

HOUSE BILL NO. 296

INTRODUCED BY J. SESSO, HOLLENBAUGH, GILLAN, GALLUS , WILMER, SWANSON, MCCHESENEY,
 REINHART, MACDONALD, O'HARA, HANDS, SANDS, BELCOURT, YATES, BROWN, DRISCOLL,
 MEHLHOFF, WINDY BOY, BLEWETT, MCCLAFFERTY, NOONAN, F. SMITH, WAGNER, VUCKOVICH,
 JONES, KEANE, ARTHUN, FUREY, STAHL, WELBORN, SCHMIDT, ZINKE, AUGARE, CAFERRO, HINER,
 SQUIRES, ANKNEY, C. WILLIAMS, MURPHY

A BILL FOR AN ACT ENTITLED: "AN ACT RELATING TO THE SOUTHWESTERN MONTANA VETERANS'
 HOME; EXTENDING CIGARETTE TAX REVENUE CONTRIBUTIONS TO AN ACCOUNT FOR USE IN
 CONSTRUCTION OF THE SOUTHWESTERN MONTANA VETERANS' HOME; ESTABLISHING THE
 SOUTHWESTERN MONTANA VETERANS' HOME CAPITAL PROJECT; APPROPRIATING MONEY FOR A
 CAPITAL PROJECT; PROVIDING FOR OTHER MATTERS RELATED TO THE APPROPRIATION;
 AUTHORIZING CONSTRUCTION; PROVIDING CONDITIONS FOR A TRANSFER OF MONEY TO THE
 GENERAL FUND; AMENDING SECTION 16-11-119, MCA; AND PROVIDING EFFECTIVE DATES."

WHEREAS, the 61st Legislature in section 1, Chapter 461, Laws of 2009, provided for the establishment
 of a southwestern Montana state veterans' home; and

WHEREAS, the 61st Legislature established a state special revenue account that is funded by a portion
 of cigarette tax collections for the construction of a state veterans' home in southwestern Montana; and

WHEREAS, a portion of cigarette tax collections has been historically used for the operation and
 maintenance of state veterans' nursing homes; and

WHEREAS, based on a recent cost estimate, additional cigarette tax collections are needed in the state
 special revenue account to construct the state veterans' home in southwestern Montana in the future.

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

Section 1. Section 16-11-119, MCA, is amended to read:

"16-11-119. (Temporary) Disposition of taxes. (1) Cigarette taxes collected under the provisions of
 16-11-111 must, in accordance with the provisions of 17-2-124, be deposited as follows:

(a) 8.3% or \$2 million, whichever is greater, in an account in the state special revenue fund to the credit

1 of the department of public health and human services for the operation and maintenance of state veterans'
2 nursing homes. The department of public health and human services may not expend more money from the
3 account than is appropriated by the legislature. Subject to subsection (2) of this section, the department may not
4 transfer funds in the account or expenditure authority related to the account pursuant to 17-7-139, 17-7-301, or
5 17-8-101.

6 (b) for fiscal years ~~ending June 30, 2010~~, beginning July 1, 2011, and ~~ending June 30, 2011~~ 2015, 1.2%
7 in the state special revenue fund to the credit of the account established in section 2, Chapter 461, Laws of 2009,
8 for the construction of the state veterans' home in southwestern Montana;

9 (c) 2.6% in the long-range building program account provided for in 17-7-205;

10 (d) 44% in the health and medicaid initiatives account provided for in 53-6-1201; and

11 (e) the remainder to the state general fund.

12 (2) If money in the state special revenue account for the operation and maintenance of state veterans'
13 nursing homes exceeds \$2 million at the end of the fiscal year, the excess must be transferred to the state
14 general fund.

15 (3) The taxes collected on tobacco products, other than cigarettes, must in accordance with the
16 provisions of 17-2-124 be deposited as follows:

17 (a) one-half in the state general fund; and

18 (b) one-half in the state special revenue fund account for health and medicaid initiatives provided for in
19 53-6-1201. (Terminates June 30, 2011--sec. 35(1), Ch. 486, L. 2009.)

20 **16-11-119. (Effective July 1, 2011) Disposition of taxes.** (1) Cigarette taxes collected under the
21 provisions of 16-11-111 must, in accordance with the provisions of 17-2-124, be deposited as follows:

22 (a) 8.3% or \$2 million, whichever is greater, in the state special revenue fund to the credit of the
23 department of public health and human services for the operation and maintenance of state veterans' nursing
24 homes;

25 (b) for fiscal years ~~ending June 30, 2010~~, beginning July 1, 2011, and ~~ending June 30, 2011~~ 2015, 1.2%
26 in the state special revenue fund to the credit of the account established in section 2, Chapter 461, Laws of 2009,
27 for the construction of the state veterans' home in southwestern Montana;

28 (c) 2.6% in the long-range building program account provided for in 17-7-205;

29 (d) 44% in the state special revenue fund to the credit of the health and medicaid initiatives account
30 provided for in 53-6-1201; and

1 (e) the remainder to the state general fund.

