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House BILL NO. 76

INTRODUCED BY

*Raymond Johnson*

BY REQUEST OF THE DEPARTMENT OF ADMINISTRATION

A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING A MECHANISM FOR THE PROMPT PAYMENT OF TAX AND REVENUE ANTICIPATION NOTES IF THERE IS INSUFFICIENT REVENUE IN THE GENERAL FUND; ALLOWING THE STATE TREASURER TO TEMPORARILY BORROW FROM ANY STATE FUND OTHER THAN PENSION TRUST FUNDS TO MEET GENERAL FUND CASH DEFICIENCIES AND TO PAY INTEREST ON CERTAIN LOANS; AMENDING SECTIONS 17-1-204 AND 17-2-105, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

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

**Section 1.** Section 17-1-204, MCA, is amended to read:

**"17-1-204. Payment -- pledge of taxes and revenue -- costs of issuance.** (1) The notes and interest on the notes must be paid from taxes and revenues not later than the end of the fiscal year in which issued.

(2) The full faith and credit and taxing power of the state ~~shall be~~ is pledged for the payment of all notes issued under this part. In furtherance of this pledge, if there are insufficient funds in the general fund to pay the notes and interest on the notes when due, the department shall transfer available funds from any fund of the state, except pension trust funds, to the general fund to pay the notes and interest. The transfer is considered a loan to the general fund subject to the provisions of 17-2-105.

(3) The department may pay all costs of issuance of notes issued under this part, including without limitation interest, rating agency fees, printing costs, legal fees, bank or trust company fees, costs to employ persons or firms to assist in the sale of the notes, line of credit fees and charges, and all other amounts related to the costs of issuing the notes. Payment of costs must be made from amounts available ~~therefor~~ from the proceeds of the notes upon deposit in the general fund."

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

**"17-2-105. Maintenance of fund and account records and interfund loans.** (1) The state treasurer shall record receipts and disbursements for treasury funds and shall maintain fund records in ~~such~~ a manner

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

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

11 (b) If a loan is made from a fund that retains its own interest, the department shall repay the loan  
12 with interest at a rate established by the state treasurer based on the estimated interest rate the funds  
13 would have earned if the funds had not been borrowed."

14

15 NEW SECTION. Section 3. Effective date. [This act] is effective on passage and approval.

16

-END-

APPROVED BY COMMITTEE  
ON APPROPRIATIONS

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INTRODUCED BY

7  
*House* BILL NO. 76  
*[Signature]*

3

BY REQUEST OF THE DEPARTMENT OF ADMINISTRATION

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5

A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING A MECHANISM FOR THE PROMPT PAYMENT OF  
TAX AND REVENUE ANTICIPATION NOTES IF THERE IS INSUFFICIENT REVENUE IN THE GENERAL FUND;  
ALLOWING THE STATE TREASURER TO TEMPORARILY BORROW FROM ANY STATE FUND OTHER THAN  
PENSION TRUST FUNDS TO MEET GENERAL FUND CASH DEFICIENCIES AND TO PAY INTEREST ON  
CERTAIN LOANS; AMENDING SECTIONS 17-1-204 AND 17-2-105, MCA; AND PROVIDING AN  
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17

(2) The full faith and credit and taxing power of the state ~~shall be~~ is pledged for the payment of all notes issued under this part. In furtherance of this pledge, if there are insufficient funds in the general fund to pay the notes and interest on the notes when due, the department shall transfer available funds from any fund of the state, except pension trust funds, to the general fund to pay the notes and interest. The transfer is considered a loan to the general fund subject to the provisions of 17-2-105.

22

(3) The department may pay all costs of issuance of notes issued under this part, including without limitation interest, rating agency fees, printing costs, legal fees, bank or trust company fees, costs to employ persons or firms to assist in the sale of the notes, line of credit fees and charges, and all other amounts related to the costs of issuing the notes. Payment of costs must be made from amounts available ~~therefor~~ from the proceeds of the notes upon deposit in the general fund."

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

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**"17-2-105. Maintenance of fund and account records and interfund loans.** (1) The state treasurer shall record receipts and disbursements for treasury funds and shall maintain fund records in ~~such~~ a manner

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10 fund cannot be met.

11 (b) If a loan is made from a fund that retains its own interest, the department shall repay the loan  
12 with interest at a rate established by the state treasurer based on the estimated interest rate the funds  
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15 NEW SECTION. Section 3. Effective date. [This act] is effective on passage and approval.

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-END-

7

**House** BILL NO. **76**

1  
2 INTRODUCED BY *Greg Johnson*

3 BY REQUEST OF THE DEPARTMENT OF ADMINISTRATION

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21 The transfer is considered a loan to the general fund subject to the provisions of 17-2-105.

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-END-

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 2 INTRODUCED BY R. JOHNSON  
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