

# Amendment - 1st Reading-white - (H) Appropriations

68th Legislature

Drafter: Julie Johnson, 406-444-4024

HB0424.001.004

1 HOUSE BILL NO. 424  
2 INTRODUCED BY L. JONES, D. BEDEY, J. ESP, J. ELLSWORTH, K. BOGNER  
3  
4 A BILL FOR AN ACT ENTITLED: "AN ACT GENERALLY REVISING SUSTAINABILITY OF STATE FINANCE;  
5 REVISING TRANSFER PERCENTAGES INTO THE BUDGET STABILIZATION RESERVE FUND AND THE  
6 CAPITAL DEVELOPMENTS LONG-RANGE BUILDING PROGRAM ACCOUNT; INCREASING THE CAP ON  
7 THE BUDGET STABILIZATION RESERVE FUND; INCREASING THE CAP ON THE FIRE SUPPRESSION  
8 FUND; ALLOWING THE CAPITAL DEVELOPMENTS LONG-RANGE BUILDING PROGRAM ACCOUNT TO  
9 PAY ON BONDS AND RELATED COSTS; TEMPORARILY INCREASING THE GOVERNOR'S EMERGENCY  
10 FUNDS; REQUIRING THAT FUNDS IN THE CAPITAL DEVELOPMENTS LONG-RANGE BUILDING  
11 PROGRAM ACCOUNT BE USED TO FOREGO OR REDUCE THE AMOUNT OF ISSUANCE OF GENERAL  
12 OBLIGATION BONDS; PROVIDING FOR GENERAL FUND TRANSFERS AND GENERAL FUND  
13 REVERSIONS INTO THE BUDGET STABILIZATION RESERVE FUND ~~AND THE FIRE SUPPRESSION~~  
14 ~~FUND~~; PROVIDING FOR OTHER TRANSFERS FROM THE GENERAL FUND; PROVIDING FOR A STUDY  
15 OF STATE BUDGET PROCESS FOR PERSONAL SERVICES EXPENDITURES; PROVIDING FOR A  
16 STATUTORY APPROPRIATION; EXPANDING USES OF A STATUTORY APPROPRIATION; AMENDING  
17 SECTIONS 10-3-312, 17-7-102, 17-7-130, 17-7-140, 17-7-209, AND 17-7-502, ~~AND 76-13-150~~, MCA;  
18 AMENDING SECTION 1(2), CHAPTER 476, LAWS OF 2019, SECTION 13, CHAPTER 476, LAWS OF 2019,  
19 AND SECTION 2(2), CHAPTER 499, LAWS OF 2005; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE  
20 AND A TERMINATION DATE."

21  
22 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

23  
24 **Section 1.** Section 10-3-312, MCA, is amended to read:  
25 **"10-3-312. Maximum expenditure by governor -- appropriation.** (1) Whenever a disaster or an  
26 emergency, including an energy emergency as defined in 90-4-302 or an invasive species emergency declared  
27 under 80-7-1013, is declared by the governor, there is statutorily appropriated to the office of the governor, as  
28 provided in 17-7-502, and, subject to subsection (2), the governor is authorized to expend from the general fund

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1 an amount not to exceed ~~\$16~~ \$32 \$20 million in any biennium, minus any amount appropriated pursuant to 10-  
2 3-310 in the same biennium. The statutory appropriation in this subsection may be used by any state agency  
3 designated by the governor.

4 (2) In the event of the recovery of money expended under this section, the spending authority must  
5 be reinstated to a level reflecting the recovery.

6 (3) If a disaster is declared by the president of the United States, there is statutorily appropriated to  
7 the office of the governor, as provided in 17-7-502, and the governor is authorized to expend from the general  
8 fund an amount not to exceed \$500,000 during the biennium to meet the state's share of the individuals and  
9 households grant programs as provided in 42 U.S.C. 5174. The statutory appropriation in this subsection may  
10 be used by any state agency designated by the governor.

