

HOUSE BILL NO. 646

INTRODUCED BY W. STAHL

A BILL FOR AN ACT ENTITLED: "AN ACT SUBMITTING TO THE QUALIFIED ELECTORS OF MONTANA AN AMENDMENT TO ARTICLE VIII, SECTION 9, OF THE MONTANA CONSTITUTION TO LIMIT APPROPRIATIONS TO ONE-HALF THE AVERAGE RATE OF INFLATION IN THE STATE FOR THE PRIOR 3 YEARS PLUS ONE-HALF THE AVERAGE GROWTH IN POPULATION IN THE STATE FOR THE PRIOR 3 YEARS; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

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

**Section 1.** Article VIII, section 9, of The Constitution of the State of Montana is amended to read:

**"Section 9. Balanced budget and spending limit.** (1) Appropriations by the legislature shall not exceed anticipated revenue and are subject to a state spending limit prohibiting appropriations for a biennium of a total amount of money that is more than the state spending limit.

(2) The state spending limit is the amount of money appropriated in the prior biennium plus the appropriation growth factor.

(3) The appropriation growth factor is the sum of one-half the average rate of inflation for the prior 3 years plus one-half the average growth in population in the state for the prior 3 years multiplied by the amount of money appropriated in the prior biennium. The average rate of inflation must be calculated using the consumer price index or its successor index as published by the United States. The average growth in population in the state must be calculated using available information as published by the United States.

(4) For purposes of the state spending limit calculation, legislative appropriations shall include all legislative appropriations during the biennium except the following categories:

(a) money from the federal government;

(b) payments of principal and interest on bonded indebtedness;

(c) money for unemployment or disability insurance benefits;

(d) money from the sale of goods or services provided that the purchase of the goods or services is discretionary;

(e) money from permanent endowments, constitutional trusts, or pension funds;



- 1           (f) grants, gifts, devises, or bequests made to the state;
- 2           (g) money appropriated for tax relief; and
- 3           (h) funds transferred within the state treasury or used to purchase goods for resale."

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5           **NEW SECTION. Section 2. Effective date.** [This act] is effective upon approval of the electorate.

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7           **NEW SECTION. Section 3. Submission to electorate.** [This act] shall be submitted to the qualified  
8 electors of Montana at the general election to be held in November 2012 by printing on the ballot the full title of  
9 [this act] and the following:

- 10                  FOR limiting an increase in appropriations to the combined growth factor of one-half the rate of  
11                                   inflation plus one-half the rate of population growth.
- 12                  AGAINST limiting an increase in appropriations to the combined growth factor of one-half the  
13                                   rate of inflation plus one-half the rate of population growth.

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