

HOUSE BILL NO. 80
INTRODUCED BY R. HAMILTON
BY REQUEST OF THE LEGISLATIVE COUNCIL

A BILL FOR AN ACT ENTITLED: "AN ACT GENERALLY REVISING THE INTERIM COMMITTEES OF THE LEGISLATURE; CREATING A LOCAL GOVERNMENT COMMITTEE AND ESTABLISHING THE DUTIES OF THE COMMITTEE; CHANGING THE NAME OF THE EDUCATION AND LOCAL GOVERNMENT INTERIM COMMITTEE TO THE EDUCATION INTERIM COMMITTEE; REASSIGNING CERTAIN INTERIM COMMITTEE FUNCTIONS; PROVIDING AN APPROPRIATION; PROVIDING FOR TRANSITION; AMENDING SECTIONS 5-5-202, 5-5-223, 5-5-224, 5-5-225, 5-5-226, 5-5-227, 5-5-228, 5-5-229, 5-11-105, AND 20-7-101, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

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

NEW SECTION. **Section 1. Local government committee.** There is a local government committee. The committee is treated as an interim committee for the purposes of 5-5-211 through 5-5-214. The local government committee shall:

- (1) act as a liaison with local governments;
- (2) promote and strengthen local government through recognition of the principle that strong communities with effective, democratic governmental institutions are one of the best assurances of a strong Montana;
- (3) bring together representatives of state and local government for consideration of common problems;
- (4) provide a forum for discussing state oversight of local functions, realistic local autonomy, and intergovernmental cooperation;
- (5) identify and promote the most desirable allocation of state and local government functions, responsibilities, and revenue;
- (6) promote concise, consistent, and uniform regulation for local government;
- (7) coordinate and simplify laws, rules, and administrative practices in order to achieve more orderly and less competitive fiscal and administrative relationships between and among state and local governments;
- (8) review state mandates to local governments that are subject to 1-2-112 and 1-2-114 through 1-2-116;
- (9) make recommendations to the legislature, executive branch agencies, and local governing bodies

concerning:

(a) changes in statutes, rules, ordinances, and resolutions that will provide concise, consistent, and uniform guidance and regulations for local government;

(b) changes in tax laws that will achieve more orderly and less competitive fiscal relationships between levels of government;

(c) methods of coordinating and simplifying competitive practices to achieve more orderly administrative relationships among levels of government; and

(d) training programs and technical assistance for local government officers and employees that will promote effectiveness and efficiency in local government; and

(10) conduct interim studies as assigned.

Section 2. Section 5-5-202, MCA, is amended to read:

"5-5-202. Interim committees. (1) During an interim when the legislature is not in session, the committees listed in subsection (2) are the interim committees of the legislature. They are empowered to sit as committees and may act in their respective areas of responsibility. The functions of the legislative council, legislative audit committee, legislative finance committee, environmental quality council, ~~and state-tribal relations committee,~~ and local government committee are provided for in the statutes governing those committees.

(2) The following are the interim committees of the legislature:

(a) economic affairs committee;

(b) education ~~and local government~~ committee;

(c) children, families, health, and human services committee;

(d) law and justice committee;

(e) energy and telecommunications committee;

(f) revenue and transportation committee; and

(g) state administration and veterans' affairs committee.

(3) An interim committee, the state-tribal relations committee, the local government committee, or the environmental quality council may refer an issue to another committee that the referring committee determines to be more appropriate for the consideration of the issue. Upon the acceptance of the referred issue, the accepting committee shall consider the issue as if the issue were originally within its jurisdiction. If the committee that is referred an issue declines to accept the issue, the original committee retains jurisdiction.

(4) If there is a dispute between committees as to which committee has proper jurisdiction over a subject,

the legislative council shall determine the most appropriate committee and assign the subject to that committee."

