

Ideas on How to Determine Which Bills Constitute "Budget" Bills and Common Elements of Other States with Sessions of Limited Scope

Prepared for the SB 310 Steering Committee

March 2020

Montana-related Provisions

- Montana is constitutionally required to adopt a balanced budget: Appropriations by the legislature shall not exceed anticipated revenue. (Mont. Const. Art VIII, sec. 9.) Therefore, revenue estimates and additional revenue would be needed to appropriate funds for a balanced budget.
- Article V, sec. 11 of the Montana Constitution provides that: (4) A general appropriation bill shall contain only appropriations for the ordinary expenses of the legislative, executive, and judicial branches, for interest on the public debt, and for public schools. Every other appropriation shall be made by a separate bill, containing but one subject.
- 5-4-201, MCA. Requirement of fiscal notes with committee reports. All bills reported out of a committee of the legislature having an effect on the revenues, expenditures, or fiscal liability of the state or of a county or municipality, except appropriation measures carrying specific dollar amounts, shall include a fiscal note incorporating an estimate of such effect.
- 5-5-227, MCA. Revenue interim committee -- revenue estimating and use of estimates. (2) (a) 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.

(b) The committee may prepare for introduction during a special session of the legislature in which a revenue bill or an appropriation bill is under consideration an estimate of the amount of projected revenue. The revenue estimate is considered a subject specified in the call of a special session under 5-3-101.

(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.
- 17-7-123, MCA. Form of executive budget. -- Would need to be reviewed as it lists what the executive budget must include, such as a consolidated budget summary with proposed disbursements and anticipated receipts, FTE (full-time equivalents) base budget numbers for past and future biennium, pay plan and other appropriations made by separate bills, certain enterprise or proprietary funds.
- 17-8-101, MCA. Appropriation and disbursement of money from treasury -- Would need to be reviewed for all fund types subject to appropriation to be included in any definition of "fiscal or budget bills" that would be eligible for the budget session.
- Review the General Fund Status Sheet for all of the bills that go into consideration of the revenues contemplated in legislation to ensure a balanced budget.

Of the 7 states with Limited Scope Sessions (see attached NCSL chart)

- All are in second (even) year of the biennium.
- 3 states, including New Mexico, adopt annual budgets in annual sessions.

- The other 4 states adopt a biennial budget in annual sessions; this includes Wyoming that adopts a consolidated two-year budget, as opposed to two annual budgets at a time.
- Two states, including Wyoming and Arkansas, provide for other bills only by approval of two-thirds of the members of each house.
- NCSL commented that the subject limits are so broad or vague in four of the states that they have little impact.

Budget Processes in the States (NASBO)

- Of the 20 states that prepare a biennial budget, many have a fairly thorough supplemental budget process for the second year of the process, some effectively make the budget cycle annual in practice.
- Nevada allows caseload, K-12 enrollment in excess of budget to request supplemental appropriations. Texas has no formal process and supplemental requests are considered during the second year of the biennium (Legislature has different authority even though they are biennial.) Wyoming uses the same process for supplemental budgets as when the biennial budget is first developed.
- Oregon has three Joint Interim Ways and Means Committee meetings that it can develop recommendations between the end of session in July of the odd-year and the following February session in the even-number year when the legislature may review potential and emerging budget issues. The legislature can take actions on those recommendations in the short second (February) session. They also have a Joint Legislative Emergency Board that meets following the short second session where the Board can take immediate action without convening the entire body.
- Of Oregon, Utah, Wyoming, North Dakota, Texas and Nevada, only Wyoming adopts the biennial budget in the even year.

Miscellaneous Legislative Rules

- Wyoming's Senate rule for introducing bills other than the budget bill for the budget session requires the bill to be printed and on the desk of all members at least 24 hours before consideration, except that bills from joint interim committees may be considered on opening day. Sponsor gets three minutes to address the senate, no rebuttals or questions are permitted, and it requires a two-thirds vote for it to be accepted and assigned to committee.
- Wyoming Senate also allows the President, in consultation with the minority floor leader, to propose that interim committee bills to be voted upon for introduction on a Budget Session Consent List. To be considered, the interim committee bill must be approved by the President and printed and distributed 24 hours prior to consideration. No debate is allowed, and any member may remove any bill upon request before the vote.
- Mississippi House Rule 95 states: "Revenue bill" shall include only those bills whose primary purpose it to increase or decrease taxes or to authorize issuance of bonds or the borrowing of money. Bills which are primarily for regulatory purposes which have revenue provisions included shall not be considered as revenue bills for the purpose of this rule. [Rules sets out transmittal and blast motions - a House appropriations or revenue bill not reported within a recommendation within 10 legislative days may be withdrawn through by a blast motion.]

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