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INTRODUCED BY Holland <sup>House</sup> BILL NO. 368 Peck  
BY REQUEST OF THE GOVERNOR John Johnson

A BILL FOR AN ACT ENTITLED: "AN ACT IMPLEMENTING THE RECOMMENDATION OF THE GOVERNOR'S TASK FORCE TO RENEW MONTANA GOVERNMENT BY ELIMINATING CERTAIN COUNTY TREASURER SCHOOL BUDGETING FUNCTIONS; ELIMINATING THE REQUIREMENT THAT THE COUNTY TREASURER PREPARE A STATEMENT SHOWING THE AMOUNT OF THE OUTSTANDING OBLIGATIONS FOR EACH FUND; ELIMINATING THE REQUIREMENT THAT THE COUNTY SUPERINTENDENT DELIVER A FINAL BUDGET TO THE COUNTY TREASURER; ELIMINATING THE REQUIREMENT THAT THE COUNTY TREASURER RECEIVE A COPY OF A BUDGET AMENDMENT; ELIMINATING THE REQUIREMENT THAT A PURCHASE OF ORDERED PERSONAL PROPERTY BE RECORDED WITH THE COUNTY TREASURER; ELIMINATING THE REQUIREMENT THAT WARRANTS BE ENDORSED BY HOLDERS; ELIMINATING THE REQUIREMENT THAT THE COUNTY TREASURER INCLUDE OUTSTANDING WARRANTS IN AN ITEMIZED REPORT TO TRUSTEES; AUTHORIZING MONEY FROM THE SALE OF BONDS TO BE CREDITED IN A UNIFIED INVESTMENT PROGRAM WITH THE COUNTY TREASURER; REVISING THE PROCEDURE FOR ISSUANCE OF WARRANTS; ELIMINATING THE REQUIREMENT THAT THE COUNTY TREASURER RECEIVE A COPY OF AN EMERGENCY BUDGET; AMENDING SECTIONS 20-9-121, 20-9-134, 20-9-165, 20-9-209, 20-9-212, 20-9-213, 20-9-221, 20-15-210, 20-15-325, 20-15-326, AND 20-15-404, MCA; REPEALING SECTIONS 20-9-206, 20-9-222, AND 20-9-224, MCA; AND PROVIDING AN EFFECTIVE DATE."

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

**Section 1.** Section 20-9-121, MCA, is amended to read:

**"20-9-121. County treasurer's statement of cash balances and bond information.** (1) By July 10, the county treasurer shall prepare a statement for each district showing the amount of cash on hand for each fund maintained by the district ~~and the amount of the outstanding obligations against each fund~~ at the close of the ~~last completed~~ last-completed school fiscal year. The county treasurer shall also include on each district's statement the details on the obligation for bond retirement and interest for the school fiscal year just beginning. The format of the statement on fund cash balances and bond information shall



1 must be prescribed by the superintendent of public instruction.

2 (2) By July 10, the county treasurer shall prepare a statement for each county school fund  
3 supported by countywide levies, showing the amount of cash on hand at the beginning of the school fiscal  
4 year, the receipts and apportionments, and the amount of cash on hand at the end of the school fiscal year,  
5 for each county school fund maintained during the immediately preceding school fiscal year. The format  
6 of this statement ~~shall~~ must be prescribed by the superintendent of public instruction.

7 (3) On or before July 10, the county treasurer shall deliver the statements of district and county  
8 fund cash balances and the bond information for each district to the county superintendent, who shall  
9 attach ~~such~~ the district statements to the applicable district's preliminary budget."

10

11 **Section 2.** Section 20-9-134, MCA, is amended to read:

12 "**20-9-134. Completion, filing, and delivery of final budgets.** After the final budget of the  
13 elementary, high school, or community college district has been adopted by the trustees, the county  
14 superintendent shall complete all the remaining portions of the budget forms and shall:

15 (1) send the final budget information to the superintendent of public instruction, on the forms  
16 provided by the superintendent, on or before September 1; and

17 (2) in the case of the community college districts, send the final budget information to the board  
18 of regents, on the forms provided by the community college coordinator, on or before September 1; ~~and~~

19 ~~(3) deliver a copy of the final budget for the district to the county treasurer on or before September~~  
20 ~~4."~~

21

22 **Section 3.** Section 20-9-165, MCA, is amended to read:

23 "**20-9-165. Budget amendment limitation, preparation, and adoption procedures.** (1) The meeting  
24 of the trustees to consider and adopt a budget amendment must be open to the public, and any taxpayer  
25 in the district has the right to appear and be heard. If at the meeting a majority of the trustees present find  
26 that there is sufficient need for a budget amendment, the trustees may make and adopt a preliminary  
27 budget amendment, setting forth fully the facts constituting the need for the budget amendment. In  
28 adopting the preliminary budget amendment, the trustees may budget for any fund that was included on  
29 the final budget of the district for the current school fiscal year. The budget must be itemized to show the  
30 amount appropriated for each item.

1 (2) When the budget amendment is the result of increased enrollment, the maximum amount of  
2 the budget amendment for all funds must be determined in the following manner:

3 (a) Determine the total amount in the final budget for the current school fiscal year of all funds  
4 affected by the enrollment increase, less any amounts appropriated as capital outlay and any amount  
5 appropriated for addition to the operating reserve.

6 (b) Divide the amount determined in subsection (2)(a) by the number of pupils originally enrolled  
7 in the district during the immediately preceding school fiscal year. The resulting cost per pupil is the  
8 maximum permissible per-pupil expenditure in the budget amendment.

9 (c) Determine the enrollment increase of the current school fiscal year by subtracting the number  
10 of pupils originally enrolled during the immediately preceding school fiscal year from the number of pupils  
11 enrolled for the current school year. The result is the enrollment increase for the current school fiscal year.

12 (d) Multiply the cost per pupil determined in subsection (2)(b) by the enrollment increase  
13 determined in subsection (2)(c). The result is the maximum limitation on a budget amendment for  
14 amendments resulting from increased enrollment.

15 (3) For other types of budget amendments, the budget amendment is limited to the expenditures  
16 considered by the trustees to be reasonable and necessary to finance the conditions of the budget  
17 amendment and the preliminary budget amendment must include the details of the proposed expenditures.

18 (4) Whenever the trustees adopt a preliminary budget amendment for the transportation fund, the  
19 trustees shall attach to the budget amendment a copy of each transportation contract that is connected  
20 with the budget amendment and that has been prepared and executed in accordance with the school  
21 transportation contract laws.

22 (5) After the trustees have adopted the budget amendment by a majority vote of the trustees, it  
23 must be signed by the ~~chairman~~ presiding officer of the trustees and the clerk of the district and copies  
24 must be sent to the county superintendent, ~~the county treasurer,~~ and the superintendent of public  
25 instruction."

26  
27 **Section 4.** Section 20-9-209, MCA, is amended to read:

28 **"20-9-209. Lapse of budgeted appropriations and provision for unpaid claims.** (1) All appropriations  
29 for a budgeted fund in the regular budget or for a budget amendment for a given school fiscal year lapse  
30 on the last day of the school fiscal year, except the appropriations for:

- 1 (a) uncompleted improvements in progress of construction; and  
 2 (b) an obligation for the purchase of personal property ordered but not paid for during the current  
 3 fiscal year ~~and recorded with the county treasurer in the manner and on forms prescribed by the~~  
 4 ~~superintendent of public instruction.~~

5 (2) A lawful claim presented to the district for payment under a lapsed appropriation is an obligation  
 6 of the budget for the next ~~ensuing~~ school fiscal year."

7

8 **Section 5.** Section 20-9-212, MCA, is amended to read:

9 **"20-9-212. Duties of county treasurer.** The county treasurer of each county shall:

10 (1) receive and hold all school money subject to apportionment and keep a separate accounting  
 11 of its apportionment to the several districts that are entitled to a portion of the money according to the  
 12 apportionments ordered by the county superintendent or by the superintendent of public instruction. A  
 13 separate accounting must be maintained for each county fund supported by a countywide levy for a  
 14 specific, authorized purpose, including:

- 15 (a) the basic county tax in support of the elementary BASE aid;  
 16 (b) the basic special tax for high schools in support of the high school BASE aid;  
 17 (c) the county tax in support of the transportation schedules;  
 18 (d) the county tax in support of the elementary and high school district retirement obligations; and  
 19 (e) any other county tax for schools, including the community colleges, which may be authorized  
 20 by law and levied by the county commissioners.

21 (2) whenever requested, notify the county superintendent and the superintendent of public  
 22 instruction of the amount of county school money on deposit in each of the funds enumerated in subsection  
 23 (1) and the amount of any other school money subject to apportionment and apportion the county and other  
 24 school money to the districts in accordance with the apportionment ordered by the county superintendent  
 25 or the superintendent of public instruction;

26 (3) keep a separate accounting of the receipts, expenditures, and cash balances for each fund;

27 (4) except as otherwise limited by law, pay all warrants properly drawn on the county or district  
 28 school money ~~and properly endorsed by their holders;~~

29 (5) receive all revenue collected by and for each district and deposit these receipts in the fund  
 30 designated by law or by the district if a fund is not designated by law. Interest and penalties on delinquent

1 school taxes must be credited to the same fund and district for which the original taxes were levied.

2 (6) send all revenue received for a joint district, part of which is situated in the county, to the  
3 county treasurer designated as the custodian of the revenue, no later than December 15 of each year and  
4 every 3 months after that date until the end of the school fiscal year;

5 (7) at the direction of the trustees of a district, assist the district in the issuance and sale of tax  
6 and revenue anticipation notes as provided in Title 7, chapter 6, part 11;

7 (8) register district warrants drawn on a budgeted fund in accordance with 7-6-2604 when there  
8 is insufficient money available in all funds of the district to make payment of the warrant. Redemption of  
9 registered warrants must be made in accordance with 7-6-2116, 7-6-2605, and 7-6-2606.

10 (9) invest the money of any district as directed by the trustees of the district within 3 working days  
11 of the direction;

12 (10) each month give to the trustees of each district an itemized report for each fund maintained  
13 by the district, showing the paid warrants, ~~outstanding warrants~~, registered warrants, interest distribution,  
14 amounts and types of revenue received, and the cash balance;

15 (11) remit promptly to the state treasurer receipts for the county tax for a vocational-technical  
16 ~~center~~ program within a unit of the university system when levied by the board of county commissioners  
17 under the provisions of 20-16-202;

18 (12) invest the money received from the basic county tax, the basic special tax, the county levy  
19 in support of the elementary and high school district retirement obligations, and the county levy in support  
20 of the transportation schedules within 3 working days of receipt. The money must be invested until the  
21 working day before it is required to be distributed to school districts within the county or remitted to the  
22 state. Permissible investments are specified in 20-9-213(4). All investment income must be deposited, and  
23 credited proportionately, in the funds established to account for the taxes received for the purposes  
24 specified in subsections (1)(a) through (1)(d).

