

## 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 INTO THE BUDGET  
13 STABILIZATION RESERVE FUND AND THE FIRE SUPPRESSION FUND; PROVIDING FOR OTHER  
14 TRANSFERS FROM THE GENERAL FUND; PROVIDING FOR A STATUTORY APPROPRIATION;  
15 EXPANDING USES OF A STATUTORY APPROPRIATION; AMENDING SECTIONS 10-3-312, 17-7-102, 17-  
16 7-130, 17-7-140, 17-7-209, 17-7-502, AND 76-13-150, MCA; AMENDING SECTION 1(2), CHAPTER 476,  
17 LAWS OF 2019, SECTION 13, CHAPTER 476, LAWS OF 2019, AND SECTION 2(2), CHAPTER 499, LAWS  
18 OF 2005; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE AND A TERMINATION DATE."

19  
20 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

21  
22 **Section 1.** Section 10-3-312, MCA, is amended to read:

23 **"10-3-312. Maximum expenditure by governor -- appropriation.** (1) Whenever a disaster or an  
24 emergency, including an energy emergency as defined in 90-4-302 or an invasive species emergency declared  
25 under 80-7-1013, is declared by the governor, there is statutorily appropriated to the office of the governor, as  
26 provided in 17-7-502, and, subject to subsection (2), the governor is authorized to expend from the general fund  
27 an amount not to exceed ~~\$46~~ \$32 million in any biennium, minus any amount appropriated pursuant to 10-3-  
28 310 in the same biennium. The statutory appropriation in this subsection may be used by any state agency

1 designated by the governor.

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

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

9 (4) At the end of each biennium, an amount equal to the unexpended and unencumbered balance  
10 of the ~~\$46~~ \$32 million statutory appropriation in subsection (1), minus any amount appropriated pursuant to 10-  
11 3-310 in the same biennium, must be transferred by the state treasurer from the state general fund to the fire  
12 suppression account provided for in 76-13-150."

13

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

15 **"17-7-102. (Temporary) Definitions.** As used in this chapter, the following definitions apply:

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

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

20 (3) "Approving authority" means:

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

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

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

25 (d) the president for the senate;

26 (e) appropriate legislative committees or a designated representative for legislative branch  
27 agencies; or

28 (f) the board of regents of higher education or its designated representative for the university

1 system.

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

5 (b) The term does not include:

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

8 (ii) funding for petroleum storage tank leak prevention if the accountability benchmarks in 75-11-  
9 521 are not met.

10 (5) "Budget amendment" means a temporary appropriation as provided in Title 17, chapter 7, part  
11 4.

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

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

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

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

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

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

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

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

7           (b) changes in funding requirements resulting from constitutional or statutory schedules or  
8 formulas;

9           (c) inflationary or deflationary adjustments; and

10          (d) elimination of nonrecurring appropriations.

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

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

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

22           **17-7-102. (Effective July 1, 2028) Definitions.** As used in this chapter, the following definitions  
23 apply:

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

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

28           (3) "Approving authority" means:

- 1 (a) the governor or the governor's designated representative for executive branch agencies;  
2 (b) the chief justice of the supreme court or the chief justice's designated representative for judicial  
3 branch agencies;  
4 (c) the speaker for the house of representatives;  
5 (d) the president for the senate;  
6 (e) appropriate legislative committees or a designated representative for legislative branch  
7 agencies; or  
8 (f) the board of regents of higher education or its designated representative for the university  
9 system.

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

13 (5) "Budget amendment" means a temporary appropriation as provided in Title 17, chapter 7, part  
14 4.

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

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."

24

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

26 **"17-7-130. Budget stabilization reserve fund -- rules for deposits and transfers -- purpose. (1)**

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

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

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

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

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

12 (4) (a) The state treasurer shall calculate the operating reserve level of general fund balance  
13 defined in 17-7-102(11). The treasurer shall first apply the excess revenue to reach the operating reserve level  
14 general fund balance, if necessary.

