

HOUSE BILL NO. 14

INTRODUCED BY M. MCCANN

BY REQUEST OF THE GOVERNOR

1
2
3
4

5 A BILL FOR AN ACT ENTITLED: "AN ACT AUTHORIZING THE CREATION OF STATE DEBT THROUGH THE
6 ISSUANCE OF GENERAL OBLIGATION BONDS; APPROPRIATING THE PROCEEDS OF THE BONDS FOR
7 CAPITAL PROJECTS FOR THE BIENNIUM ENDING JUNE 30, 2003; PROVIDING FOR MATTERS RELATING
8 TO APPROPRIATIONS; AMENDING SECTION 2, CHAPTER 518, LAWS OF 1999; AND PROVIDING AN
9 IMMEDIATE EFFECTIVE DATE."

10

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

12

13 NEW SECTION. **Section 1. Definitions.** For the purposes of [sections 1 through ~~40~~ 9], unless
14 otherwise stated, the following definitions apply:

15 (1) "Capital project" means the acquisition of land or improvements or the planning, capital
16 construction, renovation, furnishing, or major repair projects, INCLUDING BROADCAST TRANSMISSION LINES,
17 TRANSMITTERS, AND RELATED EQUIPMENT, authorized in [sections 1 through ~~40~~ 9].

18 (2) "CPF" means the capital projects fund.

19 (3) "Other funding sources" means money other than CPF money, including special revenue fund
20 money, that accrues to an agency under the provisions of the law.

21

22 NEW SECTION. **Section 2. Appropriation of bond proceeds and other funds.** (1) The following
23 money is appropriated from the CPF and other funding sources to the department of administration for the
24 capital projects described in this section, contingent upon the respective authorization of general obligation
25 long-range building program bonds by the 57th legislature and the sale of the bonds by the board of
26 examiners:

27 Agency/Project	CPF	Other Funding Sources
28 DEPARTMENT OF ADMINISTRATION		
29 Construct DPHHS Building, Helena	\$40,727,000	\$
30 DEPARTMENT OF CORRECTIONS		



1	Construct Central Reception Unit,	8,547,000
2	MSP, Deer Lodge	<u>\$5,000,000</u>
3	<u>IT IS THE INTENT OF THE 57TH LEGISLATURE THAT THE DEPARTMENT OF CORRECTIONS REDUCE ITS GENERAL FUND</u>	
4	<u>PRESENT LAW BASE BY \$300,000 A YEAR BECAUSE OF THE SAVINGS FROM PAYING LOCAL GOVERNMENTS TO HOLD</u>	
5	<u>OFFENDERS AS A RESULT OF BUILDING THE NEW RECEPTION CENTER. THIS REDUCTION IS TO OCCUR WHEN THE NEW</u>	
6	<u>RECEPTION CENTER STARTS RECEIVING OFFENDERS. THE REDUCTION FOR THE FIRST YEAR IS TO BE ON A PRO RATA BASIS</u>	
7	<u>FOR THE PORTION OF THE FIRST FISCAL YEAR THAT THE NEW RECEPTION CENTER IS RECEIVING OFFENDERS. THE REDUCTION</u>	
8	<u>IN THE FOLLOWING YEARS IS TO BE \$300,000.</u>	
9	DEPARTMENT OF LABOR AND INDUSTRY	
10	Construct Missoula Job Service	4,000,000
11	DEPARTMENT OF MILITARY AFFAIRS	
12	Construct New Armory, Dillon	1,940,000
13	<u>IT IS THE INTENT OF THE 57TH LEGISLATURE THAT ALL FUTURE OPERATING AND MAINTENANCE FOR THE DILLON</u>	
14	<u>ARMORY BE FUNDED FROM ITS BASE BUDGET.</u>	
15	MONTANA UNIVERSITIES AND COLLEGES	
16	Renovate Chemistry Building	6,350,000
17	UM-Missoula	
18	Renovate Liberal Arts, Life Safety/	3,220,000
19	Deferred Maintenance, MSU-Billings	
20	Replace HVAC, Phase II, Science	3,286,000
21	 Complex, UM-Missoula	
22	Renovate Exterior Linfield Hall and	1,450,000
23	Montana Hall/Deferred Maintenance,	
24	MSU-Bozeman	
25	Expand College of Technology,	5,492,000
26	 UM-COT, Helena	
27	Upgrade HVAC Systems, Cowan Hall,	2,173,000
28	MSU-Northern	
29	Construct Applied Technology Center,	4,125,000
30	MSU-Northern	<u>2,000,000</u>