25 (13) remit on a monthly basis to the state treasurer, in accordance with the provisions of 15-1-504,  
26 all county equalization revenue received under the provisions of 20-9-331 and 20-9-333, including all  
27 interest earned and excluding any amount required for high school out-of-county tuition under the  
28 provisions of 20-9-334, in repayment of the state advance for county equalization prescribed in 20-9-347.  
29 Any funds in excess of a state advance must be used as required in 20-9-331(1)(b) and 20-9-333(1)(b)."  
30

1           **Section 6.** Section 20-9-213, MCA, is amended to read:

2           "**20-9-213. Duties of trustees.** The trustees of each district have the ~~sole power and~~ authority to  
3 transact all fiscal business and execute all contracts in the name of the district. A person other than the  
4 trustees acting as a governing board may not expend money of the district. In conducting the fiscal  
5 business of the district, the trustees shall:

6           (1) cause the keeping of an accurate, detailed accounting of all receipts and expenditures of school  
7 money for each fund maintained by the district in accordance with generally accepted accounting principles  
8 and the rules prescribed by the superintendent of public instruction. The record of the accounting must be  
9 open to public inspection at any meeting of the trustees.

10           (2) authorize all expenditures of district money and cause warrants to be issued for the payment  
11 of lawful obligations;

12           (3) issue warrants on any budgeted fund in anticipation of budgeted revenue, except that the  
13 expenditures may not exceed the amount budgeted for the fund;

14           (4) invest any money of the district, whenever in the judgment of the trustees the investment  
15 would be advantageous to the district, by directing the county treasurer to invest any money of the district  
16 in direct obligations of the United States government; in savings or time deposits in a state or national bank,  
17 building or loan association, savings and loan association, or credit union insured by the FDIC or NCUA  
18 located in the state; or in a repurchase agreement, as authorized in 7-6-213. All interest collected on the  
19 deposits or investments must be credited to the fund from which the money was withdrawn, except that  
20 interest earned on account of the investment of money realized from the sale of bonds must be credited  
21 to the debt service fund or the building fund, at the discretion of the board of trustees. The placement of  
22 the investment by the county treasurer is not subject to ratable distribution laws and must be done in  
23 accordance with the directive from the board of trustees. A district may invest money under the state  
24 unified investment program established in Title 17, chapter 6, or in a unified investment program with the  
25 county treasurer that meets the requirements of this subsection (4).

26           (5) cause the district to record each transaction in the appropriate account before the accounts are  
27 closed at the end of the fiscal year in order to properly report the receipt, use, and disposition of all money  
28 and property for which the district is accountable;

29           (6) report annually to the county superintendent, not later than August 15, the financial activities  
30 of each fund maintained by the district during the ~~last completed~~ last completed school fiscal year, on the

1 forms prescribed and furnished by the superintendent of public instruction. Annual fiscal reports for joint  
 2 school districts must be submitted not later than September 1 to the county superintendent of each county  
 3 in which part of the joint district is situated.

4 (7) whenever requested, report any other fiscal activities to the county superintendent,  
 5 superintendent of public instruction, or board of public education;

6 (8) cause the accounting records of the district to be audited as required by 2-7-503; and

7 (9) perform, in the manner permitted by law, other fiscal duties that are in the best interests of the  
 8 district."

9  
 10 **Section 7.** Section 20-9-221, MCA, is amended to read:

11 "**20-9-221. Procedure for issuance of warrants.** (1) The trustees of each district shall issue all  
 12 warrants, and the warrants must identify:

13 ~~(a) the budgeted fund or nonbudgeted fund on which the warrant is drawn; and~~

14 ~~(b) the warrant as a budget amendment warrant if it is drawn on a budget amendment.~~

15 (2) All warrants issued by a district must be countersigned by the ~~chairman~~ presiding officer of the  
 16 trustees and the clerk of the district before the warrants are negotiable. Facsimile signatures may be used  
 17 in accordance with the provisions of 2-16-114. A facsimile signature device used under authority of this  
 18 section may not be available to the other countersigner of the warrant, or the device must have a  
 19 nonresettable metering control that can provide a positive reconciliation between the number of warrants  
 20 issued and the number of signatures applied. Either split signature plates or a double signature plate may  
 21 be used according to the requirements of the district. The signature plates and the device keys must be  
 22 kept secure by the district clerk under the supervision of the board of trustees of the district.

23 (3) The trustees ~~shall~~ may issue warrants in ~~single copy or in triplicate copy. When the warrants~~  
 24 ~~are issued in single copy, the trustees shall immediately provide a listing of the issued warrants on a~~  
 25 ~~fund by fund basis to the county treasurer and retain a copy of the listing in the district accounting records.~~  
 26 ~~When the warrants are issued in triplicate, the original copy of the warrant must be delivered to the payee,~~  
 27 ~~the duplicate must be sent immediately to the county treasurer, and the triplicate must be retained by the~~  
 28 ~~district for accounting record purposes. The duplicate and triplicate~~ multiple copies. If multiple copies are  
 29 issued, the copies must be identified on the face of the warrant as "Not Negotiable--Copy of Original".

30 (4) However, the trustees may elect to issue warrants in payment of wages and salaries on a direct

1 deposit basis to the employee's account in a local bank, provided the consent of the employee has been  
 2 obtained and the employee is given an itemized statement of payroll deductions for each pay period."

3  
 4 **Section 8.** Section 20-15-210, MCA, is amended to read:

5 "20-15-210. **Qualification and organization of board of trustees.** (1) Newly elected members of the  
 6 board of trustees of the community college district ~~shall~~ must be qualified by taking the oath of office  
 7 prescribed by the constitution of Montana. At the organization meeting called by the board of regents, the  
 8 board of trustees ~~shall~~ must be organized by the election of a ~~chairman~~ presiding officer and a secretary.

9 (2) The treasurer of the community college district is the county treasurer of the county in which  
 10 the community college facilities are located. The duties of the county treasurer are referenced in ~~20-9-206,~~  
 11 ~~20-9-212, 20-9-222, and 20-9-224.~~"

12  
 13 **Section 9.** Section 20-15-325, MCA, is amended to read:

14 "20-15-325. **Emergency budget limitation, preparation, and adoption procedures.** (1) The meeting  
 15 of the trustees of a community college district to consider and adopt an emergency budget must be open  
 16 to the public, and any taxpayer in the district has the right to appear and be heard. If at the meeting a  
 17 majority of the trustees present find that an emergency exists, the trustees may make and adopt a  
 18 preliminary emergency budget, on the regular budget form, setting forth fully the facts constituting the  
 19 emergency. In adopting the preliminary emergency budget, the trustees may budget for any fund that was  
 20 included on the final budget of the district for the current fiscal year. The budget must be itemized to show  
 21 the amount appropriated for each item as required on the budget form.

22 (2) When the emergency is the result of increased enrollment, the maximum amount of the  
 23 emergency budget for all funds must be determined by budget amendment.

24 (3) If another type of emergency occurs, the budget must be limited to the expenditures considered  
 25 by the trustees to be reasonable and necessary to finance the conditions of the emergency, and the  
 26 preliminary emergency budget must include the details of the proposed expenditures.

27 (4) After a majority of the trustees have voted to adopt the emergency budget, it must be signed  
 28 by the ~~chairman~~ presiding officer of the trustees and the clerk of the district and copies must be sent to  
 29 the county superintendent, ~~the county treasurer,~~ and the board of regents."



1           **Section 10.** Section 20-15-326, MCA, is amended to read:

2           **"20-15-326. Determination of available financing -- fixing and levying property taxation for**  
3 **emergency budget.** (1) After the last day of the fiscal year for which an emergency budget has been  
4 adopted, the ~~county treasurer~~ board of trustees shall determine the amount of the cash balance that is  
5 available to finance the emergency budget's outstanding warrants or registered warrants for each fund  
6 included on the emergency budget. The available amount of the cash balance of each fund must be  
7 determined by deducting from the county treasurer's year-end cash balance for the fund the outstanding  
8 warrants or registered warrants issued under the regularly adopted final budget for the fund and the cash  
9 reserve for the fund that the trustees have established, within the limitations of law, for the following fiscal  
10 year.

11           (2) The county treasurer shall prepare and deliver a statement on the financial cash status of each  
12 fund included on an emergency budget for a district that had an emergency budget during the preceding  
13 year to the board of county commissioners by the first Monday in August. The statement for each district  
14 emergency budget must include:

15           (a) the total amount of emergency warrants that are ~~outstanding or~~ registered against each fund  
16 of the district; and

17           (b) ~~the amount of the cash balance in each fund included on the emergency budget that is available~~  
18 ~~to finance the outstanding warrants or registered warrants; and~~

19           ~~(c) after consideration of the available money in subsection (2)(b), the additional amount of money~~  
20 that is required to finance the ~~outstanding warrants or~~ registered warrants and interest on the warrants and  
21 that must be raised by a tax levy.

22           (3) For each fund of the emergency budget of each district requiring a tax levy as established by  
23 subsection (2)(c), the board of county commissioners shall, at the time all other district and county taxes  
24 are fixed and levied, levy a tax on the taxable property of each applicable district that will raise sufficient  
25 financing to pay the amount established by the county treasurer."  
26

27           **Section 11.** Section 20-15-404, MCA, is amended to read:

28           **"20-15-404. Trustees to adhere to certain other laws.** Unless the context clearly indicates  
29 otherwise, the trustees of a community college district shall adhere to:

30           (1) the teachers' retirement provisions of Title 19, chapter 20;

- 1           (2) the provisions of 20-1-201, 20-1-205, 20-1-211, and 20-1-212;
- 2           (3) the school property provisions of 20-6-604, 20-6-605, 20-6-621, 20-6-622, 20-6-624,  
3 20-6-631, and 20-6-633 through 20-6-636;
- 4           (4) the adult education provisions of 20-7-701 through 20-7-713;
- 5           (5) the administration of finances provisions of 20-9-115, 20-9-134, 20-9-207, 20-9-208,  
6 20-9-210, 20-9-215, 20-9-221, ~~through 20-9-224~~ 20-9-223, and 20-9-512;
- 7           (6) the school bond provisions of 20-9-401 through 20-9-412, 20-9-421 through 20-9-446,  
8 20-9-451 through 20-9-456, and 20-9-461 through 20-9-465;
- 9           (7) the special purpose funds provisions of 20-9-502, 20-9-503, 20-9-507, 20-9-508, and  
10 20-9-511;
- 11          (8) the educational cooperative agreements provisions of 20-9-701 through 20-9-704;
- 12          (9) the school elections provisions of Title 20, chapter 20;
- 13          (10) the students' rights provisions of 20-25-511 through 20-25-516; and
- 14          (11) the health provisions of 50-1-206."

15

16          NEW SECTION. **Section 12. Repealer.** Sections 20-9-206, 20-9-222, and 20-9-224, MCA, are  
17 repealed.

18

19          NEW SECTION. **Section 13. Effective date.** [This act] is effective July 1, 1995.

20

-END-

STATE OF MONTANA - FISCAL NOTE

Fiscal Note for HB0368, as introduced

DESCRIPTION OF PROPOSED LEGISLATION: An act implementing the recommendation of the governor's task force to renew Montana government by eliminating certain county treasurer school budgeting functions; eliminating the requirement that the county treasurer prepare a statement showing the amount of the outstanding obligations for each fund; eliminating the requirement that the county superintendent deliver a final budget to the county treasurer; eliminating the requirement that the county treasurer receive a copy of a budget amendment; eliminating the requirement that a purchase of ordered personal property be recorded with the county treasurer; eliminating the requirement that warrants be endorsed by holders; eliminating the requirement that the county treasurer include outstanding warrants in an itemized report to trustees; authorizing money from the sale of bonds to be credited in a unified investment program with the county treasurer; revising the procedure for issuance of warrants; eliminating the requirement that the county treasurer receive a copy of an emergency budget; and repealing Sections 20-9-206, 20-9-222, and 20-9-224, MCA.

