

GUIDE TO STATUTORY APPROPRIATIONS

STATUTORY APPROPRIATIONS AND OTHER APPROPRIATION BILLS

Of the total expenditures of state resources, nearly 90% percent are appropriated in temporary appropriation bills. The largest appropriations bill, HB 2, the General Appropriations Act, allocates about 86% of all appropriations. One advantage to temporary appropriations is that the legislature has opportunity to make adjustments during the legislative session when they review the source and level of funding.

Unlike a temporary appropriation, statutory appropriations ensure that a certain level or source of funding is always available to support the functions the bill addresses. Statutory appropriations do not require reauthorization by each legislature. Statutory appropriations remain in statue until repealed or altered by new legislation. A comprehensive list of the statutory appropriations currently found in law is the following:

http://leg.mt.gov/content/Publications/fiscal/leg_reference/Brochures/SA-list.pdf

LEGISLATIVE REVIEW OF STATUTORY APPROPRIATIONS

The legislature does not review all statutory appropriations regularly in order to determine either whether the function should continue and/or that the level or method of funding remains appropriate. Since the legislature does not regularly review statutory appropriations, they established guidelines in statute addressing circumstances when statutory appropriations are appropriate.

CRAFTING NEW STATUTORY APPROPRIATION LEGISLATION



When crafting or reviewing legislation, it is important to consult statutory guidelines. While they do not prohibit the creation of statutory appropriations that fall outside the parameters, they do provide a means for determining whether or not a statutory appropriation follows the general philosophy of the legislature and whether it demonstrates appropriate legislative review and control.¹

Guidelines

The statutory appropriation guidelines are contained in [17-1-508](#) of the Montana Code Annotated (MCA). These guidelines should be used as a tool in drafting legislation, along with consideration of other temporary or biennial methods of appropriation, including HB 2. A thorough understanding of 17-1-508 will help ensure that the statutory appropriation legislation is constructed properly.

Helpful considerations for adhering to the guidelines:

- Use a revenue source that is unreliable and can't be estimated, but needs to be appropriated
- Avoid use of state general fund
- Utilize the appropriation for a specific purpose
- Include an expenditure cap and sunset date
- Make sure funding authority does not exist elsewhere
- Consider using an alternative appropriation method like HB 2 if practical and effective

¹ 2015 Bill Drafting Manual, Legislative Services Division.

EXAMPLE OF STATUTORY APPROPRIATION LEGISLATION THAT IS CONSISTENT WITH GUIDELINES

20-9-905. (Temporary -- effective January 1, 2016) Educational improvement account -- revenue allocated -- appropriations from account. (1) There is an educational improvement account in the state special revenue fund established in 17-2-102. The funds in the account must be administered by the superintendent of public instruction.

(2) The superintendent of public instruction shall accept donations for the purpose of funding innovative educational programs and deposit the donations into the account. The department shall preapprove tax credits for donations as provided in 15-30-3110. In order to implement and administer the provisions of this part, the department and the superintendent of public instruction shall exchange taxpayer information and develop policies to prevent the unauthorized disclosure of confidential records and information.

(3) Interest and earnings on the account must be deposited in the account.

(4) Money in the account is statutorily appropriated, as provided in 17-7-502, to the superintendent of public instruction for administrative expenses and for supplemental funding to public schools as provided in 20-9-904. (Terminates December 31, 2023--sec. 33, Ch. 457, L. 2015.)

This legislation adheres to the statutory appropriation guidelines:

- ✓ administrative expenses are clearly defined and not from a continuing and reliable source
- ✓ revenue source from donated deposits
- ✓ no authority exists elsewhere
- ✓ no state general fund used
- ✓ money is used for a specific purpose
- ✓ termination date included

NEED MORE INFORMATION ON STATUTORY APPROPRIATIONS?

The Legislative Fiscal Division provides training for legislators on statutory appropriations during each legislative session. These trainings are offered during lunch periods or on Saturdays. For immediate assistance, please contact the Legislative Fiscal Division or Staff Attorney Julie Johnson, who specializes in appropriation bills, and we will be happy to assist you.

Legislative Fiscal Division

Statutory Appropriation Staff: Susie Lindsay (Room 131) and Sam Schaefer (Room 1100)

Julie Johnson, Staff Attorney
Room 122 State Capitol Building