1 AGRICULTURAL EXPERIMENT STATION, 1,000,000

2 MSU-BOZEMAN

3 INSTALL PBS DIGITAL CONVERSION, 1,892,286

4 MSU-BOZEMAN

5 (2) THE UNIVERSITY SYSTEM AND THE INFORMATION SERVICES DIVISION OF THE DEPARTMENT OF
 6 ADMINISTRATION WILL WORK TOGETHER TO DEVELOP NETWORK PLANS OR PROCEDURES THAT PROVIDE FOR THE HIGHEST
 7 DEGREE OF BANDWIDTH AND COST-SHARING CAPABILITY BETWEEN THE UNIVERSITY SYSTEM AND THE DEPARTMENT THAT
 8 IS WITHIN TECHNICAL SPECIFICATIONS AGREED TO BY THE PARTIES AND IS MUTUALLY BENEFICIAL TO THEM. THIS
 9 OBLIGATION TO COOPERATE AND COORDINATE FOR THE PURPOSE OF SEEKING MUTUALLY BENEFICIAL NETWORK
 10 ARRANGEMENTS APPLIES TO THE INTERCITY TRANSPORT SERVICES ACQUIRED BY THE UNIVERSITY SYSTEM OR THE
 11 DEPARTMENT OF ADMINISTRATION TO MEET THE NEEDS OF THE PUBLIC BROADCAST SYSTEM, INCLUDING THE UTILIZATION
 12 AND SHARING OF EXCESS CAPACITY BANDWIDTH TO HELP MEET THE TELECOMMUNICATION NEEDS OF ALL STATE AGENCIES
 13 IN A MANNER THAT IS BOTH COST-EFFECTIVE AND COMPATIBLE WITH THE EFFICIENT OPERATION OF THE PUBLIC BROADCAST
 14 SYSTEM.

15 ~~———(2) All proceeds derived from the sale of the Montana national guard headquarters armory located~~
 16 ~~in Helena must be used to pay the general obligation debt service on the bonds issued for construction of~~
 17 ~~the new DPHHS building. The proceeds of the sale must be deposited in the general fund for this purpose.~~
 18 ~~If the armory is sold prior to issuance of the bonds, then the board of examiners may determine to use all~~
 19 ~~or a portion of the amount deposited in the general fund to reduce the amount of the bond issue required~~
 20 ~~to finance the construction.~~

21 (3) Prior to the sale of bonds for the applied technology center, private or federal funding IN THE
 22 AMOUNT OF \$2 MILLION must be available to match the bonded amount for completion of the building.

23

24 NEW SECTION. Section 3. Authorization of bonds. The board of examiners is authorized to issue
 25 and sell general obligation long-range building program bonds in an amount not exceeding \$81,310,000
 26 FOR UP TO 20 YEARS AND NOT EXCEEDING \$1,892,286 FOR UP TO 10 YEARS for the capital projects described in
 27 [section 2] over and above the amount of general obligation long-range building program bonds outstanding
 28 on January 1, 2001. The bonds must be issued in accordance with the terms and in the manner required
 29 by Title 17, chapter 5, part 8. The authority granted to the board by this section is in addition to any other
 30 authorization to the board to issue and sell general obligation long-range building program bonds.

