

PETITION TO PLACE CONSTITUTIONAL AMENDMENT NO. CI-97 ON THE ELECTION BALLOT

If 10% of the voters in each of 40 legislative districts sign this petition and the total number of voters signing this petition is 44,615, this constitutional amendment will appear on the next general election ballot. If a majority of voters vote for this amendment at that election, it will become part of the constitution.

We, the undersigned Montana voters, propose that the secretary of state place the following constitutional amendment on the November 7, 2006, general election ballot:

Statement of Purpose:

The Montana Constitution currently prohibits appropriations by the legislature that exceed anticipated revenue. This measure adds a constitutional spending limit that would prohibit increases in appropriations greater than the combined growth rate of population and inflation. It

FOR limiting the increase in appropriations to the combined growth rate of population and inflation, or the largest spending limit for any previous biennium.

AGAINST limiting the increase in appropriations to the combined growth rate of population and inflation, or the largest spending limit for any previous biennium.

Voters are urged to read the complete text of the measure, which appears with this sheet. A signature on this petition is only to put the constitutional amendment on the ballot and does not necessarily mean the signer agrees with the amendment.

WARNING

A person who purposefully signs a name other than the person's own to this petition, who signs more than once for the same issue at one election, or who signs when not a legally registered Montana voter is subject to a \$500 fine, 6 months in jail, or both. Each person is required to

sign the person's name and list the person's address or telephone number in substantially the same manner as on the person's voter registration card or the signature will not be counted.

COMPLETE TEXT OF MEASURE

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

Section 1. Article VIII, section 9, of the Constitution of the State of Montana is amended to read:

“Article VIII, section 9. Balanced budget and spending limit. (1) Appropriations by the legislature shall not exceed anticipated revenue and are subject to a state spending limit prohibiting appropriations for a biennium of a total amount of money that is more than the greater of the two following amounts:

- (a) the “state spending limit” which shall be the sum of the total amount of legislative appropriations for the immediately preceding biennium and the product of that total amount of appropriations multiplied by the sum of the percentage change in inflation plus the percentage change in state population; or
- (b) The largest state spending limit as calculated under subsection (1)(a) for any previous biennium.

(2) For the purposes of this section “inflation” means the change for the most recently published two-year period preceding the commencement of a biennial legislative session, expressed as a percentage in the consumer price index for all urban consumers, west region, all items as calculated by the Bureau of Labor Statistics of the United States Department of Labor, or as calculated in a successor index.

(3) For purposes of this section, state population shall be determined by the most recently published annual federal census estimates for Montana representing the nearest two-year period preceding the commencement of a biennial legislative session, and such number shall be adjusted every decade to match the results of federal census for Montana.

(4) If the legislature transfers the responsibility for providing a government service previously provided by the state to local or tribal governments, the state spending limit as calculated pursuant to

subsection (1) shall be reduced accordingly in an amount that reflects the actual cost reduction to the state, or in the cases where costs for the responsibility were shared the reduction amount shall reflect the state's share.

(5) The legislature may only attain the authority to appropriate in excess of the state spending limit with approval by a vote of the people submitted in accordance with Article III, section 5. Accordingly, a ballot question may be presented to voters for the approval or rejection of an authority to exceed the state spending limit by a specified amount, but may not be presented in a form requesting voter approval or rejection of a specific appropriation or appropriations.

(6) For the purposes of this section, "the total amount of legislative appropriations" shall include all legislative appropriations except the following categories:

(a) moneys designated by the legislature for a reserve fund to be used as safeguard against shortfalls in state revenue below the state spending limit. The transfer of money between the reserve fund and the state treasury is not an appropriation for purposes of calculating the state spending limit; however, any moneys that are held in such a fund which are later appropriated from the state treasury or appropriated directly from the reserve fund must be included within the total amount of legislative appropriations unless otherwise exempt under this subsection (6);

(b) appropriations for emergencies as may be defined by law and threats to the continuity of government if appropriated:

(i) pursuant to Article III, section 2, for the purposes of legislative actions to ensure continuity of government during periods of emergency or enemy attack;

(ii) by vote of three-fourths (3/4) of the members of each house of the legislature if the appropriation is for a matter that meets the definition of an emergency pursuant to law and is not anticipated to be an ongoing expense and is not intended to fund ordinary operations of government;

(iii) pursuant to law, by a majority vote, of each house of the legislature in an amount that does not exceed \$16 million, adjusted for inflation and population growth in a manner similar to section 1, subsection (1) as of the effective date of [this amendment]; or

(iv) pursuant to Article VI, section 13, where the governor calls out the militia to aid in the execution of laws, suppress insurrection, repel invasion, or protect life and property in natural disasters.