ASSUMPTIONS:

1. School district trustees are responsible for preparation and adoption of the district budget documents, issuing warrants, entering into contracts in the name of the district, and overseeing the financial business of the district. These responsibilities are not altered by HB 368.
2. Under existing practice, there are many counties in which the county treasurer plays little or no role in overseeing school district budgets. The county treasurer provides (and will continue to provide under HB 368) districts with a detail of tax collections and receipts of other revenue.
3. HB 368 has no impact on state payments to districts.

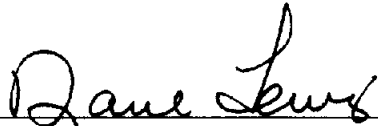
FISCAL IMPACT: None.

EFFECT ON COUNTY OR OTHER LOCAL REVENUES OR EXPENDITURES:

HB 368 will result in a small savings of staff time for school district business offices as districts will no longer report to the county treasurer under HB 368. In the counties where the county treasurer has actively overseen school district budgets, the county treasurers office will see some savings in staff time.

LONG-RANGE EFFECTS OF PROPOSED LEGISLATION:

TECHNICAL NOTES:

 2-2-95  
DAVID LEWIS, BUDGET DIRECTOR DATE  
Office of Budget and Program Planning

 2/2/95  
DON HOLLAND, PRIMARY SPONSOR DATE

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House BILL NO. 368  
*Holland* *Beck*  
INTRODUCED BY \_\_\_\_\_  
BY REQUEST OF THE GOVERNOR *John Johnson*

A BILL FOR AN ACT ENTITLED: "AN ACT IMPLEMENTING THE RECOMMENDATION OF THE GOVERNOR'S TASK FORCE TO RENEW MONTANA GOVERNMENT BY ELIMINATING CERTAIN COUNTY TREASURER SCHOOL BUDGETING FUNCTIONS; ELIMINATING THE REQUIREMENT THAT THE COUNTY TREASURER PREPARE A STATEMENT SHOWING THE AMOUNT OF THE OUTSTANDING OBLIGATIONS FOR EACH FUND; ELIMINATING THE REQUIREMENT THAT THE COUNTY SUPERINTENDENT DELIVER A FINAL BUDGET TO THE COUNTY TREASURER; ELIMINATING THE REQUIREMENT THAT THE COUNTY TREASURER RECEIVE A COPY OF A BUDGET AMENDMENT; ELIMINATING THE REQUIREMENT THAT A PURCHASE OF ORDERED PERSONAL PROPERTY BE RECORDED WITH THE COUNTY TREASURER; ELIMINATING THE REQUIREMENT THAT WARRANTS BE ENDORSED BY HOLDERS; ELIMINATING THE REQUIREMENT THAT THE COUNTY TREASURER INCLUDE OUTSTANDING WARRANTS IN AN ITEMIZED REPORT TO TRUSTEES; AUTHORIZING MONEY FROM THE SALE OF BONDS TO BE CREDITED IN A UNIFIED INVESTMENT PROGRAM WITH THE COUNTY TREASURER; REVISING THE PROCEDURE FOR ISSUANCE OF WARRANTS; ELIMINATING THE REQUIREMENT THAT THE COUNTY TREASURER RECEIVE A COPY OF AN EMERGENCY BUDGET; AMENDING SECTIONS 20-9-121, 20-9-134, 20-9-165, 20-9-209, 20-9-212, 20-9-213, 20-9-221, 20-15-210, 20-15-325, 20-15-326, AND 20-15-404, MCA; REPEALING SECTIONS 20-9-206, 20-9-222, AND 20-9-224, MCA; AND PROVIDING AN EFFECTIVE DATE."

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

**Section 1.** Section 20-9-121, MCA, is amended to read:

**"20-9-121. County treasurer's statement of cash balances and bond information.** (1) By July 10, the county treasurer shall prepare a statement for each district showing the amount of cash on hand for each fund maintained by the district ~~and the amount of the outstanding obligations against each fund at~~ the close of the ~~last completed~~ last-completed school fiscal year. The county treasurer shall also include on each district's statement the details on the obligation for bond retirement and interest for the school fiscal year just beginning. The format of the statement on fund cash balances and bond information shall



1 must be prescribed by the superintendent of public instruction.

2 (2) By July 10, the county treasurer shall prepare a statement for each county school fund  
3 supported by countywide levies, showing the amount of cash on hand at the beginning of the school fiscal  
4 year, the receipts and apportionments, and the amount of cash on hand at the end of the school fiscal year,  
5 for each county school fund maintained during the immediately preceding school fiscal year. The format  
6 of this statement ~~shall~~ must be prescribed by the superintendent of public instruction.

7 (3) On or before July 10, the county treasurer shall deliver the statements of district and county  
8 fund cash balances and the bond information for each district to the county superintendent, who shall  
9 attach ~~such~~ the district statements to the applicable district's preliminary budget."

10

11 **Section 2.** Section 20-9-134, MCA, is amended to read:

12 "20-9-134. **Completion, filing, and delivery of final budgets.** After the final budget of the  
13 elementary, high school, or community college district has been adopted by the trustees, the county  
14 superintendent shall complete all the remaining portions of the budget forms and shall:

15 (1) send the final budget information to the superintendent of public instruction, on the forms  
16 provided by the superintendent, on or before September 1; and

17 (2) in the case of the community college districts, send the final budget information to the board  
18 of regents, on the forms provided by the community college coordinator, on or before September 1; ~~and~~

19 ~~(3) deliver a copy of the final budget for the district to the county treasurer on or before September~~  
20 4."

21

22 **Section 3.** Section 20-9-165, MCA, is amended to read:

23 "20-9-165. **Budget amendment limitation, preparation, and adoption procedures.** (1) The meeting  
24 of the trustees to consider and adopt a budget amendment must be open to the public, and any taxpayer  
25 in the district has the right to appear and be heard. If at the meeting a majority of the trustees present find  
26 that there is sufficient need for a budget amendment, the trustees may make and adopt a preliminary  
27 budget amendment, setting forth fully the facts constituting the need for the budget amendment. In  
28 adopting the preliminary budget amendment, the trustees may budget for any fund that was included on  
29 the final budget of the district for the current school fiscal year. The budget must be itemized to show the  
30 amount appropriated for each item.

1 (2) When the budget amendment is the result of increased enrollment, the maximum amount of  
2 the budget amendment for all funds must be determined in the following manner:

3 (a) Determine the total amount in the final budget for the current school fiscal year of all funds  
4 affected by the enrollment increase, less any amounts appropriated as capital outlay and any amount  
5 appropriated for addition to the operating reserve.

6 (b) Divide the amount determined in subsection (2)(a) by the number of pupils originally enrolled  
7 in the district during the immediately preceding school fiscal year. The resulting cost per pupil is the  
8 maximum permissible per-pupil expenditure in the budget amendment.

9 (c) Determine the enrollment increase of the current school fiscal year by subtracting the number  
10 of pupils originally enrolled during the immediately preceding school fiscal year from the number of pupils  
11 enrolled for the current school year. The result is the enrollment increase for the current school fiscal year.

12 (d) Multiply the cost per pupil determined in subsection (2)(b) by the enrollment increase  
13 determined in subsection (2)(c). The result is the maximum limitation on a budget amendment for  
14 amendments resulting from increased enrollment.

15 (3) For other types of budget amendments, the budget amendment is limited to the expenditures  
16 considered by the trustees to be reasonable and necessary to finance the conditions of the budget  
17 amendment and the preliminary budget amendment must include the details of the proposed expenditures.

18 (4) Whenever the trustees adopt a preliminary budget amendment for the transportation fund, the  
19 trustees shall attach to the budget amendment a copy of each transportation contract that is connected  
20 with the budget amendment and that has been prepared and executed in accordance with the school  
21 transportation contract laws.

22 (5) After the trustees have adopted the budget amendment by a majority vote of the trustees, it  
23 must be signed by the ~~chairman~~ presiding officer of the trustees and the clerk of the district and copies  
24 must be sent to the county superintendent, ~~the county treasurer~~, and the superintendent of public  
25 instruction."

26  
27 **Section 4.** Section 20-9-209, MCA, is amended to read:

28 **"20-9-209. Lapse of budgeted appropriations and provision for unpaid claims.** (1) All appropriations  
29 for a budgeted fund in the regular budget or for a budget amendment for a given school fiscal year lapse  
30 on the last day of the school fiscal year, except the appropriations for:

1 (a) uncompleted improvements in progress of construction; and

2 (b) an obligation for the purchase of personal property ordered but not paid for during the current  
3 fiscal year ~~and recorded with the county treasurer in the manner and on forms prescribed by the~~  
4 ~~superintendent of public instruction.~~

5 (2) A lawful claim presented to the district for payment under a lapsed appropriation is an obligation  
6 of the budget for the next ~~ensuing~~ school fiscal year."

7

8 **Section 5.** Section 20-9-212, MCA, is amended to read:

9 **"20-9-212. Duties of county treasurer.** The county treasurer of each county shall:

10 (1) receive and hold all school money subject to apportionment and keep a separate accounting  
11 of its apportionment to the several districts that are entitled to a portion of the money according to the  
12 apportionments ordered by the county superintendent or by the superintendent of public instruction. A  
13 separate accounting must be maintained for each county fund supported by a countywide levy for a  
14 specific, authorized purpose, including:

15 (a) the basic county tax in support of the elementary BASE aid;

16 (b) the basic special tax for high schools in support of the high school BASE aid;

17 (c) the county tax in support of the transportation schedules;

18 (d) the county tax in support of the elementary and high school district retirement obligations; and

19 (e) any other county tax for schools, including the community colleges, which may be authorized  
20 by law and levied by the county commissioners.

21 (2) whenever requested, notify the county superintendent and the superintendent of public  
22 instruction of the amount of county school money on deposit in each of the funds enumerated in subsection  
23 (1) and the amount of any other school money subject to apportionment and apportion the county and other  
24 school money to the districts in accordance with the apportionment ordered by the county superintendent  
25 or the superintendent of public instruction;

26 (3) keep a separate accounting of the receipts, expenditures, and cash balances for each fund;

27 (4) except as otherwise limited by law, pay all warrants properly drawn on the county or district  
28 school money ~~and properly endorsed by their holders;~~

29 (5) receive all revenue collected by and for each district and deposit these receipts in the fund  
30 designated by law or by the district if a fund is not designated by law. Interest and penalties on delinquent

1 school taxes must be credited to the same fund and district for which the original taxes were levied.

2 (6) send all revenue received for a joint district, part of which is situated in the county, to the  
3 county treasurer designated as the custodian of the revenue, no later than December 15 of each year and  
4 every 3 months after that date until the end of the school fiscal year;

5 (7) at the direction of the trustees of a district, assist the district in the issuance and sale of tax  
6 and revenue anticipation notes as provided in Title 7, chapter 6, part 11;

7 (8) register district warrants drawn on a budgeted fund in accordance with 7-6-2604 when there  
8 is insufficient money available in all funds of the district to make payment of the warrant. Redemption of  
9 registered warrants must be made in accordance with 7-6-2116, 7-6-2605, and 7-6-2606.

