

BEFORE THE DEPARTMENT OF ADMINISTRATION
OF THE STATE OF MONTANA

In the matter of the amendment of) NOTICE OF PROPOSED
ARM 2.4.402 pertaining to the Single) AMENDMENT
Audit Act reporting fees for local)
governments) NO PUBLIC HEARING
) CONTEMPLATED

TO: All Concerned Persons

1. On July 27, 2015, the Department of Administration proposes to amend the above-stated rule.

2. The Department of Administration will make reasonable accommodations for persons with disabilities who wish to participate in this rulemaking process or need an alternative accessible format of this notice. If you require an accommodation, contact the Department of Administration no later than 5:00 p.m. on July 10, 2015, to advise us of the nature of the accommodation that you need. Please contact Kay Gray, Local Government Services Bureau, 301 South Park Avenue – Room 340, P.O. Box 200547, Helena, Montana 59620-0547; telephone (406) 841-2903; Montana Relay Service 711; facsimile (406) 841-2910; or e-mail to kaygray@mt.gov.

3. The rule proposed to be amended provides as follows, new matter underlined, deleted matter interlined:

2.4.402 REPORT FILING FEE (1) through (6)(c) remain the same.
(7) The annual filing fees for local government entities are as follows:

<u>Annual Revenues Equal to or Greater Than:</u>	<u>Annual Revenues Less Than:</u>	<u>Fee</u>
\$0	\$200,000	\$0
\$200,000	\$500,000	\$200
\$500,000	\$1,000,000	\$435 <u>550</u>
\$1,000,000	\$1,500,000	\$635 <u>800</u>
\$1,500,000	\$2,500,000	\$760 <u>950</u>
\$2,500,000	\$5,000,000	\$845 <u>1,300</u>
\$5,000,000	\$10,000,000	\$890 <u>1,700</u>
\$10,000,000	\$50,000,000	\$965 <u>2,500</u>
\$50,000,000		\$1,000 <u>3,000</u>

This filing fee schedule is effective for annual financial reports for years ended June 30, 2007 2015, and after. ~~For annual financial reports for years ended October 1, 2007, and after, the annual filing fee for local government entities with annual revenues less than \$500,000 is zero.~~

AUTH: 2-7-514, MCA

IMP: 2-7-514, MCA

STATEMENT OF REASONABLE NECESSITY: The change in the annual filing fee in ARM 2.4.402(7) is necessary to comply with 2-7-514, MCA, which requires the department to charge a fee based upon the costs incurred by the department in administration of the Single Audit Act. Legislatively authorized funding changes and the implementation of a new computer application, which allows for electronic reporting and increased transparency, necessitate the filing fee changes. Additionally, over the last several years, expenditures have exceeded revenues and have depleted working capital reserves. No other funding options exist as the administration of the Montana Single Audit Act is funded through local government filing fees and with general fund appropriations. Total estimated annual shortfall is \$261,000. The department is also removing extraneous information regarding revenues less than \$500,000.

It is estimated that approximately 500 entities will be affected by the change in the filing fees, which will generate an estimated \$262,100 in additional annual revenue.

4. Concerned persons may present their data, views, or arguments concerning the proposed action to Kay Gray, Bureau Chief, Local Government Services Bureau, 301 South Park Avenue – Room 340, P.O. Box 200547, Helena, Montana 59620-0547; faxed to the office at (406) 841-2910; or e-mailed to kaygray@mt.gov; and must be received no later than 5:00 p.m., July 23, 2015.

5. If persons who are directly affected by the proposed action wish to express their data, views, or arguments orally or in writing at a public hearing, they must make written request for a hearing and submit this request along with any written comments to the person listed in 4 above no later than 5:00 p.m., July 23, 2015.

6. If the Local Government Services Bureau receives requests for a public hearing on the proposed action from either 10 percent or 25, whichever is less, of the persons directly affected by the proposed action; from the appropriate administrative rule review committee of the Legislature; from a governmental subdivision or agency; or from an association having not less than 25 members who will be directly affected, a hearing will be held at a later date. Notice of the hearing will be published in the Montana Administrative Register. Ten percent of those directly affected has been determined to be 130 based on the number of Montana local governments.

7. An electronic copy of this proposal notice is available through the department's web site at <http://doa.mt.gov/administrativerules>. The department strives to make the electronic copy of the notice conform to the official version of the notice, as printed in the Montana Administrative Register, but advises all concerned persons that if a discrepancy exists between the official printed text of the notice and the electronic version of the notice, only the official printed text will be considered. In addition, although the department works to keep its web site accessible at all times,

concerned persons should be aware that the web site may be unavailable during some periods, due to system maintenance or technical problems.

8. The Local Government Services Bureau maintains a list of interested persons who wish to receive notices of rulemaking actions proposed by this bureau. Persons who wish to have their name added to the mailing list shall make a written request which includes the name, mailing address, and e-mail address of the person to receive notices and specifies that the person wishes to receive notices regarding bureau rulemaking actions. Notices will be sent by e-mail unless a mailing preference is noted in the request. Such written requests may be mailed or delivered to the person listed in 4 or may be made by completing a request form at any rules hearing held by the department.

9. The bill sponsor contact requirements of 2-4-302, MCA, do not apply.

10. The department has determined that under 2-4-111, MCA, the proposed rule amendments will not significantly and directly affect small businesses.

By: /s/ Sheila Hogan
Sheila Hogan, Director
Department of Administration

By: /s/ Michael P. Manion
Michael P. Manion, Rule Reviewer
Department of Administration

Certified to the Secretary of State June 15, 2015.