

*Legislative
Services
Division*

STATE OF MONTANA - FISCAL NOTE

Fiscal Note for HB0040, as introduced

DESCRIPTION OF PROPOSED LEGISLATION:

An act making permanent the Attorney General's duty to represent the state in bankruptcy proceedings in which the state's interest may be affected.

ASSUMPTIONS:

1. The 1995 legislature approved the Bankruptcy/Collection Unit at the Department of Justice, as a specialized unit to collect money due the state, with emphasis on bankruptcy cases. The general fund supported unit will sunset at the end of fiscal 1997 if collections did not equal or exceed expenditures. If sufficient funds were collected, the unit will continue through the use of a proprietary account.
2. In the first eight months of operation, the unit has established claims for more than \$326,000 and has collected \$183,000.
3. As a pilot project in the 1997 biennium, one attorney, one paralegal, and a secretary were to be assigned to the unit.
4. The three positions assigned to the unit for the 1997 biennium will continue on staff.
5. The Governor's Executive Budget includes the Bankruptcy/Collection Unit as a new proposal, which is repeated below for information.

FISCAL IMPACT:

Revenues:

In the first eight months of operation, the unit established claims for more than \$326,000 and had collected \$183,000 for the State of Montana. This money went back to the applicable state agency (primarily Department of Revenue).

Expenditures: [As contained in the Executive Budget]

	<u>FY98</u>	<u>FY99</u>
	<u>Difference</u>	<u>Difference</u>
FTE	2.25	3.00
Personal Services	72,744	96,994
Operating Expenses	<u>24,350</u>	<u>24,350</u>
TOTALS	97,094	121,344

FUNDING:

Proprietary fund	97,094	121,344
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DAVID LEWIS 1-7-97
DAVID LEWIS, BUDGET DIRECTOR DATE
Office of Budget and Program Planning

JOHN COBB JOHN COBB, PRIMARY SPONSOR DATE

Fiscal Note for HB0040, as introduced

HB 40

APPROVED BY COM
ON JUDICIARY

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

12 NEW SECTION. **Section 1. Repealer.** Section 4, Chapter 196, Laws of 1995, is repealed.

14 SECTION 1. SECTION 4, CHAPTER 196, LAWS OF 1995, IS AMENDED TO READ:
15 "Section 4. **Termination.** [This act] terminates June 30, 1997 1999."

17 NEW SECTION. **Section 2. Effective date.** [This act] is effective June 30, 1997.

-END-

1

HOUSE BILL NO. 40

2

INTRODUCED BY COBB

3

BY REQUEST OF THE DEPARTMENT OF JUSTICE

4

5 A BILL FOR AN ACT ENTITLED: "AN ACT ~~MAKING PERMANENT~~ EXTENDING FOR 2 YEARS THE
6 ATTORNEY GENERAL'S DUTY TO REPRESENT THE STATE IN BANKRUPTCY PROCEEDINGS IN WHICH
7 THE STATE'S INTEREST MAY BE AFFECTED; ~~REPEALING~~ AMENDING SECTION 4, CHAPTER 196, LAWS
8 OF 1995; AND PROVIDING AN EFFECTIVE DATE."

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