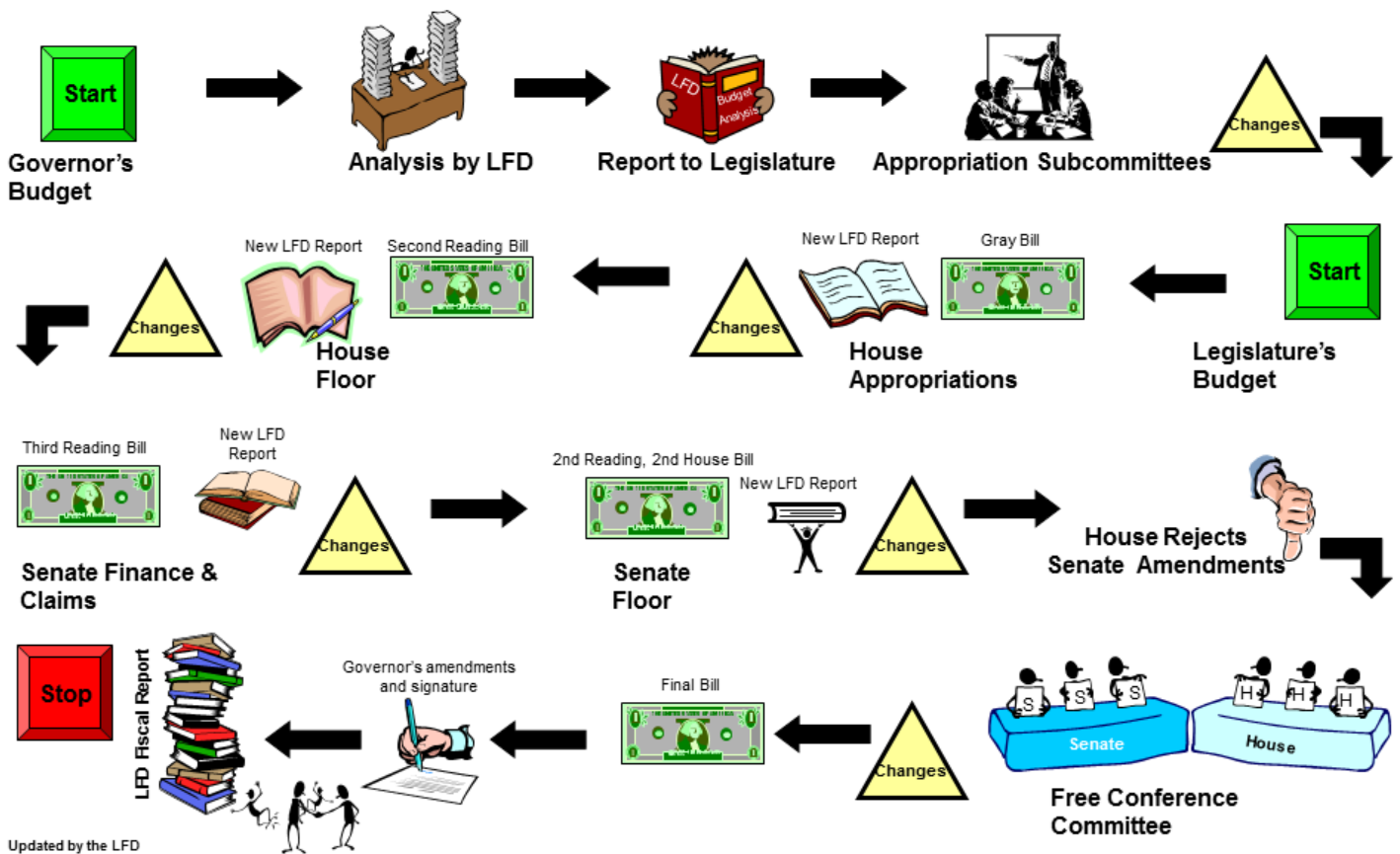


The House Bill 2 Appropriation Process

Article VIII, Section 14, Montana Constitution: *Prohibited payments. Except for interest on the public debt, no money shall be paid out of the treasury unless upon an appropriation made by law and a warrant drawn by the proper officer in pursuance thereof.*



The above chart shows the process through which the temporary General Appropriations Act, or House Bill 2 (HB2), is reviewed and acted upon by the legislature.

