

Amendments to House Bill No. 377  
2nd Reading Copy

Requested by Representative Rob Cook  
For the House Appropriations Committee

Prepared by Sheri Scurr  
March 22, 2013 (12:17pm)

1. Title, page 1, line 18 through line 19.  
**Strike:** "STATUTORILY" on line 18 through "SYSTEM;" on line 19
  
2. Title, page 1, line 20.  
**Following:** "DISTRICTS;"  
**Insert:** "ESTABLISHING A STATE BLOCK GRANT TO COUNTIES FOR TEACHERS' RETIREMENT;"
  
3. Title, page 1.  
**Following:** line 20  
**Insert:** "17-7-502,"
  
4. Title, page 1, line 22.  
**Following:** "19-20-1001,"  
**Insert:** "19-21-203,"  
**Strike:** "20-9-622,"
  
5. Title, page 1, line 23.  
**Following:** "MCA;"  
**Insert:** "REPEALING SECTIONS 19-20-604 AND 19-20-607, MCA;"
  
6. Page 3.  
**Following:** line 1  
**Insert:** "**Section 1.** Section 17-7-502, MCA, is amended to read:  
    "**17-7-502. Statutory appropriations -- definition --**  
    **requisites for validity.** (1) A statutory appropriation is an appropriation made by permanent law that authorizes spending by a state agency without the need for a biennial legislative appropriation or budget amendment.  
    (2) Except as provided in subsection (4), to be effective, a statutory appropriation must comply with both of the following provisions:  
        (a) The law containing the statutory authority must be listed in subsection (3).  
        (b) The law or portion of the law making a statutory appropriation must specifically state that a statutory appropriation is made as provided in this section.  
    (3) The following laws are the only laws containing statutory appropriations: 2-17-105; 5-11-120; 5-11-407; 5-13-403; 7-4-2502; 10-1-108; 10-1-1202; 10-1-1303; 10-2-603; 10-3-203;

10-3-310; 10-3-312; 10-3-314; 10-4-301; 15-1-121; 15-1-218;  
 15-31-906; 15-35-108; 15-36-332; 15-37-117; 15-39-110; 15-65-121;  
 15-70-101; 15-70-369; 15-70-601; 16-11-509; 17-3-106; 17-3-112;  
 17-3-212; 17-3-222; 17-3-241; 17-6-101; 18-11-112; 19-3-319;  
 19-6-404; 19-6-410; 19-9-702; 19-13-604; 19-17-301; 19-18-512;  
 19-19-305; 19-19-506; ~~19-20-604~~; ~~19-20-607~~; 19-21-203; 20-8-107;  
 20-9-534; 20-9-622; 20-26-1503; 22-3-1004; 23-4-105; 23-5-306;  
 23-5-409; 23-5-612; 23-7-301; 23-7-402; 30-10-1004; 37-43-204;  
 37-51-501; 39-71-503; 41-5-2011; 42-2-105; 44-4-1101; 44-12-206;  
 44-13-102; 50-4-623; 53-1-109; 53-9-113; 53-24-108; 53-24-206;  
 60-11-115; 61-3-415; 69-3-870; 75-1-1101; 75-5-1108; 75-6-214;  
 75-11-313; 76-13-416; 77-1-108; 77-2-362; 80-2-222; 80-4-416;  
 80-11-518; 81-1-112; 81-7-106; 81-10-103; 82-11-161; 85-20-1504;  
 85-20-1505; 87-1-230; 87-1-603; 87-1-621; 90-1-115; 90-1-205;  
 90-1-504; 90-3-1003; 90-6-331; and 90-9-306.

