

*Marshall*

*Wells*

*Fuchs*

House BILL NO 563

*Curtiss*

*Almer*

2 INTRODUCED BY *John Barnett* *Bainard Green* *GRINOE* *Storab*  
3 *Marcus* *Wm E Boharski* *Roxe* *Chris Simpkins* *DENNY* *Hayne*  
4 *Clark*

5 A BILL FOR AN ACT ENTITLED: "AN ACT TRANSFERRING THE WARRANT WRITING AND BAD DEBT  
6 MANAGEMENT FUNCTIONS OF THE STATE AUDITOR TO THE DIRECTOR OF THE DEPARTMENT OF  
7 ADMINISTRATION, WHO IS THE EX OFFICIO STATE TREASURER; CHANGING THE SPECIAL REVENUE  
8 ACCOUNT FOR THE WARRANT WRITER PROGRAM TO AN INTERNAL SERVICE FUND; AMENDING  
9 SECTIONS 2-18-411, 2-18-412, 2-18-702, 3-2-503, 7-4-2502, 17-1-101, 17-1-111, 17-1-122, 17-3-1004,  
10 17-4-101, 17-4-102, 17-4-103, 17-4-104, 17-4-105, 17-4-106, 17-4-107, 17-4-108, 17-6-212, 17-8-211,  
11 17-8-301, 17-8-303, 17-8-305, 17-8-306, 17-8-307, 23-7-312, 32-1-537, 39-3-213, 39-51-3207,  
12 44-2-314, 53-18-102, 85-8-612, 87-1-206, AND 87-1-603, MCA; REPEALING SECTION 17-1-121, MCA;  
13 AND PROVIDING AN EFFECTIVE DATE: *SOMEVILLE*

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

15 Section 1. Section 2-18-411, MCA, is amended to read:

16 "2-18-411. Lost warrants -- duplicate. (1) Upon receipt of proof satisfactory to the state auditor  
17 treasurer that a payroll warrant issued by the state ~~auditor~~ treasurer has been lost or destroyed prior to its  
18 delivery to the employee to whom it is payable, the state ~~auditor~~ treasurer shall, upon certification by the  
19 payee's appointing power, issue a duplicate warrant in payment of the same amount without requiring a  
20 bond from the payee ~~and any~~. Any loss incurred in connection ~~therewith shall~~ with the warrant must be  
21 charged against the account from which the payment was derived.

22 (2) A payroll warrant ~~shall be~~ is considered to have been lost if it has been sent to the payee but  
23 not received by ~~him~~ the payee within a reasonable time, consistent with the policy of prompt payment of  
24 employees, or if it has been sent to a state officer or employee for delivery to the payee or for forwarding  
25 to another state officer or employee for ~~such~~ delivery and has not been received within ~~such~~ a reasonable  
26 time."  
27

28 Section 2. Section 2-18-412, MCA, is amended to read:

29 "2-18-412. Designation of person to receive decedent's warrants -- reissuance. Any A person ~~now~~



1 ~~or hereafter~~ employed by the state may file with ~~his~~ the person's appointing power a designation of a  
 2 person who, notwithstanding any other provision of law, shall, on the death of the employee, be entitled  
 3 to receive all warrants that would have been payable to the decedent had ~~he~~ the employee survived. The  
 4 employee may change the designation from time to time. A person ~~so~~ designated shall claim ~~such~~ the  
 5 warrants from the state ~~auditor~~ treasurer and on sufficient proof of identity, the ~~state auditor~~ treasurer shall  
 6 reissue the warrant in the name of the designated person and deliver ~~said~~ the warrant to the designated  
 7 person."

8  
 9 **Section 3.** Section 2-18-702, MCA, is amended to read:

10 **"2-18-702. Group insurance for public employees and officers.** (1) All counties, cities, towns,  
 11 school districts, and the board of regents shall upon approval by two-thirds vote of their respective officers  
 12 and employees enter into group hospitalization, medical, health, including long-term disability, accident,  
 13 ~~and/or~~ or group life insurance contracts or plans for the benefit of their officers and employees and their  
 14 dependents. The laws prohibiting discrimination on the basis of marital status in Title 49 do not prohibit  
 15 bona fide group insurance plans from providing greater or additional contributions for insurance benefits  
 16 to employees with dependents than to employees without dependents or with fewer dependents.

17 (2) State employees and elected officials, as defined in 2-18-701, may participate in state employee  
 18 group benefit plans as are provided for under part 8 of this chapter.

19 (3) For state officers and employees, the premiums required from time to time to maintain the  
 20 insurance in force must be paid by the insured officers and employees, and the ~~auditor~~ state treasurer shall  
 21 deduct the premiums from the salary or wages of each officer or employee who elects to become insured,  
 22 on the officer's or employee's written order, and issue a warrant for the premiums to the insurer.

23 (4) For the purpose of this section, the plans of health service corporations for defraying or  
 24 assuming the cost of professional services of licentiates in the field of health or the services of hospitals,  
 25 clinics, or sanitariums or both professional and hospital services must be construed as group insurance and  
 26 the dues payable under the plans must be construed as premiums for group insurance.

27 (5) If the board of trustees of a school district implements a self-insured group health plan or if the  
 28 board of regents implements an alternative to conventional insurance to provide group benefits to its  
 29 employees, the board shall maintain the alternative plan on an actuarially sound basis."

1           **Section 4.** Section 3-2-503, MCA, is amended to read:

2           **"3-2-503. Accounts of marshal.** All accounts of the marshal must be filed in the supreme court in  
3 a bill of items under oath certified by the chief justice and, when properly chargeable against the state and  
4 approved by the department of administration, must be paid out of the state treasury upon the warrant of  
5 the state ~~auditor~~ treasurer."

6

7           **Section 5.** Section 7-4-2502, MCA, is amended to read:

8           **"7-4-2502. Payment of salaries of county officials and assistants.** (1) Except as provided in  
9 subsection (2), the salaries of the county officers and their assistants may be paid monthly, twice monthly,  
10 or every 2 weeks out of the general fund of the county and upon the order of the board of county  
11 commissioners.

12           (2) (a) The salaries of the county attorney and deputy county attorneys authorized by 7-4-2703  
13 are payable monthly, with the salary of the county attorney payable one-half from the general fund of the  
14 county and, if the county has supplied the information to the department of justice for inclusion in its  
15 budget, the other one-half from the state treasury upon the warrant of the state ~~auditor~~ treasurer. If the  
16 county has not supplied information concerning any scheduled or proposed increase in salary for the county  
17 attorney to the department of justice for inclusion in material submitted to the budget director under Title  
18 17, chapter 7, part 1, the county is responsible for any increased salary.

19           (b) The county commissioners of each county shall, within 30 days after the election or  
20 appointment to fill a vacancy for any cause in the office of county attorney, certify the election or  
21 appointment to the department of justice. The department shall notify the state ~~auditor~~ treasurer of the  
22 salary of the county attorney. The ~~auditor~~ state treasurer shall draw warrants for the county attorney  
23 salaries in the same manner as for state officers. In case of a vacancy, the county commissioners shall  
24 immediately notify the department of justice, and the department shall compute the salary due on the basis  
25 of the notification.

26           (3) The board has jurisdiction and power, under ~~such~~ limitations and restrictions ~~as are~~ prescribed  
27 by law, to fix the compensation of all county officers not otherwise fixed by law and to provide for the  
28 payment of the compensation and may, for all or the remainder of each fiscal year, in conjunction with  
29 setting salaries for other officers as provided in 7-4-2504(1), set their salaries at the prior fiscal year level."

30

1           **Section 6.** Section 17-1-101, MCA, is amended to read:

2           "17-1-101. **Definition of department.** Except in chapter 3, part 3, ~~and chapter 4, part 1,~~ and unless  
3 the context requires otherwise, in this title, "department" means the department of administration provided  
4 for in Title 2, chapter 15, part 10."

5

6           **Section 7.** Section 17-1-111, MCA, is amended to read:

7           "17-1-111. **General fiscal duties of state treasurer.** (1) The state treasurer ~~shall be~~ is the custodian  
8 of all ~~moneys~~ money and securities of the state unless otherwise expressly provided by law.

9           (2) It is the duty of the state treasurer to:

10           (a) receive and account for all ~~moneys~~ money belonging to the state, not expressly required by law  
11 to be received and kept by some other person;

12           (b) pay warrants out of the funds upon which they are drawn;

13           (c) upon payment of any warrant, take upon the back ~~thereof~~ of the warrant the receipt of the  
14 person to whom it is paid;

15           (d) keep an account of all ~~moneys~~ money received and disbursed;

16           (e) at the request of either house of the legislature or of any legislative committee ~~thereof~~, give  
17 information in writing as to the condition of the treasury or ~~upon~~ on any subject relating to the duties of  
18 ~~his~~ the office of state treasurer;

19           (f) superintend the fiscal concerns of the state;

20           (g) suggest plans for the improvement and management of the public revenue;

21           (h) keep an account of all warrants drawn upon the treasury and of other appropriation records that  
22 the treasurer determines to be essential for the support of the accounting records maintained in the  
23 department;

24           (i) charge the outgoing state treasurer with the balance that was in the treasury when the outgoing  
25 treasurer came into office and with all money received and credit the outgoing treasurer with all warrants  
26 drawn on and paid;

27           (j) keep a register of warrants, showing the fund upon which each warrant is drawn, each  
28 warrant's number, who received the warrant, and the date issued;

29           (k) require all persons who have received money belonging to the state but who have not  
30 accounted for it to settle their accounts;

1           (l) draw warrants on the state treasury for the payment of money directed by law to be paid out  
 2 of the treasury, except that a warrant may not be drawn unless authorized by law;

3           (m) authenticate with the official seal of the state all warrants drawn and all copies of papers  
 4 issued from the office of state treasurer;

5           (n) collect and pay into the state treasury all fees received; and

6           (o) discharge such other duties as may be imposed upon him the state treasurer by law."

7  
 8           **Section 8.** Section 17-1-122, MCA, is amended to read:

9           "**17-1-122. Discretionary duties authority of state auditor treasurer.** ~~In his discretion it is the duty~~  
 10 ~~of the state auditor to~~ The state treasurer may:

11           (1) inspect the books of any persons charged with the receipt, safekeeping, or disbursement of  
 12 public ~~moneys~~ money;

13           (2) require all persons who have received ~~moneys or securities~~ money or who have had the  
 14 disposition or management of any property of the state of which an account is kept in ~~his office~~ the  
 15 department to render statements ~~thereof to him the treasurer, and all such persons.~~ A statement must  
 16 ~~render statements~~ be rendered at such times and in such the form ~~as he may require~~ prescribed by the  
 17 department;

18           (3) promulgate rules regarding the distribution and processing of warrants issued; and

19           (4) ~~establish, under the joint control of the department of administration and the state auditor,~~ a  
 20 system of filing and storage of the original copy of claims paid by state warrant."

21  
 22           NEW SECTION. Section 9. Authority of state auditor concerning securities. The state auditor may  
 23 require a person who has received securities of which the auditor keeps account to render to the auditor  
 24 a statement concerning the securities. The statement must be made at the time and in the form prescribed  
 25 by the auditor.

26  
 27           **Section 10.** Section 17-3-1004, MCA, is amended to read:

28           "**17-3-1004. Disbursement of funds.** (1) The money received by the state treasurer under the  
 29 provisions of 17-3-1003 ~~shall~~ may be paid out ~~by him~~ of the treasury only on a warrant issued by the ~~state~~  
 30 ~~auditor~~ treasurer in payment of claims for expenses actually incurred for the support and maintenance of

1 the institution filing the ~~same~~ claims.

2 (2) In the payment of claims presented by a state institution entitled to interest and income from  
3 land grants or ~~moneys arising therefrom~~ money from a land grant, ~~no a warrant shall~~ may not be drawn  
4 against the appropriation made by the state out of the general fund for the maintenance of the institution  
5 filing the claim until interest and income ~~moneys~~ money, ~~insofar as they are~~ available for the payment of  
6 the items in the claim, ~~are~~ is exhausted."

7  
8 **Section 11.** Section 17-4-101, MCA, is amended to read:

9 **"17-4-101. Definitions.** In this part, the following definitions apply:

10 (1) ~~The word "department"~~ "Department" means the department of ~~revenue~~ administration.

11 (2) ~~The term "state~~ "State agency" includes all state offices, departments, divisions, boards,  
12 commissions, councils, committees, institutions, university units, and other entities or instrumentalities of  
13 state government."

14  
15 **Section 12.** Section 17-4-102, MCA, is amended to read:

16 **"17-4-102. Accounts of persons indebted to state.** (1) ~~In his discretion it is the duty of the state~~  
17 ~~auditor to~~ The department may:

18 (a) examine and settle the accounts of persons indebted to the state ~~and~~, certify the amount ~~to~~  
19 ~~the treasurer and, upon presentation and filing of the treasurer's receipt therefor, to~~ owed, and give such  
20 the person a discharge and charge the treasurer therewith;

21 (b) require any person presenting an account for settlement to be sworn ~~before him~~ and to answer,  
22 orally or in writing, as to any facts relating to ~~it~~ the debt.

23 (2) The certificate mentioned in subsection (1)(a) must show by whom the payment is to be made,  
24 the amount ~~thereof of the payment~~, and the fund into which ~~it~~ the payment is to be ~~paid and must~~  
25 deposited. The certificates must be numbered in order, beginning with number 1 at the commencement of  
26 each fiscal year."

27  
28 **Section 13.** Section 17-4-103, MCA, is amended to read:

29 **"17-4-103. Collection of claims by ~~state auditor~~ department.** (1) ~~In his discretion, it is the duty of~~  
30 ~~the state auditor to~~ The department may examine the collection of money due the state and institute suits

1 in its name for official delinquencies in relation to the assessment, collection, and payment of the revenue,  
 2 and against persons who possess public money or property and fail to pay over or deliver the money or  
 3 property, and against debtors of the state. The courts of the county where the seat of government ~~may~~  
 4 ~~be~~ is located have jurisdiction, without regard to the residence of the defendants, over the collection suits  
 5 authorized by this section.

6 (2) Whenever a person has money or other personal property that belongs to the state by escheat  
 7 or otherwise or has been entrusted with the collection, management, or disbursement of money, bonds,  
 8 or interest accruing from the money or bonds, belonging to or held in trust by the state, and fails to render  
 9 an account of the money or personal property to and make settlement with the ~~state auditor~~ department  
 10 within the time prescribed by law or, when ~~no~~ a particular time is not specified, fails to render an account  
 11 and make settlement or ~~who~~ fails to pay into the state treasury the money belonging to the state, upon  
 12 being required to do so by the ~~state auditor~~ department, within 20 days after the requisition, the state  
 13 auditor shall state an account with that person, charging 25% damages and interest at the rate of 10% a  
 14 year from the time of the failure. A copy of the account in a suit is prima facie evidence of the things stated  
 15 in the account, but when the ~~state auditor~~ department cannot for want of information state an account,  
 16 ~~he~~ the department may in an action brought by ~~him~~ the department aver that fact and allege generally the  
 17 amount of money or other property due or belonging to the state.

18 (3) The ~~state auditor~~ department may assist in the collection of a delinquent account owing to any  
 19 state agency and may separately charge the state agency that transferred the debt for the cost of  
 20 assistance. The ~~state auditor~~ department may designate the percentage of collected proceeds to be retained  
 21 for the cost of assistance.

22 (4) The ~~state auditor~~ department may provide a collection service for the general purpose of  
 23 centralizing the collection of all debts owing to the state."  
 24

25 **Section 14.** Section 17-4-104, MCA, is amended to read:

26 "**17-4-104. Circumstances when ~~state auditor~~ department ~~must shall~~ assist.** Subject to and in  
 27 accordance with rules adopted by the ~~state auditor~~ department, the ~~state auditor~~ department shall render  
 28 assistance in the collection of accounts owing to any state agency if all of the following procedures have  
 29 been completed to ~~his~~ the department's satisfaction:

30 (1) A state agency ~~must shall~~ make all reasonable efforts to collect money owed to it and ~~must~~

1 ~~shall~~ determine that the money and any interest or penalties ~~therefor~~ are uncollectible in accordance with  
2 criteria for uncollectibility formulated by that agency.

3 (2) Once a state agency has determined that an account owed to it uncollectible, it shall certify  
4 to the ~~state auditor~~ department the amount of the money, interest, and penalties, as accurately as can be  
5 determined. The ~~state auditor~~ department may require ~~submission by~~ the agency ~~of~~ to submit all relevant  
6 evidence and other information regarding the debt and may examine the records of any other state agency  
7 ~~which~~ that may be pertinent in determining the uncollectibility of the debt, unless examination is specifically  
8 prohibited by law.

9 (3) If the ~~state auditor~~ department finds that the debt is uncollectible in accordance with the criteria  
10 for uncollectibility of money due that state agency, ~~he~~ the department shall direct the agency to write off  
11 the debt on its accounts and transfer the debt to ~~him~~ the department.