10 (9) invest the money of any district as directed by the trustees of the district within 3 working days  
11 of the direction;

12 (10) each month give to the trustees of each district an itemized report for each fund maintained  
13 by the district, showing the paid warrants, ~~outstanding warrants~~, registered warrants, interest distribution,  
14 amounts and types of revenue received, and the cash balance;

15 (11) remit promptly to the state treasurer receipts for the county tax for a vocational-technical  
16 ~~center~~ program within a unit of the university system when levied by the board of county commissioners  
17 under the provisions of 20-16-202;

18 (12) invest the money received from the basic county tax, the basic special tax, the county levy  
19 in support of the elementary and high school district retirement obligations, and the county levy in support  
20 of the transportation schedules within 3 working days of receipt. The money must be invested until the  
21 working day before it is required to be distributed to school districts within the county or remitted to the  
22 state. Permissible investments are specified in 20-9-213(4). All investment income must be deposited, and  
23 credited proportionately, in the funds established to account for the taxes received for the purposes  
24 specified in subsections (1)(a) through (1)(d).

25 (13) remit on a monthly basis to the state treasurer, in accordance with the provisions of 15-1-504,  
26 all county equalization revenue received under the provisions of 20-9-331 and 20-9-333, including all  
27 interest earned and excluding any amount required for high school out-of-county tuition under the  
28 provisions of 20-9-334, in repayment of the state advance for county equalization prescribed in 20-9-347.  
29 Any funds in excess of a state advance must be used as required in 20-9-331(1)(b) and 20-9-333(1)(b)."  
30



1           **Section 6.** Section 20-9-213, MCA, is amended to read:

2           **"20-9-213. Duties of trustees.** The trustees of each district have the ~~sole power and~~ authority to  
3 transact all fiscal business and execute all contracts in the name of the district. A person other than the  
4 trustees acting as a governing board may not expend money of the district. In conducting the fiscal  
5 business of the district, the trustees shall:

6           (1) cause the keeping of an accurate, detailed accounting of all receipts and expenditures of school  
7 money for each fund maintained by the district in accordance with generally accepted accounting principles  
8 and the rules prescribed by the superintendent of public instruction. The record of the accounting must be  
9 open to public inspection at any meeting of the trustees.

10           (2) authorize all expenditures of district money and cause warrants to be issued for the payment  
11 of lawful obligations;

12           (3) issue warrants on any budgeted fund in anticipation of budgeted revenue, except that the  
13 expenditures may not exceed the amount budgeted for the fund;

14           (4) invest any money of the district, whenever in the judgment of the trustees the investment  
15 would be advantageous to the district, by directing the county treasurer to invest any money of the district  
16 in direct obligations of the United States government; in savings or time deposits in a state or national bank,  
17 building or loan association, savings and loan association, or credit union insured by the FDIC or NCUA  
18 located in the state; or in a repurchase agreement, as authorized in 7-6-213. All interest collected on the  
19 deposits or investments must be credited to the fund from which the money was withdrawn, except that  
20 interest earned on account of the investment of money realized from the sale of bonds must be credited  
21 to the debt service fund or the building fund, at the discretion of the board of trustees. The placement of  
22 the investment by the county treasurer is not subject to ratable distribution laws and must be done in  
23 accordance with the directive from the board of trustees. A district may invest money under the state  
24 unified investment program established in Title 17, chapter 6, or in a unified investment program with the  
25 county treasurer that meets the requirements of this subsection (4).

26           (5) cause the district to record each transaction in the appropriate account before the accounts are  
27 closed at the end of the fiscal year in order to properly report the receipt, use, and disposition of all money  
28 and property for which the district is accountable;

29           (6) report annually to the county superintendent, not later than August 15, the financial activities  
30 of each fund maintained by the district during the ~~last completed~~ last-completed school fiscal year, on the

1 forms prescribed and furnished by the superintendent of public instruction. Annual fiscal reports for joint  
2 school districts must be submitted not later than September 1 to the county superintendent of each county  
3 in which part of the joint district is situated.

4 (7) whenever requested, report any other fiscal activities to the county superintendent,  
5 superintendent of public instruction, or board of public education;

6 (8) cause the accounting records of the district to be audited as required by 2-7-503; and

7 (9) perform, in the manner permitted by law, other fiscal duties that are in the best interests of the  
8 district."

9  
10 **Section 7.** Section 20-9-221, MCA, is amended to read:

11 **"20-9-221. Procedure for issuance of warrants.** (1) The trustees of each district shall issue all  
12 warrants, and the warrants must identify:

13 ~~(a) the budgeted fund or nonbudgeted fund on which the warrant is drawn; and~~

14 ~~(b) the warrant as a budget amendment warrant if it is drawn on a budget amendment.~~

15 (2) All warrants issued by a district must be countersigned by the ~~chairman~~ presiding officer of the  
16 trustees and the clerk of the district before the warrants are negotiable. Facsimile signatures may be used  
17 in accordance with the provisions of 2-16-114. A facsimile signature device used under authority of this  
18 section may not be available to the other countersigner of the warrant, or the device must have a  
19 nonresettable metering control that can provide a positive reconciliation between the number of warrants  
20 issued and the number of signatures applied. Either split signature plates or a double signature plate may  
21 be used according to the requirements of the district. The signature plates and the device keys must be  
22 kept secure by the district clerk under the supervision of the board of trustees of the district.

23 (3) The trustees ~~shall~~ may issue warrants in ~~single copy or in triplicate copy. When the warrants~~  
24 ~~are issued in single copy, the trustees shall immediately provide a listing of the issued warrants on a~~  
25 ~~fund by fund basis to the county treasurer and retain a copy of the listing in the district accounting records.~~  
26 ~~When the warrants are issued in triplicate, the original copy of the warrant must be delivered to the payee,~~  
27 ~~the duplicate must be sent immediately to the county treasurer, and the triplicate must be retained by the~~  
28 ~~district for accounting record purposes. The duplicate and triplicate~~ multiple copies. If multiple copies are  
29 issued, the copies must be identified on the face of the warrant as "Not Negotiable--Copy of Original".

30 (4) However, the trustees may elect to issue warrants in payment of wages and salaries on a direct

1 deposit basis to the employee's account in a local bank, provided the consent of the employee has been  
2 obtained and the employee is given an itemized statement of payroll deductions for each pay period."  
3

4 **Section 8.** Section 20-15-210, MCA, is amended to read:

5 **"20-15-210. Qualification and organization of board of trustees.** (1) Newly elected members of the  
6 board of trustees of the community college district ~~shall~~ must be qualified by taking the oath of office  
7 prescribed by the constitution of Montana. At the organization meeting called by the board of regents, the  
8 board of trustees ~~shall~~ must be organized by the election of a ~~chairman~~ presiding officer and a secretary.

9 (2) The treasurer of the community college district is the county treasurer of the county in which  
10 the community college facilities are located. The duties of the county treasurer are referenced in ~~20-9-206,~~  
11 ~~20-9-212, 20-9-222, and 20-9-224.~~"  
12

13 **Section 9.** Section 20-15-325, MCA, is amended to read:

14 **"20-15-325. Emergency budget limitation, preparation, and adoption procedures.** (1) The meeting  
15 of the trustees of a community college district to consider and adopt an emergency budget must be open  
16 to the public, and any taxpayer in the district has the right to appear and be heard. If at the meeting a  
17 majority of the trustees present find that an emergency exists, the trustees may make and adopt a  
18 preliminary emergency budget, on the regular budget form, setting forth fully the facts constituting the  
19 emergency. In adopting the preliminary emergency budget, the trustees may budget for any fund that was  
20 included on the final budget of the district for the current fiscal year. The budget must be itemized to show  
21 the amount appropriated for each item as required on the budget form.

22 (2) When the emergency is the result of increased enrollment, the maximum amount of the  
23 emergency budget for all funds must be determined by budget amendment.

24 (3) If another type of emergency occurs, the budget must be limited to the expenditures considered  
25 by the trustees to be reasonable and necessary to finance the conditions of the emergency, and the  
26 preliminary emergency budget must include the details of the proposed expenditures.

27 (4) After a majority of the trustees have voted to adopt the emergency budget, it must be signed  
28 by the ~~chairman~~ presiding officer of the trustees and the clerk of the district and copies must be sent to  
29 the county superintendent, ~~the county treasurer,~~ and the board of regents."  
30

1           **Section 10.** Section 20-15-326, MCA, is amended to read:

2           **"20-15-326. Determination of available financing -- fixing and levying property taxation for**  
3 **emergency budget.** (1) After the last day of the fiscal year for which an emergency budget has been  
4 adopted, the ~~county treasurer~~ board of trustees shall determine the amount of the cash balance that is  
5 available to finance the emergency budget's outstanding warrants or registered warrants for each fund  
6 included on the emergency budget. The available amount of the cash balance of each fund must be  
7 determined by deducting from the county treasurer's year-end cash balance for the fund the outstanding  
8 warrants or registered warrants issued under the regularly adopted final budget for the fund and the cash  
9 reserve for the fund that the trustees have established, within the limitations of law, for the following fiscal  
10 year.

11           (2) The county treasurer shall prepare and deliver a statement on the financial cash status of each  
12 fund included on an emergency budget for a district that had an emergency budget during the preceding  
13 year to the board of county commissioners by the first Monday in August. The statement for each district  
14 emergency budget must include:

15           (a) the total amount of emergency warrants that are ~~outstanding or~~ registered against each fund  
16 of the district; and

17           (b) ~~the amount of the cash balance in each fund included on the emergency budget that is available~~  
18 ~~to finance the outstanding warrants or registered warrants; and~~

19           ~~(c) after consideration of the available money in subsection (2)(b),~~ the additional amount of money  
20 that is required to finance the ~~outstanding warrants or~~ registered warrants and interest on the warrants and  
21 that must be raised by a tax levy.

22           (3) For each fund of the emergency budget of each district requiring a tax levy as established by  
23 subsection (2)(c), the board of county commissioners shall, at the time all other district and county taxes  
24 are fixed and levied, levy a tax on the taxable property of each applicable district that will raise sufficient  
25 financing to pay the amount established by the county treasurer."

26

27           **Section 11.** Section 20-15-404, MCA, is amended to read:

28           **"20-15-404. Trustees to adhere to certain other laws.** Unless the context clearly indicates  
29 otherwise, the trustees of a community college district shall adhere to:

30           (1) the teachers' retirement provisions of Title 19, chapter 20;

- 1 (2) the provisions of 20-1-201, 20-1-205, 20-1-211, and 20-1-212;
- 2 (3) the school property provisions of 20-6-604, 20-6-605, 20-6-621, 20-6-622, 20-6-624,  
3 20-6-631, and 20-6-633 through 20-6-636;
- 4 (4) the adult education provisions of 20-7-701 through 20-7-713;
- 5 (5) the administration of finances provisions of 20-9-115, 20-9-134, 20-9-207, 20-9-208,  
6 20-9-210, 20-9-215, 20-9-221, ~~through 20-9-224~~ 20-9-223, and 20-9-512;
- 7 (6) the school bond provisions of 20-9-401 through 20-9-412, 20-9-421 through 20-9-446,  
8 20-9-451 through 20-9-456, and 20-9-461 through 20-9-465;
- 9 (7) the special purpose funds provisions of 20-9-502, 20-9-503, 20-9-507, 20-9-508, and  
10 20-9-511;
- 11 (8) the educational cooperative agreements provisions of 20-9-701 through 20-9-704;
- 12 (9) the school elections provisions of Title 20, chapter 20;
- 13 (10) the students' rights provisions of 20-25-511 through 20-25-516; and
- 14 (11) the health provisions of 50-1-206."

