

HOUSE BILL NO. 411

INTRODUCED BY MCCHESENEY, GETZ, ANKNEY

1  
2  
3  
4 A BILL FOR AN ACT ENTITLED: "AN ACT CREATING THE FLOOD DAMAGE MITIGATION ASSISTANCE  
5 PROGRAM IN THE DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION TO ASSIST LOCAL  
6 GOVERNMENTS IN FLOOD DAMAGE MITIGATION; AUTHORIZING ISSUANCE OF GRANTS AND LOANS  
7 TO LOCAL GOVERNMENTS; PROVIDING ALLOWED USES OF GRANT AND LOAN FUNDS; REQUIRING  
8 THE DEPARTMENT TO ADOPT RULES TO ADMINISTER THE PROGRAM; IDENTIFYING THE CRITERIA  
9 FOR SMALL AND LARGE CLASSES OF PROJECTS; REQUIRING A PROCEDURE FOR PRIORITIZATION,  
10 REVIEW, AND FUNDING OF LARGE PROJECTS; AMENDING SECTION 17-7-111, MCA; AND PROVIDING  
11 AN EFFECTIVE DATE."

12  
13 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

14  
15 **NEW SECTION. Section 1. Flood damage mitigation assistance program -- purpose -- eligible**  
16 **projects -- funding -- rulemaking.** (1) The department shall administer a flood damage mitigation assistance  
17 program to provide technical and financial assistance, through grants and loans, to local governments in  
18 mitigating damage or potential damage resulting from flooding in rural and urban flood plain areas.

19 (2) The department shall accept proposals for flood damage mitigation projects from local governments  
20 and shall work with local governments in preparing cost estimates for projects. In reviewing project proposals,  
21 the department may consult with other state agencies with expertise pertinent to the proposal.

- 22 (3) Uses of grant and loan funds include but are not limited to:
- 23 (a) acquisition of real property in the flood plain;
  - 24 (b) construction and repair of flood control structures;
  - 25 (c) acquisition and installation of flood warning systems;
  - 26 (d) flood insurance studies;
  - 27 (e) flood plain ordinance changes;
  - 28 (f) flood plain mapping;
  - 29 (g) flood storage easements;
  - 30 (h) flood plain and river restoration;



1 (i) provision of cost-sharing matches for federal grant funds;

2 (j) flood mitigation planning; and

3 (k) riverbed dredging and channel construction.

4 (4) The department shall adopt rules necessary to implement the program. The rules must include:

5 (a) grant and loan application guidelines;

6 (b) criteria for awarding grants and loans for small projects as described in [section 2];

7 (c) the method that the department intends to use to prioritize large projects as described in [section 2]  
8 and a listing of project characteristics that will result in a project being ranked as a high priority;

9 (d) for grants, a requirement for a cost-sharing match from the local government of at least 25% but no  
10 more than 50%; and

11 (e) for loans, the terms to which the loan recipient will be subject.

12  
13 **NEW SECTION. Section 2. Classes of projects -- sources of grant and loan funds.** (1) The projects  
14 for which a grant or loan application may be made under [sections 1 through 3] are classified as either small or  
15 large projects.

16 (2) Small projects cost a total of \$300,000 or less. Money to provide grants or loans to local governments  
17 for small projects must be appropriated to the department by the legislature in an amount that the legislature  
18 considers to be necessary. If the legislature does not appropriate money for the program, small project grants  
19 and loans may not be made. Criteria for small project grants and loans must be provided in rules adopted by the  
20 department pursuant to [section 1].

21 (3) Large projects cost a total of more than \$300,000. The provisions of [section 3] apply to proposed  
22 large projects.

23  
24 **NEW SECTION. Section 3. Department to prioritize projects -- review by governor -- FOR**  
25 **presentation to legislature.** ~~(1) For large projects as described in [section 2(3)], the department shall prepare~~  
26 ~~and submit a list containing the recommended projects and the recommended form and amount of financial~~  
27 ~~assistance for each project to the governor, prioritized pursuant to rules adopted pursuant to [section 1]. The~~  
28 ~~governor shall review the projects recommended by the department and shall submit a list of recommended~~  
29 ~~projects and the recommended financial assistance to the legislature. (1) FOR LARGE PROJECTS AS DESCRIBED IN~~  
30 ~~[SECTION 2(3)], THE DEPARTMENT SHALL PREPARE AND SUBMIT A LIST TO THE LEGISLATURE, PRIORITIZED PURSUANT TO~~

1 RULES ADOPTED PURSUANT TO [SECTION 1], CONTAINING THE RECOMMENDED PROJECTS AND THE RECOMMENDED FORM  
 2 AND AMOUNT OF FINANCIAL ASSISTANCE FOR EACH PROJECT.

