

HOUSE BILL NO. 791

INTRODUCED BY D. KASTEN

BY REQUEST OF THE HOUSE JOINT APPROPRIATIONS SUBCOMMITTEE ON LONG-RANGE
PLANNING

A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING FOR REDUCTIONS IN FUND TRANSFERS FROM THE STATE GENERAL FUND TO OTHER FUNDS; AUTHORIZING THE GOVERNOR TO REDUCE FUND TRANSFERS AND THE SPENDING FROM CERTAIN APPROPRIATIONS IN CERTAIN CIRCUMSTANCES; PROVIDING A PROCEDURE FOR REDUCING FUND TRANSFERS AND ASSOCIATED APPROPRIATIONS AND THE SPENDING OF CERTAIN APPROPRIATIONS; AND PROVIDING AN EFFECTIVE DATE AND A TERMINATION DATE."

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

NEW SECTION. Section 1. Restrictions on fund transfers. (1) It is the intent of the legislature that the unreserved state general fund ending fund balance at the end of the 2009 biennium be equal to or greater than \$100 million. As the chief budget officer of the state, the governor shall monitor the projected ending fund balance of the unreserved state general fund on June 30, 2009, to determine if the balance is at least \$100 million. Except as provided in subsection (4), in the event of a projected unreserved state general fund balance of less than \$100 million, the governor, taking into account the criteria provided in subsection (2), may reduce certain one-time-only state general fund transfers and the spending from associated appropriations AND THE SPENDING ASSOCIATED WITH CERTAIN ONE-TIME-ONLY STATE GENERAL FUND APPROPRIATIONS EXCEEDING \$1 MILLION in an amount that will provide a projected unreserved state general fund ending fund balance for the 2009 biennium of at least \$100 million.

(2) If the projected state general fund ending fund balance on June 30, 2009, BEFORE CONSIDERING THE IMPACTS OF SENATE BILL NO. 137 is estimated by the office of budget and program planning to be less than \$125 million ~~or when~~, IF SUPPLEMENTAL APPROPRIATIONS, INCLUDING APPROPRIATIONS FOR WILDFIRE COSTS, ARE ANTICIPATED TO EXCEED \$75 MILLION, IF REVENUE DECREASES BY 20% OR MORE, OR IF requested by the legislative finance committee, the office of budget and program planning shall prepare a written estimate of the unreserved state general fund ending fund balance for June 30, 2009, and report its findings to the legislative finance committee. In estimating the June 30, 2009, unreserved state general fund ending fund balance, the office of

budget and program planning shall take into account transfers, revenue, established levels of appropriation, anticipated supplemental appropriations, and anticipated reversions. If the June 30, 2009, estimated unreserved state general fund ending fund balance is less than \$100 million, the governor shall reduce certain general fund transfers and the spending from the associated appropriations AND THE SPENDING ASSOCIATED WITH CERTAIN ONE-TIME-ONLY GENERAL FUND APPROPRIATIONS as provided in subsection (3).

(3) The governor shall direct the office of budget and program planning to analyze the nature of certain one-time-only general fund transfers and associated appropriations AND THE SPENDING ASSOCIATED WITH CERTAIN ONE-TIME-ONLY GENERAL FUND APPROPRIATIONS to determine the impact of transfer reductions on the programs. Transfer AND CERTAIN APPROPRIATION SPENDING reductions may be no greater than the amount required to result in an estimated unreserved state general fund ending fund balance of \$100 million on June 30, 2009. The office of budget and program planning shall submit a copy of the proposed reduction recommendations to the legislative fiscal analyst at the time that the recommendations are submitted to the governor and shall provide the legislative fiscal analyst with any proposed changes to the recommendations. At the next meeting of the legislative finance committee, the legislative fiscal analyst shall provide a copy of the legislative fiscal analyst's review of the proposed or implemented transfer AND SPENDING reductions. The committee may make recommendations concerning the reductions. Reductions in transfers AND SPENDING FROM CERTAIN APPROPRIATIONS must be designed to have the least adverse impact on the provision of services determined to be most integral to the discharge of the agency's statutory responsibilities.

(4) The governor ~~may not direct reductions in fund transfers for the following:~~ SHALL GIVE PRIORITY TO THE FOLLOWING TRANSFERS AND SPENDING FROM CERTAIN APPROPRIATIONS AS FOLLOWS:

- (a) those that affect encumbered obligations made against appropriations;
- (b) those that fund life safety concerns;
- (c) those that provide for payment of contracts;
- (d) those that will result in investment losses; and
- (e) those that will result in the loss of continuity in government services.

(5) If at any time following the reduction of certain general fund transfers AND THE SPENDING FROM CERTAIN APPROPRIATIONS the office of budget and program planning estimates that the state general fund ending fund balance on June 30, 2009, has increased to an amount of at least \$100 million, prior reductions in authorized general fund transfers may be increased, in the same order that transfer reductions were implemented, to the original authorized level or by a proportionate amount that will retain an estimated state general fund ending fund balance of at least \$100 million.

(6) The general fund transfers referred to in this section are those contained in House Bill No. 5 ~~and~~, House Bill No. 14-, HOUSE BILL NO. 93, HOUSE BILL NO. 130, HOUSE BILL NO. 296, HOUSE BILL NO. 473, AND HOUSE BILL NO. 539. THE SPENDING ASSOCIATED WITH CERTAIN ONE-TIME-ONLY STATE GENERAL FUND APPROPRIATIONS EXCEEDING \$1 MILLION REFERRED TO IN THIS SECTION ARE THOSE CONTAINED IN [LC 2197], [LC 2198], [LC 2237], [LC 2238], [LC 2239], AND [LC 2241].

NEW SECTION. **Section 2. Effective date.** [This act] is effective July 1, 2007.

NEW SECTION. **Section 3. Termination.** [This act] terminates June 30, 2009.

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