

HOUSE BILL NO. 624  
INTRODUCED BY R. BUZZAS

A BILL FOR AN ACT ENTITLED: "AN ACT ESTABLISHING A BUDGET STABILIZATION ACCOUNT; PROVIDING SOURCES OF FUNDS; REQUIRING A TWO-THIRDS VOTE OF EACH HOUSE OF THE LEGISLATURE FOR APPROPRIATION OF THE BUDGET STABILIZATION ACCOUNT; DESCRIBING CONDITIONS FOR USE OF THE BUDGET STABILIZATION ACCOUNT; LIMITING THE SIZE OF THE BUDGET STABILIZATION ACCOUNT IN RELATION TO THE GENERAL FUND BUDGET; AND PROVIDING AN EFFECTIVE DATE."

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

**NEW SECTION. Section 1. Budget stabilization account -- two-thirds vote for appropriation.** There is a budget stabilization account established in the state special revenue fund, as provided for in 17-2-102(1)(b)(i). The budget stabilization account may be appropriated only by a two-thirds vote of each house of the legislature.

**NEW SECTION. Section 2. Source of funds.** (1) During the budgeting process for each biennium, the legislature shall designate an additional 1% of the actual unrestricted revenue collections received in the completed fiscal year to be set aside in the budget stabilization account provided for in [section 1].

(2) After the department determines the general fund ending balance for the biennium, the department shall allocate to the budget stabilization account created under [section 1] 50% of any unanticipated fund balance that is greater than the general fund ending balance as projected by the legislature that is not otherwise encumbered or allocated by law for deposit in a different fund. If the allocation to the budget stabilization account results in the budget stabilization account reaching a sum greater than 5% of the general fund budget for that biennium, the amount of unanticipated balance that is not designated to the budget stabilization account must be allocated to the general fund.

(3) Interest income from the budget stabilization account must be deposited in the account.

(4) Gifts, donations, or other money made available to the budget stabilization account must be deposited in the account.

**NEW SECTION. Section 3. Conditions for appropriation.** Appropriations from the budget stabilization

account may be made only to address or alleviate a projected general fund budget deficit in the current biennium.

A projected general fund budget deficit may be determined by either:

- (1) the office of budget and program planning pursuant to 17-7-140(3); or
- (2) the legislative fiscal analyst by taking into consideration anticipated revenue, authorized levels of appropriation, anticipated supplemental appropriations, and anticipated reversions.

NEW SECTION. **Section 4. Limiting budget stabilization account.** The balance of the budget stabilization account may not exceed 5% of the established levels of appropriation from the general fund for a biennium.

NEW SECTION. **Section 5. Codification instruction.** [Sections 1 through 4] are intended to be codified as an integral part of Title 17, chapter 7, part 1, and the provisions of Title 17, chapter 7, part 1, apply to [sections 1 through 4].

NEW SECTION. **Section 6. Effective date.** [This act] is effective July 1, 2003.

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