

HOUSE BILL NO. 291

INTRODUCED BY HUENNEKENS

BY REQUEST OF THE DEPARTMENT OF SOCIAL  
AND REHABILITATION SERVICES

IN THE HOUSE

January 16, 1981	Introduced and referred to Committee on State Administration.
February 2, 1981	Committee recommend bill do not pass. Report adopted.
February 3, 1981	Objection to adverse committee report. Motion to reconsider adverse report and place on second reading.
	Second reading, pass consideration until printing.
February 4, 1981	Bill printed and placed on members' desks.
February 5, 1981	Second reading, pass consideration until February 6, 1981.
	Second reading, pass consideration. Rerferred to Committee on State Administration.
February 11, 1981	Committee recommend bill do pass. Report adopted.
February 13, 1981	Motion pass consideration until February 14, 1981.
February 14, 1981	Statement of intent attached.
	Second reading, pass consideration until February 16, 1981.
February 17, 1981	Second reading, do pass.

February 18, 1981 Considered correctly engrossed.  
February 19, 1981 Third reading, passed.  
Ayes, 76; Noes, 23.  
Transmitted to Senate.

IN THE SENATE

February 20, 1981	Introduced and referred to Committee on State Administration.
March 11, 1981	Committee recommend bill be concurred in as amended. Report adopted.
March 13, 1981	Second reading, concurred in.
March 16, 1981	Third reading, concurred in as amended. Ayes, 49; Noes, 1.

## IN THE HOUSE

March 17, 1981	Returned from Senate with amendments.
April 7, 1981	Second reading, amendments concurred in.
	On motion, rules suspended and bill placed on third reading this day.
	Third reading, amendments concurred in. Ayes, 92; Noes, 4. Sent to enrolling.
	Reported correctly enrolled.

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

13 Section 1. Section 53-2-323, MCA, is amended to read:

14 "53-2-323. Grants from state funds to counties. A  
15 county may apply to the department for an emergency  
16 grant-in-aid, and the grant shall be made to the county upon  
17 the following conditions:

18                   (1) The board of county commissioners or a duly  
19 elected or appointed executive officer of the county shall  
20 make written application to the department for emergency  
21 assistance and shall show by written report and sworn  
22 affidavit of the county clerk and recorder and chairman of  
23 the board of county commissioners or other duly elected or  
24 appointed executive officer of the county the following:  
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1 obligations under law to provide assistance to the needy of  
2 the county or meet its proportionate share of any public  
3 assistance activity carried on jointly with the department;  
4 (b) that all lawful sources of revenue and other  
5 income to the county poor fund will be exhausted;  
6 (c) that all expenditures from the county poor fund  
7 have been lawfully made; and  
8 (d) any other information required by the department  
9 that all expenditures from the county poor fund have been  
10 reasonable and necessary, according to criteria set by the  
11 department, for the county to meet its obligations under law  
12 to provide assistance to the needy.

13 (2) Within 10 days of receipt of the application and  
14 affidavit, the department shall determine whether the county  
15 poor fund will be depleted and shall give notice to the  
16 county of the department's intention to deny or allow the  
17 grant-in-aid. Before a grant-in-aid for any fiscal year may  
18 be made to a county under this section, any money credited  
19 during that fiscal year to the depletion allowance reserve  
20 fund from the sources provided by 7-34-2402(2) shall be  
21 transferred to the county poor fund to be used for lawful  
22 poor fund expenditures. The amount of the grant-in-aid  
23 shall be determined after all sources of income available to  
24 the poor fund, including the depletion allowance reserve  
25 fund transfers, have been exhausted.

1       (3) Within 10 days of receiving notice from the  
2 department that a grant-in-aid will be made to the county,  
3 the board of county commissioners or other duly elected or  
4 appointed executive officer of the county shall adopt an  
5 emergency budget. There is no requirement of notice and  
6 hearing for that emergency budget. The emergency budget  
7 shall state the amount required to meet the obligation of  
8 the county and shall allocate that whole amount among the  
9 various classes of expenditures for which the grant was  
10 made.

11       (4) Upon receipt and approval of the county emergency  
12 budget, the department shall issue a warrant to the county  
13 treasurer of the county for the total amount stated in the  
14 approved emergency budget.

15       (5) The grant-in-aid received by the county shall be  
16 placed in an emergency fund account to be kept separate and  
17 distinct from the poor fund account. All expenditures from  
18 the emergency fund account shall be made by a separate  
19 series of warrants or checks marked as emergency warrants or  
20 checks.

21       (6) The grants-in-aid from the department may be used  
22 only for public assistance activities lawfully conducted by  
23 the county, including but not limited to medical aid,  
24 hospitalization, and institutional care. No part of a  
25 grant-in-aid may be used, directly or indirectly, to pay for

1       the erection or improvement of any county building or for  
2 furniture, fixtures, appliances, or equipment for a county  
3 building.

4       (7) In the event the county poor fund is replenished  
5 by other lawful sources of revenue, the county shall issue  
6 warrants to meet its obligations from the county poor fund  
7 until such time as that fund is again so depleted that  
8 warrants can no longer lawfully be drawn on that account.  
9 Upon depletion of the county poor fund, the county may again  
10 make disbursements from the emergency fund account as  
11 provided in subsection (5). At the close of the county  
12 fiscal year, the county shall return to the department any  
13 amounts remaining in the county poor fund and the emergency  
14 fund account, but the remaining amount to be returned may  
15 not exceed the total amount of the emergency grant-in-aid  
16 for that fiscal year.

17       (8) Any amount which is unlawfully disbursed or  
18 transferred from the emergency fund account or used for a  
19 purpose other than that specified in the grant-in-aid shall  
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-End-

Committee  
on State Administration

Objection Raised to  
Adverse Committee Report

HOUSE BILL NO. 291

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7 services the authority to set criteria by which it will  
8 determine if expenditures from the county poor fund are  
9 reasonable and necessary if the county is applying for a  
10 grant-in-aid. Grants-in-aid are mandatory if the county is  
11 spending over the 13.5 poor fund mill levy and if the  
12 present law is followed. Since grants-in-aid are paid  
13 entirely with state general fund monies, the state has an  
14 interest in determining the reasonableness and necessity of  
15 expenditures which led up to the grant-in-aid request.

16 Counties which levy less than the statutory limit of  
17 13.5 mills would not be subject to these criteria.

18 The present statute requires that expenditures be  
19 lawful, but it does not reference necessity. It requires  
20 counties seeking grants-in-aid to furnish information but  
21 does not give the department authority to take action based  
22 on that information. The proposed change would give the  
23 department the authority to act as a prudent person to  
24 insure the reasonableness and necessity of expenditures.

25 Criteria will be set through the rulemaking process

1 setting forth the areas in which the department could  
2 determine reasonableness and necessity. These criteria will  
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-2- Please Insert in  
yellow copy HB 291

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March 11, 1981

SENATE STANDING COMMITTEE REPORT  
(State Administration)

That House Bill No. 291 be amended as follows:

1. Page 2, line 11.

Following: "department"

Insert: "in rules adopted for that purpose"