1

2 ~~———— NEW SECTION. **Section 4. Agreement with department of labor and industry.** The board of~~
3 ~~examiners and the department of labor and industry may enter into an agreement for the construction of~~
4 ~~the job service office in Missoula, under which the department shall pay the state treasurer, for deposit~~
5 ~~in accordance with 17-2-101 through 17-2-107, an amount, as determined by the state treasurer, that~~
6 ~~is sufficient to pay the principal and interest due on the bonds and notes from which the appropriation was~~
7 ~~made and that is sufficient to accommodate and maintain reserves required under the bonds and notes.~~
8 ~~The agreement must further provide that income from the investment of bond proceeds, unused principal,~~
9 ~~and the reserves not required for construction costs may be credited against the department's payment~~
10 ~~obligation. The agreement must also allow for the accumulation of reserves during the first year that the~~
11 ~~bonds are outstanding. Payment by the department must be made from available funds.~~

12

13 ~~———— NEW SECTION. **Section 5. Agreement with department of public health and human services.** The~~
14 ~~board of examiners and the department of public health and human services may enter into an agreement~~
15 ~~for the construction of the DPHHS building in Helena, under which the department shall pay the state~~
16 ~~treasurer, for deposit in accordance with 17-2-101 through 17-2-107, an amount, as determined by the~~
17 ~~state treasurer, that is sufficient to pay the principal and interest due on the bonds and notes from which~~
18 ~~the appropriation was made and that is sufficient to accommodate and maintain reserves required under~~
19 ~~the bonds and notes. The agreement must further provide that income from the investment of bond~~
20 ~~proceeds, unused principal, and the reserves not required for construction costs may be credited against~~
21 ~~the department's payment obligation. The agreement must also allow for the accumulation of reserves~~
22 ~~during the first year that the bonds are outstanding. Payment by the department must be made from~~
23 ~~available funds.~~

24

25 ~~———— NEW SECTION. **Section 6. Agreement with department of transportation and other agencies.** The~~
26 ~~board of examiners and the department of transportation and other agencies that may be using the building~~
27 ~~may enter into agreements for the construction of the DPHHS building in Helena, under which the~~
28 ~~departments shall pay the state treasurer, for deposit in accordance with 17-2-101 through 17-2-107, an~~
29 ~~amount, as determined by the state treasurer, that is sufficient to pay their respective portion of the~~
30 ~~principal and interest due on the bonds and notes from which the appropriation was made and that is~~

1 sufficient to accommodate and maintain reserves required under the bonds and notes. The agreements
 2 must further provide that income from the investment of bond proceeds, unused principal, and the reserves
 3 not required for construction costs may be credited against each department's payment obligation. The
 4 agreements must also allow for the accumulation of reserves during the first year that the bonds are
 5 outstanding. Payment by the appropriate department must be made from available funds.

6

7 ~~NEW SECTION. Section 7. Agreement with department of administration.~~ The board of examiners
 8 and the department of administration may enter into an agreement for the construction of the DPHHS
 9 building in Helena, under which the department shall pay the state treasurer, for deposit in accordance
 10 with 17-2-101 through 17-2-107, an amount, as determined by the state treasurer, that is sufficient to
 11 pay the principal and interest due on the bonds and notes from which the appropriation was made and that
 12 is sufficient to accommodate and maintain reserves required under the bonds and notes. The agreement
 13 must further provide that income from the investment of bond proceeds, unused principal, and the reserves
 14 not required for construction costs may be credited against the department's payment obligation. The
 15 agreement must also allow for the accumulation of reserves during the first year that the bonds are
 16 outstanding. Payment by the department must be made from available funds.

17

18 NEW SECTION. Section 4. Agreement with department of environmental quality. The department
 19 of environmental quality shall review capital projects authorized in [section 2] for potential inclusion in the
 20 state buildings energy conservation program. When review shows that a capital project will result in energy
 21 improvements, that capital project must be submitted to the energy conservation program for consideration
 22 of receiving funding under that program. Funding provided under the energy conservation program
 23 guidelines must be used to offset or add to the authorized funding for the capital project, and the amount
 24 must be dependent on the annual utility savings resulting from the facility improvement. Agencies must
 25 be notified of potential funding after the review.

