_____ BILL NO. _____

INTRODUCED BY _____

BY REQUEST OF THE DEPARTMENT OF ADMINISTRATION

A BILL FOR AN ACT ENTITLED: “AN ACT ELIMINATING THE BIENNIAL REPORT TO THE LEGISLATIVE FISCAL ANALYST AND THE LEGISLATIVE AUDITOR OF ACTIVE ACCOUNTS FOR WHICH A MODIFIED DEPOSIT SCHEDULE HAS BEEN APPROVED; AMENDING SECTION 17-6-105, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE.”

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

Section 1. Section 17-6-105, MCA, is amended to read:

"**17-6-105. State treasurer as treasurer of state agencies -- deposits of money.** (1) The state treasurer is designated the treasurer of every state agency and institution.

(2) All state agencies shall deposit all money, credits, evidences of indebtedness, and securities either:

(a) in banks, building and loan associations, savings and loan associations, or credit unions located in the city or town in which the agencies are situated, if there is a qualified bank, building and loan association, savings and loan association, or credit union in the city or town as designated by the state treasurer with the approval of the board of investments; or

(b) with the state treasurer.

(3) Each bank, building and loan association, savings and loan association, or credit union shall pledge securities sufficient to cover 50% of the deposits at all times.

(4) The deposits must be made in the name of the state treasurer, must be subject to withdrawal at the treasurer's option, and must draw interest as other state money, in accordance with the provisions of this part.

(5) This chapter does not impair or otherwise affect any covenant entered into pursuant to law by any agency respecting the segregation, deposit, and investment of any revenue or funds pledged for the

payment and security of bonds or other obligations authorized to be issued by the agency, and all the funds must be deposited and invested in accordance with the covenants notwithstanding any provision of this chapter.

(6) Except as otherwise provided by law and subject to subsection (8), all money, credits, evidences of indebtedness, and securities received by a state agency must be deposited with the state treasurer or in a depository approved by the state treasurer each day when the accumulated amount of coin and currency requiring deposit exceeds $200 or total collections exceed $750. All money, credits, evidences of indebtedness, and securities collected must be deposited at least every 14 days.

(7) Whenever the department determines that it is in the best financial interest of the state, the department may require any money received or collected by any agency to be immediately deposited to the credit of the state treasurer.

(8) (a) An agency may propose a modified deposit schedule, including proposed internal controls, to the department that is different from the deposit schedule requirements of subsection (6). Upon receiving a proposal, the department shall transmit a copy of the proposal to the board of investments. The department shall review the proposal to ensure that deposits are made every 14 days unless the requesting agency shows hardship due to peak processing times.

(b) (i) The department shall review the proposal to ensure adequate internal controls over amounts to be deposited.

(ii) The board of investments shall review the proposal to ensure that state assets and earnings on the assets are maximized.

(c) (i) If the department and the board of investments each approves of the proposal, the department shall notify the agency that the proposal is approved and the department and the agency may proceed to implement the proposal.

(ii) If the department or the board of investments disapproves the proposal, the department shall notify the agency that the proposal is disapproved.

~~(9) On or before September 15 immediately preceding a regular legislative session, the department shall submit to the legislative fiscal analyst and the legislative auditor a report detailing all active accounts for which a modified deposit schedule has been approved under subsection (8).~~

~~(10)~~ (9) For the purposes of this section, "agency" has the meaning provided in 17-1-104 and includes a contractor of an agency if the contractor collects at least $50,000 annually on behalf of the state from all sources."

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

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