

## HOUSE BILL NO. 76

INTRODUCED BY BUZZAS

BY REQUEST OF THE LEGISLATIVE FINANCE COMMITTEE

A BILL FOR AN ACT ENTITLED: "AN ACT ESTABLISHING A BUDGET STABILIZATION ACCOUNT; PROVIDING SOURCES OF FUNDS; REQUIRING A TWO-THIRDS VOTE OF EACH HOUSE OF THE LEGISLATURE FOR APPROPRIATION OF THE BUDGET STABILIZATION ACCOUNT; PROVIDING A STATUTORY APPROPRIATION; AMENDING SECTIONS 10-3-101, 10-3-312, AND 17-7-502, MCA; AND PROVIDING ~~AN IMMEDIATE~~ A DELAYED EFFECTIVE DATE."

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

**NEW SECTION. Section 1. Budget stabilization account -- two-thirds vote for appropriation -- statutory appropriation.** (1) There is a budget stabilization account established in the state special revenue fund, as provided for in 17-2-102(1)(b)(i). Except for the statutory appropriation in subsection (2), the budget stabilization account may be appropriated only by a two-thirds vote of each house of the legislature.

(2) Up to \$16 million of the budget stabilization account is statutorily appropriated, as provided in 17-7-502, to the office of the governor to be used whenever an emergency or disaster is declared by the governor pursuant to Title 10, chapter 3, and the money may be expended by the governor pursuant to 10-3-312. The statutory appropriation in this subsection may be used by any state agency designated by the governor.

**NEW SECTION. Section 2. Source of funds.** (1) Beginning July 1, ~~2005~~ 2007, the department shall transfer 1% of the actual unrestricted revenue collections received in the completed fiscal year to be set aside in the budget stabilization account provided for in [section 1].

(2) At the end of the biennium, the department shall transfer to the budget stabilization account 100% of the previous 2 fiscal years' revenue in excess of the most recent general fund revenue estimating resolutions for that biennium and adjusted for the fiscal impact of legislation that is passed and approved during the legislative session in which the most recent revenue estimating resolutions were adopted for that biennium. If the transfer to the budget stabilization account would result in the budget stabilization account reaching a sum greater than 10% of the previous 2 fiscal years' average general fund revenue, the amount of unanticipated

1 balance that is in excess of the 10% limit must remain in the general fund.

2 (3) Interest income from the budget stabilization account must be deposited in the account.

3 (4) Gifts, donations, or other money made available to the budget stabilization account must be  
4 deposited in the account.

5

6 **Section 3.** Section 10-3-101, MCA, is amended to read:

7 **"10-3-101. Declaration of policy.** Because of the existing and increasing possibility of the occurrence  
8 of disasters or emergencies of unprecedented size and destructiveness resulting from enemy attack, sabotage,  
9 or other hostile action and natural disasters and in order to provide for prompt and timely reaction to an  
10 emergency or disaster, to ~~insure~~ ensure that preparation of this state will be adequate to deal with disasters or  
11 emergencies, and generally to provide for the common defense and to protect the public peace, health, and  
12 safety and to preserve the lives and property of the people of this state, it is declared to be necessary to:

13 (1) authorize the creation of local or interjurisdictional organizations for disaster and emergency services  
14 in the political subdivisions of this state;

15 (2) reduce vulnerability of people and communities of this state to damage, injury, and loss of life and  
16 property resulting from natural disasters or ~~man-made~~ disasters caused by human activity;

17 (3) provide a setting conducive to the rapid and orderly start of restoration and rehabilitation of persons  
18 and property affected by disasters;

19 (4) clarify and strengthen the roles of the governor, state agencies, and local governments in prevention  
20 of, preparation for, response to, and recovery from emergencies and disasters;

21 (5) authorize and provide for cooperation in disaster prevention, preparedness, response, and recovery;

22 (6) authorize and provide for coordination of activities relating to disaster prevention, preparedness,  
23 response, and recovery by agencies and officers of this state and similar state-local, interstate, federal-state,  
24 and foreign activities in which the state and its political subdivisions may participate;

25 (7) provide an emergency and disaster management system embodying all aspects of emergency or  
26 disaster prevention, preparedness, response, and recovery;

27 (8) assist in prevention of disasters caused or aggravated by inadequate planning for public and private  
28 facilities and land use;

29 (9) supplement, without in any way limiting, authority conferred by previous statutes of this state and  
30 increase the capability of the state, local, and interjurisdictional disaster and emergency services agencies to

1 perform disaster and emergency services; and

2 (10) authorize the payment of extraordinary costs and the temporary hiring, with statutorily appropriated  
3 funds under 10-3-312 and [section 1], of professional and technical personnel to meet the state's responsibilities  
4 in providing assistance in the response to, recovery from, and mitigation of disasters in either state or federal  
5 emergency or disaster declarations."  
6

7 **Section 4.** Section 10-3-312, MCA, is amended to read:

8 **"10-3-312. Maximum expenditure by governor -- appropriation.** (1) Whenever an emergency or  
9 disaster is declared by the governor, there is statutorily appropriated, as provided in 17-7-502, to the office of  
10 the governor, ~~as provided in 17-7-502~~; and, subject to subsection (2) of this section, the governor is authorized  
11 to expend from the ~~general fund~~ budget stabilization account, provided for in [section 1], an amount not to  
12 exceed \$16 million in any biennium, minus any amount appropriated pursuant to 10-3-310 in the same biennium.  
13 If the balance in the budget stabilization account is less than \$16 million in any biennium, the governor is  
14 authorized to expend from the general fund an amount not to exceed a total of \$16 million from the two sources.  
15 The statutory appropriation in this subsection may be used by any state agency designated by the governor.