12 (4) Debts described in 17-4-105(4) need not be determined uncollectible for purposes of this  
13 section."  
14

15 **Section 15.** Section 17-4-105, MCA, is amended to read:

16 "**17-4-105. Authority to collect debt -- offsets.** (1) Once a debt of a state agency has been  
17 transferred to the ~~state auditor~~ department, the ~~state auditor has the authority to~~ department may collect  
18 it. The ~~state auditor~~ department may contract with commercial collection agencies for recovery of debts  
19 owed the state.

20 (2) The ~~state auditor~~ department shall offset any amount due a state agency from a person or  
21 entity against any amount, including refunds or taxes, owing the person or entity by any state agency,  
22 ~~provided the state auditor~~ The department may not exercise this right of offset until the debtor has first  
23 been notified by the ~~state auditor~~ department and been given an opportunity for a hearing. An offset may  
24 not be made against any amount paid out as child support collected by the department of social and  
25 rehabilitation services. The ~~state auditor~~ department shall deduct from the claim and draw warrants for the  
26 amounts offset in favor of the respective state agencies to which due and for any balance in favor of the  
27 claimant. Whenever insufficient to offset all amounts due state agencies, the amount available must be  
28 applied first to debts owed by reason of the nonpayment of child support and then in the manner ~~as~~ that  
29 the ~~state auditor~~ department, in ~~the state auditor's~~ its discretion, determines.

30 (3) (a) The department of revenue retains the power to offset tax refunds due individuals against

1 taxes owed the state, provided that the department of revenue may not exercise this right of offset until  
2 the taxpayer has been notified by the department of revenue and been given the opportunity to request a  
3 review.

4 (b) Within 30 days following mailing of notification, the taxpayer may request a review of the  
5 asserted liability. If a review is requested, the department of revenue shall conduct an informal review  
6 conference, which is not subject to the contested case procedures of the Montana Administrative Procedure  
7 Act.

8 (c) Appeal from the decision of the department of revenue after the review conference may be  
9 taken to the state tax appeal board.

10 (d) A taxpayer is not entitled to a review conference for a tax offset if the tax liability has been the  
11 subject matter of any proceeding conducted for the purpose of determining its validity and any decision  
12 made as a result of that proceeding has become final.

13 (4) (a) A debt owed to the department of social and rehabilitation services or being collected by  
14 the department of social and rehabilitation services on behalf of any person or agency may be offset by the  
15 ~~state auditor~~ department of administration if the debt is being enforced or collected by the department of  
16 social and rehabilitation services under Title IV-D of the Social Security Act.

17 (b) The debt need not be determined to be uncollectible, as provided for in 17-4-104, before being  
18 transferred to the ~~state auditor~~ department for offset. The debt must have accrued through written  
19 contract, court judgment, or administrative order.

20 (c) Within 30 days following the notification provided for in subsection (2), the person owing a debt  
21 described in subsection (4)(a) may request a hearing. The person owing a debt is not entitled to a hearing  
22 if the amount of the debt has been the subject matter of any proceeding conducted for the purpose of  
23 determining the validity of the debt and any decision made as a result of that proceeding has become final.  
24 The hearing must be conducted by teleconferencing methods and is subject to the provisions of the  
25 Montana Administrative Procedure Act. The department of social and rehabilitation services shall adopt  
26 rules necessary to determine the hearing procedures.

27 (5) If, in the discretion of the ~~state auditor~~ department, the person or entity refuses or neglects to  
28 file a claim within a reasonable time, the head of the state agency owing the amount shall file the claim on  
29 behalf of the person or entity; ~~if~~ if approved by the department ~~of administration~~, it ~~shall have~~ has the  
30 same force and effect as though filed by the person or entity. The amount due any person or entity from

1 the state or any agency of the state is the net amount otherwise owing the person or entity after any  
2 offset, as provided in this section."

3  
4 **Section 16.** Section 17-4-106, MCA, is amended to read:

5 **"17-4-106. Agency owed debt to receive all money collected -- exception.** (1) All money collected  
6 by the ~~state auditor~~ department on debts transferred to ~~him~~ the department by the various state agencies,  
7 except funds collected under 17-4-103(3), must be deposited to the account or fund of the agency to  
8 which the debt was originally owing.

9 (2) Funds collected under 17-4-103(3) must be deposited in an account in the internal service fund  
10 for the cost of assistance of debt collection by the ~~state auditor~~ department. Funds deposited in excess of  
11 the amount appropriated for operation of the debt collection program must be carried forward into the next  
12 fiscal year for operation of the debt collection program. Any excess carried forward into the next fiscal year  
13 ~~will~~ must be used to reduce the designated percentage of the collected proceeds charged to the various  
14 state agencies. At the end of each biennium, any fund balance in excess of \$10,000 must be transferred  
15 ~~back~~ to the general fund."

16  
17 **Section 17.** Section 17-4-107, MCA, is amended to read:

18 **"17-4-107. ~~Write-off~~ Writeoff procedures.** (1) The ~~state auditor~~ department may establish  
19 procedures for canceling and writing off accounts receivable carried on the books of the various state  
20 agencies that have been transferred to the ~~state auditor's office~~ department pursuant to 17-4-104 and that  
21 are uncollectible or the continued pursuance of the collection of accounts would cost the state more than  
22 the amount collected. The procedures must be established in accordance with subsection (2).

23 (2) The department ~~of administration~~ may establish procedures for canceling and writing off  
24 accounts receivable carried on the books of various state agencies ~~which~~ that are uncollectible or the  
25 continued pursuance of the collection would cost the state more than the amount collected. The procedures  
26 must include the reporting to the budget director of any canceling and writing off of accounts receivable."

27  
28 **Section 18.** Section 17-4-108, MCA, is amended to read:

29 **"17-4-108. Circumstances under which previously written-off debt may be collected.** If a debt  
30 previously written off under 17-4-107(1) subsequently becomes collectible, the ~~state auditor~~ department

1 shall proceed to collect the money due pursuant to 17-4-105(1) and 17-4-106."

2

3 **Section 19.** Section 17-6-212, MCA, is amended to read:

4 **"17-6-212. State purchase of general fund warrants.** (1) The state ~~hereby~~ reserves to itself a  
5 preference right, prior to the right of any person, company, or corporation, to purchase state general fund  
6 warrants issued with funds under the control of the board of investments and subject to investment.

7 (2) When the board of investments has under its control any funds subject to investment ~~which~~  
8 that in its judgment it would be advantageous to have invested in state general fund warrants and there  
9 are not sufficient funds in the state general fund to pay warrants issued against the fund at the time they  
10 are issued and presented for payment, it shall authorize and direct the state treasurer to purchase state  
11 general fund warrants, designating the fund or funds to be so invested and fixing the amount or amounts.  
12 ~~It shall also give notice to the state auditor of the investment to be made by the treasurer, designating the~~  
13 ~~fund or funds to be invested and the amounts.~~

14 (3) The ~~auditor~~ state treasurer shall attach to or stamp, write, or print upon each general fund  
15 warrant ~~thereafter~~ after the funding shortfall issued, until warrants totaling the amounts ~~so~~ designated have  
16 been issued, a notice that the state will exercise its preference right to purchase the warrant.

17 (4) The state treasurer shall, ~~thereafter~~ when the warrant is presented, ~~to him~~ pay it out of the  
18 proper fund as designated by the board, and the warrant ~~so~~ purchased shall must be registered as other  
19 state warrants and must bear interest as provided by law.

20 (5) When the designated amounts have been invested, the state treasurer shall notify the board  
21 of investments, which shall ~~thereupon~~ issue orders upon the proper funds addressed to the state auditor  
22 for warrants to be issued in favor of the treasurer."

23

24 **Section 20.** Section 17-8-211, MCA, is amended to read:

25 **"17-8-211. Notice required for assignment of claims against state.** (1) All transfers and  
26 assignments made of any claim against the state, or any part ~~thereof~~ of or interest ~~thereon~~ on the claim,  
27 except as ~~hereinafter~~ provided in this section, shall be ~~absolutely null and are~~ void and unenforceable  
28 against the state unless the assignee ~~thereof~~ files written notice of the assignment on ~~such forms as that~~  
29 may be required by the ~~state auditor~~ department of administration, together with a true copy of the  
30 instrument of assignment.

1 (2) The ~~state auditor~~ department may promulgate rules regarding the form of assignment, the  
2 procedures for filing assignments, and the submission of claims covering assigned funds.

3 (3) Unless otherwise expressly permitted by the ~~state auditor~~ department, no more than one  
4 assignment of a claim ~~shall be~~ is effective at one time, and ~~no an~~ assignment ~~shall~~ may not be made to  
5 more than one party, except that an assignment may be made to one party as agent or trustee for two or  
6 more parties. An assignment ~~shall~~ may not be subject to further assignment."

7  
8 **Section 21.** Section 17-8-301, MCA, is amended to read:

9 "17-8-301. **State ~~moneys~~ money -- how expended by treasurer.** (1) Except as herein provided in  
10 this section, ~~no moneys~~ money received by the state treasurer may not be paid out ~~by him~~ except upon  
11 a state warrant issued by the ~~state auditor~~ treasurer or on electronic funds transfer authorized by the state  
12 ~~auditor~~ treasurer. The state ~~auditor~~ treasurer may not issue his a warrant or authorize an electronic funds  
13 transfer upon the state ~~treasurer~~ treasury except upon a claim duly approved by the department of  
14 administration in accordance with the laws governing the expenditure of state ~~moneys;~~ money. ~~however~~  
15 However, interest and principal on the public debt may be paid by treasurer's check from the ~~moneys~~  
16 money pledged for ~~such~~ payment, and the provisions of this section do not apply to warrants issued upon  
17 contingent revolving accounts that are in the custody of the state treasurer.

18 (2) As used in 2-18-405 and this section, "electronic funds transfer" means any transfer of funds,  
19 other than a transaction originated by check, draft, or similar paper instrument, that is initiated through an  
20 electronic terminal, telephonic instrument, computer, or magnetic tape and that orders, instructs, or  
21 authorizes the state ~~auditor~~ treasurer to debit or credit an account."

22  
23 **Section 22.** Section 17-8-303, MCA, is amended to read:

24 "17-8-303. **Warrants -- presentation and cancellation.** (1) State warrants must be presented for  
25 payment within the time limits specified as follows:

26 (a) Except as provided in subsection (1)(b), all warrants drawn by the state ~~auditor~~ treasurer on  
27 the state treasury ~~shall~~ must be presented for payment within 6 months after the date of the issue ~~thereof~~.

28 (b) Warrants issued for the department of social and rehabilitation services that are funded to any  
29 extent with federal money ~~shall~~ must be presented for payment within 180 days after the date of issue.

30 (2) ~~Should~~ If the payee or legal holder of any warrant ~~fail~~ fails to present it for payment within the

1 time specified in subsection (1), the state ~~auditor~~ treasurer shall enter the ~~same~~ warrant as canceled on the  
 2 books of ~~his~~ the treasurer's office and the amount ~~shall~~ must be credited to a separate agency fund account  
 3 administered by the ~~state auditor~~ treasurer. ~~Should~~ If the payee or legal owner of any canceled warrant  
 4 ~~present~~ presents it for payment or ~~present~~ presents a claim for payment within 4 years from the date of  
 5 issue, the state ~~auditor~~ treasurer may, upon proper showing by affidavit, issue a new warrant in lieu ~~thereof~~  
 6 of the canceled warrant.

7 (3) Three years and 6 months after cancellation, the warrant ~~shall~~ must be classed as unclaimed  
 8 property subject to the provisions of Title 70, chapter 9, parts 1 through 3. ~~Should~~ If the payee or legal  
 9 owner of any canceled warrant ~~present~~ presents it for payment or ~~present~~ presents a claim for payment,  
 10 ~~such~~ the presentation ~~shall~~ must be to the department of revenue as provided in 70-9-310."

11

12 **Section 23.** Section 17-8-305, MCA, is amended to read:

13 "17-8-305. **Cost accounting for warrant.** In ~~his~~ the treasurer's discretion, it is the duty of the state  
 14 ~~auditor~~ treasurer to establish a cost accounting system to determine the unit cost of issuing and processing  
 15 warrants and provide for a system of charges for services rendered in issuing and processing warrants for  
 16 claims submitted by any department or agency of the state. ~~No such~~ A charge ~~shall~~ may not be made for  
 17 warrants issued against the general fund. Funds collected under this section for budgeted programs ~~shall~~  
 18 must be deposited to the credit of the general fund. Funds collected for new or unforeseen programs may  
 19 be deposited to the credit of a state special revenue fund account and expended for the purposes of paying  
 20 the processing expenses incurred as a result of the new program."

21

22 **Section 24.** Section 17-8-306, MCA, is amended to read:

23 "17-8-306. **Issuance of duplicate warrant.** (1) The state ~~auditor~~ treasurer may issue a duplicate  
 24 warrant whenever any warrant drawn by the state ~~auditor~~ upon the treasurer of the state is lost or  
 25 destroyed. This duplicate warrant must be in the same form as the original, except that it must have plainly  
 26 printed across its face the word "duplicate". A duplicate warrant may not be issued or delivered unless the  
 27 person entitled to receive it deposits with the state ~~auditor~~ treasurer a bond in double the amount for which  
 28 the duplicate warrant is issued indemnifying the state and its officers and employees from any loss resulting  
 29 from the issuance of the duplicate warrant.

30 (2) A bond of indemnity is not required when:

1 (a) the payee is the United States government, a state of the United States, any agency,  
2 instrumentality, or officer of the United States government or of a state, county, city, city and county,  
3 town, district, or other political subdivision of a state or any officer thereof;

4 (b) the owner or custodian is the state of Montana or any agency or officer of the state;

5 (c) the owner or custodian is a bank, savings and loan association, admitted insurer, or trust  
6 company whose financial condition is regulated by the United States government or by the state of  
7 Montana;

8 (d) the state ~~auditor~~ treasurer has chosen to waive the requirement upon receipt of evidence that  
9 the original warrant has been lost or destroyed as a result of a disaster or other major occurrence;

10 (e) the amount of the lost or destroyed warrant is less than \$300;

11 (f) it can be established that a crime has been committed and that as a result a Montana warrant  
12 has been stolen or destroyed;

13 (g) it can be established that a Montana warrant has been mailed to an incorrect payee;

14 (h) the payee is a vendor or contractor doing business with the state of Montana;

15 (i) the payee is a recipient of public assistance under Title 53;

16 (j) the payee is a recipient of a monthly annuity under Title 19;

17 (k) the payee is a recipient of student financial assistance administered or insured by the  
18 guaranteed student loan program pursuant to Title 20, chapter 26; or

19 (l) a state agency approves the issuance of the duplicate warrant and agrees to assume the risk  
20 of the original warrant being cashed.

21 (3) Whenever the owner or custodian applies under the provisions of subsection (2)(d), (2)(f),  
22 (2)(g), (2)(h), (2)(i), (2)(j), (2)(k), or (2)(l), a stop-payment order must be placed on the original warrant by  
23 the state ~~auditor~~ treasurer.

24 (4) Whenever the owner or custodian applies under the provisions of subsection (2)(c), (2)(d),  
25 (2)(e), (2)(f), (2)(g), (2)(h), (2)(i), (2)(j), (2)(k), or (2)(l), the application must include an agreement to  
26 indemnify the state and its officers and employees from any loss resulting from the issuance of a duplicate  
27 warrant. Any loss incurred in connection with the issuance of a duplicate warrant must be charged against  
28 the account from which the payment was derived."  
29

30 **Section 25.** Section 17-8-307, MCA, is amended to read:

1           **"17-8-307. Board's power to prevent payment of ~~auditor's~~ treasurer's warrants.** Whenever the  
 2 board of examiners has reason to believe that the state ~~auditor~~ treasurer has drawn or is about to draw his  
 3 a warrant without authority of law or for a larger amount than the state actually owes, the board ~~must~~ shall  
 4 notify the ~~state~~ treasurer not to pay the warrant ~~so~~ drawn or to be drawn; ~~and thereupon the~~ The state  
 5 treasurer is prohibited from paying the warrant, whether already drawn or not, until ~~he is~~ otherwise directed  
 6 by the legislature or the board."

7  
 8           **Section 26.** Section 23-7-312, MCA, is amended to read:

9           **"23-7-312. Lien on lottery winnings for debt collected by IV-D agency -- notice to agency --**  
 10 **payment to agency -- procedure.** (1) For purposes of this section, "IV-D agency" means the state child  
 11 support enforcement agency created pursuant to Title IV-D of the Social Security Act and providing services  
 12 under Title 40, chapter 5.

13           (2) The IV-D agency shall periodically certify to the state lottery the names and social security  
 14 numbers of persons owing a debt to or collected by the IV-D agency.

15           (3) Prior to the payment of lottery winnings in excess of \$600, the state lottery shall check the  
 16 name of the winner against the list of names and social security numbers of persons owing a debt to or  
 17 collected by the IV-D agency.

18           (4) (a) If the winner is on the list of persons owing a debt to or collected by the IV-D agency, the  
 19 state lottery shall make a good faith attempt to notify the IV-D agency and the agency then has a lien  
 20 against the winnings in the amount of the debt owed to or collected by the IV-D agency. The state lottery  
 21 has no liability to the IV-D agency or the individual on whose behalf the IV-D agency is collecting the debt  
 22 if the state lottery fails to match a winner's name to a name on the list or is unable to notify the IV-D  
 23 agency of a match. The IV-D agency shall provide the state lottery with written notice of a support lien  
 24 promptly upon the state lottery's notification of a match.

