



AN ACT ALLOWING GOVERNMENT ACCOUNTING STANDARDS TO INCLUDE A FINANCIAL REPORTING FRAMEWORK AS DEFINED BY THE DEPARTMENT OF ADMINISTRATION; PROVIDING RULEMAKING AUTHORITY; AMENDING SECTIONS 2-7-504, 7-6-609, AND 7-6-611, MCA; AND PROVIDING AN EFFECTIVE DATE AND AN APPLICABILITY DATE.

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

Section 1. Section 2-7-504, MCA, is amended to read:

"2-7-504. Accounting methods. (1) Unless otherwise required by law, the department shall prescribe by rule the general methods and details of accounting for the receipt and disbursement of all money belonging to local government entities and shall establish in those offices general methods and details of accounting. All local government entity officers shall conform with the accounting standards prescribed by the department.

(2) The rules adopted by the department must be in accordance with:

(a) generally accepted accounting principles established by the governmental accounting standards board or its generally recognized successor; or

(b) a small government financial reporting framework that is defined by the department and derived from the generally accepted accounting principles referenced in subsection (2)(a)."

Section 2. Section 7-6-609, MCA, is amended to read:

"7-6-609. Declaration of policy. (1) It is the policy of the state of Montana that all governmental accounting systems be established and maintained in accordance with:

(a) generally accepted accounting principles that are nationally recognized as set forth by the governmental accounting standards board or its generally recognized successor; or

(b) a small government financial reporting framework that is defined by the department and derived from the generally accepted accounting principles referenced in subsection (1)(a).

(2) The codifications, pronouncements, and interpretations of the governmental accounting standards

board or its generally recognized successor must be recognized as the primary authoritative reference for governmental accounting."

Section 3. Section 7-6-611, MCA, is amended to read:

"7-6-611. Role of department of administration. (1) The department of administration shall prescribe for all local governments:

(a) general methods and details of accounting ~~in accordance with generally accepted accounting principles~~ as provided in 2-7-504;

(b) uniform internal and interim reporting systems as part of the uniform reporting systems provided for in 2-7-503;

(c) the form of the annual financial report as provided in 2-7-503; and

(d) general methods and details of accounting for the annual financial report as provided in 2-7-513.

(2) Local governments shall file with the department of administration:

(a) an annual financial report within 6 months of the fiscal yearend; and

(b) an audit report within 12 months of the end of the audited period.

(3) The governing body of each county or municipality shall notify the department of administration in writing, on a form prescribed by the department of administration, of the creation, dissolution, combination, or other legal alteration of any special purpose district within the county or municipality.

(4) Each special purpose district shall obtain a permanent mailing address and notify the department of administration of the address and of any subsequent changes of the district's address."

Section 4. Effective date. [This act] is effective July 1, 2019.

Section 5. Applicability. [This act] applies to fiscal years beginning on or after July 1, 2019.

- END -

I hereby certify that the within bill,
SB 0002, originated in the Senate.

President of the Senate

Signed this _____ day
of _____, 2019.

Secretary of the Senate

Speaker of the House

Signed this _____ day
of _____, 2019.

SENATE BILL NO. 2

INTRODUCED BY M. MACDONALD

BY REQUEST OF THE LOCAL GOVERNMENT INTERIM COMMITTEE

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