans
 12 between the funds or subfunds. This accounting entity is the
 13 only accounting entity within each fund or subfund that may
 14 receive a loan or from which a loan may be made.

15 (c) A loan made under subsection (2)(a) or (2)(b) must
 16 be repaid within 1 calendar year of the date the loan is
 17 approved unless it is extended under subsection (3) or by
 18 specific legislative authorization.

19 (3) Under unusual circumstances, the director of the
 20 department of administration or the board of regents may
 21 grant one extension for up to 1 year for a loan made under
 22 subsection (2)(a) or (2)(b). The director or board shall
 23 prepare a written justification and proposed repayment plan
 24 for each loan extension authorized and shall furnish a copy
 25 of the written justification and proposed repayment plan to

1 the house appropriations and senate finance and claims
2 committees at the next legislative session.

3 (4) Any loan from the current unrestricted subfund to
4 funds designated in 17-2-102(1)(d)(i)(D) and (1)(d)(ii)
5 through (1)(d)(vi) must bear interest at a rate equivalent
6 to the previous fiscal year's average rate of return on the
7 board of investments' short-term investment pool. Except for
8 investment earnings on restricted donations, all designated
9 and restricted subfund investment earnings, other than
10 investment earnings on student activity fees used to support
11 student governments at units of the university system, are
12 credited to the state general fund.

13 (5) If for two consecutive fiscal yearends a loan or an
14 extension of a loan has been authorized to the same
15 accounting entity as provided in subsection (2) or (3), the
16 department of--administration or the commissioner of higher
17 education shall submit to the legislative finance committee
18 by September 1 of the following fiscal year a written report
19 containing an explanation as to why the second loan or
20 extension was made, an analysis of the solvency of the
21 accounting entity or accounting entities within the
22 university fund or subfund, and a plan for repaying the
23 loans.

24 (6) If for two consecutive fiscal yearends an
25 accounting entity in a fund or subfund designated in

1 17-2-102(1)(d)(i) through (1)(d)(vi) has a negative cash
2 balance, the commissioner of higher education shall submit
3 to the legislative finance committee by September 1 of the
4 following fiscal year a written report containing an
5 explanation as to why the accounting entity has a negative
6 cash balance, an analysis of the solvency of the accounting
7 entity, and a plan to address any problems concerning the
8 accounting entity's negative cash balance or solvency.

9 (7) (a) An accounting entity in a fund designated in
10 17-2-102(1)(a) through (1)(c) may not have a negative cash
11 balance at fiscal yearend. The department of--administration
12 may, however, allow an accounting entity to carry a negative
13 balance at any point during the fiscal year if the negative
14 cash balance does not exist for more than 7 working days.

15 (b) (i) Except as provided in subsection (7)(b)(ii), a
16 unit of the university system or vocational-technical center
17 shall maintain a positive cash balance in the funds and
18 subfunds designated in 17-2-102(1)(d)(i)(A) through
19 (1)(d)(i)(D) and (1)(d)(ii) through (1)(d)(vi).

20 (ii) If a fund or subfund inadvertently has a negative
21 cash balance, the department of--administration may not allow
22 the fund or subfund to carry the negative cash balance for
23 no more than 7 working days. If the negative cash balance
24 exists for more than 7 working days, a transaction may not
25 be processed through the statewide accounting system for

1 that fund or subfund.

2 (8) Notwithstanding the provisions of subsections (2)
3 through (4), the department of-administration may authorize
4 loans from the general fund, other treasury funds, or the
5 coal severance tax trust fund to accounting entities in the
6 federal and state special revenue funds with long-term
7 repayment whenever necessary due-to because of the timing of
8 the receipt of agreed upon reimbursements from federal,
9 private, or other governmental entity sources for
10 disbursements made. The department of-administration may
11 approve the loans if the requesting agency can demonstrate
12 that the total loan balance does not exceed total
13 receivables from federal, private, or other governmental
14 entity sources and that the receivables have been billed on
15 a timely basis. The loan must be repaid under such terms and
16 conditions as that may be determined by the department of
17 ~~administration~~ or by specific legislative authorization. If
18 the department authorizes a loan from the coal severance tax
19 trust fund, the department shall, by June 30 of each fiscal
20 year, transfer from the general fund to the coal severance
21 tax trust fund an amount equal to the interest that would
22 have been earned on the loan amount had the amount been
23 invested in the short-term investment pool. The interest
24 payment is statutorily appropriated, as provided in
25 17-7-502."