25           (b) If the lottery winnings are to be paid through the state ~~auditor~~ treasurer, the lottery winner is  
 26 entitled to notice and opportunity for hearing under Title 17, chapter 4, part 1, prior to any offset of the  
 27 debt against the winnings.

28           (c) If the lottery winnings are to be paid directly by the state lottery, the amount of the debt owed  
 29 to or collected by the IV-D agency must be held by the lottery for a period of 30 days from the lottery's  
 30 confirmation of the amount of the debt to allow the IV-D agency to institute any necessary garnishment

1 or withholding proceedings. If a garnishment or withholding proceeding is not initiated within the 30-day  
2 period, the lottery shall release the payment to the winner.

3 (d) The IV-D agency, in its discretion, may release or partially release the support lien upon written  
4 notice to the state lottery.

5 (e) A support lien under this section is in addition to any other lien created by law."  
6

7 **Section 27.** Section 32-1-537, MCA, is amended to read:

8 **"32-1-537. Disposition of unclaimed funds.** (1) The department shall certify to the state treasurer  
9 a complete list of funds remaining with it that are uncalled for and that have been left with it in its official  
10 capacity in trust for depositors in and creditors of a liquidated bank after they have been held by it for 6  
11 months from the date of the final liquidation of the institution. Along with this certificate, the department  
12 shall transmit to the state treasurer the funds, with accumulated interest on them, that it has held in trust  
13 for 6 months. A copy of the certificate must also be filed with the state auditor, who shall make a record  
14 of it.

15 (2) The state treasurer shall deposit the funds and interest in the general fund.

16 (3) A depositor or creditor of a liquidated bank who has not been paid the amount standing to the  
17 person's credit as certified to the state treasurer may apply to the department for the amount due. The  
18 depositor or creditor shall make an affidavit and offer proof of identity and of the amount due. When  
19 satisfied as to the correctness of the claim and of the identity of the person, the department shall forward  
20 it to the ~~auditor~~ state treasurer who shall audit the claim and, if found correct, certify the claim to the  
21 department. If the department approves the claim, it shall pay the claim to the depositor or creditor. The  
22 money deposited in the general fund pursuant to this section is statutorily appropriated, as provided in  
23 17-7-502, to the department for the purpose of paying approved claims."  
24

25 **Section 28.** Section 39-3-213, MCA, is amended to read:

26 **"39-3-213. Disposition of wages.** (1) The commissioner of labor ~~and industry~~ shall deposit wages  
27 collected ~~by him~~ under parts 2 and 4 of this chapter into the agency fund and shall attempt to make  
28 payment of wages to the entitled person. Wages deposited into the agency fund are not interest bearing.  
29 The payment of wages collected may be made by means of state warrants.

30 (2) Warrants issued pursuant to subsection (1) ~~which~~ that remain unclaimed for more than 1 year

1 from the date of issuance ~~shall~~ must be returned to the state ~~auditor~~ treasurer for cancellation in accordance  
2 with 17-8-303."  
3

4 **Section 29.** Section 39-51-3207, MCA, is amended to read:

5 **"39-51-3207. Authority to determine uncollectibility of debts -- transfer of debts for collection --**  
6 **liability for payment of fees and costs of collection.** (1) After making all reasonable efforts to collect unpaid  
7 contributions, assessments under 39-51-404(4), and penalties and interest ~~thereon~~, or overpaid benefits  
8 under 39-51-3206 and interest ~~thereon~~, the department may determine a debt to be uncollectible. Upon  
9 determining that a debt is uncollectible, the department may transfer the debt to the ~~state auditor~~  
10 department of administration for collection as provided in 17-4-104.

11 (2) Subject to approval by the department, reasonable fees or costs of collection incurred by the  
12 ~~state auditor~~ department of administration may be added to the amount of the debt, including added fees  
13 or costs. The debtor is liable for repayment of the amount of the debt plus fees or costs added pursuant  
14 to this subsection. All money collected must be returned to the department to be applied to the debt,  
15 except that all fees or costs collected must be retained by the ~~state auditor~~ department of administration.  
16 If less than the full amount of the debt is collected, the state auditor shall retain only a proportionate share  
17 of the collection fees or costs."  
18

19 **Section 30.** Section 44-2-314, MCA, is amended to read:

20 **"44-2-314. Use of ~~moneys~~ money -- records.** The state ~~auditor~~ treasurer is ~~hereby~~ authorized to  
21 draw warrants on this account upon request of the attorney general when ~~such moneys are~~ money is  
22 needed to pay any of the costs of keeping the system operative. A strict accounting ~~shall~~ must be kept of  
23 all receipts and disbursements and ~~shall~~ must be available as a matter of record to members of the  
24 appropriations committee of the house of representatives as they may require in the performance of their  
25 duties."  
26

27 **Section 31.** Section 53-18-102, MCA, is amended to read:

28 **"53-18-102. Creation of self-sufficiency trust account.** (1) There is created a self-sufficiency trust  
29 account in the state treasury. The state treasurer shall deposit to the credit of the trust account money  
30 received from a self-sufficiency trust for that purpose. The state ~~auditor~~ treasurer shall direct payments

1 from the trust account upon claims certified by the director of the department.

2 (2) The assets of the trust account must be preserved, invested, and expended in the manner and  
3 for the purposes provided in 53-18-103. At the end of each fiscal year, the unexpended account balance  
4 must carry forward to the next fiscal year and may not revert to the state general fund."

5  
6 **Section 32.** Section 85-8-612, MCA, is amended to read:

7 **"85-8-612. Lien of assessments -- payment of assessments against state lands.** (1) From the time  
8 of the entry of said order, assessments for construction of new work and additional assessments and  
9 interest thereon shall be a lien upon the lands assessed, until paid. Any owner of land or any corporation  
10 assessed for construction may, at any time within 30 days after the confirmation of said report, pay into  
11 court the amount of the assessment against his land or any tract thereof or against any such corporation.  
12 Said payment shall relieve said lands from the lien of said assessment and said corporation from all liability  
13 on said assessment.

14 (2) Upon presentation to the state ~~auditor~~ treasurer of an order of the district court having  
15 jurisdiction of ~~such the~~ drainage district, properly certified, the ~~auditor~~ department of administration shall  
16 draw ~~his a~~ warrant on the ~~treasurer~~ treasury on the common school fund in favor of the commissioners of  
17 ~~such the~~ drainage district for the total amount that may be assessed against any lands included in ~~such the~~  
18 district, the title to which is in the state of Montana, ~~and upon~~ Upon the payment of ~~such the~~ warrant,  
19 ~~such the~~ lands shall ~~thereby be~~ are relieved from the lien ~~therefore~~ created for ~~such the~~ costs of  
20 construction."

21  
22 **Section 33.** Section 87-1-206, MCA, is amended to read:

23 **"87-1-206. Bounty claims for wild animals.** (1) The department of fish, wildlife, and parks shall pay  
24 bounty claims for wild animals which have been filed with and approved by the board of livestock. The  
25 department shall pay out of the state fish and game funds, other than those funds derived from license fees  
26 paid by hunters and fishermen, bounties on predatory wild animals as the bounty claims are presented, not  
27 exceeding \$7,500 per calendar year.

28 (2) The board of livestock shall, after approving the bounty claim, deliver the claim to the  
29 department of fish, wildlife, and parks for rejection or approval. If the claim or certificate is rejected, it shall  
30 be returned by the department to the board of livestock. If approved, it shall be delivered to the department

1 of administration for allowance or disallowance. Nothing in this section takes from the department of fish,  
2 wildlife, and parks the exclusive power to administer the fish and game moneys at its discretion.

3 (3) If the department of administration allows the claim, ~~it must send it to the auditor. The auditor~~  
4 ~~must~~ the department shall draw his a warrant on the state fish and game ~~moneys~~ money in the state special  
5 revenue fund for the amount approved in favor of the claimant, in the order in which the claim is approved."  
6

7 **Section 34.** Section 87-1-603, MCA, is amended to read:

8 **"87-1-603. Payments to counties for department-owned land -- exceptions.** Before November 30  
9 of each year, the treasurer of each county in which the department owns any land shall describe the land,  
10 state the number of acres in each parcel, and request the drawing of a warrant to the county in a sum equal  
11 to the amount of taxes which would be payable on county assessment of the property were it taxable to  
12 a private citizen. The director shall approve or disapprove the request. The director may disapprove a  
13 request only if ~~he~~ the director finds it to be inconsistent with this section. If the director disapproves a  
14 request, ~~he~~ the director shall return it with an explanation detailing the reasons for the disapproval to the  
15 appropriate county treasurer for correction. If the director approves a request, ~~he~~ the director shall transmit  
16 it to the ~~state auditor~~ department of administration, ~~who~~ which shall draw a warrant payable to the county  
17 in the amount shown on the request and shall send the warrant to the county treasurer. The warrant is  
18 payable out of any funds to the credit of the department of fish, wildlife, and parks. ~~No~~ A payment may  
19 not be made to a county in which the department owns less than 100 acres. ~~No~~ A payment may not  
20 be made to a county for lands owned by the department for game or bird farms or for fish hatchery purposes  
21 or lands acquired and managed for the purposes of Title 23, chapter 1."  
22

23 NEW SECTION. **Section 35. Repealer.** Section 17-1-121, MCA, is repealed.  
24

25 NEW SECTION. **Section 36. Codification instruction.** [Section 5] is intended to be codified as an  
26 integral part of Title 17, chapter 1, part 1, and the provisions of Title 17, chapter 1, part 1, apply to  
27 [section 5].  
28

29 NEW SECTION. **Section 37. Effective date.** [This act] is effective July 1, 1995.  
30

-END-

STATE OF MONTANA - FISCAL NOTE

Fiscal Note for HB0563, as introduced

DESCRIPTION OF PROPOSED LEGISLATION:

An act transferring the warrant writing and bad debt (WWBD) management functions of the State Auditor to the director of the Department of Administration (DOA).

ASSUMPTIONS:

1. The WWBD functions would operate as two separate functions in the Accounting and Management Support Division of the DOA.
2. Thirteen of the current 14 FTEs performing WWBD functions in the State Auditor's office (SAO) will be transferred to DOA. The fiscal manager position will be eliminated on June 30, 1995, with the duties being absorbed by existing managerial staff in the DOA. Termination costs of \$5,300 will be paid by the DOA and are netted against the personal services reduction.
3. Initial operating costs to the DOA in FY96 as a result of the transfer are: signature plates and current warrant stock - \$10,500; disaster recovery warrant stock - \$10,000; remodeling and moving costs - \$8,000; D.P. transfer costs - \$6,000; other - \$1,500.
4. The WWBD function is being switched to a proprietary fund beginning in FY96. This will allow agencies that use the system to pay their share. The DOA will adopt the proprietary account and the rates established by the SAO.

FISCAL IMPACT:

Expenditures:

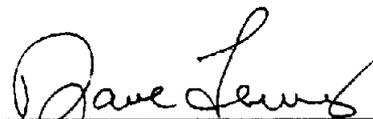
	<u>FY96</u>	<u>FY97</u>
DOA:	<u>Difference</u>	<u>Difference</u>
FTE	(1.00)	(1.00)
Personal services	(36,400)	(41,700)
Operating expense	<u>36,000</u>	<u>0</u>
Total	(400)	(41,700)

Funding:

Proprietary (06)	(400)	(41,700)
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LONG-RANGE EFFECTS OF PROPOSED LEGISLATION:

It is the opinion of the DOA that long-range efficiencies are possible due to placing the warrant writing system in the same department as the central computer (ISD) and accounting (SBAS) systems.

 2-16-95

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

 2-16-95

PAUL SLITER, PRIMARY SPONSOR      DATE

Fiscal Note for HB0563, as introduced

**HB 563**

APPROVED BY COM ON  
STATE ADMINISTRATION

HOUSE BILL NO. 563

INTRODUCED BY SLITER, BARNETT, BRAINARD, GREEN, CURTISS, AHNER, GRINDE, STOVALL,  
MARSHALL, WELLS, FUCHS, MERCER, CLARK, BOHARSKI, KNOX, OHS, SIMPKINS, DENNY, HAYNE,  
JORE, L. SMITH, TAYLOR, FORBES, WISEMAN, DEVANEY, KEENAN, REHBEIN, STORY, MILLS, ELLIS,  
MCGEE, SOFT, MARTINEZ, MURDOCK, TASH, SOMERVILLE

A BILL FOR AN ACT ENTITLED: "AN ACT TRANSFERRING THE WARRANT WRITING AND BAD DEBT  
MANAGEMENT FUNCTIONS OF THE STATE AUDITOR TO THE DIRECTOR OF THE DEPARTMENT OF  
ADMINISTRATION, WHO IS THE EX OFFICIO STATE TREASURER; ~~CHANGING THE SPECIAL REVENUE  
ACCOUNT FOR THE WARRANT WRITER PROGRAM TO AN INTERNAL SERVICE FUND;~~ AMENDING  
SECTIONS 2-18-411, 2-18-412, 2-18-702, 3-2-503, 7-4-2502, 17-1-101, 17-1-111, 17-1-122, 17-3-1004,  
17-4-101, 17-4-102, 17-4-103, 17-4-104, 17-4-105, 17-4-106, 17-4-107, 17-4-108, 17-6-212, 17-8-211,  
17-8-301, 17-8-303, 17-8-305, 17-8-306, 17-8-307, 23-7-312, 32-1-537, 39-3-213, 39-51-3207,  
44-2-314, 53-18-102, 85-8-612, 87-1-206, AND 87-1-603, MCA; REPEALING SECTION 17-1-121, MCA;  
AND PROVIDING AN EFFECTIVE DATE."

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

**Section 1.** Section 2-18-411, MCA, is amended to read:

**"2-18-411. Lost warrants -- duplicate.** (1) Upon receipt of proof satisfactory to the ~~state auditor~~  
treasurer that a payroll warrant issued by the state ~~auditor~~ treasurer has been lost or destroyed prior to its  
delivery to the employee to whom it is payable, the state ~~auditor~~ treasurer shall, upon certification by the  
payee's appointing power, issue a duplicate warrant in payment of the same amount without requiring a  
bond from the payee ~~and any~~. Any loss incurred in connection ~~therewith shall~~ with the warrant must be  
charged against the account from which the payment was derived.

(2) A payroll warrant ~~shall be~~ is considered to have been lost if it has been sent to the payee but  
not received by ~~him~~ the payee within a reasonable time, consistent with the policy of prompt payment of  
employees, or if it has been sent to a state officer or employee for delivery to the payee or for forwarding  
to another state officer or employee for ~~such~~ delivery and has not been received within ~~such~~ a reasonable  
time."

1           **Section 2.** Section 2-18-412, MCA, is amended to read:

2           **"2-18-412. Designation of person to receive decedent's warrants -- reissuance.** ~~Any~~ A person ~~new~~  
3 ~~or hereafter~~ employed by the state may file with ~~his~~ the person's appointing power a designation of a  
4 person who, notwithstanding any other provision of law, shall, on the death of the employee, be entitled  
5 to receive all warrants that would have been payable to the decedent had ~~he~~ the employee survived. The  
6 employee may change the designation from time to time. A person ~~so~~ designated shall claim ~~such~~ the  
7 warrants from the state ~~auditor~~ treasurer and on sufficient proof of identity, the ~~state auditor~~ treasurer shall  
8 reissue the warrant in the name of the designated person and deliver ~~said~~ the warrant to the designated  
9 person."

10

11           **Section 3.** Section 2-18-702, MCA, is amended to read:

12           **"2-18-702. Group insurance for public employees and officers.** (1) All counties, cities, towns,  
13 school districts, and the board of regents shall upon approval by two-thirds vote of their respective officers  
14 and employees enter into group hospitalization, medical, health, including long-term disability, accident,  
15 ~~and/or~~ or group life insurance contracts or plans for the benefit of their officers and employees and their  
16 dependents. The laws prohibiting discrimination on the basis of marital status in Title 49 do not prohibit  
17 bona fide group insurance plans from providing greater or additional contributions for insurance benefits  
18 to employees with dependents than to employees without dependents or with fewer dependents.

19           (2) State employees and elected officials, as defined in 2-18-701, may participate in state employee  
20 group benefit plans as are provided for under part 8 of this chapter.

21           (3) For state officers and employees, the premiums required from time to time to maintain the  
22 insurance in force must be paid by the insured officers and employees, and the ~~auditor~~ state treasurer shall  
23 deduct the premiums from the salary or wages of each officer or employee who elects to become insured,  
24 on the officer's or employee's written order, and issue a warrant for the premiums to the insurer.

25           (4) For the purpose of this section, the plans of health service corporations for defraying or  
26 assuming the cost of professional services of licentiates in the field of health or the services of hospitals,  
27 clinics, or sanitariums or both professional and hospital services must be construed as group insurance and  
28 the dues payable under the plans must be construed as premiums for group insurance.

