

HOUSE BILL 729

Introduced by Hannah, et al.

2/15	Introduced
2/16	Referred to Legislative Administration
2/17	Hearing
2/17	Fiscal Note Requested
2/18	Committee Report--Bill Passed
2/20	Fiscal Note Received
2/21	2nd Reading Do Pass Motion Failed
2/22	Fiscal Note Printed

1 House BILL NO. 729  
2 INTRODUCED BY Hand Smith  
3

4 A BILL FOR AN ACT ENTITLED: "AN ACT TO REVISE THE  
5 REIMBURSEMENT FOR EXPENSES ALLOWED TO LEGISLATORS WHILE IN  
6 SESSION; AND AMENDING SECTION 5-2-301, MCA."  
7

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

9 **Section 1.** Section 5-2-301, MCA, is amended to read:

10 "5-2-301. Compensation and expenses for members while  
11 in session. (1) Legislators are entitled to a salary  
12 commensurate to that of the daily rate of a grade 8, step 2,  
13 classified state employee in effect when ~~the regular session~~  
14 of the legislature in which they serve is convened under  
15 5-2-103 for those days during which the legislature is in  
16 session. The president of the senate and the speaker of the  
17 house shall receive an additional \$5 a day in salary for  
18 those days during which the legislature is in session.

19 (2) Legislators may serve for no salary.

20 (3) Legislators are entitled to \$50 the maximum amount  
21 allowable as a deduction under 26 U.S.C. 162(h)(1)(A)(i), as  
22 amended, a day, 7 days a week, during a legislative session,  
23 as reimbursement for expenses incurred in attending a  
24 session. Expense payments shall stop when the legislature  
25 recesses for more than 3 days and shall resume when the

1 legislature reconvenes.

2 (4) Legislators are entitled to a mileage allowance as  
3 provided in 2-18-503 for each mile of travel to the place of  
4 the holding of the session and to return to their place of  
5 residence at the conclusion of the session.

6 (5) In addition to the mileage allowance provided for  
7 in subsection (4), legislators, upon submittal of an  
8 appropriate claim for such mileage reimbursement to the  
9 office of the legislative council, are entitled to:

10 (a) three additional round trips to their place of  
11 residence during each regular session; and

12 (b) such additional round trips as are authorized by  
13 the legislature during special session.

14 (6) Legislators are not entitled to any additional  
15 mileage allowance under subsection (4) for a special session  
16 if it is convened within 7 days of a regular session."

17 **NEW SECTION. Section 2.** Coordination instruction. If  
18 [this act] is passed and approved, 5-2-301(7), as contained  
19 in Chapter 1, Laws of 1989, is amended to read:

20 "(7) In lieu of the salary provided for in subsection  
21 (1) and the expense allowance provided for in subsection  
22 (3), a legislator may receive remuneration for services  
23 performed during a legislative session. A legislator  
24 choosing to receive remuneration for services performed  
25 shall file a request to receive payment under this

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1 subsection with the accounting office of the legislative  
2 council. A legislator exercising the option to receive  
3 remuneration for services performed may not receive more  
4 remuneration than legislators paid pursuant to subsections  
5 (1) and (3). Remuneration for services performed must be  
6 reduced by \$50--a the amount to which a legislator is  
7 entitled as reimbursement for expenses under subsection (3)  
8 for each day when the legislature recesses for more than 3  
9 days."

-End-

## STATE OF MONTANA - FISCAL NOTE

Form BD-15

In compliance with a written request, there is hereby submitted a Fiscal Note for HB729, as introduced.

DESCRIPTION OF PROPOSED LEGISLATION:

An Act to revise the reimbursement for expenses allowed to legislators while in session; and amending Section 5-2-310, MCA.

ASSUMPTIONS:

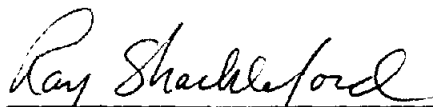
1. Reimbursement to legislators will remain at \$50 per day, 7 days per week (for a total of 110 days) for the 51st Legislature.
2. There will be no special sessions during fiscal year 1990 or 1991.
3. The 52nd Legislature will receive per diem reimbursement for 110 days, the same number of days as the 51st Legislature.
4. The current maximum allowable federal rate for deduction, \$66, will grow to \$72 in 1991, due to inflation in 1989 and 1990 of 4.7% each year, per the recommendation the Joint Revenue Estimating Subcommittee in HJR013, as amended.

FISCAL IMPACT:

	Current	FY90 Proposed		Current	FY91 Proposed	
<u>Expenditures:</u>	<u>Law</u>	<u>Law</u>	<u>Difference</u>	<u>Law</u>	<u>Law</u>	<u>Difference</u>
Operating Expenses	\$ -0-	\$ -0-	\$ -0-	\$825,000	\$1,188,000	\$363,000
<u>Funding:</u> General Fund						

LONG-RANGE EFFECTS OF PROPOSED LEGISLATION:

The maximum deduction for tax purposes allowable under federal law will increase by the rate of inflation. Consequently, the rate of per diem reimbursement to Montana legislators will also increase.



DATE 2/20/89

RAY SHACKLEFORD, BUDGET DIRECTOR  
OFFICE OF BUDGET AND PROGRAM PLANNING



DATE 2/21/89

TOM HANNAH, PRIMARY SPONSOR

Fiscal Note for HB729, as introduced

HB 729

APPROVED BY COMM.  
ON LEG. ADMIN.

INTRODUCED BY Hand BILL NO. 729 Smith

A BILL FOR AN ACT ENTITLED: "AN ACT TO REVISE THE REIMBURSEMENT FOR EXPENSES ALLOWED TO LEGISLATORS WHILE IN SESSION; AND AMENDING SECTION 5-2-301, MCA."

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

**Section 1.** Section 5-2-301, MCA, is amended to read:

"5-2-301. Compensation and expenses for members while in session. (1) Legislators are entitled to a salary commensurate to that of the daily rate of a grade 8, step 2, classified state employee in effect when the-regular-session of the legislature in which they serve is convened under 5-2-103 for those days during which the legislature is in session. The president of the senate and the speaker of the house shall receive an additional \$5 a day in salary for those days during which the legislature is in session.

(2) Legislators may serve for no salary.

(3) Legislators are entitled to \$50 the maximum amount allowable as a deduction under 26 U.S.C. 162(h)(1)(A)(i), as amended, a day, 7 days a week, during a legislative session, as reimbursement for expenses incurred in attending a session. Expense payments shall stop when the legislature recesses for more than 3 days and shall resume when the

1 legislature reconvenes.

(4) Legislators are entitled to a mileage allowance as provided in 2-18-503 for each mile of travel to the place of the holding of the session and to return to their place of residence at the conclusion of the session.

(5) In addition to the mileage allowance provided for in subsection (4), legislators, upon submittal of an appropriate claim for such mileage reimbursement to the office of the legislative council, are entitled to:

(a) three additional round trips to their place of residence during each regular session; and

(b) such additional round trips as are authorized by the legislature during special session.

(6) Legislators are not entitled to any additional mileage allowance under subsection (4) for a special session if it is convened within 7 days of a regular session."

NEW SECTION. **Section 2.** Coordination instruction. If [this act] is passed and approved, 5-2-301(7), as contained in Chapter 1, Laws of 1989, is amended to read:

"(7) In lieu of the salary provided for in subsection (1) and the expense allowance provided for in subsection (3), a legislator may receive remuneration for services performed during a legislative session. A legislator choosing to receive remuneration for services performed shall file a request to receive payment under this

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5 (1) and (3). Remuneration for services performed must be  
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9 days."

-End-