1 **Section 3.** Section 17-7-502, MCA, is amended to read:

2 **"17-7-502. Statutory appropriations -- definition --**
3 **requisites for validity.** (1) A statutory appropriation is an
4 appropriation made by permanent law that authorizes spending
5 by a state agency without the need for a biennial
6 legislative appropriation or budget amendment.

7 (2) Except as provided in subsection (4), to be
8 effective, a statutory appropriation must comply with both
9 of the following provisions:

10 (a) The law containing the statutory authority must be
11 listed in subsection (3).

12 (b) The law or portion of the law making a statutory
13 appropriation must specifically state that a statutory
14 appropriation is made as provided in this section.

15 (3) The following laws are the only laws containing
16 statutory appropriations: 2-9-202; 2-17-105; 2-18-812;
17 3-5-901; 5-13-403; 10-3-203; 10-3-312; 10-3-314; 10-4-301;
18 15-1-111; 15-23-706; 15-25-123; 15-31-702; 15-36-112;
19 15-37-117; 15-38-202; 15-65-121; 16-1-404; 16-1-410;
20 16-1-411; 17-2-105; 17-2-107; 17-3-106; 17-3-212; 17-5-404;
21 17-5-424; 17-5-704; 17-5-804; 17-6-101; 17-6-201; 17-6-409;
22 17-7-304; 18-11-112; 19-2-502; 19-6-709; 19-9-1007;
23 19-15-101; 19-17-301; 19-18-512; 19-18-513; 19-18-606;
24 19-19-205; 19-19-305; 19-19-506; 20-4-109; 20-6-406;
25 20-8-111; 20-9-361; 20-26-1403; 20-26-1503; 23-2-823;

23-5-136; 23-5-306; 23-5-409; 23-5-610; 23-5-612; 23-5-631;
 23-7-301; 23-7-402; 27-12-206; 32-1-537; 37-43-204;
 37-51-501; 39-71-503; 39-71-907; 39-71-2321; 39-71-2504;
 44-12-206; 44-13-102; 50-5-232; 50-40-206; 53-6-150;
 53-24-206; 60-2-220; 61-2-107; 67-3-205; 75-1-1101;
 75-5-507; 75-5-1108; 75-11-313; 76-12-123; 77-1-808;
 80-2-103; 80-2-222; 80-4-416; 80-11-310; 81-5-111;
 82-11-136; 82-11-161; 85-1-220; 85-2-707; 90-3-301;
 90-4-215; 90-6-331; 90-7-220; 90-9-306; and 90-14-107.

(4) There is a statutory appropriation to pay the principal, interest, premiums, and costs of issuing, paying, and securing all bonds, notes, or other obligations, as due, that have been authorized and issued pursuant to the laws of Montana. Agencies that have entered into agreements authorized by the laws of Montana to pay the state treasurer, for deposit in accordance with 17-2-101 through 17-2-107, as determined by the state treasurer, an amount sufficient to pay the principal and interest as due on the bonds or notes have statutory appropriation authority for the payments. (In subsection (3): pursuant to sec. 7, Ch. 567, L. 1991, the inclusion of 19-6-709 terminates upon death of last recipient eligible for supplemental benefit; and pursuant to sec. 15, Ch. 534, L. 1993, the inclusion of 90-14-107 terminates July 1, 1995.)"

NEW SECTION. Section 4. Saving clause. [This act] does

not affect rights and duties that matured, penalties that were incurred, or proceedings that were begun before [the effective date of this act].

NEW SECTION. Section 5. Three-fourths vote required.

Because [sections 1 and 2] authorize the transfer of money from the coal severance tax trust fund to expendable accounts that are appropriated, Article IX, section 5, of the Montana constitution requires a vote of three-fourths of the members of each house of the legislature for passage.

NEW SECTION. Section 6. Effective date. [This act] is

effective on passage and approval.

-End-

STATE OF MONTANA - FISCAL NOTE

Form BD-15

In compliance with a written request, there is hereby submitted a Fiscal Note for HB0048, as introduced.

