

HOUSE BILL NO. 418

INTRODUCED BY MADISON
BY REQUEST OF THE DEPARTMENT OF
NATURAL RESOURCES AND CONSERVATION

IN THE HOUSE

JANUARY 28, 1991 INTRODUCED AND REFERRED TO COMMITTEE
ON APPROPRIATIONS.

JANUARY 29, 1991 FIRST READING.

MARCH 19, 1991 COMMITTEE RECOMMEND BILL
DO PASS. REPORT ADOPTED.

MARCH 20, 1991 PRINTING REPORT.

MARCH 23, 1991 SECOND READING, DO PASS.

MARCH 25, 1991 ENGROSSING REPORT.

MARCH 26, 1991 THIRD READING, PASSED.
AYES, 86; NOES, 10.

TRANSMITTED TO SENATE.

IN THE SENATE

MARCH 26, 1991 INTRODUCED AND REFERRED TO COMMITTEE
ON FINANCE & CLAIMS.

FIRST READING.

APRIL 2, 1991 COMMITTEE RECOMMEND BILL BE
CONCURRED IN. REPORT ADOPTED.

APRIL 8, 1991 SECOND READING, CONCURRED IN.

APRIL 9, 1991 THIRD READING, CONCURRED IN.
AYES, 43; NOES, 2.

RETURNED TO HOUSE.

IN THE HOUSE

APRIL 10, 1991 RECEIVED FROM SENATE.

SENT TO ENROLLING.

REPORTED CORRECTLY ENROLLED.

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6 A BILL FOR AN ACT ENTITLED: "AN ACT CLARIFYING THAT ALL
 7 MONEY COLLECTED UNDER TITLE 37, CHAPTER 43, MCA, MUST BE
 8 RESERVED FOR USE BY THE BOARD OF WATER WELL CONTRACTORS;
 9 CLARIFYING THAT THE BOARD MAY EXPEND FUNDS FROM BONDS;
 10 PROVIDING A STATUTORY APPROPRIATION; AMENDING SECTION
 11 17-7-502, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

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

14 NEW SECTION. **Section 1.** Earmarked money for board
 15 expenses -- expenditure of funds from bonds. (1) All money
 16 collected under this chapter must be deposited in the state
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 18 paying expenses of the board. Except for funds received from
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 20 the legislature before it may be expended by the board.
 21 Income and interest from investment of the money in the
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24 (2) The board may accept and expend all funds received
 25 from bonds required by 37-43-306. The funds must be used to

1 remedy defects in water wells, to compensate for damages
 2 caused by violations of this chapter or the rules of the
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 5 appropriated as provided in 17-7-502.

6 **Section 2.** Section 17-7-502, MCA, is amended to read:

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

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

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

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

20 (3) The following laws are the only laws containing
 21 statutory appropriations: 2-9-202; 2-17-105; 2-18-812;
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 8 and section 13, House Bill No. 861, Laws of 1985; and
 9 [section 1].

10 (4) There is a statutory appropriation to pay the
 11 principal, interest, premiums, and costs of issuing, paying,
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 14 Montana. Agencies that have entered into agreements
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 21 664, L. 1987, the inclusion of 39-71-2504 terminates June
 22 30, 1991.)"

23 NEW SECTION. Section 3. Codification instruction.
 24 [Section 1] is intended to be codified as an integral part
 25 of Title 37, chapter 43, and the provisions of Title 37,

1 chapter 43, apply to [section 1].

2 NEW SECTION. Section 4. Effective date. [This act] is
 3 effective on passage and approval.

-End-

STATE OF MONTANA - FISCAL NOTE
Form BD-15

In compliance with a written request, there is hereby submitted a Fiscal Note for HB0418, as introduced.

DESCRIPTION OF PROPOSED LEGISLATION:

The bill creates a statutory appropriation to permit the Board of Water Well Contractors to pay out bond forfeiture money to remedy defects or compensate for damages.


ASSUMPTIONS:


1. MCA, Title 37, Chapter 43, and ARM Title 36, Chapter 21, prescribe that the water well contractors and monitoring well constructors must carry surety bonds to guarantee that certain standards and requirements are met. In cases resulting in forfeiture of the surety bond, the bond funds become available to remedy the related damages.
2. In order for the board to carry out its duties, an appropriation must be obtained to expend forfeited surety bond funds to remedy the damages. Only funds collected from this revenue source would be appropriated for this purpose.
3. The legislation provides for statutory authority for the board to use forfeited bond funds to remedy the problem that resulted in the forfeiture. Presently, a budget amendment is required to expend these funds and may only be granted if an emergency exists.
4. There would be no fiscal impact from this bill. Instead of requesting a budget amendment to expend bond forfeiture funds, the department would have statutory appropriation authority.

FISCAL IMPACT:

Department of Natural Resources and Conservation:

	FY 92			FY 93		
	<u>Current Law</u>	<u>Proposed Law</u>	<u>Difference</u>	<u>Current Law</u>	<u>Proposed Law</u>	<u>Difference</u>
<u>Expenditures:</u>						
Operating Costs	20,000	20,000	0	20,000	20,000	0
<u>Funding:</u>						
Forfeited Bond Funds (02)	20,000	20,000	0	20,000	20,000	0


ROD SUNDSTED, BUDGET DIRECTOR 2-5-91 DATE
Office of Budget and Program Planning


JAMES MADISON, PRIMARY SPONSOR 2/6/91 DATE
Fiscal Note for HB0418, as introduced

HB 418

APPROVED BY COMMITTEE
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