15  
16 **NEW SECTION. Section 12. Repealer.** Sections 20-9-206, 20-9-222, and 20-9-224, MCA, are  
17 repealed.

18  
19 **NEW SECTION. Section 13. Effective date.** [This act] is effective July 1, 1995.

20 -END-

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INTRODUCED BY Holland <sup>House</sup> BILL NO. 368 Beck  
BY REQUEST OF THE GOVERNOR John Johnson

A BILL FOR AN ACT ENTITLED: "AN ACT IMPLEMENTING THE RECOMMENDATION OF THE GOVERNOR'S TASK FORCE TO RENEW MONTANA GOVERNMENT BY ELIMINATING CERTAIN COUNTY TREASURER SCHOOL BUDGETING FUNCTIONS; ELIMINATING THE REQUIREMENT THAT THE COUNTY TREASURER PREPARE A STATEMENT SHOWING THE AMOUNT OF THE OUTSTANDING OBLIGATIONS FOR EACH FUND; ELIMINATING THE REQUIREMENT THAT THE COUNTY SUPERINTENDENT DELIVER A FINAL BUDGET TO THE COUNTY TREASURER; ELIMINATING THE REQUIREMENT THAT THE COUNTY TREASURER RECEIVE A COPY OF A BUDGET AMENDMENT; ELIMINATING THE REQUIREMENT THAT A PURCHASE OF ORDERED PERSONAL PROPERTY BE RECORDED WITH THE COUNTY TREASURER; ELIMINATING THE REQUIREMENT THAT WARRANTS BE ENDORSED BY HOLDERS; ELIMINATING THE REQUIREMENT THAT THE COUNTY TREASURER INCLUDE OUTSTANDING WARRANTS IN AN ITEMIZED REPORT TO TRUSTEES; AUTHORIZING MONEY FROM THE SALE OF BONDS TO BE CREDITED IN A UNIFIED INVESTMENT PROGRAM WITH THE COUNTY TREASURER; REVISING THE PROCEDURE FOR ISSUANCE OF WARRANTS; ELIMINATING THE REQUIREMENT THAT THE COUNTY TREASURER RECEIVE A COPY OF AN EMERGENCY BUDGET; AMENDING SECTIONS 20-9-121, 20-9-134, 20-9-165, 20-9-209, 20-9-212, 20-9-213, 20-9-221, 20-15-210, 20-15-325, 20-15-326, AND 20-15-404, MCA; REPEALING SECTIONS 20-9-206, 20-9-222, AND 20-9-224, MCA; AND PROVIDING AN EFFECTIVE DATE."

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

Section 1. Section 20-9-121, MCA, is amended to read:

"20-9-121. **County treasurer's statement of cash balances and bond information.** (1) By July 10, the county treasurer shall prepare a statement for each district showing the amount of cash on hand for each fund maintained by the district ~~and the amount of the outstanding obligations against each fund at~~ the close of the ~~last completed~~ last-completed school fiscal year. The county treasurer shall also include on each district's statement the details on the obligation for bond retirement and interest for the school fiscal year just beginning. The format of the statement on fund cash balances and bond information shall



1 must be prescribed by the superintendent of public instruction.

2 (2) By July 10, the county treasurer shall prepare a statement for each county school fund  
3 supported by countywide levies, showing the amount of cash on hand at the beginning of the school fiscal  
4 year, the receipts and apportionments, and the amount of cash on hand at the end of the school fiscal year,  
5 for each county school fund maintained during the immediately preceding school fiscal year. The format  
6 of this statement ~~shall~~ must be prescribed by the superintendent of public instruction.

7 (3) On or before July 10, the county treasurer shall deliver the statements of district and county  
8 fund cash balances and the bond information for each district to the county superintendent, who shall  
9 attach ~~such~~ the district statements to the applicable district's preliminary budget."

10

11 **Section 2.** Section 20-9-134, MCA, is amended to read:

12 **"20-9-134. Completion, filing, and delivery of final budgets.** After the final budget of the  
13 elementary, high school, or community college district has been adopted by the trustees, the county  
14 superintendent shall complete all the remaining portions of the budget forms and shall:

15 (1) send the final budget information to the superintendent of public instruction, on the forms  
16 provided by the superintendent, on or before September 1; and

17 (2) in the case of the community college districts, send the final budget information to the board  
18 of regents, on the forms provided by the community college coordinator, on or before September 1; ~~and~~

19 ~~(3) deliver a copy of the final budget for the district to the county treasurer on or before September~~  
20 4."

21

22 **Section 3.** Section 20-9-165, MCA, is amended to read:

23 **"20-9-165. Budget amendment limitation, preparation, and adoption procedures.** (1) The meeting  
24 of the trustees to consider and adopt a budget amendment must be open to the public, and any taxpayer  
25 in the district has the right to appear and be heard. If at the meeting a majority of the trustees present find  
26 that there is sufficient need for a budget amendment, the trustees may make and adopt a preliminary  
27 budget amendment, setting forth fully the facts constituting the need for the budget amendment. In  
28 adopting the preliminary budget amendment, the trustees may budget for any fund that was included on  
29 the final budget of the district for the current school fiscal year. The budget must be itemized to show the  
30 amount appropriated for each item.

1 (2) When the budget amendment is the result of increased enrollment, the maximum amount of  
2 the budget amendment for all funds must be determined in the following manner:

3 (a) Determine the total amount in the final budget for the current school fiscal year of all funds  
4 affected by the enrollment increase, less any amounts appropriated as capital outlay and any amount  
5 appropriated for addition to the operating reserve.

6 (b) Divide the amount determined in subsection (2)(a) by the number of pupils originally enrolled  
7 in the district during the immediately preceding school fiscal year. The resulting cost per pupil is the  
8 maximum permissible per-pupil expenditure in the budget amendment.

9 (c) Determine the enrollment increase of the current school fiscal year by subtracting the number  
10 of pupils originally enrolled during the immediately preceding school fiscal year from the number of pupils  
11 enrolled for the current school year. The result is the enrollment increase for the current school fiscal year.

12 (d) Multiply the cost per pupil determined in subsection (2)(b) by the enrollment increase  
13 determined in subsection (2)(c). The result is the maximum limitation on a budget amendment for  
14 amendments resulting from increased enrollment.

15 (3) For other types of budget amendments, the budget amendment is limited to the expenditures  
16 considered by the trustees to be reasonable and necessary to finance the conditions of the budget  
17 amendment and the preliminary budget amendment must include the details of the proposed expenditures.

18 (4) Whenever the trustees adopt a preliminary budget amendment for the transportation fund, the  
19 trustees shall attach to the budget amendment a copy of each transportation contract that is connected  
20 with the budget amendment and that has been prepared and executed in accordance with the school  
21 transportation contract laws.

22 (5) After the trustees have adopted the budget amendment by a majority vote of the trustees, it  
23 must be signed by the ~~chairman~~ presiding officer of the trustees and the clerk of the district and copies  
24 must be sent to the county superintendent, ~~the county treasurer,~~ and the superintendent of public  
25 instruction."

26  
27 **Section 4.** Section 20-9-209, MCA, is amended to read:

28 **"20-9-209. Lapse of budgeted appropriations and provision for unpaid claims.** (1) All appropriations  
29 for a budgeted fund in the regular budget or for a budget amendment for a given school fiscal year lapse  
30 on the last day of the school fiscal year, except the appropriations for:



1 (a) uncompleted improvements in progress of construction; and

2 (b) an obligation for the purchase of personal property ordered but not paid for during the current  
3 fiscal year ~~and recorded with the county treasurer in the manner and on forms prescribed by the~~  
4 ~~superintendent of public instruction.~~

5 (2) A lawful claim presented to the district for payment under a lapsed appropriation is an obligation  
6 of the budget for the next ~~ensuing~~ school fiscal year."

7

8 **Section 5.** Section 20-9-212, MCA, is amended to read:

9 **"20-9-212. Duties of county treasurer.** The county treasurer of each county shall:

10 (1) receive and hold all school money subject to apportionment and keep a separate accounting  
11 of its apportionment to the several districts that are entitled to a portion of the money according to the  
12 apportionments ordered by the county superintendent or by the superintendent of public instruction. A  
13 separate accounting must be maintained for each county fund supported by a countywide levy for a  
14 specific, authorized purpose, including:

15 (a) the basic county tax in support of the elementary BASE aid;

16 (b) the basic special tax for high schools in support of the high school BASE aid;

17 (c) the county tax in support of the transportation schedules;

18 (d) the county tax in support of the elementary and high school district retirement obligations; and

19 (e) any other county tax for schools, including the community colleges, which may be authorized  
20 by law and levied by the county commissioners.

21 (2) whenever requested, notify the county superintendent and the superintendent of public  
22 instruction of the amount of county school money on deposit in each of the funds enumerated in subsection  
23 (1) and the amount of any other school money subject to apportionment and apportion the county and other  
24 school money to the districts in accordance with the apportionment ordered by the county superintendent  
25 or the superintendent of public instruction;

26 (3) keep a separate accounting of the receipts, expenditures, and cash balances for each fund;

27 (4) except as otherwise limited by law, pay all warrants properly drawn on the county or district  
28 school money ~~and properly endorsed by their holders;~~

29 (5) receive all revenue collected by and for each district and deposit these receipts in the fund  
30 designated by law or by the district if a fund is not designated by law. Interest and penalties on delinquent

1 school taxes must be credited to the same fund and district for which the original taxes were levied.

2 (6) send all revenue received for a joint district, part of which is situated in the county, to the  
3 county treasurer designated as the custodian of the revenue, no later than December 15 of each year and  
4 every 3 months after that date until the end of the school fiscal year;

5 (7) at the direction of the trustees of a district, assist the district in the issuance and sale of tax  
6 and revenue anticipation notes as provided in Title 7, chapter 6, part 11;

7 (8) register district warrants drawn on a budgeted fund in accordance with 7-6-2604 when there  
8 is insufficient money available in all funds of the district to make payment of the warrant. Redemption of  
9 registered warrants must be made in accordance with 7-6-2116, 7-6-2605, and 7-6-2606.