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

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

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

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

27 (i) 25% of any funds in excess of that amount must be transferred to the account established in  
28 17-7-209; and

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

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

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

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

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

11           (c) "Growth amount" means general fund revenue for the fiscal year prior to the most recently  
 12 completed fiscal year multiplied by the growth rate.

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

16

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

18           "**17-7-140. Reduction in spending.** (1) (a) As the chief budget officer of the state, the governor shall  
 19 ensure that the expenditure of appropriations does not exceed available revenue. Except as provided in  
 20 subsection (2), in the event of a projected general fund budget deficit, the governor, taking into account the  
 21 criteria provided in subsection (1)(c), shall direct agencies to reduce spending in an amount that ensures that  
 22 the projected ending general fund balance for the biennium will be at least:

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

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

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



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

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

11 (c) The governor shall direct agencies to manage their budgets in order to reduce general fund  
12 expenditures. Prior to directing agencies to reduce spending as provided in subsection (1)(a), the governor  
13 shall direct each agency to analyze the nature of each program that receives a general fund appropriation to  
14 determine whether the program is mandatory or permissive and to analyze the impact of the proposed  
15 reduction in spending on the purpose of the program. An agency shall submit its analysis to the office of budget  
16 and program planning and shall at the same time provide a copy of the analysis to the legislative fiscal analyst.  
17 The report must be submitted in an electronic format. The office of budget and program planning shall review  
18 each agency's analysis, and the budget director shall submit to the governor a copy of the office of budget and  
19 program planning's recommendations for reductions in spending. The budget director shall provide a copy of  
20 the recommendations to the legislative fiscal analyst at the time that the recommendations are submitted to the  
21 governor and shall provide the legislative fiscal analyst with any proposed changes to the recommendations.  
22 The recommendations must be provided in an electronic format. The recommendations must be provided to the  
23 legislature in accordance with 5-11-210. The legislative finance committee shall meet within 20 days of the date  
24 that the proposed changes to the recommendations for reductions in spending are provided to the legislative  
25 fiscal analyst. The legislative fiscal analyst shall provide a copy of the legislative fiscal analyst's review of the  
26 proposed reductions in spending to the budget director at least 5 days before the meeting of the legislative  
27 finance committee. The committee may make recommendations concerning the proposed reductions in  
28 spending. The governor shall consider each agency's analysis and the recommendations of the office of budget

1 and program planning and the legislative finance committee in determining the agency's reduction in spending.  
2 Reductions in spending must be designed to have the least adverse impact on the provision of services  
3 determined to be most integral to the discharge of the agency's statutory responsibilities.

4 (2) Reductions in spending for the following may not be directed by the governor:

5 (a) payment of interest and principal on state debt;

6 (b) the legislative branch;

7 (c) the judicial branch;

8 (d) the school BASE funding program, including special education;

9 (e) salaries of elected officials during their terms of office; and

10 (f) the Montana school for the deaf and blind.

11 (3) (a) As used in this section, "projected general fund budget deficit" means an amount, certified  
12 by the budget director to the governor, by which the projected ending general fund balance for the biennium is  
13 less than:

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

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

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

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

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

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

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

3 (6) The governor may authorize transfers from the budget stabilization reserve fund provided for in  
4 17-7-130. The governor may authorize ~~\$2~~ \$3 of transfers from the fund for each \$1 of reductions in spending  
5 for up to two-thirds of the balance in the reserve fund as calculated following the annual transfers to and from  
6 the fund made pursuant to 17-7-130(4).

7 (7) If the budget stabilization reserve fund provided for in 17-7-130 is fully expended and the  
8 governor determines more spending reductions are needed to address the projected general fund budget  
9 deficit, the governor may authorize transfers to the general fund from the fire suppression account established  
10 in 76-13-150. The amount of funds available for a transfer from this account is up to the sum of the fund  
11 balance of the account, plus expected current year revenue, minus the sum of 1% of the general fund  
12 appropriations for the second fiscal year of the biennium, plus estimated expenditures from the account for the  
13 fiscal year. The governor may authorize \$1 of transfers from the fire suppression account established in 76-13-  
14 150 for each \$1 of reductions in spending."  
15

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

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

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

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

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

1 reducing the account balance by:

2 (A) the amount needed for appropriations from the account; and

3 (B) the amount of funds used to forego or reduce the issuance of general obligation bonds paid by  
4 the general fund.