Section 3. Section 5-5-223, MCA, is amended to read:

"5-5-223. Economic affairs interim committee. The economic affairs interim committee has administrative rule review, draft legislation review, program evaluation, and monitoring functions for the following executive branch agencies and, unless otherwise assigned by law, the entities attached to agencies for administrative purposes:

- (1) department of agriculture;
- (2) department of commerce;
- (3) department of labor and industry;
- (4) department of livestock;
- (5) office of the state auditor and insurance commissioner; ~~and~~
- (6) office of economic development; and

(7) the state compensation insurance fund created in 39-71-2313, including the board of directors of the state compensation insurance fund established in 2-15-1019."

Section 4. Section 5-5-224, MCA, is amended to read:

"5-5-224. Education ~~and local government~~ interim committee. (1) ~~The education and local government interim committee shall act as a liaison with local governments.~~ The education and local government interim committee has administrative rule review, draft legislation review, program evaluation, and monitoring functions for the following executive branch agencies and, unless otherwise assigned by law, the entities attached to agencies for administrative purposes:

- (a) state board of education;
- (b) board of public education;
- (c) board of regents of higher education; and
- (d) office of public instruction.

(2) The committee shall:

- (a) provide information to the board of regents in the following areas:
 - (i) annual budget allocations;
 - (ii) annual goal statement development;
 - (iii) long-range planning;

- (iv) outcome assessment programs; and
- (v) any other area that the committee considers to have significant educational or fiscal policy impact;
- (b) periodically review the success or failure of the university system in meeting its annual goals and long-range plans;
- (c) periodically review the results of outcome assessment programs;
- (d) develop mechanisms to ensure strict accountability of the revenue and expenditures of the university system;
- (e) study and report to the legislature on the advisability of adjustments to the mechanisms used to determine funding for the university system, including criteria for determining appropriate levels of funding;
- (f) act as a liaison between both the legislative and executive branches and the board of regents; and
- (g) encourage cooperation between the legislative and executive branches and the board of regents;
- ~~———— (h) promote and strengthen local government through recognition of the principle that strong communities, with effective, democratic governmental institutions, are one of the best assurances of a strong Montana;~~
- ~~———— (i) bring together representatives of state and local government for consideration of common problems;~~
- ~~———— (j) provide a forum for discussing state oversight of local functions, realistic local autonomy, and intergovernmental cooperation;~~
- ~~———— (k) identify and promote the most desirable allocation of state and local government functions, responsibilities, and revenue;~~
- ~~———— (l) promote concise, consistent, and uniform regulation for local government;~~
- ~~———— (m) coordinate and simplify laws, rules, and administrative practices in order to achieve more orderly and less competitive fiscal and administrative relationships between and among state and local governments;~~
- ~~———— (n) review state mandates to local governments that are subject to 1-2-112 and 1-2-114 through 1-2-116;~~
- ~~———— (o) make recommendations to the legislature, executive branch agencies, and local governing bodies concerning:~~
 - ~~———— (i) changes in statutes, rules, ordinances, and resolutions that will provide concise, consistent, and uniform guidance and regulations for local government;~~
 - ~~———— (ii) changes in tax laws that will achieve more orderly and less competitive fiscal relationships between levels of government;~~
 - ~~———— (iii) methods of coordinating and simplifying competitive practices to achieve more orderly administrative relationships among levels of government; and~~

~~— (iv) training programs and technical assistance for local government officers and employees that will promote effectiveness and efficiency in local government; and~~
~~— (p) conduct interim studies as assigned."~~

Section 5. Section 5-5-225, MCA, is amended to read:

"5-5-225. Children, families, health, and human services interim committee. The children, families, health, and human services interim committee has administrative rule review, draft legislation review, program evaluation, and monitoring functions for:

- (1) the department of public health and human services and, unless otherwise assigned by law, the entities attached to the department for administrative purposes;
- (2) the mental health ombudsman, provided for in 2-15-210;
- (3) the mental disabilities board of visitors, provided for in 2-15-211; and
- (4) the interagency coordinating council for state prevention programs, provided for in 2-15-225."