10 (9) invest the money of any district as directed by the trustees of the district within 3 working days  
11 of the direction;

12 (10) each month give to the trustees of each district an itemized report for each fund maintained  
13 by the district, showing the paid warrants, ~~outstanding warrants~~, registered warrants, interest distribution,  
14 amounts and types of revenue received, and the cash balance;

15 (11) remit promptly to the state treasurer receipts for the county tax for a vocational-technical  
16 ~~center~~ program within a unit of the university system when levied by the board of county commissioners  
17 under the provisions of 20-16-202;

18 (12) invest the money received from the basic county tax, the basic special tax, the county levy  
19 in support of the elementary and high school district retirement obligations, and the county levy in support  
20 of the transportation schedules within 3 working days of receipt. The money must be invested until the  
21 working day before it is required to be distributed to school districts within the county or remitted to the  
22 state. Permissible investments are specified in 20-9-213(4). All investment income must be deposited, and  
23 credited proportionately, in the funds established to account for the taxes received for the purposes  
24 specified in subsections (1)(a) through (1)(d).

25 (13) remit on a monthly basis to the state treasurer, in accordance with the provisions of 15-1-504,  
26 all county equalization revenue received under the provisions of 20-9-331 and 20-9-333, including all  
27 interest earned and excluding any amount required for high school out-of-county tuition under the  
28 provisions of 20-9-334, in repayment of the state advance for county equalization prescribed in 20-9-347.  
29 Any funds in excess of a state advance must be used as required in 20-9-331(1)(b) and 20-9-333(1)(b)."

30

1           **Section 6.** Section 20-9-213, MCA, is amended to read:

2           **"20-9-213. Duties of trustees.** The trustees of each district have the ~~sole power and~~ authority to  
3 transact all fiscal business and execute all contracts in the name of the district. A person other than the  
4 trustees acting as a governing board may not expend money of the district. In conducting the fiscal  
5 business of the district, the trustees shall:

6           (1) cause the keeping of an accurate, detailed accounting of all receipts and expenditures of school  
7 money for each fund maintained by the district in accordance with generally accepted accounting principles  
8 and the rules prescribed by the superintendent of public instruction. The record of the accounting must be  
9 open to public inspection at any meeting of the trustees.

10           (2) authorize all expenditures of district money and cause warrants to be issued for the payment  
11 of lawful obligations;

12           (3) issue warrants on any budgeted fund in anticipation of budgeted revenue, except that the  
13 expenditures may not exceed the amount budgeted for the fund;

14           (4) invest any money of the district, whenever in the judgment of the trustees the investment  
15 would be advantageous to the district, by directing the county treasurer to invest any money of the district  
16 in direct obligations of the United States government; in savings or time deposits in a state or national bank,  
17 building or loan association, savings and loan association, or credit union insured by the FDIC or NCUA  
18 located in the state; or in a repurchase agreement, as authorized in 7-6-213. All interest collected on the  
19 deposits or investments must be credited to the fund from which the money was withdrawn, except that  
20 interest earned on account of the investment of money realized from the sale of bonds must be credited  
21 to the debt service fund or the building fund, at the discretion of the board of trustees. The placement of  
22 the investment by the county treasurer is not subject to ratable distribution laws and must be done in  
23 accordance with the directive from the board of trustees. A district may invest money under the state  
24 unified investment program established in Title 17, chapter 6, or in a unified investment program with the  
25 county treasurer that meets the requirements of this subsection (4).

26           (5) cause the district to record each transaction in the appropriate account before the accounts are  
27 closed at the end of the fiscal year in order to properly report the receipt, use, and disposition of all money  
28 and property for which the district is accountable;

29           (6) report annually to the county superintendent, not later than August 15, the financial activities  
30 of each fund maintained by the district during the ~~last completed~~ last-completed school fiscal year, on the

1 forms prescribed and furnished by the superintendent of public instruction. Annual fiscal reports for joint  
2 school districts must be submitted not later than September 1 to the county superintendent of each county  
3 in which part of the joint district is situated.

4 (7) whenever requested, report any other fiscal activities to the county superintendent,  
5 superintendent of public instruction, or board of public education;

6 (8) cause the accounting records of the district to be audited as required by 2-7-503; and

7 (9) perform, in the manner permitted by law, other fiscal duties that are in the best interests of the  
8 district."

9

10 **Section 7.** Section 20-9-221, MCA, is amended to read:

11 **"20-9-221. Procedure for issuance of warrants.** (1) The trustees of each district shall issue all  
12 warrants, and the warrants must identify:

13 ~~(a) the budgeted fund or nonbudgeted fund on which the warrant is drawn; and~~

14 ~~(b) the warrant as a budget amendment warrant if it is drawn on a budget amendment.~~

15 (2) All warrants issued by a district must be countersigned by the ~~chairman~~ presiding officer of the  
16 trustees and the clerk of the district before the warrants are negotiable. Facsimile signatures may be used  
17 in accordance with the provisions of 2-16-114. A facsimile signature device used under authority of this  
18 section may not be available to the other countersigner of the warrant, or the device must have a  
19 nonresettable metering control that can provide a positive reconciliation between the number of warrants  
20 issued and the number of signatures applied. Either split signature plates or a double signature plate may  
21 be used according to the requirements of the district. The signature plates and the device keys must be  
22 kept secure by the district clerk under the supervision of the board of trustees of the district.

23 (3) ~~The trustees shall may issue warrants in single copy or in triplicate copy. When the warrants~~  
24 ~~are issued in single copy, the trustees shall immediately provide a listing of the issued warrants on a~~  
25 ~~fund by fund basis to the county treasurer and retain a copy of the listing in the district accounting records.~~  
26 ~~When the warrants are issued in triplicate, the original copy of the warrant must be delivered to the payee,~~  
27 ~~the duplicate must be sent immediately to the county treasurer, and the triplicate must be retained by the~~  
28 ~~district for accounting record purposes. The duplicate and triplicate multiple copies. If multiple copies are~~  
29 issued, the copies must be identified on the face of the warrant as "Not Negotiable--Copy of Original".

30 (4) However, the trustees may elect to issue warrants in payment of wages and salaries on a direct

1 deposit basis to the employee's account in a local bank, provided the consent of the employee has been  
 2 obtained and the employee is given an itemized statement of payroll deductions for each pay period."

3

4 **Section 8.** Section 20-15-210, MCA, is amended to read:

5 "20-15-210. **Qualification and organization of board of trustees.** (1) Newly elected members of the  
 6 board of trustees of the community college district ~~shall~~ must be qualified by taking the oath of office  
 7 prescribed by the constitution of Montana. At the organization meeting called by the board of regents, the  
 8 board of trustees ~~shall~~ must be organized by the election of a ~~chairman~~ presiding officer and a secretary.

9 (2) The treasurer of the community college district is the county treasurer of the county in which  
 10 the community college facilities are located. The duties of the county treasurer are referenced in ~~20-9-206,~~  
 11 ~~20-9-212, 20-9-222, and 20-9-224.~~"

12

13 **Section 9.** Section 20-15-325, MCA, is amended to read:

14 "20-15-325. **Emergency budget limitation, preparation, and adoption procedures.** (1) The meeting  
 15 of the trustees of a community college district to consider and adopt an emergency budget must be open  
 16 to the public, and any taxpayer in the district has the right to appear and be heard. If at the meeting a  
 17 majority of the trustees present find that an emergency exists, the trustees may make and adopt a  
 18 preliminary emergency budget, on the regular budget form, setting forth fully the facts constituting the  
 19 emergency. In adopting the preliminary emergency budget, the trustees may budget for any fund that was  
 20 included on the final budget of the district for the current fiscal year. The budget must be itemized to show  
 21 the amount appropriated for each item as required on the budget form.

22 (2) When the emergency is the result of increased enrollment, the maximum amount of the  
 23 emergency budget for all funds must be determined by budget amendment.

24 (3) If another type of emergency occurs, the budget must be limited to the expenditures considered  
 25 by the trustees to be reasonable and necessary to finance the conditions of the emergency, and the  
 26 preliminary emergency budget must include the details of the proposed expenditures.

27 (4) After a majority of the trustees have voted to adopt the emergency budget, it must be signed  
 28 by the ~~chairman~~ presiding officer of the trustees and the clerk of the district and copies must be sent to  
 29 the county superintendent, ~~the county treasurer,~~ and the board of regents."

30

1           **Section 10.** Section 20-15-326, MCA, is amended to read:

2           **"20-15-326. Determination of available financing -- fixing and levying property taxation for**  
 3 **emergency budget.** (1) After the last day of the fiscal year for which an emergency budget has been  
 4 adopted, the ~~county treasurer~~ board of trustees shall determine the amount of the cash balance that is  
 5 available to finance the emergency budget's outstanding warrants or registered warrants for each fund  
 6 included on the emergency budget. The available amount of the cash balance of each fund must be  
 7 determined by deducting from the county treasurer's year-end cash balance for the fund the outstanding  
 8 warrants or registered warrants issued under the regularly adopted final budget for the fund and the cash  
 9 reserve for the fund that the trustees have established, within the limitations of law, for the following fiscal  
 10 year.

11           (2) The county treasurer shall prepare and deliver a statement on the financial cash status of each  
 12 fund included on an emergency budget for a district that had an emergency budget during the preceding  
 13 year to the board of county commissioners by the first Monday in August. The statement for each district  
 14 emergency budget must include:

15           (a) the total amount of emergency warrants that are ~~outstanding or~~ registered against each fund  
 16 of the district; and

17           (b) ~~the amount of the cash balance in each fund included on the emergency budget that is available~~  
 18 ~~to finance the outstanding warrants or registered warrants; and~~

19           ~~(c) after consideration of the available money in subsection (2)(b), the additional amount of money~~  
 20 that is required to finance the ~~outstanding warrants or~~ registered warrants and interest on the warrants and  
 21 that must be raised by a tax levy.

22           (3) For each fund of the emergency budget of each district requiring a tax levy as established by  
 23 subsection (2)(c), the board of county commissioners shall, at the time all other district and county taxes  
 24 are fixed and levied, levy a tax on the taxable property of each applicable district that will raise sufficient  
 25 financing to pay the amount established by the county treasurer."

26

27           **Section 11.** Section 20-15-404, MCA, is amended to read:

28           **"20-15-404. Trustees to adhere to certain other laws.** Unless the context clearly indicates  
 29 otherwise, the trustees of a community college district shall adhere to:

30           (1) the teachers' retirement provisions of Title 19, chapter 20;

1 (2) the provisions of 20-1-201, 20-1-205, 20-1-211, and 20-1-212;

2 (3) the school property provisions of 20-6-604, 20-6-605, 20-6-621, 20-6-622, 20-6-624,  
3 20-6-631, and 20-6-633 through 20-6-636;

4 (4) the adult education provisions of 20-7-701 through 20-7-713;

5 (5) the administration of finances provisions of 20-9-115, 20-9-134, 20-9-207, 20-9-208,  
6 20-9-210, 20-9-215, 20-9-221, ~~through 20-9-224~~ 20-9-223, and 20-9-512;

7 (6) the school bond provisions of 20-9-401 through 20-9-412, 20-9-421 through 20-9-446,  
8 20-9-451 through 20-9-456, and 20-9-461 through 20-9-465;

9 (7) the special purpose funds provisions of 20-9-502, 20-9-503, 20-9-507, 20-9-508, and  
10 20-9-511;

11 (8) the educational cooperative agreements provisions of 20-9-701 through 20-9-704;

12 (9) the school elections provisions of Title 20, chapter 20;

13 (10) the students' rights provisions of 20-25-511 through 20-25-516; and

14 (11) the health provisions of 50-1-206."

