

SENATE BILL NO. 235  
INTRODUCED BY S. GALLUS

A BILL FOR AN ACT ENTITLED: "AN ACT ESTABLISHING A SOUTHWESTERN MONTANA STATE VETERANS' HOME IN BEAVERHEAD, DEER LODGE, JEFFERSON, MADISON, OR SILVER BOW COUNTY; ESTABLISHING A COMMITTEE APPOINTED BY THE GOVERNOR OF VETERANS FROM THOSE COUNTIES TO DESIGNATE THE LOCATION; ALLOCATING 2 CENTS PER PACK OF CIGARETTE TAX MONEY TO AN ACCOUNT FOR USE IN CONSTRUCTION OF THE SOUTHWESTERN MONTANA STATE VETERANS' HOME SUBJECT TO APPROPRIATION BY THE 61ST LEGISLATURE; AMENDING SECTIONS 10-2-401, 10-2-416, 16-11-119, 53-1-402, 53-1-413, 53-1-602, AND 53-6-1201, MCA; AND PROVIDING EFFECTIVE DATES."

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

NEW SECTION. **Section 1. State veterans' home in southwestern Montana.** (1) A southwestern Montana state home for veterans is established at a site in Beaverhead, Deer Lodge, Jefferson, Madison, or Silver Bow County to be determined by the site selection committee as provided in this section.

(2) The governor shall, by June 1, 2007, appoint a committee to select a site in Beaverhead, Deer Lodge, Jefferson, Madison, or Silver Bow County for a state veterans' home.

(3) (a) The voting membership of the committee consists of five honorably discharged veterans of the United States armed forces. There must be one member appointed from each of the counties listed in subsection (2).

(b) Representatives of the state departments of administration, public health and human services, and military affairs shall serve as nonvoting members of the committee.

(4) The committee shall:

(a) establish objective criteria in compliance with federal law and state health requirements for the selection of the most favorable site for a state veterans' home;

(b) solicit proposals from communities interested in becoming the location for the state veterans' home;

(c) organize and conduct public hearings in each of the interested communities for the purpose of gathering input and information; and

(d) prepare and forward its designation of the most favorable location for the state veterans' home to the governor no later than April 1, 2008.

- (5) The designation of the site selection committee is binding.
- (6) The committee's expenses must be paid by the Montana board of veterans' affairs.
- (7) The department of administration shall direct the architecture and engineering division to prepare a long-range building plan for the state veterans' home pursuant to 17-7-202.

**Section 2.** Section 10-2-401, MCA, is amended to read:

**"10-2-401. Location and function of homes -- persons admitted.** The institutions at Columbia Falls and in eastern Montana and southwestern Montana are the Montana veterans' homes, and their primary function is to provide a home and subsistence for veterans. The department of public health and human services may also admit spouses or surviving spouses of veterans to the homes if space allows."

**Section 3.** Section 10-2-416, MCA, is amended to read:

**"10-2-416. Pledge to continue operation and maintenance.** Pursuant to 38 U.S.C. 8134 and 8135(a)(6), the state shall appropriate funds either from the general fund or from funds generated under 16-11-111 to the department of public health and human services for financial support necessary to provide for continued operation and maintenance of the state ~~home~~ homes for veterans in eastern Montana and southwestern Montana. The department of public health and human services may contract with a private vendor to provide for the operation of the eastern Montana veterans' home and the southwestern Montana veterans' home and may charge the contract vendor a rental fee for the maintenance and upkeep of the facility."

**Section 4.** 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) for the fiscal years ending June 30, 2008, and June 30, 2009, 1.2% in the state special revenue fund to the credit of an account for the construction of the state veterans' home in southwestern Montana as provided in [section 9];

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

~~(c)~~(d) 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)~~(e) 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."

**Section 5.** Section 53-1-402, MCA, is amended to read:

**"53-1-402. Residents and financially responsible persons liable for cost of care.** (1) A resident and a financially responsible person are liable to the department for the resident's cost of care as provided in this part. The cost of care includes the applicable per diem and ancillary charges or all-inclusive rate charges for the care of residents in the following institutions:

(a) Montana state hospital;

(b) Montana developmental center;

(c) Montana veterans' home;

(d) eastern Montana veterans' home;

(e) southwestern Montana veterans' home;

~~(e)~~(f) Montana mental health nursing care center; and

~~(f)~~(g) Montana chemical dependency treatment center.

(2) The eastern Montana veterans' home may assess charges on either a per diem and ancillary charge basis or an all-inclusive rate basis if the department contracts with a private vendor to operate the facility as provided for in 10-2-416.

(3) The Montana state hospital and the Montana mental health nursing center may determine the cost of care using an all-inclusive rate or per diem and ancillary charges if the department contracts with a private entity to operate a mental health managed care program."

**Section 6.** Section 53-1-413, MCA, is amended to read:

**"53-1-413. Deposit of payments and collections.** (1) Except as provided in 90-7-220, 90-7-221, and this section, the department shall deposit payments and collections of charges for a resident's cost of care in the state treasury to the credit of the general fund.