DESCRIPTION OF PROPOSED LEGISLATION:

Allows the department of administration to authorize short-term interentity loans from the coal severance tax fund to the general fund for cash management purposes; allows the department of administration to authorize long-term loans from other treasury funds and the coal severance tax trust fund to agencies operating programs which receive revenue from federal, private and other governmental sources on a reimbursement basis; establishes a statutory appropriation from the general fund for the annual payment of interest at STIP rates on loans to the coal severance tax trust fund.


ASSUMPTIONS:

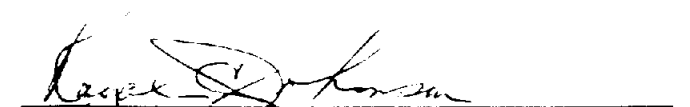
1. Generally accepted accounting principles (GAAP) require a reservation of fund balance for any long-term receivables in such governmental funds as the general fund.
2. The Cash Management Improvement Act (CMIA) requires reimbursement to states for federal programs to be made on a delay-of-draw basis based on the established clearance pattern or average clearance pattern for each program.
3. The department of administration will set up a negative indicator edit on those accounting entities which are established for CMIA programs to allow warrants to be issued even if cash is negative for the statutory limit of seven days.
4. Long-term interentity loans (advances to other funds) will be made from funds other than the general fund including the coal severance tax trust fund.
5. The general fund is statutorily appropriated to pay the interest on all inter-entity loans from the coal severance tax trust fund unless specified otherwise.
6. The interest on coal severance tax loans in Item 4 will be paid annually at STIP rates.
7. Interest earnings on the coal severance tax trust are distributed 85 percent to the general fund and 15 percent to the School Equalization Account until July 1, 1994, when 100 percent are distributed to the general fund.
8. The long-term loans in the general fund will be transferred to the coal tax trust fund on June 30, 1994, so no interest will be incurred in FY94.
9. The short-term investment rate is estimated to be 4.20 percent in FY95.

FISCAL IMPACT:

The primary fiscal impact of this legislation is to increase the projected unreserved general fund balance by \$18 million in FY94 and thereafter. Long-term interentity loans currently recorded as long-term receivables in the general fund require the reservation of fund balance; use of a negative indicator on CMIA accounting entities will reduce long-term interentity loans in the general fund by approximately \$10 million; the remaining \$8 million in interentity loans will be transferred to the coal severance tax trust fund or other treasury funds, if possible.

(continued next page)


DAVE LEWIS, BUDGET DIRECTOR DATE
Office of Budget and Program Planning


ROYAL C. JOHNSON, PRIMARY SPONSOR DATE
Fiscal Note for HB0048, as introduced

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FISCAL IMPACT: (continued)

The general fund will pay interest at STIP rates on loans from the coal severance tax trust fund. The interest on \$8 million at 4.20 percent in FY95 will be \$336,000. This amount will be paid by the general fund to the coal severance tax trust fund and transferred back to the general fund as stated in statute. The net effect on both the general fund and the coal severance tax trust fund is zero.

LONG-RANGE EFFECTS OF PROPOSED LEGISLATION:

The CMIA agreement between the State and the federal government will be reviewed and alternative reimbursement methods will be negotiated in order to reduce the need for long-term interentity loans in federal programs. This will reduce the amount borrowed from the coal severance tax trust fund. This legislation will provide for more flexibility in general fund cash management allowing for better timing of TRANS issues, reducing the amount of TRANS needed each year and eliminating the need for a warrant purchase agreement with BOI each year. This legislation will allow the state to continue to receive the highest bond ratings for its TRANS issues.

APPROVED BY COMMITTEE
ON APPROPRIATIONS

HOUSE BILL NO. 48

INTRODUCED BY R. JOHNSON

BY REQUEST OF THE DEPARTMENT OF ADMINISTRATION

A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING THAT THE DEPARTMENT OF ADMINISTRATION MAY TEMPORARILY BORROW MONEY UP TO \$20 MILLION FROM THE COAL SEVERANCE TAX TRUST FUND TO COVER CASH FLOW NEEDS OF THE GENERAL FUND; ALLOWING THE DEPARTMENT OF ADMINISTRATION TO AUTHORIZE LOANS FROM THE COAL SEVERANCE TAX TRUST FUND, THE GENERAL FUND, AND OTHER TREASURY FUNDS TO MEET OTHER CASH FLOW NEEDS; STATUTORILY APPROPRIATING FROM THE GENERAL FUND INTEREST PAYMENTS ON TRUST FUND LOANS; REQUIRING THE BOARD OF INVESTMENTS TO ENTER INTO AN IRREVOCABLE CONTRACT WITH THE STATE TREASURER FOR REPAYMENT PRIOR TO MAKING A LOAN; AMENDING SECTIONS 17-2-105, 17-2-107, AND 17-7-502, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