- Step 1) On November 15 of even years the Governor's budget proposal is provided to the Legislative Fiscal Division (LFD). The LFD perform an analysis of the Governor's budget and reports the findings to the legislature in the Budget Analysis
- Step 2) First week of January in odd years the legislative session begins and HB2 is introduced, including the provisions of the executive budget, and assigned to the House Appropriations Committee. The complexity and size of HB 2 require that sections of the bill be assigned to various joint subcommittees of the Appropriations Committee
- Step 3) Joint subcommittees meet until approximately the 42nd legislative day to deliberate on HB 2. Subcommittees are composed of members of the House Appropriations and Senate Finance and Claims Committees
- Step 4) Just after the general transmittal break, the joint subcommittees report each of their budget recommendations to the House Appropriations Committee
- Step 5) The Appropriations Committee consolidates the separate subcommittee recommendations into a comprehensive appropriations bill. To assist the legislature in this process, the LFD produces a

committee study bill and an appropriations narrative. The narrative is a written report explaining the recommendations and major policy decisions of the appropriations subcommittees

- Step 6) The House Appropriations Committee hears specific appeals from state agencies concerning subcommittee action, compares subcommittee recommendations to projected revenues, and considers amendments to subcommittee recommendations from committee members. This process takes 3-5 days immediately following the general transmittal break, or 45th legislative day. The committee then moves the bill to the full House for debate
- Step 7) Just prior to the bill moving to the House for debate, the Legislative Fiscal Division staff drafts amendments at the request of the House members
- Step 8) Around the 50th legislative day, the full House debates HB 2. To assist the legislature in this process, the Legislative Fiscal Division produces a second written copy of the bill and updates the narrative for presentation to all members of the House. Floor debate in the House generally requires at least one entire legislative day, and can take several days. The chair of the Appropriations Committee introduces the bill and subcommittee chairs summarize each section. Legislative Fiscal Division staff is on the floor to assist subcommittee chairs. Staff is also present to assist any legislators who may have questions or wish to introduce additional amendments
- Step 9) After the full House passes HB 2 it is transmitted to the Senate and assigned to the Senate Finance and Claims Committee. This committee generally takes several days to review the bill. Each subcommittee chair summarizes each section. The committee may generate a series of amendments that provide the basis for much of the debate on the Senate Floor. State agency input is generally confined to specific appeals from House Floor action, and to answering committee questions
- Step 10) Just prior to the bill moving to the full Senate for debate, Legislative Fiscal Division staff prepare a final updated narrative and draft amendments to the bill as requested by Senate members
- Step 11) Senate Floor debate of HB 2 begins with subcommittee vice-chairs summarizing each section of the bill. Legislative Fiscal Division staff is on the floor to assist vice-chairs, as well as any Senate member who may have questions or who wishes to introduce amendments. Debate on the Senate Floor generally focuses on amendments generated by the Finance and Claims Committee, a process that traditionally takes about a day
- Step 12) The bill is then returned to the House, which either accepts or rejects the amendments of the Senate
- Step 13) Conference committee is traditionally a free conference committee to allow amendments to any item in the bill. This step only occurs if the House rejects the Senate's amendments to HB 2. If a conference committee is needed, the committee may recommend amending HB 2 to conform to other legislation that carries an estimated fiscal impact, but does not carry appropriations. The conference committee reports to the full legislature. Each house then rejects or approves the conference committee report. If either chamber fails to approve the committee report, the bill is returned to the conference committee for further work
- Step 14) If both chambers accept the conference committee report, HB 2 is transmitted to the Governor
- Step 15) The Governor has full, line-item, and amendatory veto power over HB 2. The Governor can reject or sign the bill in total, remove specific line items, or propose amendments to the bill. The legislature must vote on any proposed amendments. If the legislature rejects the amendments, the Governor must sign or veto the bill