(4) There is a statutory appropriation to pay the principal, interest, premiums, and costs of issuing, paying, and securing all bonds, notes, or other obligations, as due, that have been authorized and issued pursuant to the laws of Montana. Agencies that have entered into agreements authorized by the laws of Montana to pay the state treasurer, for deposit in accordance with 17-2-101 through 17-2-107, as determined by the state treasurer, an amount sufficient to pay the principal and interest as due on the bonds or notes have statutory appropriation authority for the payments. (In subsection (3): pursuant to sec. 10, Ch. 360, L. 1999, the inclusion of 19-20-604 terminates when the amortization period for the teachers' retirement system's unfunded liability is 10 years or less; pursuant to sec. 10, Ch. 10, Sp. L. May 2000, secs. 3 and 6, Ch. 481, L. 2003, and sec. 2, Ch. 459, L. 2009, the inclusion of 15-35-108 terminates June 30, 2019; pursuant to sec. 17, Ch. 593, L. 2005, and sec. 1, Ch. 186, L. 2009, the inclusion of 15-31-906 terminates January 1, 2015; pursuant to sec. 73, Ch. 44, L. 2007, the inclusion of 19-6-410 terminates upon the death of the last recipient eligible under 19-6-709(2) for the supplemental benefit provided by 19-6-709; pursuant to sec. 8, Ch. 330, L. 2009, the inclusion of 87-1-621 terminates June 30, 2013; pursuant to sec. 14, Ch. 374, L. 2009, the inclusion of 53-9-113 terminates June 30, 2015; pursuant to sec. 8, Ch. 427, L. 2009, the inclusion of 87-1-230 terminates June 30, 2013; pursuant to sec. 5, Ch. 442, L. 2009, the inclusion of 90-6-331 terminates June 30, 2019; pursuant to sec. 47, Ch. 19, L. 2011, the inclusion of 87-1-621 terminates June 30, 2013; pursuant to sec. 16, Ch. 58, L. 2011, the inclusion of 30-10-1004 terminates June 30, 2017; pursuant to sec. 6, Ch. 61, L. 2011, the inclusion of 76-13-416 terminates June 30, 2019; and pursuant to sec. 13, Ch. 339, L. 2011, the inclusion of 81-1-112 and 81-7-106 terminates June 30, 2017.)"

{Internal References to 17-7-502:

X TO ALL

2-17-105	5-11-120	5-11-407	5-13-403
7-4-2502	10-1-108	10-1-1202	10-1-1303
10-2-603	10-3-203	10-3-310	10-3-312

10-3-312	10-3-314	10-4-301	15-1-121
15-1-218	15-31-906	15-35-108	15-35-108
15-36-332	15-36-332	15-37-117	15-39-110
15-65-121	15-70-101	15-70-369	15-70-601
16-11-509	17-1-508	17-3-106	17-3-112
17-3-212	17-3-222	17-3-241	17-6-101
17-7-501	18-11-112	19-3-319	19-6-404
19-6-410	19-9-702	19-13-604	19-17-301
19-18-512	19-19-305	19-19-506	19-20-604
19-20-607	19-21-203	20-8-107	20-9-534
20-9-622	20-26-1503	22-3-1004	23-4-105
23-4-105	23-5-306	23-5-409	23-5-612
23-7-301	23-7-402	30-10-1004	37-43-204
37-51-501	39-71-503	41-5-2011	42-2-105
44-4-1101	44-12-206	44-13-102	50-4-623
53-1-109	53-9-113	53-24-108	53-24-108
53-24-206	60-11-115	61-3-415	69-3-870
75-1-1101	75-5-1108	75-6-214	75-11-313
76-13-416	77-1-108	77-2-362	80-2-222
80-4-416	80-11-518	81-1-112	81-7-106
81-10-103	82-11-161	82-11-161	85-20-1504
85-20-1505	87-1-230	87-1-603	87-1-621
90-1-115	90-1-115	90-1-205	90-1-504
90-3-1003	90-6-331	90-9-306 }"	

**Renumber:** subsequent sections

7. Page 6, line 23.

**Strike:** "6"

**Insert:** "7"

8. Page 6, line 26.

**Strike:** "8"

**Insert:** "9"

9. Page 8, line 22.

**Strike:** "6"

**Insert:** "7"

**Strike:** "8"

**Insert:** "9"

10. Page 9, line 9.

**Strike:** "6"

**Insert:** "7"

11. Page 9, line 27.

**Strike:** "6"

**Insert:** "7"

12. Page 12, line 5.

**Strike:** "8"

**Insert:** "9"

13. Page 12, line 8.

**Strike:** "8"

- Insert: "9"
14. Page 12, line 12.  
Strike: "8"  
Insert: "9"
15. Page 12, line 16.  
Strike: "8"  
Insert: "9"
16. Page 13, line 3.  
Strike: "1%"  
Insert: "6.38%"
17. Page 13, line 7.  
Strike: "AND"
18. Page 13, line 9.  
Following: "YEARS"  
Insert: "; and (iii) the guaranteed annual benefit adjustment has been increased to the maximum allowed under 19-20-719"
19. Page 13, line 11.  
Strike: "1%"  
Insert: "6.38%"
20. Page 14, line 22.  
Strike: "6"  
Insert: "7"  
Strike: "8"  
Insert: "9"
21. Page 14, line 22 through line 24.  
Strike: "For" on line 22 through "contribution." on line 24
22. Page 17, line 10.  
Strike: "19-20-604,"
23. Page 17, line 11.  
Strike: "19-20-607,"  
Strike: "6"  
Insert: "7"  
Strike: "8"  
Insert: "9"
24. Page 25, line 18 through page 26, line 4.  
Strike: section 20 in its entirety
25. Page 26.

