

**Unofficial Draft Copy**

As of: October 5, 2006 (1:08pm)

LC0184

\*\*\*\* Bill No. \*\*\*\*

Introduced By \*\*\*\*\*

By Request of the Legislative Finance Committee

A Bill for an Act entitled: "An Act generally revising laws governing the long-range building program; eliminating the long-range building program account; eliminating revenue dedications for the long-range building program account; providing that building maintenance be provided through an internal service fund; providing for rates for building maintenance; providing a fund transfer from the state general fund to the internal service fund; amending sections 2-17-811, 15-35-108, 16-11-119, 17-7-206, 90-4-614, and 90-6-1001, MCA; repealing section 17-7-205, MCA and section 11, chapter 486, Laws of 2001; and providing an applicability date."

Be it enacted by the Legislature of the State of Montana:

**Section 1.** Section 2-17-811, MCA, is amended to read:

**"2-17-811. Custodial care of capitol buildings and grounds.**

(1) The department of administration is custodian of all state property and grounds in the state capitol area, which is the geographic area within a 10-mile radius of the state capitol.

(2) The department shall supervise and direct the work of caring for and maintaining buildings and equipment in the state capitol area. The department shall provide or approve all custodial, maintenance, and security work done on state-owned or

leased buildings in the state capitol area. Building maintenance must be provided through an internal service fund as described in 17-2-102.

(3) A state agency may not alter, improve, repair, or remodel a state building in the state capitol area without the approval of the department.

(4) The department shall maintain or approve the maintenance of the grounds in the state capitol area."

{*Internal References to 2-17-811:*  
*2-17-817x*}

**Section 2.** Section 15-35-108, MCA, is amended to read:

**"15-35-108. (Temporary) Disposal of severance taxes.**

Severance taxes collected under this chapter must, in accordance with the provisions of 15-1-501, be allocated as follows:

(1) Fifty percent of total coal severance tax collections is allocated to the trust fund created by Article IX, section 5, of the Montana constitution. The trust fund money must be deposited in the fund established under 17-6-203(6) and invested by the board of investments as provided by law.

~~(2) The amount of 12% of coal severance tax collections is allocated to the long-range building program account established in 17-7-205.~~

~~(3)~~(2) The amount of 5.46% must be credited to an account in the state special revenue fund to be allocated by the legislature for provision of basic library services for the residents of all counties through library federations and for

payment of the costs of participating in regional and national networking, conservation districts, and the Montana Growth Through Agriculture Act. Expenditures of the allocation may be made only from this account. Money may not be transferred from this account to another account other than the general fund. Any unreserved fund balance at the end of each fiscal year must be deposited in the general fund.

~~(4)~~(3) The amount of 1.27% must be allocated to a permanent fund account for the purpose of parks acquisition or management. Income from this permanent fund account, excluding unrealized gains and losses, must be appropriated for the acquisition, development, operation, and maintenance of any sites and areas described in 23-1-102.

~~(5)~~(4) The amount of 0.95% must be allocated to the debt service fund type to the credit of the renewable resource loan debt service fund.

~~(6)~~(5) The amount of 0.63% must be allocated to a trust fund for the purpose of protection of works of art in the capitol and for other cultural and aesthetic projects. Income from this trust fund account, excluding unrealized gains and losses, must be appropriated for protection of works of art in the state capitol and for other cultural and aesthetic projects.

~~(7)~~(6) The amount of 2.9% must be credited to the oil, gas, and coal natural resource account established in 90-6-1001.

~~(8)~~(7) (a) Subject to subsection ~~(8)~~(7) ~~(b)~~ (7) ~~(b)~~, all other revenue from severance taxes collected under the provisions of this chapter must be credited to the general fund of the state.

(b) The interest income from \$140 million of the coal severance tax permanent fund that is deposited in the general fund is statutorily appropriated, as provided in 17-7-502, on an annual basis as follows:

(i) \$65,000 to the cooperative development center;

(ii) \$1.25 million for the growth through agriculture program provided for in Title 90, chapter 9;

(iii) \$3.65 million to the research and commercialization state special revenue account created in 90-3-1002;

(iv) to the department of commerce:

(A) \$125,000 for a small business development center;

(B) \$50,000 for a small business innovative research program;

(C) \$425,000 for certified regional development corporations;

(D) \$200,000 for the Montana manufacturing extension center at Montana state university-Bozeman; and

(E) \$300,000 for export trade enhancement. (Terminates June 30, 2010--sec. 6, Ch. 481, L. 2003.)