(2) Payments and collections for services provided to residents of the Montana veterans' ~~home~~ homes must be deposited in the special revenue account for the benefit of the ~~home~~ homes. Payments and collections for services provided to residents of the Montana chemical dependency treatment center must be deposited in the state special revenue account for the facility."

**Section 7.** Section 53-1-602, MCA, is amended to read:

**"53-1-602. Department of public health and human services.** (1) The following components are in the department of public health and human services to carry out the purposes of the department:

(a) mental health services, consisting of the following institutional components for care and treatment of the mentally ill pursuant to Title 53, chapter 21:

(i) the Montana state hospital; and

(ii) the Montana mental health nursing care center;

(b) a community services component, consisting of appropriate services for the care and treatment of the mentally ill pursuant to Title 53, chapter 21, part 10;

(c) chemical dependency services, consisting of appropriate detoxification, inpatient, intensive outpatient, outpatient, prevention, education, and other necessary chemical dependency services pursuant to Title 53, chapter 24;

(d) an institutional and residential component of the developmental disabilities system for those persons with developmental disabilities who require institutional or residential care according to Title 53, chapter 20, which component consists of the Montana developmental center; and

(e) the veterans' nursing homes for the nursing home and domiciliary care of honorably discharged veterans as provided by law, consisting of:

(i) the Montana veterans' home; ~~and~~

(ii) the eastern Montana veterans' home at Glendive; and

(iii) the southwestern Montana veterans' home.

(2) A state institution may not be moved, discontinued, or abandoned without the consent of the legislature."

**Section 8.** Section 53-6-1201, MCA, is amended to read:

**"53-6-1201. Special revenue fund -- health and medicaid initiatives.** (1) There is a health and medicaid initiatives account in the state special revenue fund established by 17-2-102. This account is to be administered by the department of public health and human services.

(2) There must be deposited in the account:

(a) money from cigarette taxes deposited under ~~16-11-119(1)(e)~~ 16-11-119(1)(d);

(b) money from taxes on tobacco products other than cigarettes deposited under 16-11-119(3)(b); and

(c) any interest and income earned on the account.

(3) This account may be used only to provide funding for:

(a) the state funds necessary to take full advantage of available federal matching funds in order to maximize enrollment of eligible children under the children's health insurance program, provided for under Title 53, chapter 4, part 10, and to provide outreach to the eligible children. The increased revenue in this account is intended to increase enrollment rates for eligible children in the program and not to be used to support existing levels of enrollment based upon appropriations for the biennium ending June 30, 2005.

(b) a new need-based prescription drug program established by the legislature for children, seniors, chronically ill, and disabled persons that does not supplant similar services provided under any existing program;

(c) increased medicaid services and medicaid provider rates. The increased revenue is intended to increase medicaid services and medicaid provider rates and not to supplant the general fund in the trended traditional level of appropriation for medicaid services and medicaid provider rates.

(d) an offset to loss of revenue to the general fund as a result of new tax credits;

(e) to fund new programs to assist eligible small employers with the costs of providing health insurance benefits to eligible employees;

(f) the cost of administering the tax credit, the purchasing pool, and the premium incentive payments and premium assistance payments as provided in Title 33, chapter 22, part 20; and

(g) to provide a state match for the medicaid program for premium incentive payments or premium assistance payments to the extent that a waiver is granted by federal law as provided in 53-2-216.

(4) ~~(a) Except for \$1 million appropriated for the startup costs of 53-6-1004 and 53-6-1005, the money appropriated for fiscal year 2006 for the programs in subsections (3)(b) and (3)(d) through (3)(g) may not be expended until the office of budget and program planning has certified that \$25 million has been deposited in the account provided for in this section or December 1, 2005, whichever occurs earlier.~~

———(b) (a) On or before July 1, the budget director shall calculate a balance required to sustain each

program in subsection (3) for each fiscal year of the biennium. If the budget director certifies that the reserve balance will be sufficient, then the agencies may expend the revenue for the programs as appropriated. If the budget director determines that the reserve balance of the revenue will not support the level of appropriation, the budget director shall notify each agency. Upon receipt of the notification, the agency shall adjust the operating budget for the program to reflect the available revenue as determined by the budget director.

~~(e)~~(b) Until the programs or credits described in subsections (3)(b) and (3)(d) through (3)(g) are established, the funding must be used exclusively for the purposes described in subsections (3)(a) and (3)(c).

(5) The phrase "trended traditional level of appropriation", as used in subsection (3)(c), means the appropriation amounts, including supplemental appropriations, as those amounts were set based on eligibility standards, services authorized, and payment amount during the past five biennial budgets.

(6) The department of public health and human services may adopt rules to implement this section."

**NEW SECTION. Section 9. Account -- state veterans' home in southwestern Montana.** There is an account in the state special revenue fund established in 17-2-102. The cigarette tax collections allocated in 16-11-119(1)(b) must be deposited in the account. Money deposited in the account is subject to appropriation by the 61st legislature for capital construction of a state veterans' home in southwestern Montana designated under 16-11-119(1)(b).

**NEW SECTION. Section 10. Effective dates.** (1) Except as provided in subsection (2), [this act] is effective on passage and approval.

(2) [Sections 4 and 8] are effective July 1, 2007.

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