11 (4) At the end of each biennium, an amount equal to the unexpended and unencumbered balance  
12 of the ~~\$16~~ \$32 \$20 million statutory appropriation in subsection (1), minus any amount appropriated pursuant to  
13 10-3-310 in the same biennium, must be transferred by the state treasurer from the state general fund to the  
14 fire suppression account provided for in 76-13-150."  
15

16 **Section 2.** Section 17-7-102, MCA, is amended to read:

17 **"17-7-102. (Temporary) Definitions.** As used in this chapter, the following definitions apply:

18 (1) "Additional services" means different services or more of the same services.

19 (2) "Agency" means all offices, departments, boards, commissions, institutions, universities,  
20 colleges, and any other person or any other administrative unit of state government that spends or encumbers  
21 public money by virtue of an appropriation from the legislature under 17-8-101.

22 (3) "Approving authority" means:

23 (a) the governor or the governor's designated representative for executive branch agencies;

24 (b) the chief justice of the supreme court or the chief justice's designated representative for judicial  
25 branch agencies;

26 (c) the speaker for the house of representatives;

27 (d) the president for the senate;

28 (e) appropriate legislative committees or a designated representative for legislative branch

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1 agencies; or

2 (f) the board of regents of higher education or its designated representative for the university  
3 system.

4 (4) (a) "Base budget" means the resources for the operation of state government that are of an  
5 ongoing and nonextraordinary nature in the current biennium. The base budget for the state general fund and  
6 state special revenue funds may not exceed that level of funding authorized by the previous legislature.

7 (b) The term does not include:

8 (i) funding for water adjudication if the accountability benchmarks contained in 85-2-271 are not  
9 met;

10 (ii) funding for petroleum storage tank leak prevention if the accountability benchmarks in 75-11-  
11 521 are not met.

12 (5) "Budget amendment" means a temporary appropriation as provided in Title 17, chapter 7, part  
13 4.

14 (6) "Budget stabilization reserve" means the amount of unappropriated fund balance in the budget  
15 stabilization reserve fund up to 4.5% ~~12%~~ 16% of all general fund appropriations in the second year of the  
16 biennium.

17 (7) "Emergency" means a catastrophe, disaster, calamity, or other serious unforeseen and  
18 unanticipated circumstance that has occurred subsequent to the time that an agency's appropriation was made,  
19 that was clearly not within the contemplation of the legislature and the governor, and that affects one or more  
20 functions of a state agency and the agency's expenditure requirements for the performance of the function or  
21 functions.

22 (8) "Funds subject to appropriation" means those funds required to be paid out of the treasury as  
23 set forth in 17-8-101.

24 (9) "Necessary" means essential to the public welfare and of a nature that cannot wait until the  
25 next legislative session for legislative consideration.

26 (10) "New proposals" means requests to provide new nonmandated services, to change program  
27 services, to eliminate existing services, or to change sources of funding. For purposes of establishing the  
28 present law base, the distinction between new proposals and the adjustments to the base budget to develop

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1 the present law base is to be determined by the existence of constitutional or statutory requirements for the  
2 proposed expenditure. Any proposed increase or decrease that is not based on those requirements is  
3 considered a new proposal.

4 (11) "Operating reserve" means an amount equal to 8.3% of all general fund appropriations in the  
5 second year of the biennium.

6 (12) "Present law base" means that level of funding needed under present law to maintain  
7 operations and services at the level authorized by the previous legislature, including but not limited to:

8 (a) changes resulting from legally mandated workload, caseload, or enrollment increases or  
9 decreases;

10 (b) changes in funding requirements resulting from constitutional or statutory schedules or  
11 formulas;

12 (c) inflationary or deflationary adjustments; and

13 (d) elimination of nonrecurring appropriations.

14 (13) "Program" means a principal organizational or budgetary unit within an agency.

15 (14) "Requesting agency" means the agency of state government that has requested a specific  
16 budget amendment.

17 (15) "University system unit" means the board of regents of higher education; office of the  
18 commissioner of higher education; university of Montana, with campuses at Missoula, Butte, Dillon, and  
19 Helena; Montana state university, with campuses at Bozeman, Billings, Havre, and Great Falls; the agricultural  
20 experiment station, with central offices at Bozeman; the forest and conservation experiment station, with central  
21 offices at Missoula; the cooperative extension service, with central offices at Bozeman; the bureau of mines and  
22 geology, with central offices at Butte; the fire services training school at Great Falls; and the community  
23 colleges supervised and coordinated by the board of regents pursuant to 20-15-103. (Terminates June 30,  
24 2028--sec. 11, Ch. 269, L. 2015.)