**15-35-108. (Effective July 1, 2010) Disposal of severance taxes.** Severance taxes collected under this chapter must, in accordance with the provisions of 15-1-501, be allocated as follows:

(1) Fifty percent of total coal severance tax collections is allocated to the trust fund created by Article IX, section 5, of the Montana constitution. The trust fund money must be deposited in the fund established under 17-6-203(6) and invested

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by the board of investments as provided by law.

~~(2) The amount of 12% of coal severance tax collections is allocated to the long-range building program account established in 17-7-205.~~

~~(3)~~(2) The amount of 5.46% must be credited to an account in the state special revenue fund to be allocated by the legislature for provision of basic library services for the residents of all counties through library federations and for payment of the costs of participating in regional and national networking, conservation districts, and the Montana Growth Through Agriculture Act. Expenditures of the allocation may be made only from this account. Money may not be transferred from this account to another account other than the general fund. Any unreserved fund balance at the end of each fiscal year must be deposited in the general fund.

~~(4)~~(3) The amount of 1.27% must be allocated to a permanent fund account for the purpose of parks acquisition or management. Income from this permanent fund account, excluding unrealized gains and losses, must be appropriated for the acquisition, development, operation, and maintenance of any sites and areas described in 23-1-102.

~~(5)~~(4) The amount of 0.95% must be allocated to the debt service fund type to the credit of the renewable resource loan debt service fund.

~~(6)~~(5) The amount of 0.63% must be allocated to a trust fund for the purpose of protection of works of art in the capitol and for other cultural and aesthetic projects. Income from this

trust fund account, excluding unrealized gains and losses, must be appropriated for protection of works of art in the state capitol and for other cultural and aesthetic projects.

~~(7)~~(6) The amount of 2.9% must be credited to the oil, gas, and coal natural resource account established in 90-6-1001.

~~(8)~~(7) All other revenue from severance taxes collected under the provisions of this chapter must be credited to the general fund of the state."

{Internal References to 15-35-108:

2-17-805 x	17-7-205 r	17-7-502 x	17-7-502x
22-2-301x	22-2-304 x	22-2-321 x	23-1-108x
76-15-530 x	90-6-1001a}		

**Section 3.** Section 16-11-119, MCA, is amended to read:

**"16-11-119. Disposition of taxes.** (1) Cigarette taxes collected under the provisions of 16-11-111 must, in accordance with the provisions of 15-1-501, be deposited as follows:

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

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

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

~~(d)~~(c) the remainder to the state general fund.

(2) If money in the state special revenue fund for the

operation and maintenance of state veterans' nursing homes exceeds \$2 million at the end of the fiscal year, the excess must be transferred to the state general fund.

(3) The taxes collected on tobacco products, other than cigarettes, must in accordance with the provisions of 15-1-501 be deposited as follows:

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

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

{ Internal References to 16-11-119:

10-2-417x      10-2-417 x      16-11-114 x      17-7-205a  
53-6-1201 x      53-6-1201x }

**Section 4.** Section 17-7-206, MCA, is amended to read:

**"17-7-206. Maintenance for state buildings.** (1) Subject to legislative determination as provided in subsection (2), a major capital project appropriation by the legislature may include an amount for maintenance as a part of the appropriation. ~~The amount appropriated for maintenance must be deposited in the long-range building account for use in future maintenance.~~

(2) A state building recommended for construction in the report to the legislature required by 17-7-203 may also be recommended as appropriate for the inclusion of an amount for maintenance. For those buildings recommended for construction, the legislature may allocate an amount not to exceed 2% of the appropriated cost for use in maintenance.

(3) This section does not preclude additional funds, including separate appropriations, donations, grants, or other

available funds, from being used for the construction or maintenance of state buildings. Internal service funds are available for building maintenance.