3 (2) After the review required by subsection (1), the legislature shall consider the projects and may  
 4 appropriate funds or authorize the issuance of bonds to fund the projects.

5 (3) The department shall report to each regular session of the legislature on the status of all projects that  
 6 have not been completed in order for the legislature to review each project's status and determine whether the  
 7 authorized grant or loan should be withdrawn.

8

9 **Section 4.** Section 17-7-111, MCA, is amended to read:

10 **"17-7-111. Preparation of state budget -- agency program budgets -- form distribution and**  
 11 **contents.** (1) (a) To prepare a state budget, the executive branch, the legislature, and the citizens of the state  
 12 need information that is consistent and accurate. Necessary information includes detailed disbursements by fund  
 13 type for each agency and program for the appropriate time period, recommendations for creating a balanced  
 14 budget, and recommended disbursements and estimated receipts by fund type and fund category.

15 (b) Subject to the requirements of this chapter, the budget director and the legislative fiscal analyst shall  
 16 by agreement:

17 (i) establish necessary standards, formats, and other matters necessary to share information between  
 18 the agencies and to ensure that information is consistent and accurate for the preparation of the state's budget;  
 19 and

20 (ii) provide for the collection and provision of budgetary and financial information that is in addition to or  
 21 different from the information otherwise required to be provided pursuant to this section.

22 (2) In the preparation of a state budget, the budget director shall, not later than the date specified in  
 23 17-7-112(1), distribute to all agencies the proper forms and instructions necessary for the preparation of budget  
 24 estimates by the budget director. These forms must be prescribed by the budget director to procure the  
 25 information required by subsection (3). The forms must be submitted to the budget director by the date provided  
 26 in 17-7-112(2)(a) or the agency's budget is subject to preparation based upon estimates as provided in  
 27 17-7-112(5). The budget director may refuse to accept forms that do not comply with the provisions of this section  
 28 or the instructions given for completing the forms.

29 (3) The agency budget request must set forth a balanced financial plan for the agency completing the  
 30 forms for each fiscal year of the ensuing biennium. The plan must consist of:

1 (a) a consolidated agency budget summary of funds subject to appropriation or enterprise funds that  
2 transfer profits to the general fund or to an account subject to appropriation for the current base budget  
3 expenditures, including statutory appropriations, and for each present law adjustment and new proposal request  
4 setting forth the aggregate figures of the full-time equivalent personnel positions (FTE) and the budget, showing  
5 a balance between the total proposed disbursements and the total anticipated receipts, together with the other  
6 means of financing the budget for each fiscal year of the ensuing biennium, contrasted with the corresponding  
7 figures for the last-completed fiscal year and the fiscal year in progress;

8 (b) a schedule of the actual and projected receipts, disbursements, and solvency of each fund for the  
9 current biennium and estimated for the subsequent biennium;

10 (c) a statement of the agency mission and a statement of goals and objectives for each program of the  
11 agency. The goals and objectives must include, in a concise form, sufficient specific information and quantifiable  
12 information to enable the legislature to formulate an appropriations policy regarding the agency and its programs  
13 and to allow a determination, at some future date, on whether the agency has succeeded in attaining its goals  
14 and objectives.