(c) appropriations of bond proceeds or other funds derived from borrowing if payment of principal and interest on such borrowing is applied to the state spending limit or otherwise excluded under subsection 6(d);

(d) payment of principal and interest on state general obligation bonds, bonded indebtedness or other long-term debt issued or incurred prior to January 1, 2007, and on any state general obligation bonds issued after January 1, 2007, if such bonds are also approved by voters;

(e) appropriations of moneys received from the federal government;

(f) appropriations of moneys voluntarily donated to the state or a state agency;

(g) appropriations of the proceeds from the sale of property at full market value to non-governmental entities;

(h) money appropriated for pro-rata tax rebates;

(i) money appropriated for refunds of user charges or fees, and appropriations funded by user charges or fees to the extent that such charges or fees reasonably reflect the actual cost to the state of providing such goods or services and the purchase by the user is discretionary and not a requirement to operate a business, seek employment in a trade or practice in a profession;

(j) appropriations from any constitutionally created trust that are necessary to the administration of such trust, including appropriations of moneys that are income earned on assets in permanent endowment funds, trust funds, deferred compensation funds or pension funds that are credited to those funds and expended to meet the obligations of the funds pursuant to the constitutional provision creating the fund, including administrative expenses to operate any such funds, which include, but are not limited to appropriations made pursuant to:

(i) the public school fund pursuant to Article X;

(ii) the public retirement system pursuant to Article VIII, section 15;

(iii) the resource indemnity trust pursuant to Article IX, section 2 for the reclamation of lands disturbed by the taking of natural resources;

(iv) the principal and interest from the coal severance trust fund pursuant to Article IX, section 5;

(v) the noxious weed management trust fund pursuant to Article IX, section 6; or

(vi) the tobacco settlement trust fund pursuant to Article XII, section 4;

(k) appropriations of highway revenues pursuant to Article VIII, section 6;

(l) appropriations made by the legislature in fulfillment of obligations to provide for identification, acquisition, restoration, enhancement, preservation, and administration of cultural resources pursuant to Article IX, section 4;

(m) appropriations for special sessions of the legislature made pursuant to Article V, section 6, or Article VI, section 11;

(n) appropriations for districting and apportionment made pursuant to Article V, section 14;

(o) appropriations of special levies on livestock and on agricultural commodities for disease control and indemnification, predator control, and livestock and commodity inspection, protection, research, and promotion made pursuant to Article XII, section 1(2);

(p) appropriations made by the legislature in fulfillment of the constitutional obligation to fund an officer of consumer counsel so that consumer interests are represented before the public service commission or successor agency, pursuant to Article XIII, section 2; and

(q) appropriations for a constitutional convention made pursuant to Article IX, section 5.

(7) If a court of competent jurisdiction in a final order shall adjudge any spending category, or revenue source, exempt from [this amendment], the process of computing the state spending limit shall be adjusted accordingly and the remaining provisions shall be in full force and effect.

(8) Any person residing in Montana or doing business in Montana has standing to enforce these provisions and, if successful, shall be awarded legal costs and reasonable attorney fees.

(9) It is the intent of the voters in passing [this amendment] that interpretations which better restrain growth in government spending are favored over interpretations which do not restrain such spending.

NEW SECTION. Section 2. Saving clause. This amendment does not affect rights and duties that matured, penalties that were incurred, or proceedings that were begun before [the effective date of this amendment].

NEW SECTION. Section 3. Severability. If a part of this amendment is invalid, all valid parts that are severable from the invalid part remain in effect. If part of this amendment is invalid in one or more of its applications, the part remains in effect in all valid applications that are severable from the invalid applications.

NEW SECTION. **Section 4. Applicability.** This amendment applies to legislative proceedings begun after [the effective date of this amendment], and applies to the legislative session commencing in 2007, using the biennial budget adopted in 2005 as the immediate preceding biennium plus and including appropriations from the December, 2005 special session of the legislature.

NEW SECTION. **Section 5. Effective date.** This amendment is effective upon approval by the electorate.