25 **17-7-102. (Effective July 1, 2028) Definitions.** As used in this chapter, the following definitions  
26 apply:

27 (1) "Additional services" means different services or more of the same services.

28 (2) "Agency" means all offices, departments, boards, commissions, institutions, universities,

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1 colleges, and any other person or any other administrative unit of state government that spends or encumbers  
2 public money by virtue of an appropriation from the legislature under 17-8-101.

3 (3) "Approving authority" means:

4 (a) the governor or the governor's designated representative for executive branch agencies;

5 (b) the chief justice of the supreme court or the chief justice's designated representative for judicial  
6 branch agencies;

7 (c) the speaker for the house of representatives;

8 (d) the president for the senate;

9 (e) appropriate legislative committees or a designated representative for legislative branch  
10 agencies; or

11 (f) the board of regents of higher education or its designated representative for the university  
12 system.

13 (4) "Base budget" means the resources for the operation of state government that are of an  
14 ongoing and nonextraordinary nature in the current biennium. The base budget for the state general fund and  
15 state special revenue funds may not exceed that level of funding authorized by the previous legislature.

16 (5) "Budget amendment" means a temporary appropriation as provided in Title 17, chapter 7, part  
17 4.

18 (6) "Budget stabilization reserve" means the amount of unappropriated fund balance in the budget  
19 stabilization reserve fund up to 4.5% ~~12%~~ 16% of all general fund appropriations in the second year of the  
20 biennium.

21 (7) "Emergency" means a catastrophe, disaster, calamity, or other serious unforeseen and  
22 unanticipated circumstance that has occurred subsequent to the time that an agency's appropriation was made,  
23 that was clearly not within the contemplation of the legislature and the governor, and that affects one or more  
24 functions of a state agency and the agency's expenditure requirements for the performance of the function or  
25 functions.

26 (8) "Funds subject to appropriation" means those funds required to be paid out of the treasury as  
27 set forth in 17-8-101.

28 (9) "Necessary" means essential to the public welfare and of a nature that cannot wait until the

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1 next legislative session for legislative consideration.

2 (10) "New proposals" means requests to provide new nonmandated services, to change program  
3 services, to eliminate existing services, or to change sources of funding. For purposes of establishing the  
4 present law base, the distinction between new proposals and the adjustments to the base budget to develop  
5 the present law base is to be determined by the existence of constitutional or statutory requirements for the  
6 proposed expenditure. Any proposed increase or decrease that is not based on those requirements is  
7 considered a new proposal.

8 (11) "Operating reserve" means an amount equal to 8.3% of all general fund appropriations in the  
9 second year of the biennium.

10 (12) "Present law base" means that level of funding needed under present law to maintain  
11 operations and services at the level authorized by the previous legislature, including but not limited to:

12 (a) changes resulting from legally mandated workload, caseload, or enrollment increases or  
13 decreases;

14 (b) changes in funding requirements resulting from constitutional or statutory schedules or  
15 formulas;

16 (c) inflationary or deflationary adjustments; and

17 (d) elimination of nonrecurring appropriations.

18 (13) "Program" means a principal organizational or budgetary unit within an agency.

19 (14) "Requesting agency" means the agency of state government that has requested a specific  
20 budget amendment.

21 (15) "University system unit" means the board of regents of higher education; office of the  
22 commissioner of higher education; university of Montana, with campuses at Missoula, Butte, Dillon, and  
23 Helena; Montana state university, with campuses at Bozeman, Billings, Havre, and Great Falls; the agricultural  
24 experiment station, with central offices at Bozeman; the forest and conservation experiment station, with central  
25 offices at Missoula; the cooperative extension service, with central offices at Bozeman; the bureau of mines and  
26 geology, with central offices at Butte; the fire services training school at Great Falls; and the community  
27 colleges supervised and coordinated by the board of regents pursuant to 20-15-103."

28

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1           **Section 3.** Section 17-7-130, MCA, is amended to read:

2           "**17-7-130. Budget stabilization reserve fund -- rules for deposits and transfers -- purpose.** (1)

3           There is an account in the state special revenue fund established by 17-2-102 known as the budget  
4           stabilization reserve fund.