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

Section 1. Section 17-2-105, MCA, is amended to read:

"17-2-105. Maintenance of fund and account records and interfund loans -- statutory appropriation. (1) The state treasurer shall record receipts and disbursements for treasury funds and shall maintain fund records in such a manner ~~as--to--reflect~~ that reflects the total cash and

invested balance of each fund. The state treasurer shall also maintain records of individual funds within the debt service, agency, capital projects, and trust fund types in ~~such a manner as-to-reflect~~ that reflects the total cash and invested balance of each fund. When necessary to meet federal or other requirements that ~~moneys~~ money be segregated in the treasury, the state treasurer may establish accounts, funds, or subfunds within any fund type listed in 17-2-102.

(2) (a) For the purpose of supplying deficiencies in the general fund, the state treasurer may temporarily borrow from other treasury funds and the coal severance tax trust fund, providing that the loan is recorded in the state accounting records. THE STATE TREASURER MAY NOT BORROW MORE THAN \$20 MILLION FROM THE COAL SEVERANCE TAX TRUST FUND. PRIOR TO BORROWING MONEY FROM THE COAL SEVERANCE TAX TRUST FUND, THE STATE TREASURER SHALL ENTER INTO AN IRREVOCABLE CONTRACT WITH THE BOARD OF INVESTMENTS FOR THE REPAYMENT OF THE LOAN. THE STATE TREASURER MAY NOT BORROW COAL SEVERANCE TAX TRUST FUNDS UNTIL THE CONTRACT REQUIRED BY THIS SUBSECTION HAS BEEN ENTERED INTO. Such Except as provided in subsection (2)(b), the loan shall may not bear no interest; and-no. A fund shall may not be so impaired that all proper demands thereon on the fund cannot be met.

(b) The department shall repay a loan from the coal

severance tax trust fund with interest in an amount equal to the interest that would have been earned on the loan amount had the amount been invested in the short-term investment pool. The interest payment is statutorily appropriated, as provided in 17-7-502."

Section 2. Section 17-2-107, MCA, is amended to read:

"17-2-107. Accurate accounting records and interentity loans. (1) The department of administration shall record receipts and disbursements for treasury funds and for accounting entities within treasury funds and shall maintain records in such a manner as-to-reflect that reflects the total cash and invested balance of each fund and each accounting entity. The department ~~of-administration~~ shall adopt the necessary procedures to ~~insure~~ ensure that interdepartmental or intradepartmental transfers of money or loans do not result in inflation of figures reflecting total governmental costs and revenues.

(2) (a) When the expenditure of an appropriation from a fund designated in 17-2-102(1)(a) through (1)(c) is necessary and the cash balance in the accounting entity from which the appropriation was made is insufficient, the department ~~of-administration~~ may authorize a temporary loan, bearing no interest, of unrestricted money from other accounting entities if there is reasonable evidence that the income will be sufficient to repay the loan within 1

calendar year and if the loan is recorded in the state accounting records. An accounting entity receiving a loan or an accounting entity from which a loan is made may not be so impaired that all proper demands on the accounting entity cannot be met even if the loan is extended.

(b) (i) When an expenditure from a fund or subfund designated in 17-2-102(1)(d)(i)(A) through (1)(d)(vi) is necessary and the cash balance in the fund or subfund from which the expenditure is to be made is insufficient, the commissioner of higher education may authorize a temporary loan, bearing interest as provided in subsection (4), of money from the agency's other funds or subfunds if there is reasonable evidence that the income will be sufficient to repay the loan within 1 calendar year and if the loan is recorded in the state accounting records. A fund or subfund receiving a loan or from which a loan is made may not be so impaired that all proper demands on the fund or subfund cannot be met even if the loan is extended.

(ii) One accounting entity within each fund or subfund designated in 17-2-102(1)(d)(i)(A) through (1)(d)(vi) must be established for the sole purpose of recording loans between the funds or subfunds. This accounting entity is the only accounting entity within each fund or subfund that may receive a loan or from which a loan may be made.

