

HOUSE BILL 13

Introduced by Grady

11/23	Introduced
11/23	Fiscal Note Requested
11/24	Referred to Appropriations
11/29	First Reading
11/29	Hearing
11/29	Fiscal Note Received
11/29	Fiscal Note Printed
11/30	Committee Report - Bill Not Passed

1 HOUSE BILL NO. 13
2 INTRODUCED BY GRADY
3 BY REQUEST OF THE DEPARTMENT OF CORRECTIONS AND HUMAN
4 SERVICES AND THE OFFICE OF BUDGET AND PROGRAM PLANNING
5
6 A BILL FOR AN ACT ENTITLED: "AN ACT STATUTORILY
7 APPROPRIATING REVENUE FROM THE SALE OF GOODS BY THE
8 INSTITUTIONS INDUSTRIES PROGRAMS FOR CAPITAL IMPROVEMENTS OR
9 MAINTENANCE IN THE ADULT CORRECTIONAL SYSTEM; AMENDING
10 SECTIONS 17-7-502 AND 53-1-302, MCA; AND PROVIDING AN
11 IMMEDIATE EFFECTIVE DATE."

12
13 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

14 **Section 1.** Section 17-7-502, MCA, is amended to read:

15 **"17-7-502. Statutory appropriations -- definition --**
16 **requisites for validity.** (1) A statutory appropriation is an
17 appropriation made by permanent law that authorizes spending
18 by a state agency without the need for a biennial
19 legislative appropriation or budget amendment.

20 (2) Except as provided in subsection (4), to be
21 effective, a statutory appropriation must comply with both
22 of the following provisions:

23 (a) The law containing the statutory authority must be
24 listed in subsection (3).

25 (b) The law or portion of the law making a statutory

1 appropriation must specifically state that a statutory
2 appropriation is made as provided in this section.

3 (3) The following laws are the only laws containing
4 statutory appropriations: 2-9-202; 2-17-105; 2-18-812;
5 3-5-901; 5-13-403; 10-3-203; 10-3-312; 10-3-314; 10-4-301;
6 15-1-111; 15-23-706; 15-25-123; 15-31-702; 15-36-112;
7 15-37-117; 15-38-202; 15-65-121; 16-1-404; 16-1-410;
8 16-1-411; 17-3-106; 17-3-212; 17-5-404; 17-5-424; 17-5-704;
9 17-5-804; 17-6-101; 17-6-201; 17-6-409; 17-7-304; 18-11-112;
10 19-2-502; 19-6-709; 19-9-1007; 19-15-101; 19-17-301;
11 19-18-512; 19-18-513; 19-18-606; 19-19-205; 19-19-305;
12 19-19-506; 20-4-109; 20-6-406; 20-8-111; 20-9-361;
13 20-26-1403; 20-26-1503; 23-2-823; 23-5-136; 23-5-306;
14 23-5-409; 23-5-610; 23-5-612; 23-5-631; 23-7-301; 23-7-402;
15 27-12-206; 32-1-537; 37-43-204; 37-51-501; 39-71-503;
16 39-71-907; 39-71-2321; 39-71-2504; 44-12-206; 44-13-102;
17 50-5-232; 50-40-206; 53-1-302; 53-6-150; 53-24-206;
18 60-2-220; 61-2-107; 67-3-205; 75-1-1101; 75-5-507;
19 75-5-1108; 75-11-313; 76-12-123; 77-1-808; 80-2-103;
20 80-2-222; 80-4-416; 80-11-310; 81-5-111; 82-11-136;
21 82-11-161; 85-1-220; 85-2-707; 90-3-301; 90-4-215; 90-6-331;
22 90-7-220; 90-9-306; and 90-14-107.

23 (4) There is a statutory appropriation to pay the
24 principal, interest, premiums, and costs of issuing, paying,
25 and securing all bonds, notes, or other obligations, as due,

that have been authorized and issued pursuant to the laws of Montana. Agencies that have entered into agreements authorized by the laws of Montana to pay the state treasurer, for deposit in accordance with 17-2-101 through 17-2-107, as determined by the state treasurer, an amount sufficient to pay the principal and interest as due on the bonds or notes have statutory appropriation authority for the payments. (In subsection (3): pursuant to sec. 7, Ch. 567, L. 1991, the inclusion of 19-6-709 terminates upon death of last recipient eligible for supplemental benefit; and pursuant to sec. 15, Ch. 534, L. 1993, the inclusion of 90-14-107 terminates July 1, 1995.)"

Section 2. Section 53-1-302, MCA, is amended to read:

"53-1-302. Disposition of receipts from sale of goods.

Receipts from the sale of goods produced or manufactured by an institution ~~shall~~ must be deposited in the internal service fund for the use of the industries program of the institution. Any funds remaining in the internal service fund after expenditure of the legislative appropriation are statutorily appropriated, as provided in 17-7-502, for capital improvements or maintenance in the adult correctional system."

NEW SECTION. Section 3. Effective date. [This act] is

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 HB0013, as introduced.


DESCRIPTION OF PROPOSED LEGISLATION: An act statutorily appropriating revenue from the sale of goods by the institutions industries programs for capital improvements or maintenance in the adult correctional system.


ASSUMPTIONS:

1. Two accounts will be effected: the prison ranch account [A/E 06033] and the prison industries account [A/E 06034].
2. Action authorizing funds remaining after expenditure of legislative appropriation to be used for capital improvements/maintenance in the adult correctional system will provide greater incentives for cost-effectiveness in operation of the industries programs.
3. The prison ranch had actual ending cash balances of \$1,083,288 in FY91, \$1,776,189 in FY92, and \$1,447,544 in FY93.
4. The prison industries had actual ending cash balances of \$392,899 in FY91, \$279,415 in FY92, and \$278,240 in FY93.
5. These balances may be somewhat misleading in that both programs require revolving funds to operate and, in addition, the prison ranch is self supporting, including building cash balances over time for the purchase of necessary farm and ranch equipment.
6. The department requested increased appropriation authority from the prison ranch account of \$370,000 for FY94 to cover unanticipated and unbudgeted costs associated with the purchase of quality dairy hay, correction of dairy sewer lagoon health compliance issues and Powell Dam reservoir safety issues. The safety issues illustrate the need for the statutory appropriations because, based upon passage and approval of HB23 during the last session, no budget amendment could be approved to pay these costs. The recommendation to approve this increase in HB2 from the Appropriations Subcommittee on Institutions and Cultural Education will be adopted.
7. Currently, the ranch projected ending fund balances are \$623,360 in FY94 and \$960,099 in FY95 and the industries projected ending fund balances are \$485,994 in FY94 and \$624,800 in FY95, of which a portion of the cash balances would be requested under proposed law statutorily authority for capital improvements.
8. The Executive Budget balance sheet includes a savings of \$192,000 in Montana State Prison construction costs, predicated upon passage of HB4, HB8 and this bill, and total savings from HB4 and HB8 combined are \$91,292. This leaves a minimum statutory appropriation from these accounts of \$100,708 which will be required towards construction projects at the prison during FY95 in order to achieve the total savings.

FISCAL IMPACT:

General fund FY95 savings of \$100,708 in debt service on bonded projects at the Montana State Prison, as originally authorized in HB5, Section 18.


DAVID LEWIS, BUDGET DIRECTOR DATE
Office of Budget and Program Planning


ED GRADY, PRIMARY SPONSOR DATE
Fiscal Note for HB0013, as introduced

HB 13