29           (5) If the board of trustees of a school district implements a self-insured group health plan or if the  
30 board of regents implements an alternative to conventional insurance to provide group benefits to its

1 employees, the board shall maintain the alternative plan on an actuarially sound basis."  
2

3 **Section 4.** Section 3-2-503, MCA, is amended to read:

4 **"3-2-503. Accounts of marshal.** All accounts of the marshal must be filed in the supreme court in  
5 a bill of items under oath certified by the chief justice and, when properly chargeable against the state and  
6 approved by the department of administration, must be paid out of the state treasury upon the warrant of  
7 the state ~~auditor~~ treasurer."

8  
9 **Section 5.** Section 7-4-2502, MCA, is amended to read:

10 **"7-4-2502. Payment of salaries of county officials and assistants.** (1) Except as provided in  
11 subsection (2), the salaries of the county officers and their assistants may be paid monthly, twice monthly,  
12 or every 2 weeks out of the general fund of the county and upon the order of the board of county  
13 commissioners.

14 (2) (a) The salaries of the county attorney and deputy county attorneys authorized by 7-4-2703  
15 are payable monthly, with the salary of the county attorney payable one-half from the general fund of the  
16 county and, if the county has supplied the information to the department of justice for inclusion in its  
17 budget, the other one-half from the state treasury upon the warrant of the state ~~auditor~~ treasurer. If the  
18 county has not supplied information concerning any scheduled or proposed increase in salary for the county  
19 attorney to the department of justice for inclusion in material submitted to the budget director under Title  
20 17, chapter 7, part 1, the county is responsible for any increased salary.

21 (b) The county commissioners of each county shall, within 30 days after the election or  
22 appointment to fill a vacancy for any cause in the office of county attorney, certify the election or  
23 appointment to the department of justice. The department shall notify the state ~~auditor~~ treasurer of the  
24 salary of the county attorney. The ~~auditor~~ state treasurer shall draw warrants for the county attorney  
25 salaries in the same manner as for state officers. In case of a vacancy, the county commissioners shall  
26 immediately notify the department of justice, and the department shall compute the salary due on the basis  
27 of the notification.

28 (3) The board has jurisdiction and power, under ~~such~~ limitations and restrictions ~~as are~~ prescribed  
29 by law, to fix the compensation of all county officers not otherwise fixed by law and to provide for the  
30 payment of the compensation and may, for all or the remainder of each fiscal year, in conjunction with

1 setting salaries for other officers as provided in 7-4-2504(1), set their salaries at the prior fiscal year level."

2

3 **Section 6.** Section 17-1-101, MCA, is amended to read:

4 **"17-1-101. Definition of department.** Except in chapter 3, part 3, and ~~chapter 4, part 1,~~ and unless  
5 the context requires otherwise, in this title, "department" means the department of administration provided  
6 for in Title 2, chapter 15, part 10."

7

8 **Section 7.** Section 17-1-111, MCA, is amended to read:

9 **"17-1-111. General fiscal duties of state treasurer.** (1) The state treasurer ~~shall be~~ is the custodian  
10 of all ~~moneys~~ money and securities of the state unless otherwise expressly provided by law.

11 (2) It is the duty of the state treasurer to:

12 (a) receive and account for all ~~moneys~~ money belonging to the state, not expressly required by law  
13 to be received and kept by some other person;

14 (b) pay warrants out of the funds upon which they are drawn;

15 (c) upon payment of any warrant, take upon the back ~~thereof~~ of the warrant the receipt of the  
16 person to whom it is paid;

17 (d) keep an account of all ~~moneys~~ money received and disbursed;

18 (e) at the request of either house of the legislature or of any legislative committee ~~thereof~~, give  
19 information in writing as to the condition of the treasury or ~~upon~~ on any subject relating to the duties of  
20 his the office of state treasurer;

21 (f) superintend the fiscal concerns of the state;

22 (g) suggest plans for the improvement and management of the public revenue;

23 (h) keep an account of all warrants drawn upon the treasury and of other appropriation records that  
24 the treasurer determines to be essential for the support of the accounting records maintained in the  
25 department;

26 (i) charge the outgoing state treasurer with the balance that was in the treasury when the outgoing  
27 treasurer came into office and with all money received and credit the outgoing treasurer with all warrants  
28 drawn on and paid;

29 (j) keep a register of warrants, showing the fund upon which each warrant is drawn, each  
30 warrant's number, who received the warrant, and the date issued;

1 (k) require all persons who have received money belonging to the state but who have not  
2 accounted for it to settle their accounts;

3 (l) draw warrants on the state treasury for the payment of money directed by law to be paid out  
4 of the treasury, except that a warrant may not be drawn unless authorized by law;

5 (m) authenticate with the official seal of the state all warrants drawn and all copies of papers  
6 issued from the office of state treasurer;

7 (n) collect and pay into the state treasury all fees received; and

8 (o) discharge such other duties as may be imposed upon him the state treasurer by law."

9  
10 **Section 8.** Section 17-1-122, MCA, is amended to read:

11 **"17-1-122. Discretionary ~~duties~~ authority of state auditor ~~treasurer~~.** ~~In his discretion it is the duty~~  
12 ~~of the state auditor to~~ The state treasurer may:

13 (1) inspect the books of any persons charged with the receipt, safekeeping, or disbursement of  
14 public ~~moneys~~ money;

15 (2) require all persons who have received ~~moneys or securities~~ money or who have had the  
16 disposition or management of any property of the state of which an account is kept in ~~his office~~ the  
17 department to render statements thereof to him the treasurer, and all such persons. A statement must  
18 render statements be rendered at such times and in such the form as he may require prescribed by the  
19 department;

20 (3) promulgate rules regarding the distribution and processing of warrants issued; and

21 (4) ~~establish, under the joint control of the department of administration and the state auditor, a~~  
22 ~~system of filing and storage of the original copy of claims paid by state warrant."~~

23  
24 **NEW SECTION. Section 9. Authority of state auditor concerning securities.** The state auditor may  
25 require a person who has received securities of which the auditor keeps account to render to the auditor  
26 a statement concerning the securities. The statement must be made at the time and in the form prescribed  
27 by the auditor.

28  
29 **Section 10.** Section 17-3-1004, MCA, is amended to read:

30 **"17-3-1004. Disbursement of funds.** (1) The money received by the state treasurer under the

1 provisions of 17-3-1003 ~~shall~~ may be paid out ~~by him of the treasury~~ only on a warrant issued by the ~~state~~  
 2 ~~auditor~~ treasurer in payment of claims for expenses actually incurred for the support and maintenance of  
 3 the institution filing the ~~same~~ claims.

4 (2) In the payment of claims presented by a state institution entitled to interest and income from  
 5 land grants or ~~moneys arising therefrom~~ money from a land grant, ~~no~~ a warrant ~~shall~~ may not be drawn  
 6 against the appropriation made by the state out of the general fund for the maintenance of the institution  
 7 filing the claim until interest and income ~~moneys~~ money, ~~insofar as they are~~ available for the payment of  
 8 the items in the claim, ~~are~~ is exhausted."

9  
 10 **Section 11.** Section 17-4-101, MCA, is amended to read:

11 **"17-4-101. Definitions.** In this part, the following definitions apply:

12 (1) ~~The word "department"~~ "Department" means the department of ~~revenue~~ administration.

13 (2) ~~The term "state~~ "State agency" includes all state offices, departments, divisions, boards,  
 14 commissions, councils, committees, institutions, university units, and other entities or instrumentalities of  
 15 state government."

16  
 17 **Section 12.** Section 17-4-102, MCA, is amended to read:

18 **"17-4-102. Accounts of persons indebted to state.** (1) ~~In his discretion it is the duty of the state~~  
 19 ~~auditor to~~ The department may:

20 (a) examine and settle the accounts of persons indebted to the state ~~and,~~ certify the amount ~~to~~  
 21 ~~the treasurer and, upon presentation and filing of the treasurer's receipt therefor, to~~ owed, and give such  
 22 the person a discharge and charge the treasurer therewith;

23 (b) require any person presenting an account for settlement to be sworn ~~before him~~ and to answer,  
 24 orally or in writing, as to any facts relating to ~~it~~ the debt.

25 (2) The certificate mentioned in subsection (1)(a) must show by whom the payment is to be made,  
 26 the amount ~~thereof~~ of the payment, and the fund into which ~~it~~ the payment is to be ~~paid and must~~  
 27 deposited. The certificates must be numbered in order, beginning with number 1 at the commencement of  
 28 each fiscal year."

29  
 30 **Section 13.** Section 17-4-103, MCA, is amended to read:

1           **"17-4-103. Collection of claims by ~~state auditor~~ department.** (1) ~~In his discretion, it is the duty of~~  
 2 ~~the state auditor to~~ The department may examine the collection of money due the state and institute suits  
 3 in its name for official delinquencies in relation to the assessment, collection, and payment of the revenue,  
 4 ~~and~~ against persons who possess public money or property and fail to pay over or deliver the money or  
 5 property, and against debtors of the state. The courts of the county where the seat of government ~~may~~  
 6 ~~be~~ is located have jurisdiction, without regard to the residence of the defendants, over the collection suits  
 7 authorized by this section.

8           (2) Whenever a person has money or other personal property that belongs to the state by escheat  
 9 or otherwise or has been entrusted with the collection, management, or disbursement of money, bonds,  
 10 or interest accruing from the money or bonds, belonging to or held in trust by the state, and fails to render  
 11 an account of the money or personal property to and make settlement with the ~~state auditor~~ department  
 12 within the time prescribed by law or, when ~~no~~ a particular time is not specified, fails to render an account  
 13 and make settlement or ~~who~~ fails to pay into the state treasury the money belonging to the state, upon  
 14 being required to do so by the ~~state auditor~~ department, within 20 days after the requisition, the state  
 15 auditor shall state an account with that person, charging 25% damages and interest at the rate of 10% a  
 16 year from the time of the failure. A copy of the account in a suit is prima facie evidence of the things stated  
 17 in the account, but when the ~~state auditor~~ department cannot for want of information state an account,  
 18 ~~he~~ the department may in an action brought by ~~him~~ the department aver that fact and allege generally the  
 19 amount of money or other property due or belonging to the state.

20           (3) The ~~state auditor~~ department may assist in the collection of a delinquent account owing to any  
 21 state agency and may separately charge the state agency that transferred the debt for the cost of  
 22 assistance. The ~~state auditor~~ department may designate the percentage of collected proceeds to be retained  
 23 for the cost of assistance.

24           (4) The ~~state auditor~~ department may provide a collection service for the general purpose of  
 25 centralizing the collection of all debts owing to the state."  
 26

27           **Section 14.** Section 17-4-104, MCA, is amended to read:

28           **"17-4-104. Circumstances when ~~state auditor~~ department ~~must~~ shall assist.** Subject to and in  
 29 accordance with rules adopted by the ~~state auditor~~ department, the ~~state auditor~~ department shall render  
 30 assistance in the collection of accounts owing to any state agency if all of the following procedures have

1 been completed to ~~his~~ the department's satisfaction:

2 (1) A state agency ~~must~~ shall make all reasonable efforts to collect money owed to it and ~~must~~  
3 shall determine that the money and any interest or penalties ~~therefor~~ are uncollectible in accordance with  
4 criteria for uncollectibility formulated by that agency.

5 (2) Once a state agency has determined that an account owed to it uncollectible, it shall certify  
6 to the ~~state auditor~~ department the amount of the money, interest, and penalties, as accurately as can be  
7 determined. The ~~state auditor~~ department may require ~~submission by~~ the agency ~~of~~ to submit all relevant  
8 evidence and other information regarding the debt and may examine the records of any other state agency  
9 ~~which~~ that may be pertinent in determining the uncollectibility of the debt, unless examination is specifically  
10 prohibited by law.

11 (3) If the ~~state auditor~~ department finds that the debt is uncollectible in accordance with the criteria  
12 for uncollectibility of money due that state agency, ~~he~~ the department shall direct the agency to write off  
13 the debt on its accounts and transfer the debt to ~~him~~ the department.

14 (4) Debts described in 17-4-105(4) need not be determined uncollectible for purposes of this  
15 section."

16

17 **Section 15.** Section 17-4-105, MCA, is amended to read:

18 "**17-4-105. Authority to collect debt -- offsets.** (1) Once a debt of a state agency has been  
19 transferred to the ~~state auditor~~ department, the ~~state auditor has the authority to~~ department may collect  
20 it. The ~~state auditor~~ department may contract with commercial collection agencies for recovery of debts  
21 owed the state.

22 (2) The ~~state auditor~~ department shall offset any amount due a state agency from a person or  
23 entity against any amount, including refunds or taxes, owing the person or entity by any state agency, ~~if~~  
24 ~~provided the state auditor~~ The department may not exercise this right of offset until the debtor has first  
25 been notified by the ~~state auditor~~ department and been given an opportunity for a hearing. An offset may  
26 not be made against any amount paid out as child support collected by the department of social and  
27 rehabilitation services. The ~~state auditor~~ department shall deduct from the claim and draw warrants for the  
28 amounts offset in favor of the respective state agencies to which due and for any balance in favor of the  
29 claimant. Whenever insufficient to offset all amounts due state agencies, the amount available must be  
30 applied first to debts owed by reason of the nonpayment of child support and then in the manner ~~as~~ that

1 the ~~state auditor~~ department, in the ~~state auditor's~~ its discretion, determines.

2 (3) (a) The department of revenue retains the power to offset tax refunds due individuals against  
3 taxes owed the state, provided that the department of revenue may not exercise this right of offset until  
4 the taxpayer has been notified by the department of revenue and been given the opportunity to request a  
5 review.

6 (b) Within 30 days following mailing of notification, the taxpayer may request a review of the  
7 asserted liability. If a review is requested, the department of revenue shall conduct an informal review  
8 conference, which is not subject to the contested case procedures of the Montana Administrative Procedure  
9 Act.

10 (c) Appeal from the decision of the department of revenue after the review conference may be  
11 taken to the state tax appeal board.

12 (d) A taxpayer is not entitled to a review conference for a tax offset if the tax liability has been the  
13 subject matter of any proceeding conducted for the purpose of determining its validity and any decision  
14 made as a result of that proceeding has become final.

15 (4) (a) A debt owed to the department of social and rehabilitation services or being collected by  
16 the department of social and rehabilitation services on behalf of any person or agency may be offset by the  
17 ~~state auditor~~ department of administration if the debt is being enforced or collected by the department of  
18 social and rehabilitation services under Title IV-D of the Social Security Act.

19 (b) The debt need not be determined to be uncollectible, as provided for in 17-4-104, before being  
20 transferred to the ~~state auditor~~ department for offset. The debt must have accrued through written  
21 contract, court judgment, or administrative order.

22 (c) Within 30 days following the notification provided for in subsection (2), the person owing a debt  
23 described in subsection (4)(a) may request a hearing. The person owing a debt is not entitled to a hearing  
24 if the amount of the debt has been the subject matter of any proceeding conducted for the purpose of  
25 determining the validity of the debt and any decision made as a result of that proceeding has become final.  
26 The hearing must be conducted by teleconferencing methods and is subject to the provisions of the  
27 Montana Administrative Procedure Act. The department of social and rehabilitation services shall adopt  
28 rules necessary to determine the hearing procedures.

29 (5) If, in the discretion of the ~~state auditor~~ department, the person or entity refuses or neglects to  
30 file a claim within a reasonable time, the head of the state agency owing the amount shall file the claim on

1 behalf of the person or entity; ~~if~~. If approved by the department ~~of administration~~, it ~~shall have~~ has the  
 2 same force and effect as though filed by the person or entity. The amount due any person or entity from  
 3 the state or any agency of the state is the net amount otherwise owing the person or entity after any  
 4 offset, as provided in this section."

5

6 **Section 16.** Section 17-4-106, MCA, is amended to read:

7 **"17-4-106. Agency owed debt to receive all money collected -- exception.** (1) All money collected  
 8 by the ~~state auditor~~ department on debts transferred to ~~him~~ the department by the various state agencies,  
 9 except funds collected under 17-4-103(3), must be deposited to the account or fund of the agency to  
 10 which the debt was originally owing.

11 (2) Funds collected under 17-4-103(3) must be deposited in an account in the internal service fund  
 12 for the cost of assistance of debt collection by the ~~state auditor~~ department. Funds deposited in excess of  
 13 the amount appropriated for operation of the debt collection program must be carried forward into the next  
 14 fiscal year for operation of the debt collection program. Any excess carried forward into the next fiscal year  
 15 ~~will~~ must be used to reduce the designated percentage of the collected proceeds charged to the various  
 16 state agencies. At the end of each biennium, any fund balance in excess of \$10,000 must be transferred  
 17 ~~back~~ to the general fund."

18

19 **Section 17.** Section 17-4-107, MCA, is amended to read:

20 **"17-4-107. Write-off Writeoff procedures.** (1) The ~~state auditor~~ department may establish  
 21 procedures for canceling and writing off accounts receivable carried on the books of the various state  
 22 agencies that have been transferred to the ~~state auditor's office~~ department pursuant to 17-4-104 and that  
 23 are uncollectible or the continued pursuance of the collection of accounts would cost the state more than  
 24 the amount collected. The procedures must be established in accordance with subsection (2).

