

HOUSE BILL 306

Introduced by Driscoll, et al.

1/19	Introduced
1/20	Referred to Business & Economic Development
1/21	Fiscal Note Requested
1/27	Fiscal Note Received
1/30	Fiscal Note Printed
2/01	Hearing
2/07	Committee Report--Bill Passed
2/09	2nd Reading Do Pass Motion Failed

1 *House* BILL NO. *306*
 2 INTRODUCED BY *Erin G. Cooper, House*
 3 *M. Hanson, Sen. Nelson, Senate*
 4 A BILL FOR AN ACT ENTITLED: "AN ACT ELIMINATING THE
 5 AUTOMATIC TRANSFER TO THE GENERAL FUND OF CASH BALANCES
 6 REMAINING IN THE INSURANCE REGULATORY TRUST AND SECURITIES
 7 REGULATORY TRUST ACCOUNTS AFTER CURRENT FISCAL YEAR
 8 EXPENDITURES ARE MET; AMENDING SECTIONS 17-2-121 AND
 9 30-10-115, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

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

12 **Section 1.** Section 17-2-121, MCA, is amended to read:

13 "17-2-121. Insurance regulatory trust account. (1)
 14 There is created in the state treasury an account within the
 15 state special revenue fund designated "insurance regulatory
 16 trust account" to which must be credited all fees and
 17 miscellaneous and examination charges, but not fines or
 18 penalties or those amounts received pursuant to 33-2-311,
 19 33-2-705, or 33-2-706, collected by the insurance
 20 commissioner pursuant to Title 33 and the rules adopted
 21 thereunder.

22 (2) The money so received and deposited in the
 23 insurance regulatory trust account may be paid out of the
 24 treasury only on appropriation made by the legislature as
 25 provided in 17-8-101 and must be used only to defray the

1 expenses of the insurance commissioner and his staff in the
 2 discharge of their administrative and regulatory powers and
 3 duties as prescribed by law, subject to the applicable laws
 4 relating to the appropriations of state funds and to the
 5 deposit and expenditure of state money. The commissioner is
 6 responsible for the proper expenditure of this money as
 7 provided by law.

8 {3}--Any--cash--balance--remaining--in--the--insurance
 9 regulatory--trust--account--after--all--current--fiscal--year
 10 expenditures--are--met--must--be--transferred--to--the--general
 11 fund."

12 **Section 2.** Section 30-10-115, MCA, is amended to read:

13 "30-10-115. Securities regulatory trust account. (1)
 14 There is created in the state special revenue fund an
 15 account designated as the "securities regulatory trust
 16 account" into which all fees, examination charges, and
 17 miscellaneous charges received by the commissioner pursuant
 18 to parts 1 through 3 of this chapter must be deposited.

19 (2) The money received and deposited in the securities
 20 regulatory trust account may be paid out of the treasury
 21 only on appropriation made by the legislature, as provided
 22 in 17-8-101, and may be used only to defray the expenses of
 23 the commissioner and his staff in the discharge of their
 24 administrative and regulatory powers and duties as
 25 prescribed by law, subject to the applicable laws relating

1 to the appropriation of state funds and to the deposit and
2 expenditure of state money. The commissioner is responsible
3 for the proper expenditure of this money as provided by law.

4 ~~{3}--Any--cash--balance--remaining--in--the--securities~~
5 ~~regulatory--trust--account--after--all--current--fiscal--year~~
6 ~~expenditures--are--met--must--be--transferred--to--the--general~~
7 ~~fund."~~

8 NEW SECTION. **Section 3.** Extension of authority. Any
9 existing authority to make rules on the subject of the
10 provisions of [this act] is extended to the provisions of
11 [this act].

12 NEW SECTION. **Section 4.** Effective date. [This act] is
13 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 HB306, as introduced.

DESCRIPTION OF PROPOSED LEGISLATION:

An act eliminating the automatic transfer to the general fund of cash balances remaining in the insurance regulatory trust and securities regulatory trust accounts after current fiscal year expenditures are met; amending Sections 17-2-121 and 30-10-115, MCA; and providing an immediate effective date.