5           (2)       The purpose of the budget stabilization reserve fund is to mitigate budget reductions when  
6           there is a revenue shortfall.

7           (3)       Except as provided in subsection (4), by August 15 following the end of each fiscal year, an  
8           amount equal to the balance of unexpended and unencumbered general fund money appropriated in excess of  
9           0.5% of the total general fund money appropriated for that fiscal year must be transferred by the state treasurer  
10          from the general fund to the budget stabilization reserve fund. General fund appropriations that continue from a  
11          fiscal year to the next fiscal year and any general fund appropriations made pursuant to 10-3-310 or 10-3-312  
12          are excluded from the calculation.

13          (4)       The provisions of subsection (3) do not apply in a fiscal year in which reductions required by  
14          17-7-140 occur or if a transfer pursuant to subsection (3) would require reductions pursuant to 17-7-140.

15          (5)       If the transfer provided for in subsection (3) increases the balance in the budget stabilization  
16          reserve fund to exceed 16% of all general fund appropriations in the second year of the biennium, the amount  
17          in excess is transferred to the capital developments long-range building program account established in 17-7-  
18          209.

19          ~~(3)~~(6) By August 1 of each year, the department of administration shall certify to the legislative fiscal  
20          analyst and the budget director the following:

21          (a)       the unaudited, unassigned ending fund balance of the general fund for the most recently  
22          completed fiscal year; and

23          (b)       the amount of unaudited general fund revenue and transfers into the general fund received in  
24          the prior fiscal year recorded when that fiscal year's statewide accounting, budgeting, and human resource  
25          system records are closed. General fund revenue and transfers into the general fund are those recorded in the  
26          statewide accounting, budgeting, and human resource system using generally accepted accounting principles  
27          in accordance with 17-1-102.

28          ~~(4)~~(7) (a) The state treasurer shall calculate the operating reserve level of general fund balance

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1 defined in 17-7-102(11). The treasurer shall first apply the excess revenue to reach the operating reserve level  
2 general fund balance, if necessary.

3 (b) Once the general fund balance is at the reserve level, 75% of the remaining excess revenue is  
4 transferred to the budget stabilization reserve fund, as follows:

5 (i) to the budget stabilization reserve fund, until the amount in the fund is equal to ~~12%~~ 16% of all  
6 general fund appropriations in the second year of the biennium; then

7 (ii) to the account established in 17-7-209, until the amount in the fund in excess of the amount  
8 needed for appropriations from the capital developments long-range building program account in the capital  
9 projects fund type is equal to 12% of all general fund appropriations in the second year of the biennium.

10 (c) After the transfers in subsections ~~(4)(b)(i) (7)(b)(i)~~ and ~~(4)(b)(iii) (7)(b)(ii)~~ have been made, if the  
11 balance of the budget stabilization reserve fund exceeds an amount equal to ~~12%~~ 16% of the general fund  
12 appropriations in the second year of the biennium and the balance of the account established in 17-7-209 in  
13 excess of the amount needed for appropriations from the capital developments long-range building program  
14 account in the capital projects fund type exceeds ~~12%~~ 16% of all general fund appropriations in the second  
15 year of the biennium, then:

16 (i) 25% of any funds in excess of that amount must be transferred to the account established in  
17 17-7-209; and

18 (ii) 75% of the funds in excess of that amount remain in the general fund.

19 (5) After a transfer is made pursuant to subsection (4), if the balance of the fund exceeds an amount  
20 equal to 4.5% of all general fund appropriations in the second year of the biennium, then 50% of any funds in  
21 excess of that amount must be transferred to the account established in 17-7-209 and 50% to the general fund  
22 by August 16 of each fiscal year.

23 ~~(6)(5)(8)~~ For the purposes of this section, the following definitions apply:

24 (a) "Adjusted compound annual growth rate revenue" means general fund revenue for the fiscal  
25 year prior to the most recently completed fiscal year plus the growth amount.

26 (b) "Excess revenue" means the amount of general fund revenue, including transfers in, for the  
27 most recently completed fiscal year minus adjusted compound annual growth rate revenue.

28 (c) "Growth amount" means general fund revenue for the fiscal year prior to the most recently



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1 completed fiscal year multiplied by the growth rate.

