

1 _____ BILL NO. _____

2 INTRODUCED BY _____
3 (Primary Sponsor)

4 A BILL FOR AN ACT ENTITLED: "AN ACT REVISING FISCAL NOTE PROCEDURES TO ALLOW FOR A
5 FISCAL NOTE WHEN AN INITIATIVE OR BILL HAS A FISCAL EFFECT ON PRIVATE ENTITIES; ALLOWING
6 THE BUDGET DIRECTOR TO WORK WITH PRIVATE PARTIES IN DETERMINING THE FISCAL IMPACT;
7 AMENDING SECTIONS 5-4-201, 5-4-203, 5-4-205, AND 13-27-312, MCA; AND PROVIDING AN IMMEDIATE
8 EFFECTIVE DATE."

9
10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

11
12 **Section 1.** Section 5-4-201, MCA, is amended to read:

13 **"5-4-201. Requirement of fiscal notes with committee reports.** All bills reported out of a committee
14 of the legislature having an effect on the revenues, expenditures, or fiscal liability of the state, a county or
15 municipality, or private entities engaged in business in the state or of a county or municipality, except
16 appropriation measures carrying specific dollar amounts, ~~shall~~ must include a fiscal note incorporating an
17 estimate of ~~such~~ the effect. Fiscal notes ~~shall~~ must be requested by the presiding officer of either house, who
18 shall determine the need for the note at the time of introduction."
19

20 **Section 2.** Section 5-4-203, MCA, is amended to read:

21 **"5-4-203. Budget director to prepare note.** The budget director, in cooperation with the state or
22 local agencies or officials or organizations representing local agencies or officials and interested private parties
23 affected by the bill, is responsible for the preparation of the fiscal note and shall return ~~same~~ the fiscal note
24 within 6 days. The director may request additional time to complete a note, which extension must be submitted
25 to the presiding officer or committee requesting the note for approval."
26

27 **Section 3.** Section 5-4-205, MCA, is amended to read:

28 **"5-4-205. Contents of notes.** (1) Fiscal notes must, when possible, show in dollar amounts the

1 estimated increase or decrease in revenue or expenditures, costs that may be absorbed without additional
2 funds, and long-range financial implications. A comment or opinion relative to the merits of the bill may not be
3 included in the fiscal note. However, technical or mechanical defects may be noted.

4 (2) It is the legislature's intent that a fiscal note be prepared as an objective analysis of the fiscal
5 impact of legislation on both government entities and private entities engaged in business in the state. The
6 fiscal note should represent only the estimate of the revenue and expenditures that would result from the
7 implementation of the legislation, if enacted, and may not in any way reflect the views or opinions of the
8 preparing agencies, the sponsor, or other interested parties. Changes in revenue must be estimated for each
9 reported year based upon appropriate revenue estimating methodologies for the source of revenue described
10 and should reflect a change from the official revenue estimate provided for in 5-5-227. Expenditures must be
11 estimated as the amount required for implementing the legislation, if enacted, in excess of or as a reduction to
12 the present law base level of expenditures in each reported year regardless of whether or not the preparing
13 agency determines that it can absorb the costs in its proposed budget.

14 (3) The fiscal note must clearly differentiate between facts and assumptions made in the preparation
15 of the fiscal note while maintaining a logical flow of both fact and assumption in presenting how the fiscal impact
16 is determined."
17

18 **Section 4.** Section 13-27-312, MCA, is amended to read:

19 **"13-27-312. Review of proposed ballot issue and statements by attorney general -- preparation**
20 **of fiscal note.** (1) Upon receipt of a proposed ballot issue and statements from the office of the secretary of
21 state pursuant to 13-27-202, the attorney general shall examine the proposed ballot issue for legal sufficiency
22 as provided in this section and shall determine whether the ballot statements comply with the requirements of
23 this section.

24 (2) The attorney general shall, in reviewing the ballot statements, endeavor to seek out parties on
25 both sides of the issue and obtain their advice. The attorney general shall review the ballot statements to
26 determine if they contain the following matters:

27 (a) a statement of purpose and implication, not to exceed 135 words, explaining the purpose and
28 implication of the issue; and

1 (b) yes and no statements in the form prescribed in subsection (6).

2 (3) If the proposed ballot issue has an effect on the revenue, expenditures, or fiscal liability of the
3 state or private entities engaged in business in the state, the attorney general shall order a fiscal note
4 incorporating an estimate of the effect, the substance of which must substantially comply with the provisions of
5 5-4-205. The budget director, in cooperation with the agency or agencies affected by the ballot issue, is
6 responsible for preparing the fiscal note and shall return it to the attorney general within 10 days. If the fiscal
7 note indicates a fiscal impact, the attorney general shall prepare a fiscal statement of no more than 50 words,
8 and the statement must be used on the petition and ballot if the issue is placed on the ballot.

9 (4) The ballot statements must express the true and impartial explanation of the proposed ballot issue
10 in plain, easily understood language and may not be arguments or written so as to create prejudice for or
11 against the issue.

12 (5) Unless altered by the court under 13-27-316, the statement of purpose and implication is the
13 petition title for the issue circulated by the petition and the ballot title if the issue is placed on the ballot.

14 (6) The yes and no statements must be written so that a positive vote indicates support for the issue
15 and a negative vote indicates opposition to the issue and must be placed beside the diagram provided for
16 marking of the ballot in a manner similar to the following:

17 ~~☐~~ YES (insert the type of ballot issue and its number)

18 ~~☐~~ NO (insert the type of ballot issue and its number)

19 (7) The attorney general shall review the proposed ballot issue for legal sufficiency. As used in this
20 part, "legal sufficiency" means that the petition complies with statutory and constitutional requirements
21 governing submission of the proposed issue to the electors. Review of the petition for legal sufficiency does not
22 include consideration of the substantive legality of the issue if approved by the voters. The attorney general
23 shall also determine if the proposed issue conflicts with one or more issues that may appear on the ballot at the
24 same election.

25 (8) (a) Within 30 days after receipt of the proposed issue from the secretary of state, the attorney
26 general shall forward to the secretary of state an opinion as to the issue's legal sufficiency.

27 (b) If the attorney general determines that the proposed ballot issue is legally sufficient, the attorney
28 general shall also forward to the secretary of state the petitioner's ballot statements that comply with the

1 requirements of this section. If the attorney general determines in writing that a ballot statement clearly does not
2 comply with the requirements of this section, the attorney general shall prepare a statement that complies with
3 the requirements of this section, forward that statement to the secretary of state as the approved statement,
4 and provide a copy to the petitioner. The attorney general shall give the secretary of state notice of whether the
5 proposed issue conflicts with one or more issues that may appear on the ballot at the same election.

6 (c) If the attorney general determines that the proposed ballot issue is not legally sufficient, the
7 secretary of state may not deliver a sample petition form unless the attorney general's opinion is overruled
8 pursuant to 13-27-316 and the attorney general has approved or prepared ballot statements under this section."

9

10 NEW SECTION. **Section 5. Effective date.** [This act] is effective on passage and approval.

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