26

27 NEW SECTION. SECTION 5. AGREEMENT WITH MONTANA UNIVERSITY SYSTEM. IF MONTANA PUBLIC
 28 BROADCASTING SERVICES RECEIVES FUNDING AT A HIGHER FEDERAL PARTICIPATION RATE THAN 67%, THE AMOUNT
 29 AUTHORIZED FOR GENERAL OBLIGATION LONG-RANGE BUILDING PROGRAM BONDS TO INSTALL PBS DIGITAL CONVERSION
 30 THROUGH MSU-BOZEMAN IN [SECTION 2] MUST BE REDUCED BY THE AMOUNT OF THE INCREASED FEDERAL SHARE.

1

2 NEW SECTION. SECTION 6. AGREEMENT WITH DEPARTMENT OF CORRECTIONS. THE BOARD OF EXAMINERS
3 AND THE DEPARTMENT OF CORRECTIONS MAY ENTER INTO AN AGREEMENT FOR THE CONSTRUCTION OF THE CENTRAL
4 RECEPTION UNIT IN DEER LODGE, UNDER WHICH THE DEPARTMENT WILL REDUCE THE \$5 MILLION OF BONDS REQUESTED
5 TO BE ISSUED BY THE AMOUNT OF ADDITIONAL FEDERAL FUNDS THAT ARE BEING RECEIVED FOR THE CENTRAL RECEPTION
6 UNIT. AFTER THE BONDS HAVE BEEN ISSUED FOR THE PROJECT, FUTURE FEDERAL FUNDS RECEIVED FOR CONSTRUCTION OF
7 THE CENTRAL RECEPTION UNIT WILL BE USED TO PAY THE PORTION OF THE DEBT SERVICE RELATED TO THE CENTRAL
8 RECEPTION UNIT PROJECT IN ACCORDANCE WITH FEDERAL PROVISIONS GOVERNING USE OF THE FEDERAL MONEY.

9

10 NEW SECTION. SECTION 7. AGREEMENT WITH MONTANA STATE UNIVERSITY AGRICULTURAL EXPERIMENT
11 STATION. THE BOARD OF EXAMINERS AND THE MONTANA STATE UNIVERSITY AGRICULTURAL EXPERIMENT STATION MAY
12 ENTER INTO AN AGREEMENT FOR THE CONSTRUCTION AND REPAIR OF VARIOUS EXPERIMENT STATION BUILDINGS AT THE
13 FOLLOWING LOCATIONS: \$1,250,000 FOR HUNTLEY, \$180,000 FOR MOCCASIN, \$200,000 FOR HAVRE, \$210,000
14 FOR SIDNEY, AND \$160,000 FOR KALISPELL. THE AMOUNT OF \$1 MILLION FOR THESE PROJECTS WILL BE FUNDED FROM
15 CPF, AND THE AMOUNT OF \$1 MILLION WILL BE FUNDED FROM THE NON-LRBP FUND SOURCES IN HOUSE BILL NO. 5.

16

17 NEW SECTION. Section 8. Planning and design. The department of administration may proceed
18 with the planning and design portions of capital projects before the receipt of other funding sources. The
19 department may use interaccount loans in accordance with 17-2-107 to pay planning and design costs
20 incurred before the receipt of other funding sources.

21

22 NEW SECTION. Section 9. Capital projects -- contingent funds. If a capital project is financed
23 in whole or in part with appropriations contingent upon the receipt of other funding sources, the
24 department of administration may not let the projects for bid until the agency has submitted a financial
25 plan for approval by the director of the department. A financial plan may not be approved by the director
26 if:

27 (1) the level of funding provided under the financial plan deviates substantially from the funding
28 level provided in [section 2] for that project; or

29 (2) the scope of the capital project is substantially altered or revised from the preliminary plans
30 presented for that capital project in the 2003 biennium long-range building program presented to the 57th

1 legislature.

