

HOUSE BILL NO. 14

1st Special Session

Introduced and Referred to Committee on Local Government:
11/19/81

Fiscal Note Required

Hearing: 11/19/81

Report: 11/20/81, Do Pass

2nd Reading: 11/20/81

3rd Reading: 11/21/81

Transmitted to Senate: 11/21/81

Referred to Committee on Finance & Claims: 11/21/81

Report: 11/24/81, Be Not concurred In

Report Adopted: 11/24/81

FIRST READING

MISSING

STATE OF MONTANA

REQUEST NO. 5-SP-81

FISCAL NOTE

Form BD-15

In compliance with a written request received November 20, 19 81, there is hereby submitted a Fiscal Note for House Bill 14 pursuant to Title 5, Chapter 4, Part 2 of the Montana Code Annotated (MCA).

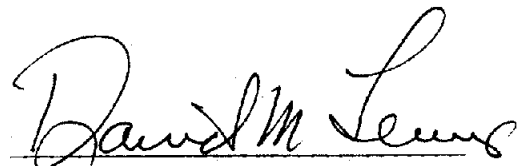
Background information used in developing this Fiscal Note is available from the Office of Budget and Program Planning, to members of the Legislature upon request.

DESCRIPTION OF PROPOSED LEGISLATION:

Provides that payment of interest on registered poor fund warrants used for purposes reimbursable under a grant-in-aid is included as a proper expenditure for grant-in-aid reimbursement.

COMMENTS:

No dollar estimate can be made for House Bill 14. At the present time there are \$9,500,000 of county registered warrants, however, we are unable to determine which warrants are for county poor fund expenditures.



BUDGET DIRECTOR

Office of Budget and Program Planning

Date: 11-21-81

Approved by Comm.
on Local Government

1 ~~HOUSE~~ BILL NO. 14 *Special*
2 INTRODUCED BY *[Signature]*

3
4 A BILL FOR AN ACT ENTITLED: "AN ACT TO PROVIDE THAT PAYMENT
5 OF INTEREST ON REGISTERED POOR FUND WARRANTS USED FOR
6 PURPOSES REIMBURSABLE UNDER A GRANT-IN-AID IS INCLUDED AS A
7 PROPER EXPENDITURE FOR GRANT-IN-AID REIMBURSEMENT; AMENDING
8 SECTION 53-2-323, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE
9 DATE."

10
11 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

12 Section 1. Section 53-2-323, MCA, is amended to read:
13 "53-2-323. Grants from state funds to counties. A
14 county may apply to the department for an emergency
15 grant-in-aid, and the grant shall be made to the county upon
16 the following conditions:

17 (1) The board of county commissioners or a duly
18 elected or appointed executive officer of the county shall
19 make written application to the department for emergency
20 assistance and shall show by written report and sworn
21 affidavit of the county clerk and recorder and chairman of
22 the board of county commissioners or other duly elected or
23 appointed executive officer of the county the following:

24 (a) that the county will not be able to meet its
25 obligations under law to provide assistance to the needy of

1 the county or meet its proportionate share of any public
2 assistance activity carried on jointly with the department;

3 (b) that all lawful sources of revenue and other
4 income to the county poor fund will be exhausted;

5 (c) that all expenditures from the county poor fund
6 have been lawfully made; and

7 (d) that all expenditures from the county poor fund
8 have been reasonable and necessary, according to criteria
9 set by the department in rules adopted for that purpose, for
10 the county to meet its obligations under law to provide
11 assistance to the needy.

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

25 (3) Within 10 days of receiving notice from the

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

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

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

20 (6) The grants-in-aid from the department may be used
 21 only for public assistance activities lawfully conducted by
 22 the county, including but not limited to medical aid,
 23 hospitalization, and institutional care, and the payment of
 24 interest on warrants used for such purposes. 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
 20 be returned by the county to the department."

21 Section 2. Effective date. This act is effective on
 22 passage and approval.

-End-

1 HOUSE BILL NO. 14 (1st SS)

2 INTRODUCED BY FABREGA

3
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