

HOUSE BILL NO. 556

INTRODUCED BY G. MACLAREN

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4 A BILL FOR AN ACT ENTITLED: "AN ACT PROHIBITING STATE AND LOCAL PUBLIC AGENCIES AND
5 SCHOOL DISTRICTS FROM PAYING, ON AND AFTER JULY 1, 2010, AN EMPLOYEE OR CONTRACTOR
6 FOR SERVICES PERFORMED OR TO BE PERFORMED UNLESS THE EMPLOYEE, CONTRACTOR, OR ANY
7 EMPLOYEE OF THE CONTRACTOR IS DETERMINED NOT TO BE AN UNAUTHORIZED ALIEN AT THE TIME
8 THE EMPLOYEE OR CONTRACTOR IS HIRED; AMENDING SECTIONS 7-6-2602, 7-6-4302, 17-1-102,
9 20-9-221, AND 20-15-404, MCA; AND PROVIDING AN APPLICABILITY DATE."

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

12
13 **Section 1.** Section 7-6-2602, MCA, is amended to read:
14 **"7-6-2602. Payment of warrants.** (1) The county treasurer may not pay any order or warrant except
15 to the payee of the warrant or to the payee's agent, assignee, or legal representative, whose authority must be
16 in writing and delivered to the county treasurer. The written authority must be returned with the order or warrant,
17 when paid, to the board of county commissioners.
18 (2) On and after July 1, 2010, a warrant, order, claim, or payment may not be paid by a county to a
19 county employee or county contractor for services performed or to be performed unless the employee, contractor,
20 or any employee of the contractor is determined, through the use of the e-verify system of the U.S. department
21 of homeland security, not to be an unauthorized alien, as defined by 8 U.S.C. 1324a(h)(3), at the time the
22 employee or contractor is hired."

23
24 **Section 2.** Section 7-6-4302, MCA, is amended to read:
25 **"7-6-4302. Payment of claims by warrant or check.** (1) All accounts and demands against a city or
26 town must be submitted to the council and, if found correct, must be allowed and an order must be made that the
27 demand be paid. The demand must be paid in accordance with one of the following options:
28 (+)(a) The mayor may draw a warrant upon the treasury in favor of the owner, specifying for what
29 purpose and by what authority it is issued and out of what funds it is to be paid. The city treasurer or town clerk
30 shall pay the warrant out of the proper fund.

1 ~~(2)(b)~~ The city treasurer or town clerk may pay the demand by check when there are sufficient city funds
 2 on deposit in an interest-bearing checking account in a bank within the city or town that are available to cover the
 3 check.

4 (2) On and after July 1, 2010, a warrant, demand, check, or payment may not be paid by the mayor,
 5 treasurer, or clerk to a city or town employee or city or town contractor for services performed or to be performed
 6 unless the employee, contractor, or any employee of the contractor is determined, through the use of the e-verify
 7 system of the U.S. department of homeland security, not to be an unauthorized alien, as defined by 8 U.S.C.
 8 1324a(h)(3), at the time the employee or contractor is hired."

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10 **Section 3.** Section 17-1-102, MCA, is amended to read:

11 **"17-1-102. Uniform accounting system and expenditure control.** (1) The department shall establish
 12 a system of financial control so that the functioning of the various agencies of the state may be improved,
 13 duplications of work by different state agencies and employees may be eliminated, public service may be
 14 improved, and the cost of government may be reduced.

15 (2) (a) The department shall prescribe and install a uniform accounting and reporting system for all state
 16 agencies and institutions, reporting the receipt, use, and disposition of all public money and property in
 17 accordance with generally accepted accounting principles.

18 (b) On and after July 1, 2010, a payment may not be made through the system to a state employee or
 19 state contractor for services performed or to be performed unless the employee, contractor, or any employee of
 20 the contractor is determined, through the use of the e-verify system of the U.S. department of homeland security,
 21 not to be an unauthorized alien, as defined by 8 U.S.C. 1324a(h)(3), at the time the employee or contractor is
 22 hired.

23 (3) The uniform accounting and reporting system must contain three levels of expenditure. The first level
 24 must include general categories, such as personal services, operating expenses, equipment, capital outlay, local
 25 assistance, grants, benefits and claims, transfers, and debt service. The second level of expenditure must include
 26 specific categories of expenditures within each first-level category. The third level of expenditure must include
 27 specific items of expenditure within each category of the second level.

