

HOUSE BILL NO. 425
INTRODUCED BY D. GALLIK

A BILL FOR AN ACT ENTITLED: "AN ACT CREATING A CITIZENS' PANEL ON STATE EXPENDITURES TO REVIEW REVENUE STUDIES SUBMITTED TO THE GOVERNOR AND TO PROPOSE WAYS TO STREAMLINE STATE GOVERNMENT AND REDUCE SPENDING WITH MINIMUM NEGATIVE IMPACT; REQUIRING THE DIRECTOR OF THE DEPARTMENT OF REVENUE TO CONVENE THE CITIZENS' PANEL TO REVIEW CERTAIN REPORTS TO BE SUBMITTED TO THE GOVERNOR OR TO THE LEGISLATURE; DESCRIBING DUTIES OF THE CITIZENS' PANEL; AND AMENDING SECTION 2-7-104, MCA."

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

Section 1. Section 2-7-104, MCA, is amended to read:

"2-7-104. Revenue studies -- report to governor and legislature. (1) The director of revenue shall study fiscal problems and tax structures of state and local governments and submit the studies to the governor and, as requested, to the legislature, a legislative committee, or a member of the legislature.

(2) The director of revenue shall convene meetings of the citizens' panel on state expenditures, established in [section 2], to review revenue studies and provide comments prior to submittal of the studies to the governor or members of the legislature."

NEW SECTION. Section 2. Citizens' panel on state expenditures -- composition -- allocation. (1) There is a citizens' panel on state expenditures established to make recommendations to the governor and to the legislature on ways to streamline state government operations and reduce spending in state government in a way that minimizes negative effects. In all of its recommendations, the panel shall define potential negative effects. Recommendations must be made no later than June 30 of each even-numbered year and must be submitted to the governor's office and the legislative finance committee to be used in determining biennial budget projections and analysis.

(2) The panel is composed of 18 members from the private and the public sectors. The majority and minority leaders of the senate and the house shall appoint three members each, for a total of 12 legislative appointments. Each legislative leader shall include one public employee among the three appointees. The governor shall appoint six members based on tourism regions established by executive order of the governor.

Two of the appointees named by the governor must be public employees.

(3) For the purposes of this section, "public employee" includes employees of public school districts.

(4) The panel is allocated to the department of revenue for administrative purposes only as prescribed in 2-15-121.

(5) The panel shall elect a presiding officer from its membership.

(6) Panel members must be reimbursed by the state for meeting expenses as provided in 2-18-501 through 2-18-504.

(7) The director of the department of revenue shall convene the panel at least once a year.

NEW SECTION. Section 3. Citizens' panel on state expenditures -- terms -- vacancies. (1) Membership on the citizens' panel on state expenditures must be for terms of 2 years. The appointing officer may renew an appointment.

(2) If a vacancy occurs, the replacement must be made in the same manner as the original appointment. A vacancy must be filled within 90 days after the presiding officer is notified of the vacancy. Upon learning of a vacancy, the presiding officer shall alert the legislative leadership and the governor. The person appointed to fill the vacancy shall serve the remainder of the unexpired term.

NEW SECTION. Section 4. Reports. Reports by the citizens' panel on state expenditures may contain recommendations proposed by majority vote for legislation or for administrative action. The report also may include a summary of minority opinions.

NEW SECTION. Section 5. Meetings -- quorum -- authority. (1) The citizens' panel on state expenditures shall meet at least once every year, but not more than once every other month.

(2) A majority of the members shall constitute a quorum. A tie vote is a negative vote.

(3) In the discharge of its duties, the panel may investigate, examine, and inspect all records, books, and files of any department, agency, commission, board, or institution of the state of Montana. The panel may hold hearings, administer oaths, issue subpoenas, compel the attendance of witnesses and the production of any papers, books, accounts, documents, and testimony, and cause depositions of witnesses to be taken in the manner prescribed by law for taking depositions in civil actions in the district court. In case of disobedience on the part of any person to comply with any subpoena issued on behalf of the panel or of the refusal of any witness to testify on germane matters on which the witness may be lawfully interrogated, it is the duty of the district court

of any county or a judge in that county, on application of the panel, to compel obedience by undertaking proceedings for contempt.

NEW SECTION. **Section 6. Codification instruction.** (1) [Section 2] is intended to be codified as an integral part of Title 2, chapter 15, and the provisions of Title 2, chapter 15, apply to [section 2].

(2) [Sections 3, 4, and 5] are intended to be codified as an integral part of Title 17, chapter 7, and the provisions of Title 17, chapter 7, apply to [sections 3, 4, and 5].

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