Section 6. Section 5-5-226, MCA, is amended to read:

"5-5-226. Law and justice interim committee. The law and justice interim committee has administrative rule review, draft legislation review, program evaluation, and monitoring functions for the department of corrections and the department of justice and, unless otherwise assigned by law, the entities attached to the departments for administrative purposes. The committee shall act as a liaison with the judiciary."

Section 7. Section 5-5-227, MCA, is amended to read:

"5-5-227. Revenue and transportation interim committee -- powers and duties -- revenue estimating and use of estimates. (1) The revenue and transportation interim committee has administrative rule review, draft legislation review, program evaluation, and monitoring functions for the state tax appeal board, provided for in 2-15-1015, the department of revenue, and the department of transportation, and unless otherwise assigned by law, the entities attached to the departments for administrative purposes.

(2) The committee must have prepared by December 1 for introduction during each regular session of the legislature in which a revenue bill is under consideration an estimate of the amount of revenue projected to be available for legislative appropriation.

(3) The committee's estimate, as introduced in the legislature, constitutes the legislature's current revenue estimate until amended or until final adoption of the estimate by both houses. It is intended that the

legislature's estimates and the assumptions underlying the estimates will be used by all agencies with responsibilities for estimating revenue or costs, including the preparation of fiscal notes.

(4) The legislative services division shall provide staff assistance to the committee. The committee may request the assistance of the staffs of the office of the legislative fiscal analyst, the legislative auditor, the department of revenue, and any other agency that has information regarding any of the tax or revenue bases of the state."

Section 8. Section 5-5-228, MCA, is amended to read:

"5-5-228. State administration and veterans' affairs interim committee. (1) The state administration and veterans' affairs interim committee has administrative rule review, draft legislation review, program evaluation, and monitoring functions for the public employee retirement plans and for the following executive branch agencies and unless otherwise assigned by law, the entities attached to the agencies for administrative purposes:

(a) department of administration, except:

(i) the state compensation insurance fund created in 39-71-2313, including the board of directors of the state compensation insurance fund established in 2-15-1019; and

(ii) the state tax appeal board, established in 2-15-1015;

(b) department of military affairs; and

(c) office of the secretary of state.

(2) The committee shall:

(a) consider the actuarial and fiscal soundness of the state's public employee retirement systems, based on reports from the teachers' retirement board, the public employees' retirement board, and the board of investments, and study and evaluate the equity and benefit structure of the state's public employee retirement systems;

(b) establish principles of sound fiscal and public policy as guidelines;

(c) as necessary, develop legislation to keep the retirement systems consistent with sound policy principles;

(d) solicit and review proposed statutory changes to any of the state's public employee retirement systems;

(e) report to the legislature on each legislative proposal reviewed by the committee. The report must include but is not limited to:

- (i) a summary of the fiscal implications of the proposal;
 - (ii) an analysis of the effect that the proposal may have on other public employee retirement systems;
 - (iii) an analysis of the soundness of the proposal as a matter of public policy;
 - (iv) any amendments proposed by the committee; and
 - (v) the committee's recommendation on whether the proposal should be enacted by the legislature.
 - (f) attach the committee's report to any proposal that the committee considered and that is or has been introduced as a bill during a legislative session; and
 - (g) publish, for legislators' use, information on the state's public employee retirement systems.
- (3) The committee may:
- (a) specify the date by which proposals affecting a retirement system must be submitted to the committee for the review contemplated under subsection (2)(d); and
 - (b) request personnel from state agencies, including boards, political subdivisions, and the state public employee retirement systems, to furnish any information and render any assistance that the committee may request."