Following: line 4

Insert: "NEW SECTION. Section 21. State block grant for teachers' retirement. (1) The office of public instruction shall distribute to the counties for elementary schools and high schools money appropriated by the legislature for the state block grant for teachers' retirement as follows:

	Elementary Schools	High Schools
Beaverhead	\$ 158,417	\$ 131,528
Big Horn	491,927	286,144
Blaine	186,494	171,790
Broadwater	8,063	165,520
Carbon	137,339	249,510
Carter	24,495	18,845
Cascade	1,719,299	974,340
Chouteau	141,111	85,645
Custer	268,903	140,867
Daniels	0	67,637
Dawson	221,853	103,799
Deer Lodge	156,646	77,490
Fallon	0	197,974
Fergus	243,195	195,917
Flathead	1,920,136	990,447
Gallatin	1,717,549	922,604
Garfield	26,934	16,975
Glacier	584,799	254,896
Golden Valley	0	61,768
Granite	28,591	74,723
Hill	558,804	288,199
Jefferson	253,200	88,831
Judith Basin	17,771	84,168
Lake	636,633	458,203
Lewis & Clark	1,390,304	784,922
Liberty	37,005	27,056
Lincoln	180,223	372,494
Madison	36,356	223,124
McCone	37,339	25,481
Meagher	39,239	25,313
Mineral	0	161,319
Missoula	1,942,931	1,360,844
Musselshell	108,740	60,888
Park	321,722	198,401
Petroleum	0	34,106
Phillips	17,212	199,206
Pondera	118,664	166,294
Powder River	45,568	38,802
Powell	148,120	74,870
Prairie	0	41,168
Ravalli	188,731	956,870
Richland	273,444	204,372
Roosevelt	438,977	261,260
Rosebud	370,566	218,760

Sanders	191,272	155,329
Sheridan	0	206,031
Silver Bow	616,771	290,482
Stillwater	214,529	153,713
Sweet Grass	79,377	77,929
Teton	144,317	135,945
Toole	86,563	128,760
Treasure	0	30,524
Valley	59,147	302,318
Wheatland	54,186	36,293
Wibaux	0	50,627
Yellowstone	3,556,103	1,899,112
Total	20,199,565	15,010,435

(2) The block grant amounts under subsection (1) must be reduced by 10% each fiscal year starting July 1, 2015."

**Renumber:** subsequent sections

26. Page 27.

**Following:** line 12

**Insert:** "NEW SECTION. Section 23. {standard} Repealer. The following sections of the Montana Code Annotated are repealed:  
19-20-604. State contributions -- termination.  
19-20-607. Supplemental state contribution.

{Internal References to 19-20-604: x17-7-502 x17-7-502 x19-20-732  
x19-21-203

Internal References to 19-20-607: x17-7-502 x19-20-716 x19-20-732}"

**Renumber:** subsequent sections

27. Page 27, line 22.

**Following:** "is"

**Insert:** "(1)"

**Strike:** "6"

**Insert:** "7"

**Strike:** "8"

**Insert:** "9"

28. Page 27, line 24.

**Strike:** "6"

**Insert:** "7"

**Strike:** "8"

**Insert:** "9"

29. Page 27.

**Following:** line 24

**Insert:** "(2) [Section 21] is intended to be codified as an integral part of Title 20, chapter 9, part 6, and the provisions of Title 20, chapter 9, part 6, apply to [section 21]."

- END -

**Explanation - This amendment:**

1. Eliminates the funding from the school guarantee account, which raised a constitutional issue.
2. Increases the supplemental employer contribution over 10 years. This contribution may be decreased by the board after the GABA is reinstated if the system is 90% funded and liabilities will amortize in less than 15 years.
3. Provides that when the system is 90% funded and liabilities will amortize in less than 15 years, the supplemental employer contribution may not be decreased until the GABA has been fully reinstated.
4. Establishes a state block grant to counties for schools to pay the supplemental employer contribution. The block grant funding will have to be appropriated in HB 2 and will decrease by 10% each year starting July 1, 2015.