15 (d) actual FTE and disbursements for the completed fiscal year of the current biennium, estimated FTE  
16 and disbursements for the current fiscal year, and the agency's request for the ensuing biennium, by program;

17 (e) actual disbursements for the completed fiscal year of the current biennium, estimated disbursements  
18 for the current fiscal year, and the agency's recommendations for the ensuing biennium, by disbursement  
19 category;

20 (f) for only agencies with more than 20 FTE, a plan to reduce the proposed base budget for the general  
21 appropriations act and the proposed state pay plan to 95% of the current base budget or lower if directed by the  
22 budget director. Each agency plan must include base budget reductions that reflect the required percentage  
23 reduction by fund type for the general fund and state special revenue fund types. Exempt from the calculations  
24 of the 5% target amounts are legislative audit costs, administratively attached entities that hire their own staff  
25 under 2-15-121, and state special revenue accounts that do not transfer their investment earnings or fund  
26 balances to the general fund. The plan must include:

27 (i) a prioritized list of services that would be eliminated or reduced;

28 (ii) for each service included in the prioritized list, the savings that would result from the elimination or  
29 reduction; and

30 (iii) the consequences or impacts of the proposed elimination or reduction of each service.

- 1 (g) a reference for each new information technology proposal stating whether the new proposal is  
2 included in the approved agency information technology plan as required in 2-17-523; and
- 3 (h) other information the budget director feels is necessary for the preparation of a budget.
- 4 (4) The budget director shall prepare and submit to the legislative fiscal analyst in accordance with  
5 17-7-112:
- 6 (a) detailed recommendations for the state long-range building program. Each recommendation must  
7 be presented by institution, agency, or branch, by funding source, with a description of each proposed project.
- 8 (b) a statewide project budget summary as provided in 2-17-526;
- 9 (c) the proposed pay plan schedule for all executive branch employees at the program level by fund, with  
10 the specific cost and funding recommendations for each agency. Submission of a pay plan schedule under this  
11 subsection is not an unfair labor practice under 39-31-401.
- 12 (d) agency proposals for the use of cultural and aesthetic project grants under Title 22, chapter 2, part  
13 3, the flood damage mitigation assistance program under Title 76, chapter 5, part 11, the renewable resource  
14 grant and loan program under Title 85, chapter 1, part 6, the reclamation and development grants program under  
15 Title 90, chapter 2, part 11, and the treasure state endowment program under Title 90, chapter 6, part 7.
- 16 (5) The board of regents shall submit, with its budget request for each university unit in accordance with  
17 17-7-112, a report on the university system bonded indebtedness and related finances as provided in this  
18 subsection (5). The report must include the following information for each year of the biennium, contrasted with  
19 the same information for the last-completed fiscal year and the fiscal year in progress:
- 20 (a) a schedule of estimated total bonded indebtedness for each university unit by bond indenture;
- 21 (b) a schedule of estimated revenue, expenditures, and fund balances by fiscal year for each outstanding  
22 bond indenture, clearly delineating the accounts relating to each indenture and the minimum legal funding  
23 requirements for each bond indenture; and
- 24 (c) a schedule showing the total funds available from each bond indenture and its associated accounts,  
25 with a list of commitments and planned expenditures from such accounts, itemized by revenue source and project  
26 for each year of the current and ensuing bienniums.
- 27 (6) (a) The department of revenue shall make Montana individual income tax information available by  
28 removing names, addresses, and social security numbers and substituting in their place a state accounting record  
29 identifier number. Except for the purposes of complying with federal law, the department may not alter the data  
30 in any other way.

1 (b) The department of revenue shall provide the name and address of a taxpayer on written request of  
2 the budget director when the values on the requested return, including estimated payments, are considered  
3 necessary by the budget director to properly analyze state revenue and are of a sufficient magnitude to materially  
4 affect the analysis and when the identity of the taxpayer is necessary to evaluate the effect of the return or  
5 payments on the analysis being performed."

6  
7 NEW SECTION. SECTION 5. CONTINGENT VOIDNESS. IF FUNDING FOR THE PROGRAM ESTABLISHED IN  
8 [SECTIONS 1 THROUGH 3] IS NOT INCLUDED AS AN ITEM IN HOUSE BILL NO. 645, THEN [THIS ACT] IS VOID.

9  
10 NEW SECTION. Section 6. Codification instruction. [Sections 1 through 3] are intended to be codified  
11 as an integral part of Title 76, chapter 5, part 11, and the provisions of Title 76, chapter 5, part 11, apply to  
12 [sections 1 through 3].

13  
14 NEW SECTION. Section 7. Effective date. [This act] is effective July 1, 2009.

15 - END -