2 (d) "Growth rate" means the annual compound growth rate of general fund revenue realized over  
3 the period 12 years prior to the most recently completed fiscal year, including the most recently completed fiscal  
4 year."

5

6 **Section 4.** Section 17-7-140, MCA, is amended to read:

7 **"17-7-140. Reduction in spending.** (1) (a) As the chief budget officer of the state, the governor shall  
8 ensure that the expenditure of appropriations does not exceed available revenue. Except as provided in  
9 subsection (2), in the event of a projected general fund budget deficit, the governor, taking into account the  
10 criteria provided in subsection (1)(c), shall direct agencies to reduce spending in an amount that ensures that  
11 the projected ending general fund balance for the biennium will be at least:

12 (i) 4% of the general fund appropriations for the second fiscal year of the biennium prior to  
13 October of the year preceding a legislative session;

14 (ii) 3% of the general fund appropriations for the second fiscal year of the biennium in October of  
15 the year preceding a legislative session;

16 (iii) 2% of the general fund appropriations for the second fiscal year of the biennium in January of  
17 the year in which a legislative session is convened; and

18 (iv) 1% of the general fund appropriations for the second fiscal year of the biennium in March of the  
19 year in which a legislative session is convened.

20 (b) An agency may not be required to reduce general fund spending for any program, as defined in  
21 each general appropriations act, by more than 10% during a biennium. A governor may not reduce total agency  
22 spending in the biennium by more than 4% of the second year general fund appropriations for the agency.  
23 Departments or agencies headed by elected officials or the board of regents may not be required to reduce  
24 general fund spending by a percentage greater than the percentage of general fund spending reductions  
25 required for the weighted average of all other executive branch agencies. The legislature may exempt from a  
26 reduction an appropriation item within a program or may direct that the appropriation item may not be reduced  
27 by more than 10%.

28 (c) The governor shall direct agencies to manage their budgets in order to reduce general fund

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1 expenditures. Prior to directing agencies to reduce spending as provided in subsection (1)(a), the governor  
2 shall direct each agency to analyze the nature of each program that receives a general fund appropriation to  
3 determine whether the program is mandatory or permissive and to analyze the impact of the proposed  
4 reduction in spending on the purpose of the program. An agency shall submit its analysis to the office of budget  
5 and program planning and shall at the same time provide a copy of the analysis to the legislative fiscal analyst.  
6 The report must be submitted in an electronic format. The office of budget and program planning shall review  
7 each agency's analysis, and the budget director shall submit to the governor a copy of the office of budget and  
8 program planning's recommendations for reductions in spending. The budget director shall provide a copy of  
9 the recommendations to the legislative fiscal analyst at the time that the recommendations are submitted to the  
10 governor and shall provide the legislative fiscal analyst with any proposed changes to the recommendations.  
11 The recommendations must be provided in an electronic format. The recommendations must be provided to the  
12 legislature in accordance with 5-11-210. The legislative finance committee shall meet within 20 days of the date  
13 that the proposed changes to the recommendations for reductions in spending are provided to the legislative  
14 fiscal analyst. The legislative fiscal analyst shall provide a copy of the legislative fiscal analyst's review of the  
15 proposed reductions in spending to the budget director at least 5 days before the meeting of the legislative  
16 finance committee. The committee may make recommendations concerning the proposed reductions in  
17 spending. The governor shall consider each agency's analysis and the recommendations of the office of budget  
18 and program planning and the legislative finance committee in determining the agency's reduction in spending.  
19 Reductions in spending must be designed to have the least adverse impact on the provision of services  
20 determined to be most integral to the discharge of the agency's statutory responsibilities.

- 21 (2) Reductions in spending for the following may not be directed by the governor:
- 22 (a) payment of interest and principal on state debt;
  - 23 (b) the legislative branch;
  - 24 (c) the judicial branch;
  - 25 (d) the school BASE funding program, including special education;
  - 26 (e) salaries of elected officials during their terms of office; and
  - 27 (f) the Montana school for the deaf and blind.
- 28 (3) (a) As used in this section, "projected general fund budget deficit" means an amount, certified

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1 by the budget director to the governor, by which the projected ending general fund balance for the biennium is  
2 less than:

3 (i) 4% of the general fund appropriations for the second fiscal year of the biennium prior to  
4 October of the year preceding a legislative session;

5 (ii) 1.875% in October of the year preceding a legislative session;

6 (iii) 1.25% in January of the year in which a legislative session is convened; and

7 (iv) 0.625% in March of the year in which a legislative session is convened.

