IN THE NAME AND BY THE AUTHORITY OF THE

November 6, 2017

To: Members of the Montana Senate
Members of the Montana House of Representatives
Members of the Montana Supreme Court c/o Clerk of the Court Ed Smith
Secretary of State Corey Stapleton

PROCLAMATION

Call to the 65th Legislature for a Special Session

WHEREAS, Article V, Section 6, of the Montana Constitution and § 5-3-101, MCA, provide that the Legislature may be convened in special session by the Governor;

WHEREAS, Article VI, Section 11, of the Montana Constitution provides that whenever the Governor considers it in the public interest, the Governor may convene the Legislature;

WHEREAS, Montana experienced the most expensive fire season in state history;

WHEREAS, fire suppression costs exceeded available appropriations for the biennium;

WHEREAS, general fund revenues were short of legislative projections (HJ 2) for FY 2017 and are projected to fall significantly short of HJ 2 in FY 2018 and FY 2019;

WHEREAS, to ensure that the expenditure of appropriations does not exceed available revenue, the Governor invoked § 17-7-140, MCA and directed agencies to reduce spending in an amount that ensures that the projected ending general fund balance for the biennium will be at least 6 percent of all general fund appropriations in the second year of the biennium ending June 30, 2019;

WHEREAS, based upon the revenue estimates available at the time and in accordance with § 17-7-140, MCA, the Budget Director recommended to the Legislative Fiscal Analyst, the Legislative Finance Committee, and the Revenue and Finance Committee a 9.7 percent reduction in general fund expenditures;

WHEREAS, after considering the Budget Director's proposed spending reductions, the Legislative Finance Committee recommended that the Governor prioritize cuts that: 1) cause the least possible impact to services to Montana's most vulnerable citizens; 2) would impose the

least possible increase to local property taxes; 3) could be made with the least impact on safety and security of Montana's communities; and 4) were consistent with legislative policies enacted in 2017 that would have a positive long-term fiscal impact;

WHEREAS, following the special session, the Governor will implement a 6.61 percent reduction in general fund expenditures;

WHEREAS the Governor cannot implement cuts beyond 6.61 percent that conform with the recommendations of the Legislative Finance Committee;

WHEREAS, based upon current revenue projections from the Budget Director, a general fund budget deficit will remain after the Governor implements his 6.61 percent reduction;

WHEREAS, it is in the public interest of all Montanans that any reductions beyond the Governor's reductions of 6.61 percent be considered by the Sixty-Fifth Montana Legislature; and

WHEREAS, it is in the public interest of all Montanans that a special session of the Legislature be called for the limited purpose of approving fund transfers, reducing general fund expenditures, and adopting temporary revenue measures to address the projected shortfall in revenue for the 2019 biennium and to provide for appropriations for fire suppression and mitigation costs.

NOW, THEREFORE I, STEVE BULLOCK, Governor of the State of Montana, pursuant to the authority vested in me by the Constitution and laws of the State of Montana, do hereby call the Sixty-Fifth Montana Legislature into special session in Helena, at the Capitol Complex at the hour of 12:00 p.m., the 14th day of November, 2017, and hereby direct the special session of the Sixty-Fifth Legislature to consider action limited to the following subjects:

1. Legislation approving fund balance and other transfers as submitted by the Office of Budget and Program Planning.

2. Legislation providing for a two-month employer contribution holiday to the state employee group benefits plan.

3. Legislation temporarily suspending employer share contributions to the judges' retirement system.

4. Legislation revising the sale of new liquor licenses by requiring an auction of newly created licenses.

5. Legislation eliminating the transportation and combined block grant payments and suspending the coal fired generating unit payment for the current biennium.

6. Legislation revising the state fire assessment to apply to all parcels.

7. Legislation temporarily increasing the accommodations and rental car tax rates to increase general fund revenues to offset state fire costs.

8. Legislation authorizing a management fee on excess investment holdings of the Montana State Fund to offset state fire costs.

9. Legislation providing appropriations for fire suppression costs and emergency funds for FY 2018 and FY 2019.

Dated this 6th day of November 2017.

STEVE BULLOCK
Governor