25 (2) The department ~~of administration~~ may establish procedures for canceling and writing off  
 26 accounts receivable carried on the books of various state agencies ~~which~~ that are uncollectible or the  
 27 continued pursuance of the collection would cost the state more than the amount collected. The procedures  
 28 must include the reporting to the budget director of any canceling and writing off of accounts receivable."

29

30 **Section 18.** Section 17-4-108, MCA, is amended to read:

1           **"17-4-108. Circumstances under which previously written-off debt may be collected.** If a debt  
2 previously written off under 17-4-107(1) subsequently becomes collectible, the ~~state auditor~~ department  
3 shall proceed to collect the money due pursuant to 17-4-105(1) and 17-4-106."  
4

5           **Section 19.** Section 17-6-212, MCA, is amended to read:

6           **"17-6-212. State purchase of general fund warrants.** (1) The state ~~hereby~~ reserves ~~to itself~~ a  
7 preference right, prior to the right of any person, company, or corporation, to purchase state general fund  
8 warrants issued with funds under the control of the board of investments and subject to investment.

9           (2) When the board of investments has under its control any funds subject to investment ~~which~~  
10 that in its judgment it would be advantageous to have invested in state general fund warrants and there  
11 are not sufficient funds in the state general fund to pay warrants issued against the fund at the time they  
12 are issued and presented for payment, it shall authorize and direct the state treasurer to purchase state  
13 general fund warrants, designating the fund or funds to be so invested and fixing the amount or amounts.  
14 ~~It shall also give notice to the state auditor of the investment to be made by the treasurer, designating the~~  
15 ~~fund or funds to be invested and the amounts.~~

16           (3) The ~~auditor~~ state treasurer shall attach to or stamp, write, or print upon each general fund  
17 warrant ~~thereafter~~ after the funding shortfall issued, until warrants totaling the amounts ~~so~~ designated have  
18 been issued, a notice that the state will exercise its preference right to purchase the warrant.

19           (4) The state treasurer shall, ~~thereafter~~ when the warrant is presented, ~~to him~~ pay it out of the  
20 proper fund as designated by the board, and the warrant ~~so~~ purchased ~~shall~~ must be registered as other  
21 state warrants and must bear interest as provided by law.

22           (5) When the designated amounts have been invested, the state treasurer shall notify the board  
23 of investments, which shall ~~thereupon~~ issue orders upon the proper funds addressed to the state auditor  
24 for warrants to be issued in favor of the treasurer."  
25

26           **Section 20.** Section 17-8-211, MCA, is amended to read:

27           **"17-8-211. Notice required for assignment of claims against state.** (1) All transfers and  
28 assignments made of any claim against the state, or any part ~~thereof~~ of or interest ~~thereon~~ on the claim,  
29 except as ~~hereinafter~~ provided in this section, ~~shall be absolutely null and~~ are void and unenforceable  
30 against the state unless the assignee ~~thereof~~ files written notice of the assignment on ~~such~~ forms ~~as that~~

1 may be required by the ~~state auditor~~ department of administration, together with a true copy of the  
2 instrument of assignment.

3 (2) The ~~state auditor~~ department may promulgate rules regarding the form of assignment, the  
4 procedures for filing assignments, and the submission of claims covering assigned funds.

5 (3) Unless otherwise expressly permitted by the ~~state auditor~~ department, no more than one  
6 assignment of a claim ~~shall be~~ is effective at one time, and ~~no~~ an assignment ~~shall~~ may not be made to  
7 more than one party, except that an assignment may be made to one party as agent or trustee for two or  
8 more parties. An assignment ~~shall~~ may not be subject to further assignment."

9

10 **Section 21.** Section 17-8-301, MCA, is amended to read:

11 "**17-8-301. State moneys money -- how expended by treasurer.** (1) Except as ~~herein~~ provided in  
12 this section, ~~no moneys~~ money received by the state treasurer may not be paid out ~~by him~~ except upon  
13 a state warrant issued by the ~~state auditor~~ treasurer or on electronic funds transfer authorized by the state  
14 ~~auditor~~ treasurer. The state ~~auditor~~ treasurer may not issue ~~his~~ a warrant or authorize an electronic funds  
15 transfer upon the state ~~treasurer~~ treasury except upon a claim ~~duly~~ approved by the department of  
16 administration in accordance with the laws governing the expenditure of state ~~moneys; money.~~ however  
17 However, interest and principal on the public debt may be paid by treasurer's check from the ~~moneys~~  
18 money pledged for ~~such~~ payment, and the provisions of this section do not apply to warrants issued upon  
19 contingent revolving accounts that are in the custody of the state treasurer.

20 (2) As used in 2-18-405 and this section, "electronic funds transfer" means any transfer of funds,  
21 other than a transaction originated by check, draft, or similar paper instrument, that is initiated through an  
22 electronic terminal, telephonic instrument, computer, or magnetic tape and that orders, instructs, or  
23 authorizes the state ~~auditor~~ treasurer to debit or credit an account."

24

25 **Section 22.** Section 17-8-303, MCA, is amended to read:

26 "**17-8-303. Warrants -- presentation and cancellation.** (1) State warrants must be presented for  
27 payment within the time limits specified as follows:

28 (a) Except as provided in subsection (1)(b), all warrants drawn by the state ~~auditor~~ treasurer on  
29 the state treasury ~~shall~~ must be presented for payment within 6 months after the date of the issue ~~thereof~~.

30 (b) Warrants issued for the department of social and rehabilitation services that are funded to any

1 extent with federal money ~~shall~~ must be presented for payment within 180 days after the date of issue.

2 (2) ~~Should~~ If the payee or legal holder of any warrant ~~fail~~ fails to present it for payment within the  
3 time specified in subsection (1), the state ~~auditor~~ treasurer shall enter the ~~same~~ warrant as canceled on the  
4 books of ~~his~~ the treasurer's office and the amount ~~shall~~ must be credited to a separate agency fund account  
5 administered by the ~~state auditor~~ treasurer. ~~Should~~ If the payee or legal owner of any canceled warrant  
6 ~~present~~ presents it for payment or ~~present~~ presents a claim for payment within 4 years from the date of  
7 issue, the state ~~auditor~~ treasurer may, upon proper showing by affidavit, issue a new warrant in lieu ~~thereof~~  
8 of the canceled warrant.

9 (3) Three years and 6 months after cancellation, the warrant ~~shall~~ must be classed as unclaimed  
10 property subject to the provisions of Title 70, chapter 9, parts 1 through 3. ~~Should~~ If the payee or legal  
11 owner of any canceled warrant ~~present~~ presents it for payment or ~~present~~ presents a claim for payment,  
12 ~~such~~ the presentation ~~shall~~ must be to the department of revenue as provided in 70-9-310."

13  
14 **Section 23.** Section 17-8-305, MCA, is amended to read:

15 "17-8-305. **Cost accounting for warrant.** In ~~his~~ the treasurer's discretion, it is the duty of the state  
16 ~~auditor~~ treasurer to establish a cost accounting system to determine the unit cost of issuing and processing  
17 warrants and provide for a system of charges for services rendered in issuing and processing warrants for  
18 claims submitted by any department or agency of the state. ~~No such~~ A charge shall may not be made for  
19 warrants issued against the general fund. Funds collected under this section for budgeted programs ~~shall~~  
20 must be deposited to the credit of the general fund. Funds collected for new or unforeseen programs may  
21 be deposited to the credit of a state special revenue fund account and expended for the purposes of paying  
22 the processing expenses incurred as a result of the new program."

23  
24 **Section 24.** Section 17-8-306, MCA, is amended to read:

25 "17-8-306. **Issuance of duplicate warrant.** (1) The state ~~auditor~~ treasurer may issue a duplicate  
26 warrant whenever any warrant drawn by the state ~~auditor~~ upon the treasurer of the state is lost or  
27 destroyed. This duplicate warrant must be in the same form as the original, except that it must have plainly  
28 printed across its face the word "duplicate". A duplicate warrant may not be issued or delivered unless the  
29 person entitled to receive it deposits with the state ~~auditor~~ treasurer a bond in double the amount for which  
30 the duplicate warrant is issued indemnifying the state and its officers and employees from any loss resulting

1 from the issuance of the duplicate warrant.

2 (2) A bond of indemnity is not required when:

3 (a) the payee is the United States government, a state of the United States, any agency,  
4 instrumentality, or officer of the United States government or of a state, county, city, city and county,  
5 town, district, or other political subdivision of a state or any officer thereof;

6 (b) the owner or custodian is the state of Montana or any agency or officer of the state;

7 (c) the owner or custodian is a bank, savings and loan association, admitted insurer, or trust  
8 company whose financial condition is regulated by the United States government or by the state of  
9 Montana;

10 (d) the state ~~auditor~~ treasurer has chosen to waive the requirement upon receipt of evidence that  
11 the original warrant has been lost or destroyed as a result of a disaster or other major occurrence;

12 (e) the amount of the lost or destroyed warrant is less than \$300;

13 (f) it can be established that a crime has been committed and that as a result a Montana warrant  
14 has been stolen or destroyed;

15 (g) it can be established that a Montana warrant has been mailed to an incorrect payee;

16 (h) the payee is a vendor or contractor doing business with the state of Montana;

17 (i) the payee is a recipient of public assistance under Title 53;

18 (j) the payee is a recipient of a monthly annuity under Title 19;

19 (k) the payee is a recipient of student financial assistance administered or insured by the  
20 guaranteed student loan program pursuant to Title 20, chapter 26; or

21 (l) a state agency approves the issuance of the duplicate warrant and agrees to assume the risk  
22 of the original warrant being cashed.

23 (3) Whenever the owner or custodian applies under the provisions of subsection (2)(d), (2)(f),  
24 (2)(g), (2)(h), (2)(i), (2)(j), (2)(k), or (2)(l), a stop-payment order must be placed on the original warrant by  
25 the state ~~auditor~~ treasurer.

26 (4) Whenever the owner or custodian applies under the provisions of subsection (2)(c), (2)(d),  
27 (2)(e), (2)(f), (2)(g), (2)(h), (2)(i), (2)(j), (2)(k), or (2)(l), the application must include an agreement to  
28 indemnify the state and its officers and employees from any loss resulting from the issuance of a duplicate  
29 warrant. Any loss incurred in connection with the issuance of a duplicate warrant must be charged against  
30 the account from which the payment was derived."

1           **Section 25.** Section 17-8-307, MCA, is amended to read:

2           **"17-8-307. Board's power to prevent payment of ~~auditor's~~ treasurer's warrants.** Whenever the  
3 board of examiners has reason to believe that the state ~~auditor~~ treasurer has drawn or is about to draw his  
4 a warrant without authority of law or for a larger amount than the state actually owes, the board ~~must~~ shall  
5 notify the ~~state~~ treasurer not to pay the warrant ~~so~~ drawn or to be drawn~~7, and thereupon the~~ The state  
6 treasurer is prohibited from paying the warrant, whether already drawn or not, until ~~he is~~ otherwise directed  
7 by the legislature or the board."  
8

9           **Section 26.** Section 23-7-312, MCA, is amended to read:

10           **"23-7-312. Lien on lottery winnings for debt collected by IV-D agency -- notice to agency --**  
11 **payment to agency -- procedure.** (1) For purposes of this section, "IV-D agency" means the state child  
12 support enforcement agency created pursuant to Title IV-D of the Social Security Act and providing services  
13 under Title 40, chapter 5.

14           (2) The IV-D agency shall periodically certify to the state lottery the names and social security  
15 numbers of persons owing a debt to or collected by the IV-D agency.

16           (3) Prior to the payment of lottery winnings in excess of \$600, the state lottery shall check the  
17 name of the winner against the list of names and social security numbers of persons owing a debt to or  
18 collected by the IV-D agency.

19           (4) (a) If the winner is on the list of persons owing a debt to or collected by the IV-D agency, the  
20 state lottery shall make a good faith attempt to notify the IV-D agency and the agency then has a lien  
21 against the winnings in the amount of the debt owed to or collected by the IV-D agency. The state lottery  
22 has no liability to the IV-D agency or the individual on whose behalf the IV-D agency is collecting the debt  
23 if the state lottery fails to match a winner's name to a name on the list or is unable to notify the IV-D  
24 agency of a match. The IV-D agency shall provide the state lottery with written notice of a support lien  
25 promptly upon the state lottery's notification of a match.

26           (b) If the lottery winnings are to be paid through the state ~~auditor~~ treasurer, the lottery winner is  
27 entitled to notice and opportunity for hearing under Title 17, chapter 4, part 1, prior to any offset of the  
28 debt against the winnings.

29           (c) If the lottery winnings are to be paid directly by the state lottery, the amount of the debt owed  
30 to or collected by the IV-D agency must be held by the lottery for a period of 30 days from the lottery's

1 confirmation of the amount of the debt to allow the IV-D agency to institute any necessary garnishment  
2 or withholding proceedings. If a garnishment or withholding proceeding is not initiated within the 30-day  
3 period, the lottery shall release the payment to the winner.

4 (d) The IV-D agency, in its discretion, may release or partially release the support lien upon written  
5 notice to the state lottery.

6 (e) A support lien under this section is in addition to any other lien created by law."  
7

8 **Section 27.** Section 32-1-537, MCA, is amended to read:

9 "**32-1-537. Disposition of unclaimed funds.** (1) The department shall certify to the state treasurer  
10 a complete list of funds remaining with it that are uncalled for and that have been left with it in its official  
11 capacity in trust for depositors in and creditors of a liquidated bank after they have been held by it for 6  
12 months from the date of the final liquidation of the institution. Along with this certificate, the department  
13 shall transmit to the state treasurer the funds, with accumulated interest on them, that it has held in trust  
14 for 6 months. A copy of the certificate must also be filed with the state auditor, who shall make a record  
15 of it.

16 (2) The state treasurer shall deposit the funds and interest in the general fund.

17 (3) A depositor or creditor of a liquidated bank who has not been paid the amount standing to the  
18 person's credit as certified to the state treasurer may apply to the department for the amount due. The  
19 depositor or creditor shall make an affidavit and offer proof of identity and of the amount due. When  
20 satisfied as to the correctness of the claim and of the identity of the person, the department shall forward  
21 it to the ~~auditor~~ state treasurer who shall audit the claim and, if found correct, certify the claim to the  
22 department. If the department approves the claim, it shall pay the claim to the depositor or creditor. The  
23 money deposited in the general fund pursuant to this section is statutorily appropriated, as provided in  
24 17-7-502, to the department for the purpose of paying approved claims."  
25

26 **Section 28.** Section 39-3-213, MCA, is amended to read:

27 "**39-3-213. Disposition of wages.** (1) The commissioner of labor ~~and industry~~ shall deposit wages  
28 collected ~~by him~~ under parts 2 and 4 of this chapter into the agency fund and shall attempt to make  
29 payment of wages to the entitled person. Wages deposited into the agency fund are not interest bearing.  
30 The payment of wages collected may be made by means of state warrants.

1 (2) Warrants issued pursuant to subsection (1) ~~which that~~ remain unclaimed for more than 1 year  
 2 from the date of issuance ~~shall~~ must be returned to the state ~~auditor~~ treasurer for cancellation in accordance  
 3 with 17-8-303."  
 4

5 **Section 29.** Section 39-51-3207, MCA, is amended to read:

6 "**39-51-3207. Authority to determine uncollectibility of debts -- transfer of debts for collection --**  
 7 **liability for payment of fees and costs of collection.** (1) After making all reasonable efforts to collect unpaid  
 8 contributions, assessments under 39-51-404(4), and penalties and interest ~~thereon~~, or overpaid benefits  
 9 under 39-51-3206 and interest ~~thereon~~, the department may determine a debt to be uncollectible. Upon  
 10 determining that a debt is uncollectible, the department may transfer the debt to the ~~state auditor~~  
 11 department of administration for collection as provided in 17-4-104.

12 (2) Subject to approval by the department, reasonable fees or costs of collection incurred by the  
 13 ~~state auditor~~ department of administration may be added to the amount of the debt, including added fees  
 14 or costs. The debtor is liable for repayment of the amount of the debt plus fees or costs added pursuant  
 15 to this subsection. All money collected must be returned to the department to be applied to the debt,  
 16 except that all fees or costs collected must be retained by the ~~state auditor~~ department of administration.  
 17 If less than the full amount of the debt is collected, the state auditor shall retain only a proportionate share  
 18 of the collection fees or costs."  
 19

20 **Section 30.** Section 44-2-314, MCA, is amended to read:

21 "**44-2-314. Use of ~~moneys~~ money -- records.** The state ~~auditor~~ treasurer is ~~hereby~~ authorized to  
 22 draw warrants on this account upon request of the attorney general when ~~such moneys are~~ money is  
 23 needed to pay any of the costs of keeping the system operative. A strict accounting ~~shall~~ must be kept of  
 24 all receipts and disbursements and ~~shall~~ must be available as a matter of record to members of the  
 25 appropriations committee of the house of representatives as they may require in the performance of their  
 26 duties."  
 27

28 **Section 31.** Section 53-18-102, MCA, is amended to read:

29 "**53-18-102. Creation of self-sufficiency trust account.** (1) There is created a self-sufficiency trust  
 30 account in the state treasury. The state treasurer shall deposit to the credit of the trust account money

1 received from a self-sufficiency trust for that purpose. The state ~~auditor~~ treasurer shall direct payments  
2 from the trust account upon claims certified by the director of the department.