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

7 (3) ~~The legislature may transfer unencumbered funds from the account only to supplement funding~~  
8 ~~local infrastructure. For the purposes of subsection (1)(b)(i), funds are statutorily appropriated pursuant to 17-7-~~  
9 ~~502(4) from this account.~~

10 (4) ~~The state treasurer may temporarily borrow from the fund to address cash balance deficiencies in~~  
11 ~~the general fund. A loan made to the general fund does not bear interest and must be recorded in the state~~  
12 ~~accounting records. The fund may not be so impaired by a loan that all legal obligations against the fund cannot~~  
13 ~~be met."~~

14

15 **Section 6.** Section 17-7-502, MCA, is amended to read:

16 **"17-7-502. Statutory appropriations -- definition -- requisites for validity.** (1) A statutory  
17 appropriation is an appropriation made by permanent law that authorizes spending by a state agency without  
18 the need for a biennial legislative appropriation or budget amendment.

19 (2) Except as provided in subsection (4), to be effective, a statutory appropriation must comply with  
20 both of the following provisions:

21 (a) The law containing the statutory authority must be listed in subsection (3).

22 (b) The law or portion of the law making a statutory appropriation must specifically state that a  
23 statutory appropriation is made as provided in this section.

24 (3) The following laws are the only laws containing statutory appropriations: 2-17-105; 5-11-120; 5-  
25 11-407; 5-13-403; 5-13-404; 7-4-2502; 7-4-2924; 7-32-236; 10-1-108; 10-1-1202; 10-1-1303; 10-2-603; 10-2-  
26 807; 10-3-203; 10-3-310; 10-3-312; 10-3-314; 10-3-802; 10-3-1304; 10-4-304; 10-4-310; 15-1-121; 15-1-218;  
27 15-31-165; 15-31-1004; 15-31-1005; 15-35-108; 15-36-332; 15-37-117; 15-39-110; 15-65-121; 15-70-101; 15-  
28 70-130; 15-70-433; 16-11-119; 16-11-509; 17-3-106; 17-3-212; 17-3-222; 17-3-241; 17-6-101; 17-7-215; 18-11-

1 112; 19-3-319; 19-3-320; 19-6-404; 19-6-410; 19-9-702; 19-13-604; 19-17-301; 19-18-512; 19-19-305; 19-19-  
 2 506; 19-20-604; 19-20-607; 19-21-203; 20-8-107; 20-9-534; 20-9-622; [20-15-328]; 20-26-617; 20-26-1503; 22-  
 3 1-327; 22-3-116; 22-3-117; [22-3-1004]; 23-4-105; 23-5-306; 23-5-409; 23-5-612; 23-7-301; 23-7-402; 30-10-  
 4 1004; 37-43-204; 37-50-209; 37-54-113; 39-71-503; 41-5-2011; 42-2-105; 44-4-1101; 44-12-213; 44-13-102;  
 5 46-32-108; 50-1-115; 53-1-109; 53-6-148; 53-9-113; 53-24-108; 53-24-206; 60-5-530; 60-11-115; 61-3-321; 61-  
 6 3-415; 67-1-309; 69-3-870; 69-4-527; 75-1-1101; 75-5-1108; 75-6-214; 75-11-313; 75-26-308; 76-13-150; 76-  
 7 13-151; 76-13-417; 76-17-103; 77-1-108; 77-2-362; 80-2-222; 80-4-416; 80-11-518; 80-11-1006; 81-1-112; 81-  
 8 1-113; 81-7-106; 81-7-123; 81-10-103; 82-11-161; 85-2-526; 85-20-1504; 85-20-1505; [85-25-102]; 87-1-603;  
 9 87-5-909; 90-1-115; 90-1-205; 90-1-504; 90-6-331; and 90-9-306.

