

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

- 2023

68th Legislature 2023

Drafter: Julie Johnson, 406-444-4024

HB0251.001.007

HOUSE BILL NO. 251

INTRODUCED BY L. JONES, S. VINTON, M. REGIER, R. KNUDSEN, J. SMALL, S. FITZPATRICK, D.

SALOMON, J. ELLSWORTH, K. BOGNER

A BILL FOR AN ACT ENTITLED: "AN ACT REVISING STATE FINANCE LAWS; CREATING THE DEBT AND LIABILITY FREE ACCOUNT; PROVIDING FOR A TRANSFER AND ALLOCATIONS OF INTEREST INTO THE DEBT AND LIABILITY FREE ACCOUNT; PROVIDING A TRANSFER TO THE STATEWIDE PUBLIC SAFETY COMMUNICATIONS SYSTEM ACCOUNT; PROVIDING FOR A STATUTORY APPROPRIATION; PROVIDING FOR AN EQUAL TRANSFER OF UNOBLIGATED FUNDS FROM THE DEBT AND LIABILITY FREE ACCOUNT TO THE CAPITAL DEVELOPMENTS LONG-RANGE BUILDING PROGRAM ACCOUNT AND THE GENERAL FUND IN 2027; AMENDING SECTIONS 17-6-202, 17-7-502, AND 44-4-1607, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE AND A RETROACTIVE APPLICABILITY DATE."

WHEREAS, there is a benefit to the citizens of Montana to pay off debts and be debt free in 2023; and

WHEREAS, paying off debts and other financial liabilities of the State of Montana is a responsible use of one-time funds; and

WHEREAS, issuing and paying off public debt when prudent is and should remain a standard function of state government; and

WHEREAS, paying off debt now allows more capacity to responsibly pay for capital expenditures via financing in the future, when desired by the Executive and Legislature.

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

NEW SECTION. Section 1. Debt and liability free account -- rules for deposits and transfers -- purpose. (1) There is an account in the state special revenue fund established by 17-2-102 known as the debt and liability free account.

(2) The purpose of the debt and liability free account is to:

(a) pay the principal, interest, premiums, and any costs or fees associated with redeeming

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outstanding bonds, notes, or other obligations that have been authorized and issued pursuant to the laws of Montana and that are currently subject to optional redemption;

(b) pay the principal, interest, premiums, and any costs or fees associated with defeasing outstanding bonds, notes, or other obligations that have been authorized and issued pursuant to the laws of Montana that are not currently subject to optional redemption;

(c) forego or reduce the amount of an issuance of general obligation bonds paid from the general fund authorized by the legislature but not yet issued by the board of examiners prior to using funds from the account established in 17-7-209 for the same purpose; and

~~(e)(d) pay in whole or in part legally resolved nonpension financial liabilities of the state of Montana;~~
~~(d) pay personal services costs of a state agency to avoid or delay incurrence or declaration of a formal exigency; and~~

~~(e) pay in whole or in part the cost of repairs to existing infrastructure within the state that, if made, are likely to prevent catastrophic loss of life or property.~~

~~(3) The legislature may transfer money from other funds to the account, and the money in the account is subject to legislative fund transfers.~~

~~(4)(3)~~ For the fiscal year beginning July 1, 2022, through the fiscal year ending June 30, 2025, interest income received pursuant to 17-6-202(2) is deposited into the account.

~~(5)(4)~~ Funds in the debt and liability free account are statutorily appropriated, as provided in 17-7-502, to the governor's office of budget and program planning and must be used in accordance with the requirements of this section.

~~(6)(5)~~ Funds expended from the account in this section may not be included in the calculation of annual transfers in 17-7-208

(6) The office of budget and program planning shall prioritize the use of funds for the uses outlined in subsections (1)(a) through (1)(c).

Section 2. Section 17-6-202, MCA, is amended to read:

"17-6-202. Investment funds -- general provisions. (1) For each treasury fund account into which state funds are segregated by the department of administration pursuant to 17-2-106, individual transactions

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2 NEW SECTION. Section 5. Transfer of funds. (1) By June 30, 2023, the state treasurer shall

3 transfer ~~\$150~~ \$125 million from the general fund to the account provided for in [section 1].

4 (2) By June 30, 2023, the state treasurer shall transfer ~~\$35~~ \$18.6 million from the general fund to
5 the statewide public safety communications system account provided for in 44-4-1607.

6 (3) By June 30, 2027, the state treasurer shall transfer any unobligated funds in the account
7 established in [section1] as follows:

8 (a) 50% to the capital developments long-range building program account established in 17-7-209;

9 and

10 (b) 50% to the general fund.

11

12 NEW SECTION. Section 6. Codification instruction. [Section 1] is intended to be codified as an

13 integral part of Title 17, chapter 6, and the provisions of Title 17, chapter 6, apply to [section 1].

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

18

19 COORDINATION SECTION. Section 8. Coordination instruction. (1) If [this act] is passed and
20 approved and does not contain a \$125 million transfer in [section 5(1)], and if any of the five bills identified in
21 subsection (2) are not passed and approved, then the transfer amount in [section 5(1)] of [this act] is \$62.5
22 million.

23 (2) The five bills are:

24 (a) House Bill No. 192;

25 (b) House Bill No. 212;

26 (c) House Bill No. 221;

27 (d) House Bill No. 222; and

28 (e) House Bill No. 267.

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3 NEW SECTION. **Section 9. Effective date.** [This act] is effective on passage and approval.

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5 NEW SECTION. **Section 10. Retroactive applicability.** [This act] applies retroactively, within the
6 meaning of 1-2-109, to funds collected pursuant to 17-6-202(2) on or after July 1, 2022.

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- END -