15

16 **NEW SECTION. Section 12. Repealer.** Sections 20-9-206, 20-9-222, and 20-9-224, MCA, are  
17 repealed.

18

19 **NEW SECTION. Section 13. Effective date.** [This act] is effective July 1, 1995.

20

-END-

## 1 HOUSE BILL NO. 368

2 INTRODUCED BY HOLLAND, PECK, J. JOHNSON

3 BY REQUEST OF THE GOVERNOR  
4

5 A BILL FOR AN ACT ENTITLED: "AN ACT IMPLEMENTING THE RECOMMENDATION OF THE GOVERNOR'S  
6 TASK FORCE TO RENEW MONTANA GOVERNMENT BY ELIMINATING CERTAIN COUNTY TREASURER  
7 SCHOOL BUDGETING FUNCTIONS; ELIMINATING THE REQUIREMENT THAT THE COUNTY TREASURER  
8 PREPARE A STATEMENT SHOWING THE AMOUNT OF THE OUTSTANDING OBLIGATIONS FOR EACH  
9 FUND; ELIMINATING THE REQUIREMENT THAT THE COUNTY SUPERINTENDENT DELIVER A FINAL  
10 BUDGET TO THE COUNTY TREASURER; ELIMINATING THE REQUIREMENT THAT THE COUNTY  
11 TREASURER RECEIVE A COPY OF A BUDGET AMENDMENT; ELIMINATING THE REQUIREMENT THAT A  
12 PURCHASE OF ORDERED PERSONAL PROPERTY BE RECORDED WITH THE COUNTY TREASURER;  
13 ELIMINATING THE REQUIREMENT THAT WARRANTS BE ENDORSED BY HOLDERS; ELIMINATING THE  
14 REQUIREMENT THAT THE COUNTY TREASURER INCLUDE OUTSTANDING WARRANTS IN AN ITEMIZED  
15 REPORT TO TRUSTEES; AUTHORIZING MONEY FROM THE SALE OF BONDS TO BE CREDITED IN A  
16 UNIFIED INVESTMENT PROGRAM WITH THE COUNTY TREASURER; REVISING THE PROCEDURE FOR  
17 ISSUANCE OF WARRANTS; ELIMINATING THE REQUIREMENT THAT THE COUNTY TREASURER RECEIVE  
18 A COPY OF AN EMERGENCY BUDGET; AMENDING SECTIONS 20-9-121, 20-9-134, 20-9-165, 20-9-209,  
19 20-9-212, 20-9-213, 20-9-221, 20-15-210, 20-15-325, 20-15-326, AND 20-15-404, MCA; REPEALING  
20 SECTIONS 20-9-206, 20-9-222, AND 20-9-224, MCA; AND PROVIDING AN EFFECTIVE DATE."

21  
22 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:  
23

24 **Section 1.** Section 20-9-121, MCA, is amended to read:

25 **"20-9-121. County treasurer's statement of cash balances and bond information.** (1) By July 10,  
26 the county treasurer shall prepare a statement for each district showing the amount of cash on hand for  
27 each fund maintained by the district ~~and the amount of the outstanding obligations against each fund~~ at  
28 the close of the ~~last completed~~ last-completed school fiscal year. The county treasurer shall also include  
29 on each district's statement the details on the obligation for bond retirement and interest for the school  
30 fiscal year just beginning. The format of the statement on fund cash balances and bond information shall



1 must be prescribed by the superintendent of public instruction.

2 (2) By July 10, the county treasurer shall prepare a statement for each county school fund  
3 supported by countywide levies, showing the amount of cash on hand at the beginning of the school fiscal  
4 year, the receipts and apportionments, and the amount of cash on hand at the end of the school fiscal year,  
5 for each county school fund maintained during the immediately preceding school fiscal year. The format  
6 of this statement ~~shall~~ must be prescribed by the superintendent of public instruction.

7 (3) On or before July 10, the county treasurer shall deliver the statements of district and county  
8 fund cash balances and the bond information for each district to the county superintendent, who shall  
9 attach ~~such~~ the district statements to the applicable district's preliminary budget."

10

11 **Section 2.** Section 20-9-134, MCA, is amended to read:

12 **"20-9-134. Completion, filing, and delivery of final budgets.** After the final budget of the  
13 elementary, high school, or community college district has been adopted by the trustees, the county  
14 superintendent shall complete all the remaining portions of the budget forms and shall:

15 (1) send the final budget information to the superintendent of public instruction, on the forms  
16 provided by the superintendent, on or before September 1; and

17 (2) in the case of the community college districts, send the final budget information to the board  
18 of regents, on the forms provided by the community college coordinator, on or before September 1; ~~and~~

19 ~~(3) deliver a copy of the final budget for the district to the county treasurer on or before September~~  
20 ~~4."~~

21

22 **Section 3.** Section 20-9-165, MCA, is amended to read:

23 **"20-9-165. Budget amendment limitation, preparation, and adoption procedures.** (1) The meeting  
24 of the trustees to consider and adopt a budget amendment must be open to the public, and any taxpayer  
25 in the district has the right to appear and be heard. If at the meeting a majority of the trustees present find  
26 that there is sufficient need for a budget amendment, the trustees may make and adopt a preliminary  
27 budget amendment, setting forth fully the facts constituting the need for the budget amendment. In  
28 adopting the preliminary budget amendment, the trustees may budget for any fund that was included on  
29 the final budget of the district for the current school fiscal year. The budget must be itemized to show the  
30 amount appropriated for each item.

1 (2) When the budget amendment is the result of increased enrollment, the maximum amount of  
2 the budget amendment for all funds must be determined in the following manner:

3 (a) Determine the total amount in the final budget for the current school fiscal year of all funds  
4 affected by the enrollment increase, less any amounts appropriated as capital outlay and any amount  
5 appropriated for addition to the operating reserve.

6 (b) Divide the amount determined in subsection (2)(a) by the number of pupils originally enrolled  
7 in the district during the immediately preceding school fiscal year. The resulting cost per pupil is the  
8 maximum permissible per-pupil expenditure in the budget amendment.

9 (c) Determine the enrollment increase of the current school fiscal year by subtracting the number  
10 of pupils originally enrolled during the immediately preceding school fiscal year from the number of pupils  
11 enrolled for the current school year. The result is the enrollment increase for the current school fiscal year.

12 (d) Multiply the cost per pupil determined in subsection (2)(b) by the enrollment increase  
13 determined in subsection (2)(c). The result is the maximum limitation on a budget amendment for  
14 amendments resulting from increased enrollment.

15 (3) For other types of budget amendments, the budget amendment is limited to the expenditures  
16 considered by the trustees to be reasonable and necessary to finance the conditions of the budget  
17 amendment and the preliminary budget amendment must include the details of the proposed expenditures.

18 (4) Whenever the trustees adopt a preliminary budget amendment for the transportation fund, the  
19 trustees shall attach to the budget amendment a copy of each transportation contract that is connected  
20 with the budget amendment and that has been prepared and executed in accordance with the school  
21 transportation contract laws.

22 (5) After the trustees have adopted the budget amendment by a majority vote of the trustees, it  
23 must be signed by the ~~chairman~~ presiding officer of the trustees and the clerk of the district and copies  
24 must be sent to the county superintendent, ~~the county treasurer,~~ and the superintendent of public  
25 instruction."

26  
27 **Section 4.** Section 20-9-209, MCA, is amended to read:

28 **"20-9-209. Lapse of budgeted appropriations and provision for unpaid claims.** (1) All appropriations  
29 for a budgeted fund in the regular budget or for a budget amendment for a given school fiscal year lapse  
30 on the last day of the school fiscal year, except the appropriations for:

1 (a) uncompleted improvements in progress of construction; and

2 (b) an obligation for the purchase of personal property ordered but not paid for during the current  
3 fiscal year ~~and recorded with the county treasurer in the manner and on forms prescribed by the~~  
4 ~~superintendent of public instruction.~~

5 (2) A lawful claim presented to the district for payment under a lapsed appropriation is an obligation  
6 of the budget for the next ~~ensuing~~ school fiscal year."  
7

8 **Section 5.** Section 20-9-212, MCA, is amended to read:

9 **"20-9-212. Duties of county treasurer.** The county treasurer of each county shall:

10 (1) receive and hold all school money subject to apportionment and keep a separate accounting  
11 of its apportionment to the several districts that are entitled to a portion of the money according to the  
12 apportionments ordered by the county superintendent or by the superintendent of public instruction. A  
13 separate accounting must be maintained for each county fund supported by a countywide levy for a  
14 specific, authorized purpose, including:

15 (a) the basic county tax in support of the elementary BASE aid;

16 (b) the basic special tax for high schools in support of the high school BASE aid;

17 (c) the county tax in support of the transportation schedules;

18 (d) the county tax in support of the elementary and high school district retirement obligations; and

19 (e) any other county tax for schools, including the community colleges, which may be authorized  
20 by law and levied by the county commissioners.

21 (2) whenever requested, notify the county superintendent and the superintendent of public  
22 instruction of the amount of county school money on deposit in each of the funds enumerated in subsection  
23 (1) and the amount of any other school money subject to apportionment and apportion the county and other  
24 school money to the districts in accordance with the apportionment ordered by the county superintendent  
25 or the superintendent of public instruction;

26 (3) keep a separate accounting of the receipts, expenditures, and cash balances for each fund;

27 (4) except as otherwise limited by law, pay all warrants properly drawn on the county or district  
28 school money ~~and properly endorsed by their holders;~~

29 (5) receive all revenue collected by and for each district and deposit these receipts in the fund  
30 designated by law or by the district if a fund is not designated by law. Interest and penalties on delinquent

1 school taxes must be credited to the same fund and district for which the original taxes were levied.

2 (6) send all revenue received for a joint district, part of which is situated in the county, to the  
3 county treasurer designated as the custodian of the revenue, no later than December 15 of each year and  
4 every 3 months after that date until the end of the school fiscal year;

5 (7) at the direction of the trustees of a district, assist the district in the issuance and sale of tax  
6 and revenue anticipation notes as provided in Title 7, chapter 6, part 11;

7 (8) register district warrants drawn on a budgeted fund in accordance with 7-6-2604 when there  
8 is insufficient money available in all funds of the district to make payment of the warrant. Redemption of  
9 registered warrants must be made in accordance with 7-6-2116, 7-6-2605, and 7-6-2606.

10 (9) invest the money of any district as directed by the trustees of the district within 3 working days  
11 of the direction;

12 (10) each month give to the trustees of each district an itemized report for each fund maintained  
13 by the district, showing the paid warrants, ~~outstanding warrants~~, registered warrants, interest distribution,  
14 amounts and types of revenue received, and the cash balance;

15 (11) remit promptly to the state treasurer receipts for the county tax for a vocational-technical  
16 center program within a unit of the university system when levied by the board of county commissioners  
17 under the provisions of 20-16-202;

18 (12) invest the money received from the basic county tax, the basic special tax, the county levy  
19 in support of the elementary and high school district retirement obligations, and the county levy in support  
20 of the transportation schedules within 3 working days of receipt. The money must be invested until the  
21 working day before it is required to be distributed to school districts within the county or remitted to the  
22 state. Permissible investments are specified in 20-9-213(4). All investment income must be deposited, and  
23 credited proportionately, in the funds established to account for the taxes received for the purposes  
24 specified in subsections (1)(a) through (1)(d).