16 (2) In the event of the recovery of money expended under this section, the spending authority must be  
17 reinstated to a level reflecting the recovery.

18 (3) If a disaster is declared by the president of the United States, there is statutorily appropriated, as  
19 provided in 17-7-502, to the office of the governor, ~~as provided in 17-7-502~~, and the governor is authorized to  
20 expend from the general fund an amount not to exceed \$500,000 during the biennium to meet the state's share  
21 of the individual and family grant programs as provided in 42 U.S.C. 5178. The statutory appropriation in this  
22 subsection may be used by any state agency designated by the governor."  
23

24 **Section 5.** Section 17-7-502, MCA, is amended to read:

25 **"17-7-502. Statutory appropriations -- definition -- requisites for validity.** (1) A statutory  
26 appropriation is an appropriation made by permanent law that authorizes spending by a state agency without  
27 the need for a biennial legislative appropriation or budget amendment.

28 (2) Except as provided in subsection (4), to be effective, a statutory appropriation must comply with both  
29 of the following provisions:

30 (a) The law containing the statutory authority must be listed in subsection (3).

1 (b) The law or portion of the law making a statutory appropriation must specifically state that a statutory  
2 appropriation is made as provided in this section.

3 (3) The following laws are the only laws containing statutory appropriations: 2-15-151; 2-17-105;  
4 5-13-403; 10-3-203; 10-3-310; 10-3-312; 10-3-314; 10-4-301; 15-1-111; 15-1-113; 15-1-121; 15-23-706;  
5 15-35-108; 15-36-332; 15-37-117; 15-38-202; 15-65-121; 15-70-101; 16-11-404; 17-3-106; 17-3-212; 17-3-222;  
6 17-3-241; 17-6-101; [section 1]; 17-7-304; 18-11-112; 19-3-319; 19-9-702; 19-13-604; 19-17-301; 19-18-512;  
7 19-19-305; 19-19-506; 19-20-604; 20-8-107; 20-9-534; 20-9-622; 20-26-1503; 22-3-1004; 23-5-306; 23-5-409;  
8 23-5-612; 23-5-631; 23-7-301; 23-7-402; 37-43-204; 37-51-501; 39-71-503; 42-2-105; 44-12-206; 44-13-102;  
9 50-4-623; 53-1-109; 53-6-703; 53-24-108; 53-24-206; 61-3-415; 69-3-870; 75-1-1101; 75-5-1108; 75-6-214;  
10 75-11-313; 77-2-362; 80-2-222; 80-4-416; 80-5-510; 80-11-518; 82-11-161; 87-1-513; 90-3-1003; 90-6-710; and  
11 90-9-306.

12 (4) There is a statutory appropriation to pay the principal, interest, premiums, and costs of issuing,  
13 paying, and securing all bonds, notes, or other obligations, as due, that have been authorized and issued  
14 pursuant to the laws of Montana. Agencies that have entered into agreements authorized by the laws of Montana  
15 to pay the state treasurer, for deposit in accordance with 17-2-101 through 17-2-107, as determined by the state  
16 treasurer, an amount sufficient to pay the principal and interest as due on the bonds or notes have statutory  
17 appropriation authority for the payments. (In subsection (3): pursuant to Ch. 422, L. 1997, the inclusion of  
18 15-1-111 terminates on July 1, 2008, which is the date that section is repealed; pursuant to sec. 10, Ch. 360,  
19 L. 1999, the inclusion of 19-20-604 terminates when the amortization period for the teachers' retirement system's  
20 unfunded liability is 10 years or less; pursuant to sec. 4, Ch. 497, L. 1999, the inclusion of 15-38-202 terminates  
21 July 1, 2014; pursuant to sec. 10(2), Ch. 10, Sp. L. May 2000, and secs. 2 and 5, Ch. 481, L. 2003, the inclusion  
22 of 90-6-710 terminates June 30, 2005; pursuant to sec. 10(2), Ch. 10, Sp. L. May 2000, and secs. 3 and 6, Ch.  
23 481, L. 2003, the inclusion of 15-35-108 terminates June 30, 2010; and pursuant to sec. 135, Ch. 114, L. 2003,  
24 the inclusion of 2-15-151 terminates June 30, 2005.)"

25  
26 **NEW SECTION. Section 6. Codification instruction.** [Sections 1 and 2] are intended to be codified  
27 as an integral part of Title 17, chapter 7, part 1, and the provisions of Title 17, chapter 7, part 1, apply to [sections  
28 1 and 2].

29  
30 **NEW SECTION. Section 7. Effective date.** [This act] is effective ~~on passage and approval~~ JULY 1,

1 2007.

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