10 (4) There is a statutory appropriation to pay the principal, interest, premiums, and any costs of or  
 11 fees associated with issuing, paying, ~~and~~ securing, redeeming, or defeasing all bonds, notes, or other  
 12 obligations, as due in the ordinary course or when earlier called for redemption or defeased, that have been  
 13 authorized and issued pursuant to the laws of Montana. Agencies that have entered into agreements  
 14 authorized by the laws of Montana to pay the state treasurer, for deposit in accordance with 17-2-101 through  
 15 17-2-107, as determined by the state treasurer, an amount sufficient to pay the principal and interest as due on  
 16 the bonds or notes have statutory appropriation authority for the payments. (In subsection (3): pursuant to sec.  
 17 10, Ch. 360, L. 1999, the inclusion of 19-20-604 terminates contingently when the amortization period for the  
 18 teachers' retirement system's unfunded liability is 10 years or less; pursuant to sec. 73, Ch. 44, L. 2007, the  
 19 inclusion of 19-6-410 terminates contingently upon the death of the last recipient eligible under 19-6-709(2) for  
 20 the supplemental benefit provided by 19-6-709; pursuant to sec. 5, Ch. 383, L. 2015, the inclusion of 85-25-102  
 21 is effective on occurrence of contingency; pursuant to sec. 6, Ch. 423, L. 2015, the inclusion of 22-3-116 and  
 22 22-3-117 terminates June 30, 2025; pursuant to sec. 12, Ch. 55, L. 2017, the inclusion of 37-54-113 terminates  
 23 June 30, 2023; pursuant to sec. 4, Ch. 122, L. 2017, the inclusion of 10-3-1304 terminates September 30,  
 24 2025; pursuant to sec. 1, Ch. 213, L. 2017, the inclusion of 90-6-331 terminates June 30, 2027; pursuant to  
 25 secs. 5, 8, Ch. 284, L. 2017, the inclusion of 81-1-112, 81-1-113, and 81-7-106 terminates June 30, 2023;  
 26 pursuant to sec. 1, Ch. 340, L. 2017, the inclusion of 22-1-327 terminates July 1, 2023; pursuant to sec. 10, Ch.  
 27 374, L. 2017, the inclusion of 76-17-103 terminates June 30, 2027; pursuant to sec. 5, Ch. 50, L. 2019, the  
 28 inclusion of 37-50-209 terminates September 30, 2023; pursuant to sec. 1, Ch. 408, L. 2019, the inclusion of

1 17-7-215 terminates June 30, 2029; pursuant to secs. 11, 12, and 14, Ch. 343, L. 2019, the inclusion of 15-35-  
 2 108 terminates June 30, 2027; pursuant to sec. 7, Ch. 465, L. 2019, the inclusion of 85-2-526 terminates July 1,  
 3 2023; pursuant to sec. 5, Ch. 477, L. 2019, the inclusion of 10-3-802 terminates June 30, 2023; pursuant to  
 4 secs. 1, 2, 3, Ch. 139, L. 2021, the inclusion of 53-9-113 terminates June 30, 2027; pursuant to sec. 8, Ch. 200,  
 5 L. 2021, the inclusion of 10-4-310 terminates July 1, 2031; pursuant to secs. 3, 4, Ch. 404, L. 2021, the  
 6 inclusion of 30-10-1004 terminates June 30, 2027; pursuant to sec. 5, Ch. 548, L. 2021, the inclusion of 50-1-  
 7 115 terminates June 30, 2025; pursuant to secs. 5 and 12, Ch. 563, L. 2021, the inclusion of 22-3-1004 is  
 8 effective July 1, 2027; and pursuant to sec. 15, Ch. 574, L. 2021, the inclusion of 46-32-108 terminates June  
 9 30, 2023.)"

10

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

12 **"76-13-150. Fire suppression account -- fund transfer.** (1) There is a fire suppression account in  
 13 the state special revenue fund to the credit of the department.

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

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

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

18 (a) fire suppression costs;

19 (b) fuel reduction and mitigation;

20 (c) forest restoration;

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

22 (e) forest management projects on federal land;

23 (f) support for collaborative groups that include at least one representative of an affected county

24 commission that is engaged with a federal forest project and for local governments engaged in litigation related

25 to federal forest projects; and

26 (g) road maintenance on federal lands.

