Report by the Director of the Department of Administration to the Legislature on
Local Government Compliance with Title 17, Chapter 2, Part 3, MCA, "State and Local Charges for Services – Limit on Fund Balance."

August 11, 2026

§17-2-304(2), MCA, requires that the Director of the Department of Administration shall report to the Legislature at the time and in the manner required by §5-11-210 a list of each local government entity that did not comply with the statutory provisions of Title 17, Chapter 2 Part 3, MCA , during the previous 12 months. §5-11-210 (1) requires that the report be submitted to the executive director of the legislative services division. §5-11-222 states that this report must be filed in accordance with §5-11-210 on or before September 1.

§17-2-302(1), MCA - …a local government entity that deposits money into a local charge for services fund may not maintain a cash balance in the fund greater than twice the annual appropriation for that year…

§17-2-303, MCA - …a local government entity that maintains a cash balance in a local charge for services fund contrary to the limitation provided in 17-2-301(1) for more than 60 days shall, within 120 days after the end of the 60-day period, reduce the charge for services …until the cash balance in the local fund complies with the limitation in 17-2-302(1).

§17-2-302(3), MCA, requires that an independent auditor shall include in an audit performed …pursuant to Title 2, Chapter 7, part 5, a determination of whether money is or has been retained in a …local charge for services fund contrary to the requirements of this section or 17-2-303.

A review by the Department of Administration of local government entity audit reports submitted by independent auditors revealed no audit findings for the fiscal year ended June 30, 2025. The review disclosed the following audit findings covering the fiscal year ended June 30, 2024: reported local government entities were not in compliance with these statutory provisions. The reviews were conducted of local government entity audit reports received as of August 11, 2026, and covering the fiscal years ended June 30, 2024, and 2025.

Local Gov't Entity & Audit Period	Local Charge for Services Fund	Balance in a local charge for services fund contrary to 17-2-302(1)?	Failed to reduce the charge as provided in 17-2-303?	Local Gov't Entity's Response to Audit Finding
City of Livingston Annual Audit for FY2024	Impact Fees	Yes	Yes	The City does not intend to reduce the charges for services because those funds are being accumulated for a specific future railroad crossing project and will be spent in the next upcoming years.