



AN ACT REVISING LAWS RELATING TO THE LEGISLATURE AND BUDGET PROCESSES; REQUIRING A STUDY BY THE LEGISLATIVE COUNCIL IN CONJUNCTION WITH THE LEGISLATIVE FINANCE COMMITTEE; PROVIDING FLEXIBILITY FOR THE STUDY AND FOR FUTURE LEGISLATURES TO CONSIDER DIFFERENT BUDGETING AND POLICY PROCESSES; PROVIDING AN APPROPRIATION; AMENDING SECTIONS 5-2-202, 5-13-402, AND 17-7-112, MCA; PROVIDING CONTINGENT VOIDNESS; AND PROVIDING AN EFFECTIVE DATE.

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

**Section 1. Study of the legislature.** (1) The legislative council in conjunction with the legislative finance committee is directed to study the following, including but not limited to:

(a) evaluation of other state legislatures' interim policy and budget processes and procedures that encourage development of legislators' understanding of both policy and budget;

(b) evaluation of the session calendar, schedules, and transition required that would allow for an odd-year session focused on adjusting the policy and statutory changes in 45 days or less;

(c) evaluation of the session calendar, schedules, and transition required that would allow for an even-year session focused on adopting a biennial budget in 45 days or less; and

(d) consideration of the best approach to each interim following a policy session in preparation for the budget session and each interim following a budget session in preparation for the policy session.

(2) The legislative council and the legislative finance committee shall seek input and assistance from:

(a) the secretary of the senate and the chief clerk of the house;

(b) the governor's office, the office of budget and program planning, and executive branch agencies;

(c) the legislative audit committee and the legislative auditor;

(d) members of the public and any stakeholders that may be affected by any recommended changes.

(3) The legislative council shall prepare recommendations by November 1, 2020, to provide to the leadership of the next legislative session for the following items:

- (a) budget interim process and procedures;
  - (b) policy interim process and procedures;
  - (c) legislative calendar, schedule, and processes for a policy session in the odd year;
  - (d) legislative calendar, schedule, and process for a budget session in the even year;
  - (e) a transition plan necessary to implement the recommendations;
  - (f) any constitutional, statutory, rule, or procedural changes necessary to implement recommendations;
- and
- (g) any changes in staff responsibilities to implement recommendations.

**Section 2.** Section 5-2-202, MCA, is amended to read:

**"5-2-202. Pre-session activity.** (1) Members of the legislature nominated to leadership positions during the pre-session caucus provided for in 5-2-201 and members nominated or appointed to the committee on committees and rules committees may meet and perform necessary organizational tasks prior to the regular session or a special session, including but not limited to appointing committees, hiring staff, and assigning space and seating.

(2) Members of the house appropriations committee and of the senate finance and claims committee named prior to the regular session may begin reviewing requests for appropriations immediately or prior to a special session and may visit state agencies and institutions to discuss requests.

(3) Members of the house and senate taxation committees named prior to the regular session may begin reviewing revenue estimates immediately or prior to a special session."

**Section 3.** Section 5-13-402, MCA, is amended to read:

**"5-13-402. Audit costs.** (1) Prior to July 1 of ~~each even-numbered year~~ the year preceding the regular session in which the legislature is adopting a state budget, the legislative auditor shall advise each agency and the budget director of the estimated audit costs for the following biennium. Each agency shall include the estimated audit costs in its proposed budget submitted to the budget director pursuant to 17-7-112. The budget director shall notify the legislative auditor if the executive budget recommendation to the legislature for audit costs differs from that proposed by the legislative auditor.

(2) Not later than 60 days after adjournment of each legislature, the budget director shall provide to the

legislative auditor a schedule reflecting, by fund, amounts appropriated to each agency for audit costs.

(3) The legislative auditor shall bill agencies for audit services that the legislative auditor considers necessary. The legislative auditor may not bill an agency for audit services in excess of amounts appropriated for audit services. Additional audit-related services may be provided by the legislative auditor at a cost agreed to by an agency and billed to the agency."

**Section 4.** Section 17-7-112, MCA, is amended to read:

**"17-7-112. Submission deadlines -- budgeting schedule.** The following is the schedule for the preparation of a state budget for submission to the legislature convening in ~~the following year~~ any session that will be adopting a state budget:

(1) By August 1, forms necessary for preparation of budget estimates must be distributed pursuant to 17-7-111(2).

(2) (a) Except as provided in subsection (2)(b), by September 1, each agency shall submit the information required under 17-7-111 to the budget director.

(b) By September 1, the consolidated legislative branch shall submit a preliminary draft of the information required under 17-7-111 to the budget director. By October 10, the consolidated legislative branch shall submit the information required under 17-7-111 in final form to the budget director.

(3) By September 1, the budget director shall submit each state agency's budget request, except the budget request for the consolidated legislative branch, required under 17-7-111(3) to the legislative fiscal analyst. The transfer of budget information must be done on a schedule mutually agreed to by the budget director and the legislative fiscal analyst in a manner that facilitates an even transfer of budget information that allows each office to maintain a reasonable staff workflow.

(4) By October 10, the budget director shall furnish the legislative fiscal analyst with a preliminary budget reflecting the base budget in a format agreed upon by both the office of budget and program planning and the legislative fiscal analyst.

(5) By October 30, a budget request must be prepared by the budget director and submitted to the legislative fiscal analyst on behalf of any agency that did not present the information required by this section. The budget request must be based upon the budget director's studies of the operations, plans, and needs of the institution, university unit, or agency.

(6) By November 1, the budget director shall furnish the legislative fiscal analyst with a present law base for each agency and a copy of the documents that reflect the anticipated receipts and other means of financing the base budget and present law base for each fiscal year of the ensuing biennium. The material must be in a format agreed upon by both the office of budget and program planning and the legislative fiscal analyst.

(7) By November 12, the budget director shall furnish the legislative fiscal analyst with the documents, in a format agreed upon by both the office of budget and program planning and the legislative fiscal analyst, that reflect expenditures to the second level, as provided in 17-1-102(3), by funding source and detailed by accounting entity.

(8) By November 15, the proposed pay plan schedule and the statewide project budget summary required by 17-7-111(4), a preliminary budget that meets the statutory requirements for submission of the budget to the legislature, and a summary of the preliminary budget designed for distribution to members and members-elect of the legislature must be submitted to the legislative fiscal analyst.

(9) By December 15, the budget director shall submit a preliminary budget to the governor and to the governor-elect, if there is one, as provided in 17-7-121, and shall furnish the legislative fiscal analyst with all amendments to the preliminary budget.

(10) By January 7, recommended changes proposed by a governor-elect must be transmitted to the legislative fiscal analyst and the legislature as provided in 17-7-121."

**Section 5. Appropriation.** There is appropriated \$5,000 from the general fund to the legislative services division for the biennium beginning July 1, 2019, for the purposes of funding the study in [section 1].

**Section 6. Contingent voidness.** Pursuant to Joint Rule 40-65, if [this act] does not contain an appropriation, then [this act] may not be transmitted to the governor and is void.

**Section 7. Effective date.** [This act] is effective July 1, 2019.

- END -

I hereby certify that the within bill,  
SB 0310, originated in the Senate.

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President of the Senate

Signed this \_\_\_\_\_ day  
of \_\_\_\_\_, 2019.

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Secretary of the Senate

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Speaker of the House

Signed this \_\_\_\_\_ day  
of \_\_\_\_\_, 2019.

SENATE BILL NO. 310

INTRODUCED BY R. OSMUNDSON, D. ANKNEY, M. BLASDEL, S. SALES, C. SMITH, F. THOMAS,  
G. VANCE

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