ASSUMPTIONS:

1. Effective on passage and approval.
2. The Insurance Regulatory Trust Account reverted approximately \$568,000 to the general fund at fiscal year end 1988. It is assumed a like amount will revert at fiscal year ends 1989, 1990, and 1991.
3. The Securities Regulatory Trust Account reverted approximately \$1,968,000 to the general fund at fiscal year end 1988. It is assumed a like amount will revert at fiscal year ends 1989, 1990, and 1991.

FISCAL IMPACT:

	<u>FY89</u>			<u>FY90</u>			<u>FY91</u>		
<u>Revenue:</u>	<u>Current</u>	<u>Proposed</u>	<u>Difference</u>	<u>Current</u>	<u>Proposed</u>	<u>Difference</u>	<u>Current</u>	<u>Proposed</u>	<u>Difference</u>
	<u>Law</u>	<u>Law</u>		<u>Law</u>	<u>Law</u>		<u>Law</u>	<u>Law</u>	
General Fund	\$2,536,000	\$ -0-	(\$2,536,000)	\$2,536,000	\$ -0-	(\$2,536,000)	\$2,536,000	\$ -0-	(\$2,536,000)
Insurance									
Regulatory	-0-	568,000	568,000	-0-	568,000	568,000	-0-	568,000	568,000
Securities									
Regulatory	-0-	1,968,000	1,968,000	-0-	1,968,000	1,968,000	-0-	1,968,000	1,968,000
TOTAL	\$2,536,000	\$2,536,000	\$ -0-	\$2,536,000	\$2,536,000	\$ -0-	\$2,536,000	\$2,536,000	\$ -0-

LONG-RANGE EFFECTS OF PROPOSED LEGISLATION:

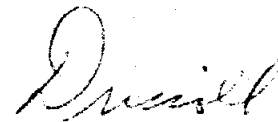
General fund revenues would be reduced approximately \$2,500,000 annually.



RAY SHACKLEFORD, BUDGET DIRECTOR
OFFICE OF BUDGET AND PROGRAM PLANNING

1/27/89

DATE



JERRY L. DRISCOLL, PRIMARY SPONSOR

DATE

1/30/89

Fiscal Note for HB306, as introduced

APPROVED BY COMM. ON BUSINESS
AND ECONOMIC DEVELOPMENT

1 *House* BILL NO. *306*
2 INTRODUCED BY *Gregory C. Cooper, Thomas Stenwig*
3 *Mr. Hanson, Don Wilson, NATWA*
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5 AUTOMATIC TRANSFER TO THE GENERAL FUND OF CASH BALANCES
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19 33-2-705, or 33-2-706, collected by the insurance
20 commissioner pursuant to Title 33 and the rules adopted
21 thereunder.

22 (2) The money so received and deposited in the
23 insurance regulatory trust account may be paid out of the
24 treasury only on appropriation made by the legislature as
25 provided in 17-8-101 and must be used only to defray the

1 expenses of the insurance commissioner and his staff in the
2 discharge of their administrative and regulatory powers and
3 duties as prescribed by law, subject to the applicable laws
4 relating to the appropriations of state funds and to the
5 deposit and expenditure of state money. The commissioner is
6 responsible for the proper expenditure of this money as
7 provided by law.

8 ~~(3) Any cash balance remaining in the insurance~~
9 ~~regulatory trust account after all current fiscal year~~
10 ~~expenditures are met must be transferred to the general~~
11 ~~fund."~~

12 **Section 2.** Section 30-10-115, MCA, is amended to read:

13 "30-10-115. Securities regulatory trust account. (1)
14 There is created in the state special revenue fund an
15 account designated as the "securities regulatory trust
16 account" into which all fees, examination charges, and
17 miscellaneous charges received by the commissioner pursuant
18 to parts 1 through 3 of this chapter must be deposited.

19 (2) The money received and deposited in the securities
20 regulatory trust account may be paid out of the treasury
21 only on appropriation made by the legislature, as provided
22 in 17-8-101, and may be used only to defray the expenses of
23 the commissioner and his staff in the discharge of their
24 administrative and regulatory powers and duties as
25 prescribed by law, subject to the applicable laws relating

1 to the appropriation of state funds and to the deposit and
2 expenditure of state money. The commissioner is responsible
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