3 (2) The assets of the trust account must be preserved, invested, and expended in the manner and  
4 for the purposes provided in 53-18-103. At the end of each fiscal year, the unexpended account balance  
5 must carry forward to the next fiscal year and may not revert to the state general fund."  
6

7 **Section 32.** Section 85-8-612, MCA, is amended to read:

8 **"85-8-612. Lien of assessments -- payment of assessments against state lands.** (1) From the time  
9 of the entry of said order, assessments for construction of new work and additional assessments and  
10 interest thereon shall be a lien upon the lands assessed, until paid. Any owner of land or any corporation  
11 assessed for construction may, at any time within 30 days after the confirmation of said report, pay into  
12 court the amount of the assessment against his land or any tract thereof or against any such corporation.  
13 Said payment shall relieve said lands from the lien of said assessment and said corporation from all liability  
14 on said assessment.

15 (2) Upon presentation to the state ~~auditor~~ treasurer of an order of the district court having  
16 jurisdiction of ~~such the~~ drainage district, properly certified, the ~~auditor~~ department of administration shall  
17 draw ~~his a~~ warrant on the ~~treasurer~~ treasury on the common school fund in favor of the commissioners of  
18 ~~such the~~ drainage district for the total amount that may be assessed against any lands included in ~~such the~~  
19 district, the title to which is in the state of Montana, ~~and upon~~ . Upon the payment of ~~such the~~ warrant,  
20 ~~such the~~ lands ~~shall thereby be~~ are relieved from the lien ~~theretofore~~ created for ~~such the~~ costs of  
21 construction."  
22

23 **Section 33.** Section 87-1-206, MCA, is amended to read:

24 **"87-1-206. Bounty claims for wild animals.** (1) The department of fish, wildlife, and parks shall pay  
25 bounty claims for wild animals which have been filed with and approved by the board of livestock. The  
26 department shall pay out of the state fish and game funds, other than those funds derived from license fees  
27 paid by hunters and fishermen, bounties on predatory wild animals as the bounty claims are presented, not  
28 exceeding \$7,500 per calendar year.

29 (2) The board of livestock shall, after approving the bounty claim, deliver the claim to the  
30 department of fish, wildlife, and parks for rejection or approval. If the claim or certificate is rejected, it shall

1 be returned by the department to the board of livestock. If approved, it shall be delivered to the department  
 2 of administration for allowance or disallowance. Nothing in this section takes from the department of fish,  
 3 wildlife, and parks the exclusive power to administer the fish and game moneys at its discretion.

4 (3) If the department of administration allows the claim, ~~it must send it to the auditor. The auditor~~  
 5 ~~must~~ the department shall draw his a warrant on the state fish and game ~~moneys~~ money in the state special  
 6 revenue fund for the amount approved in favor of the claimant, in the order in which the claim is approved."  
 7

8 **Section 34.** Section 87-1-603, MCA, is amended to read:

9 **"87-1-603. Payments to counties for department-owned land -- exceptions.** Before November 30  
 10 of each year, the treasurer of each county in which the department owns any land shall describe the land,  
 11 state the number of acres in each parcel, and request the drawing of a warrant to the county in a sum equal  
 12 to the amount of taxes which would be payable on county assessment of the property were it taxable to  
 13 a private citizen. The director shall approve or disapprove the request. The director may disapprove a  
 14 request only if ~~he~~ the director finds it to be inconsistent with this section. If the director disapproves a  
 15 request, ~~he~~ the director shall return it with an explanation detailing the reasons for the disapproval to the  
 16 appropriate county treasurer for correction. If the director approves a request, ~~he~~ the director shall transmit  
 17 it to the ~~state auditor~~ department of administration, ~~who~~ which shall draw a warrant payable to the county  
 18 in the amount shown on the request and shall send the warrant to the county treasurer. The warrant is  
 19 payable out of any funds to the credit of the department of fish, wildlife, and parks. ~~No~~ A payment may  
 20 not be made to a county in which the department owns less than 100 acres. ~~No~~ A payment may not  
 21 made to a county for lands owned by the department for game or bird farms or for fish hatchery purposes  
 22 or lands acquired and managed for the purposes of Title 23, chapter 1."  
 23

24 **NEW SECTION. Section 35. Repealer.** Section 17-1-121, MCA, is repealed.  
 25

26 **NEW SECTION. Section 36. Codification instruction.** [Section 5] is intended to be codified as an  
 27 integral part of Title 17, chapter 1, part 1, and the provisions of Title 17, chapter 1, part 1, apply to  
 28 [section 5].  
 29

30 **NEW SECTION. Section 37. Effective date.** [This act] is effective July 1, 1995.

-END-

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HOUSE BILL NO. 563

INTRODUCED BY SLITER, BARNETT, BRAINARD, GREEN, CURTISS, AHNER, GRINDE, STOVALL,  
MARSHALL, WELLS, FUCHS, MERCER, CLARK, BOHARSKI, KNOX, OHS, SIMPKINS, DENNY, HAYNE,  
JORE, L. SMITH, TAYLOR, FORBES, WISEMAN, DEVANEY, KEENAN, REHBEIN, STORY, MILLS, ELLIS,  
MCGEE, SOFT, MARTINEZ, MURDOCK, TASH, SOMERVILLE

A BILL FOR AN ACT ENTITLED: "AN ACT TRANSFERRING THE WARRANT WRITING AND BAD DEBT  
MANAGEMENT FUNCTIONS OF THE STATE AUDITOR TO THE DIRECTOR OF THE DEPARTMENT OF  
ADMINISTRATION, WHO IS THE EX OFFICIO STATE TREASURER; ~~CHANGING THE SPECIAL REVENUE  
ACCOUNT FOR THE WARRANT WRITER PROGRAM TO AN INTERNAL SERVICE FUND;~~ AMENDING  
SECTIONS 2-18-411, 2-18-412, 2-18-702, 3-2-503, 7-4-2502, 17-1-101, 17-1-111, 17-1-122, 17-3-1004,  
17-4-101, 17-4-102, 17-4-103, 17-4-104, 17-4-105, 17-4-106, 17-4-107, 17-4-108, 17-6-212, 17-8-211,  
17-8-301, 17-8-303, 17-8-305, 17-8-306, 17-8-307, 23-7-312, 32-1-537, 39-3-213, 39-51-3207,  
44-2-314, 53-18-102, 85-8-612, 87-1-206, AND 87-1-603, MCA; REPEALING SECTION 17-1-121, MCA;  
AND PROVIDING AN EFFECTIVE DATE."

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

THERE ARE NO CHANGES IN THIS BILL AND IT WILL  
NOT BE REPRINTED. PLEASE REFER TO SECOND  
READING COPY (YELLOW) FOR COMPLETE TEXT.

## 1 HOUSE BILL NO. 563

2 INTRODUCED BY SLITER, BARNETT, BRAINARD, GREEN, CURTISS, AHNER, GRINDE, STOVALL,  
 3 MARSHALL, WELLS, FUCHS, MERCER, CLARK, BOHARSKI, KNOX, OHS, SIMPKINS, DENNY, HAYNE,  
 4 JORE, L. SMITH, TAYLOR, FORBES, WISEMAN, DEVANEY, KEENAN, REHBEIN, STORY, MILLS, ELLIS,  
 5 MCGEE, SOFT, MARTINEZ, MURDOCK, TASH, SOMERVILLE

6  
 7 A BILL FOR AN ACT ENTITLED: "AN ACT TRANSFERRING THE WARRANT WRITING AND BAD DEBT  
 8 MANAGEMENT FUNCTIONS OF THE STATE AUDITOR TO THE DIRECTOR OF THE DEPARTMENT OF  
 9 ADMINISTRATION, WHO IS THE EX OFFICIO STATE TREASURER; ~~CHANGING THE SPECIAL REVENUE~~  
 10 ~~ACCOUNT FOR THE WARRANT WRITER PROGRAM TO AN INTERNAL SERVICE FUND;~~ AMENDING  
 11 SECTIONS 2-18-411, 2-18-412, 2-18-702, 3-2-503, 7-4-2502, 17-1-101, 17-1-111, 17-1-122, 17-3-1004,  
 12 17-4-101, 17-4-102, 17-4-103, 17-4-104, 17-4-105, 17-4-106, 17-4-107, 17-4-108, 17-6-212, 17-8-211,  
 13 17-8-301, 17-8-303, 17-8-305, 17-8-306, 17-8-307, 23-7-312, 32-1-537, 39-3-213, 39-51-3207,  
 14 44-2-314, 53-18-102, 85-8-612, 87-1-206, AND 87-1-603, MCA; REPEALING SECTION 17-1-121, MCA;  
 15 AND PROVIDING AN EFFECTIVE DATE."

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

18  
 19 Section 1. Section 2-18-411, MCA, is amended to read:

20 "**2-18-411. Lost warrants -- duplicate.** (1) Upon receipt of proof satisfactory to the ~~state auditor~~  
 21 ~~treasurer~~ that a payroll warrant issued by the state ~~auditor~~ treasurer has been lost or destroyed prior to its  
 22 delivery to the employee to whom it is payable, the state ~~auditor~~ treasurer shall, upon certification by the  
 23 payee's appointing power, issue a duplicate warrant in payment of the same amount without requiring a  
 24 bond from the payee ~~and any~~. Any loss incurred in connection ~~therewith shall~~ with the warrant must be  
 25 charged against the account from which the payment was derived.

26 (2) A payroll warrant ~~shall be~~ is considered to have been lost if it has been sent to the payee but  
 27 not received by ~~him~~ the payee within a reasonable time, consistent with the policy of prompt payment of  
 28 employees, or if it has been sent to a state officer or employee for delivery to the payee or for forwarding  
 29 to another state officer or employee for ~~such~~ delivery and has not been received within ~~such~~ a reasonable  
 30 time."

1           **Section 2.** Section 2-18-412, MCA, is amended to read:

2           "**2-18-412. Designation of person to receive decedent's warrants -- reissuance.** ~~Any~~ A person ~~now~~  
3 ~~or hereafter~~ employed by the state may file with ~~his~~ the person's appointing power a designation of a  
4 person who, notwithstanding any other provision of law, shall, on the death of the employee, be entitled  
5 to receive all warrants that would have been payable to the decedent had ~~he~~ the employee survived. The  
6 employee may change the designation from time to time. A person ~~so~~ designated shall claim ~~such~~ the  
7 warrants from the state ~~auditor~~ treasurer and on sufficient proof of identity, the ~~state auditor~~ treasurer shall  
8 reissue the warrant in the name of the designated person and deliver ~~said~~ the warrant to the designated  
9 person."

10  
11           **Section 3.** Section 2-18-702, MCA, is amended to read:

12           "**2-18-702. Group insurance for public employees and officers.** (1) All counties, cities, towns,  
13 school districts, and the board of regents shall upon approval by two-thirds vote of their respective officers  
14 and employees enter into group hospitalization, medical, health, including long-term disability, accident,  
15 ~~and/or~~ or group life insurance contracts or plans for the benefit of their officers and employees and their  
16 dependents. The laws prohibiting discrimination on the basis of marital status in Title 49 do not prohibit  
17 bona fide group insurance plans from providing greater or additional contributions for insurance benefits  
18 to employees with dependents than to employees without dependents or with fewer dependents.

19           (2) State employees and elected officials, as defined in 2-18-701, may participate in state employee  
20 group benefit plans as are provided for under part 8 of this chapter.

21           (3) For state officers and employees, the premiums required from time to time to maintain the  
22 insurance in force must be paid by the insured officers and employees, and the ~~auditor~~ state treasurer shall  
23 deduct the premiums from the salary or wages of each officer or employee who elects to become insured,  
24 on the officer's or employee's written order, and issue a warrant for the premiums to the insurer.

25           (4) For the purpose of this section, the plans of health service corporations for defraying or  
26 assuming the cost of professional services of licentiates in the field of health or the services of hospitals,  
27 clinics, or sanitariums or both professional and hospital services must be construed as group insurance and  
28 the dues payable under the plans must be construed as premiums for group insurance.

29           (5) If the board of trustees of a school district implements a self-insured group health plan or if the  
30 board of regents implements an alternative to conventional insurance to provide group benefits to its

1 employees, the board shall maintain the alternative plan on an actuarially sound basis."

2  
3 **Section 4.** Section 3-2-503, MCA, is amended to read:

4 **"3-2-503. Accounts of marshal.** All accounts of the marshal must be filed in the supreme court in  
5 a bill of items under oath certified by the chief justice and, when properly chargeable against the state and  
6 approved by the department of administration, must be paid out of the state treasury upon the warrant of  
7 the state ~~auditor~~ treasurer."

8  
9 **Section 5.** Section 7-4-2502, MCA, is amended to read:

10 **"7-4-2502. Payment of salaries of county officials and assistants.** (1) Except as provided in  
11 subsection (2), the salaries of the county officers and their assistants may be paid monthly, twice monthly,  
12 or every 2 weeks out of the general fund of the county and upon the order of the board of county  
13 commissioners.

14 (2) (a) The salaries of the county attorney and deputy county attorneys authorized by 7-4-2703  
15 are payable monthly, with the salary of the county attorney payable one-half from the general fund of the  
16 county and, if the county has supplied the information to the department of justice for inclusion in its  
17 budget, the other one-half from the state treasury upon the warrant of the state ~~auditor~~ treasurer. If the  
18 county has not supplied information concerning any scheduled or proposed increase in salary for the county  
19 attorney to the department of justice for inclusion in material submitted to the budget director under Title  
20 17, chapter 7, part 1, the county is responsible for any increased salary.

21 (b) The county commissioners of each county shall, within 30 days after the election or  
22 appointment to fill a vacancy for any cause in the office of county attorney, certify the election or  
23 appointment to the department of justice. The department shall notify the state ~~auditor~~ treasurer of the  
24 salary of the county attorney. The ~~auditor~~ state treasurer shall draw warrants for the county attorney  
25 salaries in the same manner as for state officers. In case of a vacancy, the county commissioners shall  
26 immediately notify the department of justice, and the department shall compute the salary due on the basis  
27 of the notification.

28 (3) The board has jurisdiction and power, under ~~such~~ limitations and restrictions ~~as are~~ prescribed  
29 by law, to fix the compensation of all county officers not otherwise fixed by law and to provide for the  
30 payment of the compensation and may, for all or the remainder of each fiscal year, in conjunction with

1 setting salaries for other officers as provided in 7-4-2504(1), set their salaries at the prior fiscal year level."

2

3 **Section 6.** Section 17-1-101, MCA, is amended to read:

4 "17-1-101. **Definition of department.** Except in chapter 3, part 3, and ~~chapter 4, part 1,~~ and unless  
5 the context requires otherwise, in this title, "department" means the department of administration provided  
6 for in Title 2, chapter 15, part 10."

7

8 **Section 7.** Section 17-1-111, MCA, is amended to read:

9 "17-1-111. **General fiscal duties of state treasurer.** (1) The state treasurer ~~shall be~~ is the custodian  
10 of all ~~moneys~~ money and securities of the state unless otherwise expressly provided by law.

11 (2) It is the duty of the state treasurer to:

12 (a) receive and account for all ~~moneys~~ money belonging to the state, not expressly required by law  
13 to be received and kept by some other person;

14 (b) pay warrants out of the funds upon which they are drawn;

15 (c) upon payment of any warrant, take upon the back ~~thereof~~ of the warrant the receipt of the  
16 person to whom it is paid;

17 (d) keep an account of all ~~moneys~~ money received and disbursed;

18 (e) at the request of either house of the legislature or of any legislative committee ~~thereof~~, give  
19 information in writing as to the condition of the treasury or ~~upon~~ on any subject relating to the duties of  
20 his the office of state treasurer;

21 (f) superintend the fiscal concerns of the state;

22 (g) suggest plans for the improvement and management of the public revenue;

23 (h) keep an account of all warrants drawn upon the treasury and of other appropriation records that  
24 the treasurer determines to be essential for the support of the accounting records maintained in the  
25 department;

26 (i) charge the outgoing state treasurer with the balance that was in the treasury when the outgoing  
27 treasurer came into office and with all money received and credit the outgoing treasurer with all warrants  
28 drawn on and paid;

29 (j) keep a register of warrants, showing the fund upon which each warrant is drawn, each  
30 warrant's number, who received the warrant, and the date issued;

1           (k) require all persons who have received money belonging to the state but who have not  
 2 accounted for it to settle their accounts;

3           (l) draw warrants on the state treasury for the payment of money directed by law to be paid out  
 4 of the treasury, except that a warrant may not be drawn unless authorized by law;

5           (m) authenticate with the official seal of the state all warrants drawn and all copies of papers  
 6 issued from the office of state treasurer;

7           (n) collect and pay into the state treasury all fees received; and

8           (o) discharge such other duties as may be imposed upon him the state treasurer by law."