8 (b) In determining the amount of the projected general fund budget deficit, the budget director shall  
9 take into account revenue, established levels of appropriation, anticipated supplemental appropriations for  
10 school equalization aid and the cost of the state's wildland fire suppression activities exceeding the amount  
11 statutorily appropriated in 10-3-312, and anticipated reversions.

12 (4) If the budget director determines that an amount of actual or projected receipts will result in an  
13 amount less than the amount projected to be received in the revenue estimate established pursuant to 5-5-227,  
14 the budget director shall notify the revenue interim committee in accordance with 5-11-210 of the estimated  
15 amount. Within 20 days of notification, the revenue interim committee shall provide the budget director with any  
16 recommendations concerning the amount. The budget director shall consider any recommendations of the  
17 revenue interim committee prior to certifying a projected general fund budget deficit to the governor.

18 (5) If the budget director certifies a projected general fund budget deficit, the governor may  
19 authorize transfers to the general fund from certain accounts as set forth in ~~subsections-subsection (6) and (7)~~.

20 (6) The governor may authorize transfers from the budget stabilization reserve fund provided for in  
21 17-7-130. The governor may authorize \$2 ~~\$3~~ of transfers from the fund for each \$1 of reductions in spending  
22 ~~for up to two-thirds of the balance in the reserve fund as calculated following the annual transfers to and from~~  
23 ~~the fund made pursuant to 17-7-130(4) but may not authorize a transfer that would cause the balance of the~~  
24 ~~budget stabilization reserve fund to be less than 6% of all general fund appropriations in the second year of the~~  
25 ~~biennium.~~

26 ~~(7) If the budget stabilization reserve fund provided for in 17-7-130 is fully expended and the~~  
27 ~~governor determines more spending reductions are needed to address the projected general fund budget~~  
28 ~~deficit, the governor may authorize transfers to the general fund from the fire suppression account established~~

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1 ~~in 76-13-150. The amount of funds available for a transfer from this account is up to the sum of the fund~~  
2 ~~balance of the account, plus expected current year revenue, minus the sum of 1% of the general fund~~  
3 ~~appropriations for the second fiscal year of the biennium, plus estimated expenditures from the account for the~~  
4 ~~fiscal year. The governor may authorize \$1 of transfers from the fire suppression account established in 76-13-~~  
5 ~~150 for each \$1 of reductions in spending."~~

6  
7 **Section 5.** Section 17-7-209, MCA, is amended to read:

8 **"17-7-209. Capital developments long-range building program account.** (1) (a) There is a capital  
9 developments long-range building program account in the capital projects fund type to fund capital  
10 developments and to retire general obligation bonds paid by the general fund.

11 (b) If there are funds in excess of the amount needed for appropriations ~~of~~ from the capital  
12 developments long-range building program account in the capital projects fund type, then the excess funds:

13 (i) may be used to pay down the ~~debt service on~~ principal, interest, premiums, and any costs or  
14 fees associated with redeeming or defeasing outstanding general obligation bonds paid by the general fund for  
15 capital projects previously authorized by the legislature if allowed without penalty by the terms of the bond  
16 issuance and issued pursuant to state law; and

17 (ii) must be used to ~~delay, forego,~~ or reduce the amount of an issuance of general obligation  
18 bonds paid by the general fund and authorized by the legislature pursuant to state law only if the balance in the  
19 capital developments long-range building program account established in 17-7-209 is \$100 million or more after  
20 reducing the account balance by:

21 (A) the amount needed for appropriations from the account; and  
22 (B) the amount of funds used to forego or reduce the issuance of general obligation bonds paid by  
23 the general fund.

24 (2) Interest earnings, project carryover funds, administrative fees, and miscellaneous revenue  
25 must be retained in the account.

26 (3) ~~The legislature may transfer unencumbered funds from the account only to supplement funding~~  
27 local infrastructure. For the purposes of subsection (1)(b)(i), funds are statutorily appropriated pursuant to 17-7-  
28 502(4) from this account.