25 (13) remit on a monthly basis to the state treasurer, in accordance with the provisions of 15-1-504,  
26 all county equalization revenue received under the provisions of 20-9-331 and 20-9-333, including all  
27 interest earned and excluding any amount required for high school out-of-county tuition under the  
28 provisions of 20-9-334, in repayment of the state advance for county equalization prescribed in 20-9-347.  
29 Any funds in excess of a state advance must be used as required in 20-9-331(1)(b) and 20-9-333(1)(b)."  
30

1           **Section 6.** Section 20-9-213, MCA, is amended to read:

2           **"20-9-213. Duties of trustees.** The trustees of each district have the ~~sole power and~~ authority to  
3 transact all fiscal business and execute all contracts in the name of the district. A person other than the  
4 trustees acting as a governing board may not expend money of the district. In conducting the fiscal  
5 business of the district, the trustees shall:

6           (1) cause the keeping of an accurate, detailed accounting of all receipts and expenditures of school  
7 money for each fund maintained by the district in accordance with generally accepted accounting principles  
8 and the rules prescribed by the superintendent of public instruction. The record of the accounting must be  
9 open to public inspection at any meeting of the trustees.

10           (2) authorize all expenditures of district money and cause warrants to be issued for the payment  
11 of lawful obligations;

12           (3) issue warrants on any budgeted fund in anticipation of budgeted revenue, except that the  
13 expenditures may not exceed the amount budgeted for the fund;

14           (4) invest any money of the district, whenever in the judgment of the trustees the investment  
15 would be advantageous to the district, by directing the county treasurer to invest any money of the district  
16 in direct obligations of the United States government; in savings or time deposits in a state or national bank,  
17 building or loan association, savings and loan association, or credit union insured by the FDIC or NCUA  
18 located in the state; or in a repurchase agreement, as authorized in 7-6-213. All interest collected on the  
19 deposits or investments must be credited to the fund from which the money was withdrawn, except that  
20 interest earned on account of the investment of money realized from the sale of bonds must be credited  
21 to the debt service fund or the building fund, at the discretion of the board of trustees. The placement of  
22 the investment by the county treasurer is not subject to ratable distribution laws and must be done in  
23 accordance with the directive from the board of trustees. A district may invest money under the state  
24 unified investment program established in Title 17, chapter 6, or in a unified investment program with the  
25 county treasurer that meets the requirements of this subsection (4).

26           (5) cause the district to record each transaction in the appropriate account before the accounts are  
27 closed at the end of the fiscal year in order to properly report the receipt, use, and disposition of all money  
28 and property for which the district is accountable;

29           (6) report annually to the county superintendent, not later than August 15, the financial activities  
30 of each fund maintained by the district during the ~~last completed~~ last-completed school fiscal year, on the

1 forms prescribed and furnished by the superintendent of public instruction. Annual fiscal reports for joint  
 2 school districts must be submitted not later than September 1 to the county superintendent of each county  
 3 in which part of the joint district is situated.

4 (7) whenever requested, report any other fiscal activities to the county superintendent,  
 5 superintendent of public instruction, or board of public education;

6 (8) cause the accounting records of the district to be audited as required by 2-7-503; and

7 (9) perform, in the manner permitted by law, other fiscal duties that are in the best interests of the  
 8 district."

9

10 **Section 7.** Section 20-9-221, MCA, is amended to read:

11 **"20-9-221. Procedure for issuance of warrants.** (1) The trustees of each district shall issue all  
 12 warrants, and the warrants must identify:

13 ~~(a) the budgeted fund or nonbudgeted fund on which the warrant is drawn; and~~

14 ~~(b) the warrant as a budget amendment warrant if it is drawn on a budget amendment.~~

15 (2) All warrants issued by a district must be countersigned by the ~~chairman~~ presiding officer of the  
 16 trustees and the clerk of the district before the warrants are negotiable. Facsimile signatures may be used  
 17 in accordance with the provisions of 2-16-114. A facsimile signature device used under authority of this  
 18 section may not be available to the other countersigner of the warrant, or the device must have a  
 19 nonresettable metering control that can provide a positive reconciliation between the number of warrants  
 20 issued and the number of signatures applied. Either split signature plates or a double signature plate may  
 21 be used according to the requirements of the district. The signature plates and the device keys must be  
 22 kept secure by the district clerk under the supervision of the board of trustees of the district.

23 (3) The trustees ~~shall~~ may issue warrants in ~~single copy or in triplicate copy.~~ multiple copies. ~~When the warrants~~  
 24 ~~are issued in single copy, the trustees shall immediately provide a listing of the issued warrants on a~~  
 25 ~~fund by fund basis to the county treasurer and retain a copy of the listing in the district accounting records.~~  
 26 ~~When the warrants are issued in triplicate, the original copy of the warrant must be delivered to the payee,~~  
 27 ~~the duplicate must be sent immediately to the county treasurer, and the triplicate must be retained by the~~  
 28 ~~district for accounting record purposes. The duplicate and triplicate~~ multiple copies. If multiple copies are  
 29 issued, the copies must be identified on the face of the warrant as "Not Negotiable--Copy of Original".

30 (4) However, the trustees may elect to issue warrants in payment of wages and salaries on a direct

1 deposit basis to the employee's account in a local bank, provided the consent of the employee has been  
 2 obtained and the employee is given an itemized statement of payroll deductions for each pay period."

3  
 4 **Section 8.** Section 20-15-210, MCA, is amended to read:

5 **"20-15-210. Qualification and organization of board of trustees.** (1) Newly elected members of the  
 6 board of trustees of the community college district ~~shall~~ must be qualified by taking the oath of office  
 7 prescribed by the constitution of Montana. At the organization meeting called by the board of regents, the  
 8 board of trustees ~~shall~~ must be organized by the election of a ~~chairman~~ presiding officer and a secretary.

9 (2) The treasurer of the community college district is the county treasurer of the county in which  
 10 the community college facilities are located. The duties of the county treasurer are referenced in ~~20-9-206,~~  
 11 ~~20-9-212, 20-9-222, and 20-9-224.~~"

12  
 13 **Section 9.** Section 20-15-325, MCA, is amended to read:

14 **"20-15-325. Emergency budget limitation, preparation, and adoption procedures.** (1) The meeting  
 15 of the trustees of a community college district to consider and adopt an emergency budget must be open  
 16 to the public, and any taxpayer in the district has the right to appear and be heard. If at the meeting a  
 17 majority of the trustees present find that an emergency exists, the trustees may make and adopt a  
 18 preliminary emergency budget, on the regular budget form, setting forth fully the facts constituting the  
 19 emergency. In adopting the preliminary emergency budget, the trustees may budget for any fund that was  
 20 included on the final budget of the district for the current fiscal year. The budget must be itemized to show  
 21 the amount appropriated for each item as required on the budget form.

22 (2) When the emergency is the result of increased enrollment, the maximum amount of the  
 23 emergency budget for all funds must be determined by budget amendment.

24 (3) If another type of emergency occurs, the budget must be limited to the expenditures considered  
 25 by the trustees to be reasonable and necessary to finance the conditions of the emergency, and the  
 26 preliminary emergency budget must include the details of the proposed expenditures.

27 (4) After a majority of the trustees have voted to adopt the emergency budget, it must be signed  
 28 by the ~~chairman~~ presiding officer of the trustees and the clerk of the district and copies must be sent to  
 29 the county superintendent, ~~the county treasurer,~~ and the board of regents."

1           **Section 10.** Section 20-15-326, MCA, is amended to read:

2           **"20-15-326. Determination of available financing -- fixing and levying property taxation for**  
 3 **emergency budget.** (1) After the last day of the fiscal year for which an emergency budget has been  
 4 adopted, the ~~county treasurer~~ board of trustees shall determine the amount of the cash balance that is  
 5 available to finance the emergency budget's outstanding warrants or registered warrants for each fund  
 6 included on the emergency budget. The available amount of the cash balance of each fund must be  
 7 determined by deducting from the county treasurer's year-end cash balance for the fund the outstanding  
 8 warrants or registered warrants issued under the regularly adopted final budget for the fund and the cash  
 9 reserve for the fund that the trustees have established, within the limitations of law, for the following fiscal  
 10 year.

11           (2) The county treasurer shall prepare and deliver a statement on the financial cash status of each  
 12 fund included on an emergency budget for a district that had an emergency budget during the preceding  
 13 year to the board of county commissioners by the first Monday in August. The statement for each district  
 14 emergency budget must include:

15           (a) the total amount of emergency warrants that are ~~outstanding or~~ registered against each fund  
 16 of the district; and

17           (b) ~~the amount of the cash balance in each fund included on the emergency budget that is available~~  
 18 ~~to finance the outstanding warrants or registered warrants; and~~

19           ~~(c) after consideration of the available money in subsection (2)(b), the additional amount of money~~  
 20 ~~that is required to finance the outstanding warrants or registered warrants and interest on the warrants and~~  
 21 ~~that must be raised by a tax levy.~~

22           (3) For each fund of the emergency budget of each district requiring a tax levy as established by  
 23 subsection (2)(c), the board of county commissioners shall, at the time all other district and county taxes  
 24 are fixed and levied, levy a tax on the taxable property of each applicable district that will raise sufficient  
 25 financing to pay the amount established by the county treasurer."  
 26

27           **Section 11.** Section 20-15-404, MCA, is amended to read:

28           **"20-15-404. Trustees to adhere to certain other laws.** Unless the context clearly indicates  
 29 otherwise, the trustees of a community college district shall adhere to:

30           (1) the teachers' retirement provisions of Title 19, chapter 20;



- 1 (2) the provisions of 20-1-201, 20-1-205, 20-1-211, and 20-1-212;
- 2 (3) the school property provisions of 20-6-604, 20-6-605, 20-6-621, 20-6-622, 20-6-624,  
3 20-6-631, and 20-6-633 through 20-6-636;
- 4 (4) the adult education provisions of 20-7-701 through 20-7-713;
- 5 (5) the administration of finances provisions of 20-9-115, 20-9-134, 20-9-207, 20-9-208,  
6 20-9-210, 20-9-215, 20-9-221, ~~through 20-9-224~~ 20-9-223, and 20-9-512;
- 7 (6) the school bond provisions of 20-9-401 through 20-9-412, 20-9-421 through 20-9-446,  
8 20-9-451 through 20-9-456, and 20-9-461 through 20-9-465;
- 9 (7) the special purpose funds provisions of 20-9-502, 20-9-503, 20-9-507, 20-9-508, and  
10 20-9-511;
- 11 (8) the educational cooperative agreements provisions of 20-9-701 through 20-9-704;
- 12 (9) the school elections provisions of Title 20, chapter 20;
- 13 (10) the students' rights provisions of 20-25-511 through 20-25-516; and
- 14 (11) the health provisions of 50-1-206."

15

16 **NEW SECTION. Section 12. Repealer.** Sections 20-9-206, 20-9-222, and 20-9-224, MCA, are  
17 repealed.

18

19 **NEW SECTION. Section 13. Effective date.** [This act] is effective July 1, 1995.

20

-END-