9  
 10           **Section 8.** Section 17-1-122, MCA, is amended to read:

11           "**17-1-122. Discretionary ~~duties~~ authority of state auditor treasurer.** ~~In his discretion it is the duty~~  
 12 ~~of the state auditor to~~ The state treasurer may:

13           (1) inspect the books of any persons charged with the receipt, safekeeping, or disbursement of  
 14 public ~~moneys~~ money;

15           (2) require all persons who have received ~~moneys or securities~~ money or who have had the  
 16 disposition or management of any property of the state of which an account is kept in ~~his office~~ the  
 17 department to render statements thereof to him the treasurer, and all such persons. A statement must  
 18 render statements be rendered at such times and in such the form as he may require prescribed by the  
 19 department;

20           (3) promulgate rules regarding the distribution and processing of warrants issued; and

21           (4) ~~establish, under the joint control of the department of administration and the state auditor,~~ a  
 22 system of filing and storage of the original copy of claims paid by state warrant."

23  
 24           **NEW SECTION. Section 9. Authority of state auditor concerning securities.** The state auditor may  
 25 require a person who has received securities of which the auditor keeps account to render to the auditor  
 26 a statement concerning the securities. The statement must be made at the time and in the form prescribed  
 27 by the auditor.

28  
 29           **Section 10.** Section 17-3-1004, MCA, is amended to read:

30           "**17-3-1004. Disbursement of funds.** (1) The money received by the state treasurer under the

1 provisions of 17-3-1003 ~~shall~~ may be paid out ~~by him~~ of the treasury only on a warrant issued by the ~~state~~  
 2 ~~auditor~~ treasurer in payment of claims for expenses actually incurred for the support and maintenance of  
 3 the institution filing the ~~same~~ claims.

4 (2) In the payment of claims presented by a state institution entitled to interest and income from  
 5 land grants or ~~moneys arising therefrom~~ money from a land grant, ~~no~~ a warrant shall ~~may not~~ be drawn  
 6 against the appropriation made by the state out of the general fund for the maintenance of the institution  
 7 filing the claim until interest and income ~~moneys~~ money, ~~insofar as they are~~ available for the payment of  
 8 the items in the claim, ~~are~~ is exhausted."

9

10 **Section 11.** Section 17-4-101, MCA, is amended to read:

11 **"17-4-101. Definitions.** In this part, the following definitions apply:

12 (1) ~~The word "department"~~ **"Department"** means the department of ~~revenue~~ administration.

13 (2) ~~The term "state~~ **"State agency"** includes all state offices, departments, divisions, boards,  
 14 commissions, councils, committees, institutions, university units, and other entities or instrumentalities of  
 15 state government."

16

17 **Section 12.** Section 17-4-102, MCA, is amended to read:

18 **"17-4-102. Accounts of persons indebted to state.** (1) ~~In his discretion it is the duty of the state~~  
 19 ~~auditor to~~ The department may:

20 (a) examine and settle the accounts of persons indebted to the state ~~and~~, certify the amount ~~to~~  
 21 ~~the treasurer and, upon presentation and filing of the treasurer's receipt therefor, to~~ owed, and give such  
 22 the person a discharge ~~and charge the treasurer therewith;~~

23 (b) require any person presenting an account for settlement to be sworn ~~before him~~ and to answer,  
 24 orally or in writing, as to any facts relating to ~~it~~ the debt.

25 (2) The certificate mentioned in subsection (1)(a) must show by whom the payment is to be made,  
 26 the amount ~~thereof~~ of the payment, and the fund into which ~~it~~ the payment is to be ~~paid~~ and must  
 27 deposited. The certificates must be numbered in order, beginning with number 1 at the commencement of  
 28 each fiscal year."

29

30 **Section 13.** Section 17-4-103, MCA, is amended to read:

1           "**17-4-103. Collection of claims by ~~state auditor~~ department.** (1) ~~In his discretion, it is the duty of~~  
 2 ~~the state auditor to~~ The department may examine the collection of money due the state and institute suits  
 3 in its name for official delinquencies in relation to the assessment, collection, and payment of the revenue,  
 4 ~~and~~ against persons who possess public money or property and fail to pay over or deliver the money or  
 5 property, and against debtors of the state. The courts of the county where the seat of government ~~may~~  
 6 ~~be~~ is located have jurisdiction, without regard to the residence of the defendants, over the collection suits  
 7 authorized by this section.

8           (2) Whenever a person has money or other personal property that belongs to the state by escheat  
 9 or otherwise or has been entrusted with the collection, management, or disbursement of money, bonds,  
 10 or interest accruing from the money or bonds, belonging to or held in trust by the state, and fails to render  
 11 an account of the money or personal property to and make settlement with the ~~state auditor~~ department  
 12 within the time prescribed by law or, when ~~no~~ a particular time is not specified, fails to render an account  
 13 and make settlement or ~~who~~ fails to pay into the state treasury the money belonging to the state, upon  
 14 being required to do so by the ~~state auditor~~ department, within 20 days after the requisition, the state  
 15 auditor shall state an account with that person, charging 25% damages and interest at the rate of 10% a  
 16 year from the time of the failure. A copy of the account in a suit is prima facie evidence of the things stated  
 17 in the account, but when the ~~state auditor~~ department cannot for want of information state an account,  
 18 ~~he~~ the department may in an action brought by ~~him~~ the department aver that fact and allege generally the  
 19 amount of money or other property due or belonging to the state.

20           (3) The ~~state auditor~~ department may assist in the collection of a delinquent account owing to any  
 21 state agency and may separately charge the state agency that transferred the debt for the cost of  
 22 assistance. The ~~state auditor~~ department may designate the percentage of collected proceeds to be retained  
 23 for the cost of assistance.

24           (4) The ~~state auditor~~ department may provide a collection service for the general purpose of  
 25 centralizing the collection of all debts owing to the state."  
 26

27           **Section 14.** Section 17-4-104, MCA, is amended to read:

28           "**17-4-104. Circumstances when ~~state auditor~~ department ~~must~~ shall assist.** Subject to and in  
 29 accordance with rules adopted by the ~~state auditor~~ department, the ~~state auditor~~ department shall render  
 30 assistance in the collection of accounts owing to any state agency if all of the following procedures have

1 been completed to ~~his~~ the department's satisfaction:

2 (1) A state agency ~~must~~ shall make all reasonable efforts to collect money owed to it and ~~must~~  
3 shall determine that the money and any interest or penalties ~~therefor~~ are uncollectible in accordance with  
4 criteria for uncollectibility formulated by that agency.

5 (2) Once a state agency has determined that an account owed to it uncollectible, it shall certify  
6 to the ~~state auditor~~ department the amount of the money, interest, and penalties, as accurately as can be  
7 determined. The ~~state auditor~~ department may require ~~submission by~~ the agency ~~of~~ to submit all relevant  
8 evidence and other information regarding the debt and may examine the records of any other state agency  
9 ~~which~~ that may be pertinent in determining the uncollectibility of the debt, unless examination is specifically  
10 prohibited by law.

11 (3) If the ~~state auditor~~ department finds that the debt is uncollectible in accordance with the criteria  
12 for uncollectibility of money due that state agency, ~~he~~ the department shall direct the agency to write off  
13 the debt on its accounts and transfer the debt to ~~him~~ the department.

14 (4) Debts described in 17-4-105(4) need not be determined uncollectible for purposes of this  
15 section."

16

17 **Section 15.** Section 17-4-105, MCA, is amended to read:

18 "**17-4-105. Authority to collect debt -- offsets.** (1) Once a debt of a state agency has been  
19 transferred to the ~~state auditor~~ department, the ~~state auditor has the authority to~~ department may collect  
20 it. The ~~state auditor~~ department may contract with commercial collection agencies for recovery of debts  
21 owed the state.

22 (2) The ~~state auditor~~ department shall offset any amount due a state agency from a person or  
23 entity against any amount, including refunds or taxes, owing the person or entity by any state agency,  
24 ~~provided the state auditor~~ The department may not exercise this right of offset until the debtor has first  
25 been notified by the ~~state auditor~~ department and been given an opportunity for a hearing. An offset may  
26 not be made against any amount paid out as child support collected by the department of social and  
27 rehabilitation services. The ~~state auditor~~ department shall deduct from the claim and draw warrants for the  
28 amounts offset in favor of the respective state agencies to which due and for any balance in favor of the  
29 claimant. Whenever insufficient to offset all amounts due state agencies, the amount available must be  
30 applied first to debts owed by reason of the nonpayment of child support and then in the manner ~~as~~ that

1 the ~~state auditor~~ department, in ~~the state auditor's~~ its discretion, determines.

2 (3) (a) The department of revenue retains the power to offset tax refunds due individuals against  
3 taxes owed the state, provided that the department of revenue may not exercise this right of offset until  
4 the taxpayer has been notified by the department of revenue and been given the opportunity to request a  
5 review.

6 (b) Within 30 days following mailing of notification, the taxpayer may request a review of the  
7 asserted liability. If a review is requested, the department of revenue shall conduct an informal review  
8 conference, which is not subject to the contested case procedures of the Montana Administrative Procedure  
9 Act.

10 (c) Appeal from the decision of the department of revenue after the review conference may be  
11 taken to the state tax appeal board.

12 (d) A taxpayer is not entitled to a review conference for a tax offset if the tax liability has been the  
13 subject matter of any proceeding conducted for the purpose of determining its validity and any decision  
14 made as a result of that proceeding has become final.

15 (4) (a) A debt owed to the department of social and rehabilitation services or being collected by  
16 the department of social and rehabilitation services on behalf of any person or agency may be offset by the  
17 ~~state auditor~~ department of administration if the debt is being enforced or collected by the department of  
18 social and rehabilitation services under Title IV-D of the Social Security Act.

19 (b) The debt need not be determined to be uncollectible, as provided for in 17-4-104, before being  
20 transferred to the ~~state auditor~~ department for offset. The debt must have accrued through written  
21 contract, court judgment, or administrative order.

22 (c) Within 30 days following the notification provided for in subsection (2), the person owing a debt  
23 described in subsection (4)(a) may request a hearing. The person owing a debt is not entitled to a hearing  
24 if the amount of the debt has been the subject matter of any proceeding conducted for the purpose of  
25 determining the validity of the debt and any decision made as a result of that proceeding has become final.  
26 The hearing must be conducted by teleconferencing methods and is subject to the provisions of the  
27 Montana Administrative Procedure Act. The department of social and rehabilitation services shall adopt  
28 rules necessary to determine the hearing procedures.

29 (5) If, in the discretion of the ~~state auditor~~ department, the person or entity refuses or neglects to  
30 file a claim within a reasonable time, the head of the state agency owing the amount shall file the claim on

1 behalf of the person or entity; ~~if~~ if approved by the department ~~of administration~~, it ~~shall have~~ has the  
 2 same force and effect as though filed by the person or entity. The amount due any person or entity from  
 3 the state or any agency of the state is the net amount otherwise owing the person or entity after any  
 4 offset, as provided in this section."

5

6 **Section 16.** Section 17-4-106, MCA, is amended to read:

7 **"17-4-106. Agency owed debt to receive all money collected -- exception.** (1) All money collected  
 8 by the ~~state auditor~~ department on debts transferred to ~~him~~ the department by the various state agencies,  
 9 except funds collected under 17-4-103(3), must be deposited to the account or fund of the agency to  
 10 which the debt was originally owing.

11 (2) Funds collected under 17-4-103(3) must be deposited in an account in the internal service fund  
 12 for the cost of assistance of debt collection by the ~~state auditor~~ department. Funds deposited in excess of  
 13 the amount appropriated for operation of the debt collection program must be carried forward into the next  
 14 fiscal year for operation of the debt collection program. Any excess carried forward into the next fiscal year  
 15 ~~will~~ must be used to reduce the designated percentage of the collected proceeds charged to the various  
 16 state agencies. At the end of each biennium, any fund balance in excess of \$10,000 must be transferred  
 17 ~~back~~ to the general fund."

18

19 **Section 17.** Section 17-4-107, MCA, is amended to read:

20 **"17-4-107. ~~Write-off~~ Writeoff procedures.** (1) The ~~state auditor~~ department may establish  
 21 procedures for canceling and writing off accounts receivable carried on the books of the various state  
 22 agencies that have been transferred to the ~~state auditor's office~~ department pursuant to 17-4-104 and that  
 23 are uncollectible or the continued pursuance of the collection of accounts would cost the state more than  
 24 the amount collected. The procedures must be established in accordance with subsection (2).

25 (2) The department ~~of administration~~ may establish procedures for canceling and writing off  
 26 accounts receivable carried on the books of various state agencies ~~which~~ that are uncollectible or the  
 27 continued pursuance of the collection would cost the state more than the amount collected. The procedures  
 28 must include the reporting to the budget director of any canceling and writing off of accounts receivable."

29

30 **Section 18.** Section 17-4-108, MCA, is amended to read:

1           **"17-4-108. Circumstances under which previously written-off debt may be collected.** If a debt  
2 previously written off under 17-4-107(1) subsequently becomes collectible, the ~~state auditor~~ department  
3 shall proceed to collect the money due pursuant to 17-4-105(1) and 17-4-106."

4  
5           **Section 19.** Section 17-6-212, MCA, is amended to read:

6           **"17-6-212. State purchase of general fund warrants.** (1) The state ~~hereby~~ reserves ~~to itself~~ a  
7 preference right, prior to the right of any person, company, or corporation, to purchase state general fund  
8 warrants issued with funds under the control of the board of investments and subject to investment.

9           (2) When the board of investments has under its control any funds subject to investment ~~which~~  
10 that in its judgment it would be advantageous to have invested in state general fund warrants and there  
11 are not sufficient funds in the state general fund to pay warrants issued against the fund at the time they  
12 are issued and presented for payment, it shall authorize and direct the state treasurer to purchase state  
13 general fund warrants, designating the fund or funds to be so invested and fixing the amount or amounts.  
14 ~~It shall also give notice to the state auditor of the investment to be made by the treasurer, designating the~~  
15 ~~fund or funds to be invested and the amounts.~~

16           (3) The ~~auditor~~ state treasurer shall attach to or stamp, write, or print upon each general fund  
17 warrant ~~thereafter~~ after the funding shortfall issued, until warrants totaling the amounts ~~so~~ designated have  
18 been issued, a notice that the state will exercise its preference right to purchase the warrant.

19           (4) The state treasurer shall, ~~thereafter~~ when the warrant is presented, ~~to him~~ pay it out of the  
20 proper fund as designated by the board, and the warrant ~~so~~ purchased shall must be registered as other  
21 state warrants and must bear interest as provided by law.

22           (5) When the designated amounts have been invested, the state treasurer shall notify the board  
23 of investments, which shall ~~thereupon~~ issue orders upon the proper funds addressed to the state auditor  
24 for warrants to be issued in favor of the treasurer."

25  
26           **Section 20.** Section 17-8-211, MCA, is amended to read:

27           **"17-8-211. Notice required for assignment of claims against state.** (1) All transfers and  
28 assignments made of any claim against the state, or any part ~~thereof~~ of or interest ~~thereon~~ on the claim,  
29 except as ~~hereinafter~~ provided in this section, ~~shall be absolutely null and are~~ void and unenforceable  
30 against the state unless the assignee ~~thereof~~ files written notice of the assignment on ~~such~~ forms as that

1 may be required by the ~~state auditor~~ department of administration, together with a true copy of the  
2 instrument of assignment.

3 (2) The ~~state auditor~~ department may promulgate rules regarding the form of assignment, the  
4 procedures for filing assignments, and the submission of claims covering assigned funds.

5 (3) Unless otherwise expressly permitted by the ~~state auditor~~ department, no more than one  
6 assignment of a claim ~~shall be~~ is effective at one time, and ~~no an~~ assignment ~~shall~~ may not be made to  
7 more than one party, except that an assignment may be made to one party as agent or trustee for two or  
8 more parties. An assignment ~~shall~~ may not be subject to further assignment."

9

10 **Section 21.** Section 17-8-301, MCA, is amended to read:

11 "17-8-301. **State moneys money -- how expended by treasurer.** (1) Except as ~~herein~~ provided in  
12 this section, ~~no moneys~~ money received by the state treasurer may not be paid out ~~by him~~ except upon  
13 a state warrant issued by the ~~state auditor~~ treasurer or on electronic funds transfer authorized by the state  
14 ~~auditor~~ treasurer. The state ~~auditor~~ treasurer may not issue ~~his a~~ warrant or authorize an electronic funds  
15 transfer upon the state ~~treasurer~~ treasury except upon a claim ~~duly~~ approved by the department of  
16 administration in accordance with the laws governing the expenditure of state ~~moneys;~~ money. ~~however~~  
17 However, interest and principal on the public debt may be paid by treasurer's check from the ~~moneys~~  
18 money pledged for ~~such~~ payment, and the provisions of this section do not apply to warrants issued upon  
19 contingent revolving accounts that are in the custody of the state treasurer.

20 (2) As used in 2-18-405 and this section, "electronic funds transfer" means any transfer of funds,  
21 other than a transaction originated by check, draft, or similar paper instrument, that is initiated through an  
22 electronic terminal, telephonic instrument, computer, or magnetic tape and that orders, instructs, or  
23 authorizes the state ~~auditor~~ treasurer to debit or credit an account."