2 (2) If money in the state special revenue fund for the operation and maintenance of state veterans'
3 nursing homes exceeds \$2 million at the end of the fiscal year, the excess must be transferred to the state
4 general fund.

5 (3) The taxes collected on tobacco products, other than cigarettes, must in accordance with the
6 provisions of 17-2-124 be deposited as follows:

7 (a) one-half in the state general fund; and

8 (b) one-half in the state special revenue fund account for health and medicaid initiatives provided for in
9 53-6-1201."

10
11 **NEW SECTION. Section 2. Definitions.** For the purposes of [sections 2 through 6], unless otherwise
12 stated, the following definitions apply:

13 (1) "Capital project" means the acquisition of land or improvements or the planning, capital construction,
14 and furnishing of the project authorized in [sections 3 through 6].

15 (2) "Southwestern Montana veterans' home project" means the capital project in Silver Bow County for
16 the purpose of a state veterans' nursing home authorized in [sections 3 through 6]. The project is administered
17 by the department of public health and human services pursuant to 53-1-602.

18
19 **NEW SECTION. Section 3. Planning and design.** The department of administration may proceed with
20 the planning and design of the southwestern Montana veterans' home project prior to the receipt of other funding
21 sources. The department of administration may use interentity loans in accordance with 17-2-107 to pay planning
22 and design costs incurred before the receipt of other funding sources.

23
24 **NEW SECTION. Section 4. Capital project -- contingent funds.** If the southwestern Montana
25 veterans' home project is financed, in whole or in part, with appropriations contingent upon the receipt of other
26 funding sources, the department of administration may not let the project for bid until the department of public
27 health and human services has submitted a financial plan for approval by the director of the department of
28 administration. A financial plan may not be approved by the director if the level of funding provided under the
29 financial plan deviates substantially from the funding level provided in [section 5] for the project.

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1 **NEW SECTION. Section 5. Capital project appropriations.** (1) There is appropriated \$4,812,500 from
 2 state special revenue account established in section 2, Chapter 461, Laws of 2009, to the department of
 3 administration for the southwestern Montana veterans' home project.

4 (2) There is appropriated \$8,937,500 from the federal special revenue fund to the department of
 5 administration for the southwestern Montana veterans' home project.

6 (3) The department of administration is authorized to transfer the appropriations in subsections (1) and
 7 (2) among the necessary fund types for this project.

8
 9 **NEW SECTION. Section 6. Legislative consent and intent.** The appropriations authorized in [section
 10 5] constitute legislative consent for the southwestern Montana veterans' home project within the meaning of
 11 18-2-102. The legislature intends for the project to be part of the long-range building program.

12

13 **NEW SECTION. SECTION 7. CONTINGENCY -- TERMINATION AND TRANSFER TO THE GENERAL FUND. IF HOUSE**
 14 **BILL NO. 439 IS PASSED AND APPROVED IN A FORM THAT APPROPRIATES AT LEAST \$5 MILLION FROM THE CAPITAL**
 15 **PROJECTS FUND FOR THE CONSTRUCTION OF THE SOUTHWESTERN MONTANA VETERANS' HOME AND [SECTIONS 2**
 16 **THROUGH 7 OF HOUSE BILL NO. 439] BECOME EFFECTIVE PURSUANT TO THE CONTINGENCY CONTAINED IN [SECTION 10**
 17 **OF HOUSE BILL NO. 439], THEN:**

18 (1) [SECTIONS 1 THROUGH 6 OF THIS ACT] TERMINATE ON THE DATE ON WHICH [SECTIONS 2 THROUGH 7 OF
 19 HOUSE BILL NO. 439] BECOME EFFECTIVE;

20 (2) THE STATE TREASURER SHALL TRANSFER THE REMAINING FUND BALANCE IN THE STATE SPECIAL REVENUE
 21 FUND ESTABLISHED IN SECTION 2, CHAPTER 461, LAWS OF 2009, FOR THE CONSTRUCTION OF THE STATE VETERANS'
 22 HOME IN SOUTHWESTERN MONTANA TO THE GENERAL FUND; AND

23 (3) THE DEPARTMENT OF ADMINISTRATION SHALL NOTIFY THE CODE COMMISSIONER OF THE OCCURRENCE OF
 24 ANY DETERMINATION MADE PURSUANT TO THIS SECTION AND THE DATE OF THE OCCURRENCE.

25

26 **COORDINATION SECTION. SECTION 8. COORDINATION INSTRUCTION.** IF BOTH SENATE BILL NO. 31 AND
 27 [THIS ACT] ARE PASSED AND APPROVED, THEN [SECTION 12 OF SENATE BILL NO. 31], AMENDING 16-11-119, IS VOID.

28

29 **NEW SECTION. Section 9. Effective date.** (1) Except as provided in subsection (2), [this act] is
 30 effective on passage and approval.

1 (2) [Sections 1, 5, and 6] are effective July 1, 2011.

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