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**Section 7.** Section 76-13-150, MCA, is amended to read:

~~"76-13-150. Fire suppression account -- fund transfer. (1) There is a fire suppression account in the state special revenue fund to the credit of the department.~~

~~(2) The legislature may transfer money from other funds to the account, and the money in the account is subject to legislative fund transfers.~~

~~(3) Funds received for restitution by private parties must be deposited in the account.~~

~~(4) Money in the account may be used only for:~~

~~(a) fire suppression costs;~~

~~(b) fuel reduction and mitigation;~~

~~(c) forest restoration;~~

~~(d) grants for the purchase of fire suppression equipment for county cooperatives;~~

~~(e) forest management projects on federal land;~~

~~(f) support for collaborative groups that include at least one representative of an affected county commission that is engaged with a federal forest project and for local governments engaged in litigation related to federal forest projects; and~~

~~(g) road maintenance on federal lands.~~

~~(5) Interest earned on the balance of the account is retained in the account.~~

~~(6) Except as provided in subsections (7) and (8), by August 15 following the end of each fiscal year, an amount equal to the balance of unexpended and unencumbered general fund money appropriated in excess of 0.5% of the total general fund money appropriated for that fiscal year must be transferred by the state treasurer from the general fund to the fire suppression account. General fund appropriations that continue from a fiscal year to the next fiscal year and any general fund appropriations made pursuant to 10-3-310 or 10-3-312 are excluded from the calculation.~~

~~(7) The provisions of subsection (6) do not apply in a fiscal year in which reductions required by 17-7-140 occur or if a transfer pursuant to subsection (6) would require reductions pursuant to 17-7-140.~~

~~(8) The fund balance in the account may not exceed 4% 12% of all general fund appropriations in the second year of the biennium.~~

# Amendment - 1st Reading-white - (H) Appropriations

68th Legislature

Drafter: Julie Johnson, 406-444-4024

HB0424.001.004

1 ~~(9) — By August 15 of each even-numbered fiscal year, if the balance in the account at the end of the~~  
2 ~~most recently completed odd-numbered fiscal year exceeds \$40 \$100 million, the excess, up to \$5 \$25 million,~~  
3 ~~must be used in the biennium for the purposes in subsections (4)(b) through (4)(g). Of that amount, no more~~  
4 ~~than 5% may be used for the purposes of subsection (4)(f).~~

5 ~~(10) — Money in the account is statutorily appropriated, as provided in 17-7-502, to the department for~~  
6 ~~the purposes described in subsection (4)."~~

7  
8 **NEW SECTION. Section 7. Transfer of funds.** (1) By June 30, 2023, the state treasurer shall  
9 transfer ~~\$184.7~~ \$377 million from the general fund to the budget stabilization reserve fund provided for in 17-7-  
10 130.

11 ~~(2) — By June 30, 2023, the state treasurer shall transfer \$254 million from the general fund to the~~  
12 ~~fire suppression account provided for in 76-13-150.~~

13 ~~(3)(2)~~ By June 30, 2023, the state treasurer shall transfer \$30 million from the general fund to the  
14 ~~state employee health care expense trust account provided for in 2-18-1304 state self-insurance reserve fund~~  
15 ~~established in 2-18-812.~~

16 ~~(4)(3)~~ By June 30, 2023, the state treasurer shall transfer \$18 million from the general fund to the  
17 office of the commissioner of higher education for the Montana university system for one-time benefit of  
18 university system employees.

19  
20 **NEW SECTION. Section 8. Study of state budget process and personal services expenditures.**

21 (1) During the 2025 biennium interim, a subcommittee of the legislative finance committee, the legislative fiscal  
22 division, and the office of budget and program planning shall jointly study the process by which the state  
23 budgets for personal services.

24 (2) The study must include consultation with the vendor of the state's budgeting software system  
25 on potential options for personal services budgeting. The study must also include a survey of peer states on  
26 their personal services budgeting methodology and outcomes.

27 (3) The subcommittee shall make recommendations by June 2024 to the legislative finance  
28 committee and the office of budget and program planning for the budgeting process for the 2027 biennium.