(c) A loan made under subsection (2)(a) or (2)(b) must

1 be repaid within 1 calendar year of the date the loan is
2 approved unless it is extended under subsection (3) or by
3 specific legislative authorization.

4 (3) Under unusual circumstances, the director of the
5 department of administration or the board of regents may
6 grant one extension for up to 1 year for a loan made under
7 subsection (2)(a) or (2)(b). The director or board shall
8 prepare a written justification and proposed repayment plan
9 for each loan extension authorized and shall furnish a copy
10 of the written justification and proposed repayment plan to
11 the house appropriations and senate finance and claims
12 committees at the next legislative session.

13 (4) Any loan from the current unrestricted subfund to
14 funds designated in 17-2-102(1)(d)(i)(D) and (1)(d)(ii)
15 through (1)(d)(vi) must bear interest at a rate equivalent
16 to the previous fiscal year's average rate of return on the
17 board of investments' short-term investment pool. Except for
18 investment earnings on restricted donations, all designated
19 and restricted subfund investment earnings, other than
20 investment earnings on student activity fees used to support
21 student governments at units of the university system, are
22 credited to the state general fund.

23 (5) If for two consecutive fiscal yearends a loan or an
24 extension of a loan has been authorized to the same
25 accounting entity as provided in subsection (2) or (3), the

1 department ~~of administration~~ or the commissioner of higher
2 education shall submit to the legislative finance committee
3 by September 1 of the following fiscal year a written report
4 containing an explanation as to why the second loan or
5 extension was made, an analysis of the solvency of the
6 accounting entity or accounting entities within the
7 university fund or subfund, and a plan for repaying the
8 loans.

9 (6) If for two consecutive fiscal yearends an
10 accounting entity in a fund or subfund designated in
11 17-2-102(1)(d)(i) through (1)(d)(vi) has a negative cash
12 balance, the commissioner of higher education shall submit
13 to the legislative finance committee by September 1 of the
14 following fiscal year a written report containing an
15 explanation as to why the accounting entity has a negative
16 cash balance, an analysis of the solvency of the accounting
17 entity, and a plan to address any problems concerning the
18 accounting entity's negative cash balance or solvency.

19 (7) (a) An accounting entity in a fund designated in
20 17-2-102(1)(a) through (1)(c) may not have a negative cash
21 balance at fiscal yearend. The department ~~of--administration~~
22 may, however, allow an accounting entity to carry a negative
23 balance at any point during the fiscal year if the negative
24 cash balance does not exist for more than 7 working days.

25 (b) (i) Except as provided in subsection (7)(b)(ii), a

1 unit of the university system or vocational-technical center
 2 shall maintain a positive cash balance in the funds and
 3 subfunds designated in 17-2-102(1)(d)(i)(A) through
 4 (1)(d)(i)(D) and (1)(d)(ii) through (1)(d)(vi).

5 (ii) If a fund or subfund inadvertently has a negative
 6 cash balance, the department of-administration may not allow
 7 the fund or subfund to carry the negative cash balance for
 8 no more than 7 working days. If the negative cash balance
 9 exists for more than 7 working days, a transaction may not
 10 be processed through the statewide accounting system for
 11 that fund or subfund.

12 (8) Notwithstanding the provisions of subsections (2)
 13 through (4), the department of-administration may authorize
 14 loans from the general fund, other treasury funds, or the
 15 coal severance tax trust fund to accounting entities in the
 16 federal and state special revenue funds with long-term
 17 repayment whenever necessary due-to because of the timing of
 18 the receipt of agreed upon reimbursements from federal,
 19 private, or other governmental entity sources for
 20 disbursements made. The department of-administration may
 21 approve the loans if the requesting agency can demonstrate
 22 that the total loan balance does not exceed total
 23 receivables from federal, private, or other governmental
 24 entity sources and that the receivables have been billed on
 25 a timely basis. The loan must be repaid under such terms and

1 conditions as that may be determined by the department of
 2 administration or by specific legislative authorization. If
 3 the department authorizes a loan from the coal severance tax
 4 trust fund, the department shall, by June 30 of each fiscal
 5 year, transfer from the general fund to the coal severance
 6 tax trust fund an amount equal to the interest that would
 7 have been earned on the loan amount had the amount been
 8 invested in the short-term investment pool. The interest
 9 payment is statutorily appropriated, as provided in
 10 17-7-502."

