

HOUSE BILL NO. 67

1/07 Introduced
1/07 Referred to Appropriations
1/10 Fiscal Note Requested
1/16 Fiscal Note Received
3/25 Hearing
Died in Committee

1 HOUSE BILL NO. 67
2 INTRODUCED BY SANDS

3
4 A BILL FOR AN ACT ENTITLED: "AN ACT PROHIBITING THE
5 EARMARKING OF STATE FUNDS UNLESS THE FUNDS ARE
6 CONSTITUTIONALLY EARMARKED OR DERIVED FROM THOSE FOR WHOM
7 THEY WILL BE USED; AND INSTRUCTING THE DEPARTMENT OF REVENUE
8 TO PREPARE LEGISLATION TO REMOVE EARMARKED FUNDING IN
9 EXISTING LAWS."

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

12 Section 1. Earmarking prohibited -- exception. (1)
13 Except as provided in subsection (2), a bill may not contain
14 a provision dedicating money from state sources to the state
15 special revenue fund and earmarking such money for the
16 purpose of defraying particular costs of an agency, program,
17 or function of state government.

18 (2) Subsection (1) does not apply to bills earmarking:

19 (a) funds derived from those for whom the funds are to
20 be used, such as licensing fees for professions or user
21 fees; or

22 (b) funds earmarked by the constitution.

23 Section 2. Department to prepare legislation. The
24 department of revenue shall prepare legislation for
25 introduction in the 50th legislature that will appropriately

1 amend all references in the Montana Code Annotated to the
2 earmarking of funds that are not derived from those for whom
3 the funds are to be used or earmarked by the constitution.
4 The legislation shall provide for the deposit of the
5 previously earmarked funds in the general fund.

-End-



-2- INTRODUCED BILL
 HB 67

STATE OF MONTANA
FISCAL NOTE

REQUEST NO. FNN 060-85

Form BD-15

In compliance with a written request received January 10, 19 85, there is hereby submitted a Fiscal Note for H.B. 67 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:

An act prohibiting the earmarking of State funds unless the funds are constitutionally earmarked or derived from those for whom they will be used; and instructing the Department of Revenue to prepare legislation to remove earmarked funding in existing laws.

ASSUMPTIONS:

1. De-earmarking of existing funds will not occur until FY 1988.
2. There are five constitutionally established earmarked accounts.
3. The majority of those current accounts affected by de-earmarking currently deposit interest earnings in the General Fund.

FISCAL IMPACT:

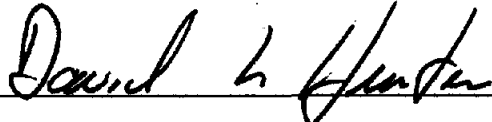
None.

LONG RANGE EFFECT:

This legislation will require a substantial portion of current earmarked revenues to be deposited into the State General Fund in FY 1988, (if the required legislation is adopted). Many budgets will require modification to reflect general fund financing rather than earmarked financing in the FY 88-89 biennium.

TECHNICAL NOTE:

If any of the earmarked accounts affected by this legislation have been used for debt service, careful review of the debt agreement should be done prior to de-earmarking.



BUDGET DIRECTOR
Office of Budget and Program Planning

Date: Jan 15, 1985