

HOUSE BILL NO. 65

INTRODUCED BY L. DEMING

BY REQUEST OF THE SENATE SELECT COMMITTEE ON JUDICIAL OVERSIGHT AND REFORM

A BILL FOR AN ACT ENTITLED: "AN ACT REQUIRING THE LEGISLATIVE AUDIT DIVISION TO AUDIT THE MONTANA STATE BAR ASSOCIATION; REQUIRING THE JUDICIAL BRANCH TO COVER THE COST OF THE AUDIT; AND AMENDING SECTION 5-13-102, MCA."

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

**NEW SECTION. Section 1. Audit state bar of Montana.** (1) There must be a one-time performance audit of the state bar of Montana. The performance audit must be conducted by or at the direction of the legislative auditor and may include but is not limited to:

(a) an audit creating a thorough understanding of each funding source and how the state bar of Montana is funded and from where, how much money is received from each funding source, and how each dollar from each source is spent over the past 10 years; and

(b) an analysis of budgets, costs, and functions of the state bar of Montana over time.

(2) The legislative auditor shall scope and plan the audit based on risk, including a consideration of the state bar of Montana's financial, operational, and technological risks associated with meeting its intended purpose, goals, objectives, and legal mandates. The legislative auditor shall consider all of the responsibilities, goals, and objectives of the state bar of Montana and the office of disciplinary counsel as part of the legislative auditor's scoping and selection process.

(3) The objectives of this audit must be formulated, defined, and conducted in accordance with industry standards established for auditing as described in 5-13-308. The audit must be conducted in compliance with 5-13-309(2).

(4) The cost of the audit in whole must be paid for by the judicial branch.

(5) The audit must be completed and presented to the legislative audit committee no later than December 15, 2026. Following review by the legislative audit committee, the audit and any audit followup must:

(a) be delivered to members of the law and justice interim committee and the section D interim budget subcommittee who shall serve in the 70th legislature; and

(b) be posted on the website of the legislative audit division.

**Section 2.** Section 5-13-102, MCA, is amended to read:

**"5-13-102. Definitions.** In this chapter:

- (1) "committee" means the legislative audit committee;
- (2) "state agency" means all offices, departments, boards, commissions, institutions, universities, colleges, entities created by an order of or subject to supervision by the Montana supreme court, and any other person or any other administrative unit of state government that spends or encumbers public moneys by virtue of an appropriation from the legislature or that handles money on behalf of the state or that holds any trust or agency moneys from any source."

- END -