24

25 **Section 22.** Section 17-8-303, MCA, is amended to read:

26 "17-8-303. **Warrants -- presentation and cancellation.** (1) State warrants must be presented for  
27 payment within the time limits specified as follows:

28 (a) Except as provided in subsection (1)(b), all warrants drawn by the state ~~auditor~~ treasurer on  
29 the state treasury ~~shall~~ must be presented for payment within 6 months after the date of the issue ~~thereof~~.

30 (b) Warrants issued for the department of social and rehabilitation services that are funded to any

1 extent with federal money ~~shall~~ must be presented for payment within 180 days after the date of issue.

2 (2) ~~Should~~ If the payee or legal holder of any warrant ~~fail~~ fails to present it for payment within the  
3 time specified in subsection (1), the state ~~auditor~~ treasurer shall enter the ~~same~~ warrant as canceled on the  
4 books of ~~his~~ the treasurer's office and the amount ~~shall~~ must be credited to a separate agency fund account  
5 administered by the ~~state auditor~~ treasurer. ~~Should~~ If the payee or legal owner of any canceled warrant  
6 ~~present~~ presents it for payment or ~~present~~ presents a claim for payment within 4 years from the date of  
7 issue, the state ~~auditor~~ treasurer may, upon proper showing by affidavit, issue a new warrant in lieu ~~thereof~~  
8 of the canceled warrant.

9 (3) Three years and 6 months after cancellation, the warrant ~~shall~~ must be classed as unclaimed  
10 property subject to the provisions of Title 70, chapter 9, parts 1 through 3. ~~Should~~ If the payee or legal  
11 owner of any canceled warrant ~~present~~ presents it for payment or ~~present~~ presents a claim for payment,  
12 ~~such~~ the presentation ~~shall~~ must be to the department of revenue as provided in 70-9-310."

13  
14 **Section 23.** Section 17-8-305, MCA, is amended to read:

15 "17-8-305. **Cost accounting for warrant.** In ~~his~~ the treasurer's discretion, it is the duty of the state  
16 ~~auditor~~ treasurer to establish a cost accounting system to determine the unit cost of issuing and processing  
17 warrants and provide for a system of charges for services rendered in issuing and processing warrants for  
18 claims submitted by any department or agency of the state. ~~No such~~ A charge shall may not be made for  
19 warrants issued against the general fund. Funds collected under this section for budgeted programs ~~shall~~  
20 must be deposited to the credit of the general fund. Funds collected for new or unforeseen programs may  
21 be deposited to the credit of a state special revenue fund account and expended for the purposes of paying  
22 the processing expenses incurred as a result of the new program."

23  
24 **Section 24.** Section 17-8-306, MCA, is amended to read:

25 "17-8-306. **Issuance of duplicate warrant.** (1) The state ~~auditor~~ treasurer may issue a duplicate  
26 warrant whenever any warrant drawn by the state ~~auditor~~ upon the treasurer of the state is lost or  
27 destroyed. This duplicate warrant must be in the same form as the original, except that it must have plainly  
28 printed across its face the word "duplicate". A duplicate warrant may not be issued or delivered unless the  
29 person entitled to receive it deposits with the state ~~auditor~~ treasurer a bond in double the amount for which  
30 the duplicate warrant is issued indemnifying the state and its officers and employees from any loss resulting

1 from the issuance of the duplicate warrant.

2 (2) A bond of indemnity is not required when:

3 (a) the payee is the United States government, a state of the United States, any agency,  
4 instrumentality, or officer of the United States government or of a state, county, city, city and county,  
5 town, district, or other political subdivision of a state or any officer thereof;

6 (b) the owner or custodian is the state of Montana or any agency or officer of the state;

7 (c) the owner or custodian is a bank, savings and loan association, admitted insurer, or trust  
8 company whose financial condition is regulated by the United States government or by the state of  
9 Montana;

10 (d) the state ~~auditor~~ treasurer has chosen to waive the requirement upon receipt of evidence that  
11 the original warrant has been lost or destroyed as a result of a disaster or other major occurrence;

12 (e) the amount of the lost or destroyed warrant is less than \$300;

13 (f) it can be established that a crime has been committed and that as a result a Montana warrant  
14 has been stolen or destroyed;

15 (g) it can be established that a Montana warrant has been mailed to an incorrect payee;

16 (h) the payee is a vendor or contractor doing business with the state of Montana;

17 (i) the payee is a recipient of public assistance under Title 53;

18 (j) the payee is a recipient of a monthly annuity under Title 19;

19 (k) the payee is a recipient of student financial assistance administered or insured by the  
20 guaranteed student loan program pursuant to Title 20, chapter 26; or

21 (l) a state agency approves the issuance of the duplicate warrant and agrees to assume the risk  
22 of the original warrant being cashed.

23 (3) Whenever the owner or custodian applies under the provisions of subsection (2)(d), (2)(f),  
24 (2)(g), (2)(h), (2)(i), (2)(j), (2)(k), or (2)(l), a stop-payment order must be placed on the original warrant by  
25 the state ~~auditor~~ treasurer.

26 (4) Whenever the owner or custodian applies under the provisions of subsection (2)(c), (2)(d),  
27 (2)(e), (2)(f), (2)(g), (2)(h), (2)(i), (2)(j), (2)(k), or (2)(l), the application must include an agreement to  
28 indemnify the state and its officers and employees from any loss resulting from the issuance of a duplicate  
29 warrant. Any loss incurred in connection with the issuance of a duplicate warrant must be charged against  
30 the account from which the payment was derived."

1           **Section 25.** Section 17-8-307, MCA, is amended to read:

2           **"17-8-307. Board's power to prevent payment of ~~auditor's~~ treasurer's warrants.** Whenever the  
3 board of examiners has reason to believe that the state ~~auditor~~ treasurer has drawn or is about to draw his  
4 a warrant without authority of law or for a larger amount than the state actually owes, the board ~~must~~ shall  
5 notify the ~~state~~ treasurer not to pay the warrant ~~so~~ drawn or to be drawn, ~~and thereupon the~~ The state  
6 treasurer is prohibited from paying the warrant, whether already drawn or not, until ~~he is~~ otherwise directed  
7 by the legislature or the board."

8

9           **Section 26.** Section 23-7-312, MCA, is amended to read:

10           **"23-7-312. Lien on lottery winnings for debt collected by IV-D agency -- notice to agency --**  
11 **payment to agency -- procedure.** (1) For purposes of this section, "IV-D agency" means the state child  
12 support enforcement agency created pursuant to Title IV-D of the Social Security Act and providing services  
13 under Title 40, chapter 5.

14           (2) The IV-D agency shall periodically certify to the state lottery the names and social security  
15 numbers of persons owing a debt to or collected by the IV-D agency.

16           (3) Prior to the payment of lottery winnings in excess of \$600, the state lottery shall check the  
17 name of the winner against the list of names and social security numbers of persons owing a debt to or  
18 collected by the IV-D agency.

19           (4) (a) If the winner is on the list of persons owing a debt to or collected by the IV-D agency, the  
20 state lottery shall make a good faith attempt to notify the IV-D agency and the agency then has a lien  
21 against the winnings in the amount of the debt owed to or collected by the IV-D agency. The state lottery  
22 has no liability to the IV-D agency or the individual on whose behalf the IV-D agency is collecting the debt  
23 if the state lottery fails to match a winner's name to a name on the list or is unable to notify the IV-D  
24 agency of a match. The IV-D agency shall provide the state lottery with written notice of a support lien  
25 promptly upon the state lottery's notification of a match.

26           (b) If the lottery winnings are to be paid through the state ~~auditor~~ treasurer, the lottery winner is  
27 entitled to notice and opportunity for hearing under Title 17, chapter 4, part 1, prior to any offset of the  
28 debt against the winnings.

29           (c) If the lottery winnings are to be paid directly by the state lottery, the amount of the debt owed  
30 to or collected by the IV-D agency must be held by the lottery for a period of 30 days from the lottery's

1 confirmation of the amount of the debt to allow the IV-D agency to institute any necessary garnishment  
2 or withholding proceedings. If a garnishment or withholding proceeding is not initiated within the 30-day  
3 period, the lottery shall release the payment to the winner.

4 (d) The IV-D agency, in its discretion, may release or partially release the support lien upon written  
5 notice to the state lottery.

6 (e) A support lien under this section is in addition to any other lien created by law."  
7

8 **Section 27.** Section 32-1-537, MCA, is amended to read:

9 **"32-1-537. Disposition of unclaimed funds.** (1) The department shall certify to the state treasurer  
10 a complete list of funds remaining with it that are uncalled for and that have been left with it in its official  
11 capacity in trust for depositors in and creditors of a liquidated bank after they have been held by it for 6  
12 months from the date of the final liquidation of the institution. Along with this certificate, the department  
13 shall transmit to the state treasurer the funds, with accumulated interest on them, that it has held in trust  
14 for 6 months. A copy of the certificate must also be filed with the state auditor, who shall make a record  
15 of it.

16 (2) The state treasurer shall deposit the funds and interest in the general fund.

17 (3) A depositor or creditor of a liquidated bank who has not been paid the amount standing to the  
18 person's credit as certified to the state treasurer may apply to the department for the amount due. The  
19 depositor or creditor shall make an affidavit and offer proof of identity and of the amount due. When  
20 satisfied as to the correctness of the claim and of the identity of the person, the department shall forward  
21 it to the ~~auditor~~ state treasurer who shall audit the claim and, if found correct, certify the claim to the  
22 department. If the department approves the claim, it shall pay the claim to the depositor or creditor. The  
23 money deposited in the general fund pursuant to this section is statutorily appropriated, as provided in  
24 17-7-502, to the department for the purpose of paying approved claims."  
25

26 **Section 28.** Section 39-3-213, MCA, is amended to read:

27 **"39-3-213. Disposition of wages.** (1) The commissioner of labor ~~and industry~~ shall deposit wages  
28 collected ~~by him~~ under parts 2 and 4 of this chapter into the agency fund and shall attempt to make  
29 payment of wages to the entitled person. Wages deposited into the agency fund are not interest bearing.  
30 The payment of wages collected may be made by means of state warrants.

1 (2) Warrants issued pursuant to subsection (1) ~~which that~~ remain unclaimed for more than 1 year  
2 from the date of issuance ~~shall~~ must be returned to the state ~~auditor~~ treasurer for cancellation in accordance  
3 with 17-8-303."  
4

5 **Section 29.** Section 39-51-3207, MCA, is amended to read:

6 "**39-51-3207. Authority to determine uncollectibility of debts -- transfer of debts for collection --**  
7 **liability for payment of fees and costs of collection.** (1) After making all reasonable efforts to collect unpaid  
8 contributions, assessments under 39-51-404(4), and penalties and interest ~~thereon~~, or overpaid benefits  
9 under 39-51-3206 and interest ~~thereon~~, the department may determine a debt to be uncollectible. Upon  
10 determining that a debt is uncollectible, the department may transfer the debt to the ~~state auditor~~  
11 department of administration for collection as provided in 17-4-104.

12 (2) Subject to approval by the department, reasonable fees or costs of collection incurred by the  
13 ~~state auditor~~ department of administration may be added to the amount of the debt, including added fees  
14 or costs. The debtor is liable for repayment of the amount of the debt plus fees or costs added pursuant  
15 to this subsection. All money collected must be returned to the department to be applied to the debt,  
16 except that all fees or costs collected must be retained by the ~~state auditor~~ department of administration.  
17 If less than the full amount of the debt is collected, the state auditor shall retain only a proportionate share  
18 of the collection fees or costs."  
19

20 **Section 30.** Section 44-2-314, MCA, is amended to read:

21 "**44-2-314. Use of moneys money -- records.** The state ~~auditor~~ treasurer is ~~hereby~~ authorized to  
22 draw warrants on this account upon request of the attorney general when ~~such moneys are~~ money is  
23 needed to pay any of the costs of keeping the system operative. A strict accounting ~~shall~~ must be kept of  
24 all receipts and disbursements and ~~shall~~ must be available as a matter of record to members of the  
25 appropriations committee of the house of representatives as they may require in the performance of their  
26 duties."  
27

28 **Section 31.** Section 53-18-102, MCA, is amended to read:

29 "**53-18-102. Creation of self-sufficiency trust account.** (1) There is created a self-sufficiency trust  
30 account in the state treasury. The state treasurer shall deposit to the credit of the trust account money

1 received from a self-sufficiency trust for that purpose. The state ~~auditor~~ treasurer shall direct payments  
2 from the trust account upon claims certified by the director of the department.

3 (2) The assets of the trust account must be preserved, invested, and expended in the manner and  
4 for the purposes provided in 53-18-103. At the end of each fiscal year, the unexpended account balance  
5 must carry forward to the next fiscal year and may not revert to the state general fund."  
6

7 **Section 32.** Section 85-8-612, MCA, is amended to read:

8 **"85-8-612. Lien of assessments -- payment of assessments against state lands.** (1) From the time  
9 of the entry of said order, assessments for construction of new work and additional assessments and  
10 interest thereon shall be a lien upon the lands assessed, until paid. Any owner of land or any corporation  
11 assessed for construction may, at any time within 30 days after the confirmation of said report, pay into  
12 court the amount of the assessment against his land or any tract thereof or against any such corporation.  
13 Said payment shall relieve said lands from the lien of said assessment and said corporation from all liability  
14 on said assessment.

15 (2) Upon presentation to the state ~~auditor~~ treasurer of an order of the district court having  
16 jurisdiction of ~~such the~~ drainage district, properly certified, the ~~auditor~~ department of administration shall  
17 draw ~~his a~~ warrant on the ~~treasurer~~ treasury on the common school fund in favor of the commissioners of  
18 ~~such the~~ drainage district for the total amount that may be assessed against any lands included in ~~such the~~  
19 district, the title to which is in the state of Montana, ~~and upon~~ Upon the payment of ~~such the~~ warrant,  
20 ~~such the~~ lands ~~shall thereby be~~ are relieved from the lien ~~therefore~~ created for ~~such the~~ costs of  
21 construction."  
22

23 **Section 33.** Section 87-1-206, MCA, is amended to read:

24 **"87-1-206. Bounty claims for wild animals.** (1) The department of fish, wildlife, and parks shall pay  
25 bounty claims for wild animals which have been filed with and approved by the board of livestock. The  
26 department shall pay out of the state fish and game funds, other than those funds derived from license fees  
27 paid by hunters and fishermen, bounties on predatory wild animals as the bounty claims are presented, not  
28 exceeding \$7,500 per calendar year.

29 (2) The board of livestock shall, after approving the bounty claim, deliver the claim to the  
30 department of fish, wildlife, and parks for rejection or approval. If the claim or certificate is rejected, it shall

1 be returned by the department to the board of livestock. If approved, it shall be delivered to the department  
 2 of administration for allowance or disallowance. Nothing in this section takes from the department of fish,  
 3 wildlife, and parks the exclusive power to administer the fish and game moneys at its discretion.

4 (3) If the department of administration allows the claim, ~~it must send it to the auditor. The auditor~~  
 5 ~~must~~ the department shall draw ~~his~~ a warrant on the state fish and game ~~moneys~~ money in the state special  
 6 revenue fund for the amount approved in favor of the claimant, in the order in which the claim is approved."  
 7

8 **Section 34.** Section 87-1-603, MCA, is amended to read:

9 **"87-1-603. Payments to counties for department-owned land -- exceptions.** Before November 30  
 10 of each year, the treasurer of each county in which the department owns any land shall describe the land,  
 11 state the number of acres in each parcel, and request the drawing of a warrant to the county in a sum equal  
 12 to the amount of taxes which would be payable on county assessment of the property were it taxable to  
 13 a private citizen. The director shall approve or disapprove the request. The director may disapprove a  
 14 request only if ~~he~~ the director finds it to be inconsistent with this section. If the director disapproves a  
 15 request, ~~he~~ the director shall return it with an explanation detailing the reasons for the disapproval to the  
 16 appropriate county treasurer for correction. If the director approves a request, ~~he~~ the director shall transmit  
 17 it to the ~~state auditor~~ department of administration, ~~who~~ which shall draw a warrant payable to the county  
 18 in the amount shown on the request and shall send the warrant to the county treasurer. The warrant is  
 19 payable out of any funds to the credit of the department of fish, wildlife, and parks. ~~No~~ A payment may  
 20 not be made to a county in which the department owns less than 100 acres. ~~No~~ A payment may not be  
 21 made to a county for lands owned by the department for game or bird farms or for fish hatchery purposes  
 22 or lands acquired and managed for the purposes of Title 23, chapter 1."  
 23

24 **NEW SECTION. Section 35. Repealer.** Section 17-1-121, MCA, is repealed.

25  
 26 **NEW SECTION. Section 36. Codification instruction.** [Section 5] is intended to be codified as an  
 27 integral part of Title 17, chapter 1, part 1, and the provisions of Title 17, chapter 1, part 1, apply to  
 28 [section 5].  
 29

30 **NEW SECTION. Section 37. Effective date.** [This act] is effective July 1, 1995.

-END-