11 **Section 3.** Section 17-7-502, MCA, is amended to read:

12 "17-7-502. Statutory appropriations -- definition --
 13 requisites for validity. (1) A statutory appropriation is an
 14 appropriation made by permanent law that authorizes spending
 15 by a state agency without the need for a biennial
 16 legislative appropriation or budget amendment.

17 (2) Except as provided in subsection (4), to be
 18 effective, a statutory appropriation must comply with both
 19 of the following provisions:

20 (a) The law containing the statutory authority must be
 21 listed in subsection (3).

22 (b) The law or portion of the law making a statutory
 23 appropriation must specifically state that a statutory
 24 appropriation is made as provided in this section.

25 (3) The following laws are the only laws containing

1 statutory appropriations: 2-9-202; 2-17-105; 2-18-812;
 2 3-5-901; 5-13-403; 10-3-203; 10-3-312; 10-3-314; 10-4-301;
 3 15-1-111; 15-23-706; 15-25-123; 15-31-702; 15-36-112;
 4 15-37-117; 15-38-202; 15-65-121; 16-1-404; 16-1-410;
 5 16-1-411; 17-2-105; 17-2-107; 17-3-106; 17-3-212; 17-5-404;
 6 17-5-424; 17-5-704; 17-5-804; 17-6-101; 17-6-201; 17-6-409;
 7 17-7-304; 18-11-112; 19-2-502; 19-6-709; 19-9-1007;
 8 19-15-101; 19-17-301; 19-18-512; 19-18-513; 19-18-606;
 9 19-19-205; 19-19-305; 19-19-506; 20-4-109; 20-6-406;
 10 20-8-111; 20-9-361; 20-26-1403; 20-26-1503; 23-2-823;
 11 23-5-136; 23-5-306; 23-5-409; 23-5-610; 23-5-612; 23-5-631;
 12 23-7-301; 23-7-402; 27-12-206; 32-1-537; 37-43-204;
 13 37-51-501; 39-71-503; 39-71-907; 39-71-2321; 39-71-2504;
 14 44-12-206; 44-13-102; 50-5-232; 50-40-206; 53-6-150;
 15 53-24-206; 60-2-220; 61-2-107; 67-3-205; 75-1-1101;
 16 75-5-507; 75-5-1108; 75-11-313; 76-12-123; 77-1-808;
 17 80-2-103; 80-2-222; 80-4-416; 80-11-310; 81-5-111;
 18 82-11-136; 82-11-161; 85-1-220; 85-2-707; 90-3-301;
 19 90-4-215; 90-6-331; 90-7-220; 90-9-306; and 90-14-107.

20 (4) There is a statutory appropriation to pay the
 21 principal, interest, premiums, and costs of issuing, paying,
 22 and securing all bonds, notes, or other obligations, as due,
 23 that have been authorized and issued pursuant to the laws of
 24 Montana. Agencies that have entered into agreements
 25 authorized by the laws of Montana to pay the state

1 treasurer, for deposit in accordance with 17-2-101 through
 2 17-2-107, as determined by the state treasurer, an amount
 3 sufficient to pay the principal and interest as due on the
 4 bonds or notes have statutory appropriation authority for
 5 the payments. (In subsection (3): pursuant to sec. 7, Ch.
 6 567, L. 1991, the inclusion of 19-6-709 terminates upon
 7 death of last recipient eligible for supplemental benefit;
 8 and pursuant to sec. 15, Ch. 534, L. 1993, the inclusion of
 9 90-14-107 terminates July 1, 1995.)"

10 NEW SECTION. **Section 4. Saving clause.** [This act] does
 11 not affect rights and duties that matured, penalties that
 12 were incurred, or proceedings that were begun before [the
 13 effective date of this act].

14 NEW SECTION. **Section 5. Three-fourths vote required.**
 15 Because [sections 1 and 2] authorize the transfer of money
 16 from the coal severance tax trust fund to expendable
 17 accounts that are appropriated, Article IX, section 5, of
 18 the Montana constitution requires a vote of three-fourths of
 19 the members of each house of the legislature for passage.

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

-End-