2

3 NEW SECTION. Section 10. Legislative consent. The appropriations authorized in [section 2]
 4 constitute legislative consent for the capital projects contained in [section 2] within the meaning of
 5 18-2-102.

6

7 NEW SECTION. SECTION 11. LEGISLATIVE INTENT TO INCREASE MAINTENANCE FUNDING. IT IS THE INTENT
 8 OF THE 57TH LEGISLATURE THAT THE DEPARTMENT OF ADMINISTRATION AND THE OFFICE OF BUDGET AND PROGRAM
 9 PLANNING MAKE A PAYMENT OF \$665,000 A YEAR OF DEBT SERVICE FROM THE GENERAL FUND INSTEAD OF THE
 10 LONG-RANGE BUILDING ACCOUNT ON THE 1996D BOND ISSUE, THE 1997B BOND ISSUE, AND THE 1999C BOND ISSUE
 11 AND INCREASE THE GENERAL FUND STATUTORY APPROPRIATION FOR DEBT SERVICE BY A LIKE AMOUNT. THE \$665,000
 12 A YEAR IN THE LONG-RANGE BUILDING ACCOUNT IS TO BE APPROPRIATED BY THE LEGISLATURE FOR DEFERRED
 13 MAINTENANCE AND TO DEVELOP A DESIGN TO EXPAND THE UNIVERSITY OF MONTANA COLLEGE OF TECHNOLOGY IN
 14 HELENA.

15

16 SECTION 12. SECTION 2(1), CHAPTER 518, LAWS OF 1999, IS AMENDED TO READ:

17 "Section 2. Appropriation of bond proceeds and other funds. (1) The following money is
 18 appropriated from the CPF and other funding sources to the department of administration for the capital
 19 projects described in this section, contingent upon the respective authorization of general obligation
 20 long-range building program bonds by the 56th legislature and the sale of the bonds by the board of
 21 examiners:

22 Agency/Project	CPF	Other Funding Sources
23 DEPARTMENT OF ADMINISTRATION		
24 Capitol Renovation	\$3,898,750	\$
25 DEPARTMENT OF CORRECTIONS		
26 Expand Women's Prison, MWP, Billings	\$2,900,000	
27 Complete Pine Hills Youth Correctional Facility, Miles City	2,225,000	
28 Security Improvements and Wallace Expansion, MSP, Deer Lodge	3,000,000	
29 DEPARTMENT OF LABOR AND INDUSTRY		
30 Havre Job Service Supplemental		210,000



1 DEPARTMENT OF MILITARY AFFAIRS

2 Montana National Guard, Veterans' Affairs and

3 Emergency Operations Center, Fort Harrison, Helena 3,500,000

4 Construct New Armory, Kalispell 1,800,000

5 The proceeds of this bond issue, up to the amount authorized, are restricted to be used for the
 6 installation of a new water and sewer system that will serve the Kalispell armory, except for up to
 7 \$100,000 for construction of space for a veterans' administration office.

8 Construct New Armory, Bozeman 2,200,000

9 MONTANA UNIVERSITIES AND COLLEGES

10 Renovate Renne Library, MSU-Bozeman 7,500,000

11 Rural Technology Education Center, UM-Dillon 4,170,000

12 Lab and Classroom Renovations, UM-All Campuses 2,000,000"

13

14 NEW SECTION. Section 13. Requirement for approval of state debt. Because [section 3]
 15 authorizes the creation of state debt, a vote of two-thirds of the members of each house of the legislature
 16 is required for enactment of [section 3]. If [section 3] is not approved by the required vote, [this act] is
 17 void.

18

19 NEW SECTION. Section 14. Severability. If a part of [this act] is invalid, all valid parts that are
 20 severable from the invalid part remain in effect. If a part of [this act] is invalid in one or more of its
 21 applications, the part remains in effect in all valid applications that are severable from the invalid
 22 applications.

23

24 NEW SECTION. Section 15. Effective date. [This act] is effective on passage and approval.

25

- END -