

HOUSE BILL NO. 636

INTRODUCED BY D. LAMM

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4 A BILL FOR AN ACT ENTITLED: "AN ACT REQUIRING EXPRESS LEGISLATIVE APPROVAL FOR THE
5 ACCEPTANCE AND DISTRIBUTION OF CERTAIN FEDERAL ASSISTANCE FUNDS; REQUIRING THE
6 RETURN OF CERTAIN FEDERAL FUNDS IF THEIR ACCEPTANCE IS NOT APPROVED; REQUIRING THAT
7 THE FINANCING OR EXPANSION OF CERTAIN PROGRAMS BE APPROVED BY THE LEGISLATURE;
8 PROVIDING FOR AN APPROPRIATION; AMENDING SECTIONS 17-3-105, 17-3-106, AND 17-3-108, MCA;
9 AND PROVIDING AN EFFECTIVE DATE AND AN APPLICABILITY DATE."

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

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13 NEW SECTION. **Section 1. Legislative findings -- purpose.** (1) Article VIII, section 12, of the
14 Montana constitution provides that the legislature shall "insure strict accountability of all revenue received and
15 money spent by the state and counties, cities, towns, and all other local governmental entities".

16 (2) The legislature finds that its approval of the receipt of federal funds is necessary in order to insure
17 accountability of all revenue received and money spent by the state and counties, cities, towns, and all other local
18 governmental entities as provided by the constitution.

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20 **Section 2.** Section 17-3-105, MCA, is amended to read:

21 **"17-3-105. ~~Governor~~ Legislature authorized to accept funds -- exceptions -- designation of state**
22 **agency.** (1) ~~The governor is authorized to accept on behalf of the state~~ Except as provided for in subsection (2),
23 the acceptance of any federal assistance funds made available by act of congress for programs is conditioned
24 upon the express approval of the legislature. The funds must be ~~that are~~ consistent with the needs and goals of
25 the state and its citizens and ~~that are not~~ may not be prohibited by the provisions of this part or other applicable
26 law.

27 (2) The governor is authorized to accept on behalf of the state any federal assistance funds made
28 available by act of congress intended for programs administered by the department of transportation or the
29 department of fish, wildlife, and parks.

30 ~~(2)(3) The~~ Once the legislature or governor approves the acceptance of the federal assistance funds,

1 the governor shall designate, unless otherwise specified by state or federal law or regulation, the state agency
2 to administer the accepted federal assistance program."

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4 **Section 3.** Section 17-3-106, MCA, is amended to read:

5 **"17-3-106. Fiscal officer for receipt of federal grants.** (1) The state treasurer is designated as the
6 fiscal officer of the state to receive from the United States government or any of its agencies all funds that may
7 be made available as a grant to the state of Montana under any act of congress, or otherwise, for any purpose
8 or use. The state treasurer shall, upon receipt of the funds, deposit the funds in the proper fund in the state
9 treasury. The funds may not be distributed or encumbered unless the legislature has expressly approved the
10 acceptance of the funds as required under 17-3-105. If the legislature does not approve the acceptance of funds,
11 the funds must be returned pursuant to subsection (2).

12 (2) A state agency may return from the state treasury, through the state treasurer, any federal funds and
13 the interest earned on the funds that may not be retained by the state according to federal law or the terms of the
14 federal grant that made the funds available. The funds are statutorily appropriated, as provided in 17-7-502, to
15 the state treasurer for the purpose of returning the funds under the provisions of this subsection."

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17 **Section 4.** Section 17-3-108, MCA, is amended to read:

18 **"17-3-108. ~~Approved budget amendment~~ federal assistance program sources.** Financing for new
19 or expanded programs from federal assistance program sources ~~may be made available only by approved budget~~
20 ~~amendment~~ must be approved by the legislature."

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22 NEW SECTION. **Section 5. Appropriation.** There is appropriated \$1,000 from the general fund to the
23 legislative fiscal division in the biennium beginning July 1, 2015, to conduct a study on the effect of this legislation
24 to be provided to the legislative finance committee before October 1, 2016.

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26 NEW SECTION. **Section 6. Codification instruction.** [Section 1] is intended to be codified as an
27 integral part of Title 17, chapter 3, and the provisions of Title 17, chapter 3, apply to [section 1].

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29 NEW SECTION. **Section 7. Effective date.** [This act] is effective July 1, 2015.

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