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

28 (6) Except as provided in subsections (7) and (8), by August 15 following the end of each fiscal

1 year, an amount equal to the balance of unexpended and unencumbered general fund money appropriated in  
 2 excess of 0.5% of the total general fund money appropriated for that fiscal year must be transferred by the state  
 3 treasurer from the general fund to the fire suppression account. General fund appropriations that continue from  
 4 a fiscal year to the next fiscal year and any general fund appropriations made pursuant to 10-3-310 or 10-3-312  
 5 are excluded from the calculation.

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

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

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

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

16  
 17 **NEW SECTION. Section 8. Transfer of funds.** (1) By June 30, 2023, the state treasurer shall  
 18 transfer \$184.7 million from the general fund to the budget stabilization reserve fund provided for in 17-7-130.

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

21 (3) By June 30, 2023, the state treasurer shall transfer \$30 million from the general fund to the  
 22 state employee health care expense trust account provided for in 2-18-1304.

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

26

27 **Section 9.** Section 1(2), Chapter 476, Laws of 2019, is amended to read:

28 **"Section 1. Definitions.**

1           (2)     "CPA" means the capital projects account provided for in 17-5-803 and 17-5-804 or the account  
2 established in 17-7-209."

3

4           **Section 10.** Section 13, Chapter 476, Laws of 2019, is amended to read:

5           **"Section 13. Authorization of bonds -- conditions -- maturity.** (1) The board of examiners is  
6 authorized to issue and sell general obligation bonds in one or more series and from time to time for the  
7 purposes described in subsection (3) in addition to the amount of general obligation bonds outstanding on  
8 January 1, 2019.

9           (2)     The bonds under this section must be issued in accordance with the terms and in the manner  
10 required by Title 17, chapter 5, part 8, and the maturity of these bonds must be 10 years. The authority granted  
11 to the board of examiners by this section is in addition to any other authorization to the board of examiners to  
12 issue and sell general obligation bonds.

13           (3)     On [the effective date of this act], the board of examiners is authorized to issue and sell general  
14 obligation bonds and deposit the proceeds as follows

15           (a)     \$39,550,000 of the proceeds from the bonds sold under this section must be deposited in the  
16 capital projects account provided for in 17-5-803 and 17-5-804; and

17           (b)     \$21,500,000 of the proceeds from the bonds sold under this section must be deposited in the  
18 delivering local assistance account for grants provided for in [section 2(1)].

19           (c)     \$18,823,553 of the proceeds from the bonds sold under this section must be deposited in the  
20 local infrastructure account provided for in [section 2(2)].

21           (4)     For the purposes of subsection (3), funds on hand in the account established in 17-7-209 in  
22 excess of the amount needed for appropriations from the account are appropriated and may be deposited in the  
23 accounts described in subsection (3) in lieu of the proceeds of bonds authorized in this section. The total  
24 amount of funds deposited in the accounts from bond proceeds and funds from the account established in 17-7-  
25 209 may not exceed the amounts authorized in subsection (3)."

26

27           **Section 11.** Section 2(2), Chapter 499, Laws of 2005, is amended to read:

28           **"Section 2. Appropriation of bond proceeds.**



1           (2)     The following money is appropriated from the CPF from the proceeds for the bonds authorized  
2 by [section 3] or from the account provided for in 17-7-209 to the department of natural resources and  
3 conservation for the capital projects described in this section, and if the bond proceeds are used, contingent  
4 upon the authorization of general obligation bonds by the 59th legislature and the sale of bonds by the board of  
5 examiners:"

6  
7           NEW SECTION. Section 12. Severability. If a part of [this act] is invalid, all valid parts that are  
8 severable from the invalid part remain in effect. If a part of [this act] is invalid in one or more of its applications,  
9 the part remains in effect in all valid applications that are severable from the invalid applications.

10

11           NEW SECTION. Section 13. Effective date. [This act] is effective on passage and approval.

12

13           NEW SECTION. Section 14. Termination. [Section 1] terminates June 30, 2025.

14

- END -