Section 9. Section 5-5-229, MCA, is amended to read:

"5-5-229. State-tribal relations committee. There is a state-tribal relations committee. The committee is treated as an interim committee for the purposes of 5-5-211 through 5-5-214. The committee has draft legislation review, program evaluation, and monitoring functions for the office of state coordinator of Indian affairs, provided for in 2-15-217. The committee shall:

- (1) act as a liaison with tribal governments;
- (2) encourage state-tribal and local government-tribal cooperation;
- (3) conduct interim studies as assigned pursuant to 5-5-217; and
- (4) report its activities, findings, recommendations, and any proposed legislation as provided in 5-11-210."

Section 10. Section 5-11-105, MCA, is amended to read:

"5-11-105. Powers and duties of council. (1) The legislative council shall:

- (a) employ and, in accordance with the rules for classification and pay established as provided in this section, set the salary of an executive director of the legislative services division, who serves at the pleasure of and is responsible to the legislative council;

(b) with the concurrence of the legislative audit committee and the legislative finance committee, adopt rules for classification and pay of legislative branch employees, other than those of the office of consumer counsel;

(c) with the concurrence of the legislative audit committee and the legislative finance committee, adopt rules governing personnel management of branch employees, other than those of the office of consumer counsel;

(d) adopt procedures to administer legislator claims for reimbursements authorized by law for interim activity;

(e) establish time schedules and deadlines for the interim committees of the legislature, including dates for requesting bills and completing interim work;

(f) review proposed legislation for agencies or entities that are not assigned to an interim committee, as provided in 5-5-223 through 5-5-228, the state-tribal relations committee, as provided in 5-5-229, the local government committee, as provided in [section 1], or to the environmental quality council, as provided in 75-1-324; and

(g) perform other duties assigned by law.

(2) If a question of statewide importance arises when the legislature is not in session and a legislative interim committee has not been assigned to consider the question, the legislative council shall assign the question to an appropriate interim committee, as provided in 5-5-202, or to the appropriate statutorily created committee."

Section 11. Section 20-7-101, MCA, is amended to read:

"20-7-101. Standards of accreditation. (1) Standards of accreditation for all schools must be adopted by the board of public education upon the recommendations of the superintendent of public instruction.

(2) Prior to adoption or amendment of any accreditation standard, the board shall submit each proposal to the education and local government interim committee for review. The interim committee shall request a fiscal analysis to be prepared by the legislative fiscal division. The legislative fiscal division shall provide its analysis to the interim committee and to the office of budget and program planning to be used in the preparation of the executive budget.

(3) If the fiscal analysis of the proposal is found by the legislative fiscal division to have a substantial fiscal impact, the board may not implement the standard until July 1 following the next regular legislative session and shall request that the same legislature fund implementation of the proposed standard. A substantial fiscal impact is an amount that cannot be readily absorbed in the budget of an existing school district program.

(4) Standards for the retention of school records must be as provided in 20-1-212."

NEW SECTION. **Section 12. Appropriation.** There is appropriated from the general fund to the legislative services division \$28,078 for the biennium ending June 30, 2009, to pay for the costs of the local government committee established in [section 1].

NEW SECTION. **Section 13. Transition.** For the 2007-2008 legislative interim, the membership of the local government committee created in [section 1] must be appointed by the time of adjournment of the legislative session or within 30 days after [the effective date of this act], whichever is later.

NEW SECTION. **Section 14. Codification instruction.** [Section 1] is intended to be codified as an integral part of Title 5, chapter 5, part 2, and the provisions of Title 5, chapter 5, part 2, apply to [section 1].

NEW SECTION. **Section 15. Saving clause.** [This act] does not affect rights and duties that matured, penalties that were incurred, or proceedings that were begun before [the effective date of this act].

NEW SECTION. **Section 16. Contingent voidness.** If neither [this act] nor House Bill No. 2 includes a general fund appropriation of at least \$28,078 for the biennium ending June 30, 2009, to pay for the costs of the local government committee established in [section 1], then [sections 1, 2, 4, 10, and 11] are void.

NEW SECTION. **Section 17. Effective date.** [This act] is effective on passage and approval.

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