

HOUSE BILL NO. 560
INTRODUCED BY C. KAUFMANN

A BILL FOR AN ACT ENTITLED: "AN ACT AUTHORIZING THE CREATION OF STATE DEBT THROUGH THE ISSUANCE OF GENERAL OBLIGATION BONDS; APPROPRIATING THE PROCEEDS OF THE BONDS FOR CONSTRUCTION OF A CAPITAL PROJECT AT THE UNIVERSITY OF MONTANA-HELENA COLLEGE OF TECHNOLOGY FOR THE BIENNIUM ENDING JUNE 30, 2005; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

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

NEW SECTION. **Section 1. Definitions.** For purposes of [sections 1 through 7], unless the context requires otherwise, the following definitions apply:

- (1) "Capital project" means the acquisition of land or improvements or the planning, capital construction, renovation, or furnishing of the project authorized in [sections 1 through 7].
- (2) "CPF" means the capital projects fund.
- (3) "Other funding sources" means money other than CPF money, including special revenue fund money, that accrues to an agency under the provisions of the law.

NEW SECTION. **Section 2. Appropriation of bond proceeds and other funds.** (1) The following money is appropriated from the CPF and other funding sources to the department of administration for the capital project described in this section, contingent upon the authorization of general obligation long-range building program bonds by the 58th legislature and the sale of bonds by the board of examiners:

Agency/Project	CPF	Other Funding Sources
MONTANA UNIVERSITIES AND COLLEGES		
Expand UM-Helena	\$7,200,000	\$6,000,000
College of Technology		Higher Education Funds, Federal, Donations, Grants, Nonstate Funds

(2) It is the intent of the 58th legislature that the Helena college of technology reduce its general fund present law base by \$100,000 a year because of savings associated with the consolidation of facilities. The

reduction must occur in the first full fiscal year of occupancy.

NEW SECTION. **Section 3. Authorization of bonds.** The board of examiners is authorized to issue and sell general obligation long-range building program bonds in an amount not exceeding \$7,200,000 for the capital project described in [section 2] over and above the amount of general obligation long-range building program bonds outstanding on January 1, 2003, to be issued in accordance with the terms and in the manner required by Title 17, chapter 5, part 8. The authority granted to the board by this section is in addition to any other authorization to the board to issue and sell general obligation long-range building program bonds.

NEW SECTION. **Section 4. Planning and design.** The department of administration may proceed with the planning and design portions of the project and may use interaccount loans in accordance with 17-2-107 to pay project costs incurred prior to issuance of the bonds.

NEW SECTION. **Section 5. Capital projects -- contingent funds.** The capital project authorized in [section 2] is contingent upon the receipt of money from other funding sources. The department of administration may not let the project for bid until the agency has submitted a financial plan for approval by the director of the department. A financial plan may not be approved by the director if:

- (1) the level of funding provided under the financial plan deviates substantially from the funding level provided in [section 2] for that project;
- (2) the scope of the capital project is substantially altered or revised from the preliminary plans presented for that capital project to the 58th legislature; or
- (3) the capital project requires any general fund debt service in fiscal year 2004 or fiscal year 2005.

NEW SECTION. **Section 6. Authorization to sell or lease existing properties.** The board of regents is authorized to sell or lease properties that are not needed after completion of the construction project authorized in [section 2]. Revenue from the sale of properties may be applied to the other funding sources for the project. If properties are leased or sold in a manner that generates revenue greater than the bond payment over the life of the bond, the bond authorization may be increased in an amount not to exceed the debt service associated with that revenue and the other funding sources authorized in [section 2] must be reduced in the amount of the increased bonding authority.

NEW SECTION. **Section 7. Legislative consent.** The appropriation authorized in [section 2] constitutes legislative consent for the capital project contained in [section 2] within the meaning of 18-2-102.

NEW SECTION. **Section 8. Two-thirds vote required -- requirements for approval of state debt.** Because [section 3] authorizes the creation of state debt, Article VIII, section 8, of the Montana constitution requires a vote of two-thirds of the members of each house of the legislature for passage.

NEW SECTION. **Section 9. Effective date.** [This act] is effective on passage and approval.

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