

House BILL NO. 319

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INTRODUCED BY *Allen*

A BILL FOR AN ACT ENTITLED: "AN ACT CHANGING THE DATE BY WHICH A LOCAL GOVERNMENT USING THE LOCAL GOVERNMENT ALTERNATIVE ACCOUNTING METHOD MUST HAVE ADOPTED A BUDGET; AMENDING SECTION 7-6-604, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

WHEREAS, current law requires a local government that has adopted the local government alternative accounting method to complete the budget by July 1; and

WHEREAS, taxable valuation and beginning fiscal year cash balances, major components of a local government budget, are not usually determined by July 1; and

WHEREAS, taxable valuation is needed to determine mill levies, and the Department of Revenue does not usually provide this information until mid-July.

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

Section 1. Section 7-6-604, MCA, is amended to read:

"7-6-604. Alternative accounting method -- requirements. A local government entity that adopts the alternative accounting method shall:

(1) prepare its accounting records and financial reports in accordance with generally accepted accounting principles established by the governmental accounting standards board or its generally recognized successor;

(2) adopt a fiscal year that commences on July 1 of each year;

(3) (a) compile an annual financial report covering the preceding fiscal year and submit a copy of the annual financial report or an annual audit, pursuant to subsection (3)(b), to the department of commerce within 6 months of the end of that reported fiscal year; or

(b) if the local government entity submits an audit report in lieu of an annual financial report, ensure that the audit report contains, at a minimum, the entity's general purpose financial statements and combining and individual fund and account group statements as defined under the principles described in subsection (1);

- 1 (4) cause an annual audit in accordance with the provisions of Title 2, chapter 7, part 5; and
- 2 (5) ensure that a budget is made each year that:
- 3 (a) shows the complete expenditure program for the local government entity for the coming fiscal
- 4 year and the sources by which it will be funded;
- 5 (b) must be completed ~~by July 1~~ on or before the second Monday in August of the current fiscal
- 6 year;
- 7 (c) must be approved or amended by the governing body in a regularly scheduled meeting;
- 8 (d) must be the subject of one or more advertised public hearings, pursuant to the provisions of
- 9 7-1-2121 or 7-1-4127, prior to approval or amendment; and
- 10 (e) must be submitted to the department of commerce by September 15."

11

12 NEW SECTION. Section 2. Effective date. [This act] is effective on passage and approval.

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