28 (4) All state agencies, including units of the university system but excluding community colleges, shall
 29 input all necessary transactions to the accounting system prescribed in subsection (2) before the accounts are
 30 closed at the end of the fiscal year in order to present the receipt, use, and disposition of all money and property

1 for which the agency is accountable in accordance with generally accepted accounting principles, except that for
2 budgetary control purposes, encumbrances that are required by generally accepted accounting principles to be
3 reported as a reservation of fund balance must be recorded as expenditures and liabilities on the accounting
4 records in accordance with the following requirements:

5 (a) Goods and services, grants, and local assistance that are paid for with the general fund, in whole or
6 in part, may be encumbered. The general fund encumbrances must be reviewed by the department, and a
7 specific extension plan must be presented by the encumbering agency to the department prior to the fiscal
8 yearend. If a valid extension plan is not received and approved, the department shall delete the encumbrance
9 at fiscal yearend. The department shall present a fiscal yearend report to the office of budget and program
10 planning and to the legislative finance committee on each general fund encumbrance remaining at fiscal yearend.

11 (b) Nongeneral fund encumbrances also require a valid extension plan approved by the department at
12 the end of each fiscal year. After 3 years, approved extensions must be included by the department in its fiscal
13 yearend report to the office of budget and program planning and to the legislative finance committee."
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15 **Section 4.** Section 20-9-221, MCA, is amended to read:

16 **"20-9-221. Procedure for issuance of warrants.** (1) The trustees of each district shall issue all
17 warrants, and the warrants must identify the fund on which the warrant is drawn.

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

26 (3) The trustees may issue warrants in multiple copies. If multiple copies are issued, the copies must be
27 identified on the face of the warrant as "Not Negotiable--Copy of Original".

28 (4) However, the trustees may elect to issue warrants in payment of wages and salaries on a direct
29 deposit basis to the employee's account in a local bank, provided the consent of the employee has been obtained
30 and the employee is given an itemized statement of payroll deductions for each pay period.

1 (5) On and after July 1, 2010, a warrant or other payment may not be made by a district to a district
2 employee or district contractor for services performed or to be performed unless the employee, contractor, or any
3 employee of the contractor was determined, through the use of the e-verify system of the U.S. department of
4 homeland security, not to be an unauthorized alien, as defined in 8 U.S.C. 1324a(h)(3), at the time the employee
5 or contractor is hired."

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7 **Section 5.** Section 20-15-404, MCA, is amended to read:

8 **"20-15-404. Trustees to adhere to certain other laws.** Unless the context clearly indicates otherwise,
9 the trustees of a community college district shall adhere to:

- 10 (1) the teachers' retirement provisions of Title 19, chapter 20;
11 (2) the provisions of 20-1-201, 20-1-205, 20-1-211, and 20-1-212;
12 (3) the school property provisions of 20-6-604, 20-6-605, 20-6-621, 20-6-622, 20-6-624, 20-6-631, and
13 20-6-633 through 20-6-636;
14 (4) the adult education provisions of Title 20, chapter 7, part 7;
15 (5) the administration of finances provisions of 20-9-115, 20-9-134, 20-9-207, 20-9-208, 20-9-210,
16 20-9-215, 20-9-221 except 20-9-221(5), 20-9-223, and 20-9-512;
17 (6) the school bond provisions of 20-9-401 through 20-9-408, 20-9-410 through 20-9-412, 20-9-421
18 through 20-9-446, 20-9-461, 20-9-464, and 20-9-465;
19 (7) the special purpose funds provisions of 20-9-502, 20-9-503, 20-9-507, 20-9-508, and 20-9-511;
20 (8) the educational cooperative agreements provisions of 20-9-701 through 20-9-704;
21 (9) the school elections provisions of Title 20, chapter 20;
22 (10) the students' rights provisions of 20-25-511 through 20-25-516; and
23 (11) the health provisions of 50-1-206."

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25 **NEW SECTION. Section 6. Applicability.** [This act] applies to an employee, contractor, and
26 contractor's employee of the state or a county, city, town, or school district hired on or after July 1, 2010.

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