

SENATE BILL 441

Introduced by Gage

2/15	Introduced
2/15	Referred to State Administration
2/17	Hearing
2/20	2nd Reading Passed
2/21	3rd Reading Passed

Transmitted to House

2/28	Referred to Appropriations
3/17	Hearing
3/18	Tabled in Committee
3/28	Motion Failed To Take From Committee
	Died in Committee

## CONSTITUTIONAL AMENDMENT

1 *Senate* BILL NO. 441  
2 INTRODUCED BY *Boyer*  
3  
4 A BILL FOR AN ACT ENTITLED: "AN ACT AMENDING ARTICLE VIII  
5 OF THE CONSTITUTION OF THE STATE OF MONTANA TO IMPOSE A  
6 LIMIT ON GROWTH OF TOTAL STATE EXPENDITURES; AND PROVIDING  
7 THAT THE ACT BE SUBMITTED TO THE QUALIFIED ELECTORS OF  
8 MONTANA."

9  
10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

11 NEW SECTION. Section 1. Article VIII of The  
12 Constitution of the State of Montana is amended by adding  
13 new sections 15 through 22 that read:

14 Section 15. Expenditure limitation. (1) A limit on the  
15 total expenditures by the state in each fiscal period is  
16 established.

17 (2) The total state expenditures for a fiscal period  
18 may not exceed the total expenditures for the prior fiscal  
19 period, except for adjustments based on changes in the cost  
20 of living, population, and the real income of the state's  
21 people. The legislature shall provide by law the method for  
22 determining the fiscal periods used for state and local  
23 government expenditures, and the maximum change allowed in  
24 total expenditures, but except for the emergency provisions  
25 of section 18, the allowed percentage change in total

1 expenditures may not exceed the percentage change in the  
2 state's personal income.

3 Section 16. General fund fiscal balance. In each  
4 fiscal period, the legislature may budget, as an estimated  
5 final balance in the state's general fund for the next  
6 fiscal period, an amount not to exceed 5% of the current  
7 year's general fund budget.

8 Section 17. Refund of certain excess revenues. After  
9 establishing the estimated final balance as provided in  
10 section 16 and establishing total expenditures for the next  
11 fiscal period, any remaining general fund balance must be  
12 refunded pro rata on the annual personal income tax returns.

13 Section 18. Emergency -- exception to expenditure  
14 limitation. The expenditure limitation imposed by section 15  
15 may be exceeded upon the declaration of an emergency by the  
16 governor and a two-thirds vote of all members elected to the  
17 legislature. The legislature shall by law set forth the  
18 amount required to fund the emergency and the method by  
19 which the costs of the emergency must be defrayed. The  
20 limitation may be exceeded only for the year or years in  
21 which the emergency is declared. In no event may the  
22 emergency expenditures be included in the computation of the  
23 limitation imposed by section 15 for any other year.

24 Section 19. Severability. If any expenditure category  
25 or revenue source is adjudged exempt from the provisions of

1 sections 15 through 19 by a court of competent jurisdiction  
 2 in a final order, the process of computing the expenditure  
 3 limitation must be adjusted accordingly and all remaining  
 4 provisions continue in full force and effect.

5 Section 20. Implementation. The legislature shall  
 6 enact legislation consistent with and as may be necessary to  
 7 implement and enforce the provisions of this article.

8 Section 21. Definitions. As used in sections 15 through  
 9 19:

10 (1) "Emergency" means an extraordinary event or  
 11 occurrence that could not have been reasonably foreseen or  
 12 prevented and that requires immediate expenditure to  
 13 preserve the health and safety of the people of this state.

14 (2) "Expenditures" means the total amount appropriated  
 15 by the state, local governments, and public schools except:

16 (a) money received from the federal government;  
 17 (b) principal and interest on bonded indebtedness;  
 18 (c) appropriations funded by unemployment and  
 19 disability insurance funds;

20 (d) appropriations funded by discretionary user  
 21 charges to the extent that such charges do not exceed the  
 22 cost of the goods or services and the purchase of the goods  
 23 or services by the user is discretionary;

24 (e) appropriations funded from a permanent endowment,  
 25 trust fund, or pension fund; and

1 (f) proceeds of gifts or bequests made for purposes  
 2 specified by the donor.

3 (3) "Fiscal period" means any accounting period used  
 4 for appropriations.

5 (4) "Personal income" means the total income received  
 6 by residents of the state of Montana from all sources,  
 7 including transfer payments, as defined and officially  
 8 reported by the United States department of commerce, for a  
 9 12-month period.

10 NEW SECTION. Section 2. Submission to electorate. The  
 11 amendment set forth in section 1 shall be submitted to the  
 12 qualified electors of Montana at the general election to be  
 13 held in November 1990 by printing on the ballot the full  
 14 title of this act and the following:

15 ☐ FOR limiting the growth of total state expenditures.  
 16 ☐ AGAINST limiting the growth of total state  
 17 expenditures.

