

HOUSE BILL NO. 539

INTRODUCED BY R. COOK

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4 A BILL FOR AN ACT ENTITLED: "AN ACT LIMITING CARRYFORWARD APPROPRIATIONS TO CERTAIN
5 ONE-TIME-ONLY EXPENDITURES; REQUIRING AN AGENCY TO REPORT USE OF CARRYFORWARD
6 APPROPRIATIONS TO THE ~~OFFICE OF BUDGET AND PROGRAM PLANNING~~ APPROVING AUTHORITY;
7 REQUIRING THE OFFICE OF BUDGET AND PROGRAM PLANNING TO PROVIDE A ~~WRITTEN~~ REPORT TO
8 THE LEGISLATIVE FINANCE COMMITTEE OF AGENCY EXPENDITURES OF CARRYFORWARD
9 APPROPRIATIONS; AMENDING SECTION 17-7-304, MCA; AND PROVIDING AN EFFECTIVE DATE."

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

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13 **Section 1.** Section 17-7-304, MCA, is amended to read:
14 **"17-7-304. Disposal of unexpended appropriations.** (1) All money appropriated for any specific
15 purpose except that appropriated for the university system units listed in subsection (2) and except as provided
16 in subsection (4) must, after the expiration of the time for which appropriated, revert to the several funds and
17 accounts from which originally appropriated. However, any unexpended balance in any specific appropriation may
18 be used for the years for which the appropriation was made or may be used to fund the provisions of 2-18-1203
19 through 2-18-1205 and 19-2-706 in the succeeding year.

20 (2) Except as provided in 17-2-108 and subsection (3) of this section, all money appropriated for the
21 university of Montana campuses at Missoula, Butte, Dillon, and Helena and the Montana state university
22 campuses at Bozeman, Billings, Havre, and Great Falls, the agricultural experiment station with central offices
23 at Bozeman, the forest and conservation experiment station with central offices at Missoula, the cooperative
24 extension service with central offices at Bozeman, and the bureau of mines and geology with central offices in
25 Butte must, after the expiration of the time for which appropriated, revert to an account held by the board of
26 regents. The board of regents is authorized to maintain a fund balance and to use the funds held in this account
27 in accordance with a long-term plan for major and deferred maintenance expenditures and equipment or fixed
28 assets purchases prepared by the affected university system units and approved by the board of regents. The
29 affected university system units may, with the approval of the board of regents, modify the long-term plan at any
30 time to address changing needs and priorities. The board of regents shall communicate the plan to each

1 legislature, to the finance committee when requested by the committee, and to the office of budget and program
2 planning.

3 (3) Subsection (2) does not apply to reversions that are the result of a reduction in spending directed
4 by the governor pursuant to 17-7-140. Any amount that is a result of a reduction in spending directed by the
5 governor must revert to the fund or account from which it was originally appropriated.

6 (4) (a) Subject to subsection (4)(b), after the end of a fiscal year, 30% of the money appropriated to an
7 agency for that year by the general appropriations act for personal services, operating expenses, and equipment,
8 by fund type, and remaining unexpended and unencumbered at the end of the year may be reappropriated to be
9 spent during the following 2 years ~~for any purpose on one-time-only expenditures, not to include expenditures~~
10 ~~for personal services; FOR ANY PURPOSE, EXCEPT FOR INCREASES IN PAY that is are IS~~ consistent with the goals and
11 objectives of the agency. The dollar amount of the 30% amount that may be carried forward and spent must be
12 determined by the office of budget and program planning.

13 (b) (i) Any portion of the 30% of the unexpended and unencumbered money referred to in subsection
14 (4)(a) that was appropriated to a legislative branch entity may be deposited in the account established in
15 5-11-407.

16 (ii) After the end of a biennium, any portion of the unexpended and unencumbered money appropriated
17 for the operation of the preceding legislature in a separate appropriation act may be deposited in the account
18 established in 5-11-407. The approving authority shall determine the portion of the unexpended and
19 unencumbered money that is deposited in the account.

20 (5) (a) When the carryforward appropriation authority is established on the accounting system, and prior
21 to spending funds pursuant to subsection (4), an agency must report to the approving authority how those funds
22 will be spent in the following 2 years.

23 (b) By September of each year, the approving authority must submit a report to the legislative finance
24 committee on the amount of funds each agency spent pursuant to subsection (4) and the date and purpose of
25 the expenditures. The report must be submitted in an electronic format."

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27 NEW SECTION. Section 2. Effective date. [This act] is effective July 1, 2017.

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