(4) (a) There is an internal service fund for building maintenance. The department of administration shall charge agencies rates based upon the square footage of occupancy of long-range building program eligible buildings. The square footage of occupancy must be determined for each biennium using the most recent commercial property schedule fiscal year report developed by the department for buildings with a replacement value in excess of \$100,000. The agency occupancy for each building must be calculated by the department. The department shall classify buildings according to the categories contained in subsection (4) (b). The rates must be set as provided in subsections (4) (b) and (4) (c).

(b) For the biennium beginning July 1, 2007, the rates are as follows:

- (i) athletic facilities, \$0.79 per square foot;
- (ii) student unions and dining halls, \$1.31 per square foot;
- (iii) medical facilities, \$1.89 per square foot;
- (iv) correctional facilities, \$3.18 per square foot;
- (v) basic laboratories and vocational shops, \$1.92 per square foot;
- (vi) high technology laboratories, \$3.68 per square foot;
- (vii) monuments and museums, \$5.45 per square foot;
- (viii) classroom and office buildings, \$1.22 per square

foot;

(ix) parking facilities, \$0.48 per square foot;

(x) central plants and tunnels, \$0.78 per square foot;

(xi) dormitories and housing units, \$0.72 per square foot;

(xii) warehouses and storage facilities, \$0.77 per square

foot.

(c) For each biennium beginning on or after July 1, 2009, the department of administration shall adjust the rates contained in subsection (4)(c) by using the most recent 2-year percentage change in building costs as provided in the RS Means construction cost index (CCI), U.S. 30 city average or a successor index adopted by the department by rule."

*{Internal References to 17-7-206: None.}*

**Section 5.** Section 90-4-614, MCA, is amended to read:

**"90-4-614. Appropriation of energy cost savings.** (1) In preparing the executive budget each biennium, the governor shall include for each state agency participating in the state energy conservation program:

(a) an estimate of the energy cost savings expected for that agency in each year of the biennium; and

(b) a projection of the debt service on energy conservation program bonds that should be apportioned to that agency in each year of the biennium. Debt service is zero after the term of bond repayment.

(2) Each session, the legislature shall review the governor's submission pursuant to 90-4-606 and subsection (1) of

this section and ~~appropriate~~ provide in the general appropriations act the following:

(a) authority for each participating state agency to transfer funds in an amount equal to the agency's projected debt service to the energy conservation program account established in 90-4-612; and

(b) authority for each participating state agency to transfer funds to the ~~long-range building program~~ general fund in an amount equal to the difference between the estimated energy cost savings to the agency and the projected debt service apportioned to that agency.

(3) The current level utility appropriations of state agencies participating in the energy conservation program must be reduced by the sum of the amounts ~~appropriated~~ referred to in subsections (2)(a) and (2)(b).

(4) Each participating state agency shall transfer upon request of the department the amounts ~~appropriated~~ specified in accordance with subsection (2)."

{*Internal References to 90-4-614: None.*}

**Section 6.** Section 90-6-1001, MCA, is amended to read:

**"90-6-1001. Oil, gas, and coal natural resource account.**

There is an oil, gas, and coal natural resource account in the state special revenue fund. The collections allocated to the account from ~~15-35-108(7)~~ 15-35-108 and 15-36-331(2)(b) must be deposited in the account."

{*Internal References to 90-6-1001:*}

15-35-108 a      15-35-108 a      15-36-331x}

NEW SECTION.    **Section 7. Fund transfer.** The amount of \$30 million is transferred from the state general fund to the internal service fund for building maintenance provided for in 17-7-2-6.

NEW SECTION.    **Section 8. {standard} Repealer.** Section 17-7-205, MCA, and section 11, Chapter 486, Laws of 2001 are repealed. {Internal References to 17-7-205:    15-35-108 a      15-35-108 a      16-11-119a}

NEW SECTION.    **Section 9. {standard} Saving clause.** [This act] does not affect rights and duties that matured, penalties that were incurred, or proceedings that were begun before [the effective date of this act].

NEW SECTION.    **Section 10. Applicability.** [This act] applies to budgets adopted after July 1, 2008.

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