-End-

APPROVED BY COMMITTEE  
ON STATE ADMINISTRATION

SENATE BILL NO. 441

INTRODUCED BY GAGE

A BILL FOR AN ACT ENTITLED: "AN ACT AMENDING ARTICLE VIII OF THE CONSTITUTION OF THE STATE OF MONTANA TO IMPOSE A LIMIT ON GROWTH OF TOTAL STATE AND PUBLIC SCHOOL EXPENDITURES; AND PROVIDING THAT THE ACT BE SUBMITTED TO THE QUALIFIED ELECTORS OF MONTANA."

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

NEW SECTION. **Section 1.** Article VIII of The Constitution of the State of Montana is amended by adding new sections 15 through 22 that read:

**Section 15. Expenditure limitation.** (1) A limit on the total expenditures by the state in each fiscal period is established.

(2) The total state expenditures for a fiscal period may not exceed the total expenditures for the prior fiscal period, except for adjustments based on changes in the cost of living, population, and the real income of the state's people. The legislature shall provide by law the method for determining the fiscal periods used for state and local government expenditures, and the maximum change allowed in total expenditures, but except for the emergency provisions of section 18, the allowed percentage change in total

expenditures may not exceed the percentage change in the state's personal income.

**Section 16. General fund fiscal balance.** In each fiscal period, the legislature may budget, as an estimated final balance in the state's general fund for the next fiscal period, an amount not to exceed 5% of the current year's general fund budget.

**Section 17. Refund of certain excess revenues.** After establishing the estimated final balance as provided in section 16 and establishing total expenditures for the next fiscal period, any remaining general fund balance must be refunded pro-rata, IN A MANNER PROVIDED BY LAW, on the annual personal income tax returns.

**Section 18. Emergency -- exception to expenditure limitation.** The expenditure limitation imposed by section 15 may be exceeded upon the declaration of an emergency by the governor and a two-thirds vote of all members elected to the legislature. The legislature shall by law set forth the amount required to fund the emergency and the method by which the costs of the emergency must be defrayed. The limitation may be exceeded only for the year or years in which the emergency is declared. In no event may the emergency expenditures be included in the computation of the limitation imposed by section 15 for any other year.

**Section 19. Severability.** If any expenditure category

1 or revenue source is adjudged exempt from the provisions of  
2 sections 15 through 19 by a court of competent jurisdiction  
3 in a final order, the process of computing the expenditure  
4 limitation must be adjusted accordingly and all remaining  
5 provisions continue in full force and effect.

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20 disability insurance funds;

21 (d) appropriations funded by discretionary user  
22 charges to the extent that such charges do not exceed the  
23 cost of the goods or services and the purchase of the goods  
24 or services by the user is discretionary;

25 (e) appropriations funded from a permanent endowment,

1 trust fund, or pension fund; and

2 (f) proceeds of gifts or bequests made for purposes  
3 specified by the donor.

4 (3) "Fiscal period" means any accounting period used  
5 for appropriations.

6 (4) "Personal income" means the total income received  
7 by residents of the state of Montana from all sources,  
8 including transfer payments, as defined and officially  
9 reported by the United States department of commerce, for a  
10 12-month period.

11 SECTION 22. SHIFTING COSTS. THE STATE MAY NOT IMPOSE  
12 UPON ANY LOCAL UNIT OF GOVERNMENT ANY PART OF THE COSTS OF  
13 NEW PROGRAMS OR SERVICES, OR INCREASES IN EXISTING PROGRAMS  
14 OR SERVICES, UNLESS A SPECIFIC APPROPRIATION IS MADE THAT IS  
15 SUFFICIENT TO PAY THE LOCAL UNIT OF GOVERNMENT FOR THAT  
16 PURPOSE. IF COSTS ARE TRANSFERRED FROM ONE UNIT OF  
17 GOVERNMENT TO ANOTHER UNIT OF GOVERNMENT, EITHER BY LAW OR  
18 BY COURT ORDER, THE LIMITATION IMPOSED BY SECTION 15 MUST BE  
19 ADJUSTED ACCORDINGLY.

20 NEW SECTION. Section 2. Submission to electorate. The  
21 amendment set forth in section 1 shall be submitted to the  
22 qualified electors of Montana at the general election to be  
23 held in November 1990 by printing on the ballot the full  
24 title of this act and the following:

25 FOR limiting the growth of total state expenditures.

SB 0441/02

1       AGAINST limiting the growth of total state  
2       expenditures.

-End-

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25 FOR limiting the growth of total state expenditures.



SB 0441/02

1 AGAINST limiting the growth of total state  
2 expenditures.

-End-