

## HOUSE BILL NO. 14

INTRODUCED BY G. HOLLENBAUGH

BY REQUEST OF THE OFFICE OF BUDGET AND PROGRAM PLANNING

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 CAPITAL PROJECTS FOR THE BIENNIUM ENDING JUNE 30, 2015; AUTHORIZING THE USE OF AUXILIARY FUNDS, GRANTS, DONATIONS, AND HIGHER EDUCATION FUNDS FOR CAPITAL PROJECTS; PROVIDING FOR MATTERS RELATING TO APPROPRIATIONS; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

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

**NEW SECTION. Section 1. Definitions.** For the purposes of [sections 1 through 8], the following definitions apply:

(1) "Capital project" means the acquisition of land or improvements or the planning, capital construction, renovation, equipping, furnishing, or major repair projects authorized in [sections 2 through 8].

(2) "Other funding sources" means money other than capital projects fund money, state special revenue fund money, or general fund money that accrues to an agency under the provisions of the law. Other funding sources may include auxiliary fund, donations, grants, and higher education funds.

**NEW SECTION. Section 2. Appropriations.** The following money is appropriated to the department of administration from the capital projects account from the proceeds of the bonds authorized by [section 4] for the indicated capital projects:

(1) Montana state university-Bozeman, Romney Hall classroom renovation, \$20 million;

(2) Montana state university-Billings, science and instructional tech building addition, \$10 million;

(3) Montana state university-Great Falls college of technology, roof replacement, \$1 million;

(4) Montana state university-northern, automotive technology center, \$2.9 million;

(5) University of Montana, Missoula college of technology, \$22 million;

(6) University of Montana-western, main hall renovation phase 3, \$4 million;

(7) Montana tech of the university of Montana, natural resource research center addition, \$5 million; and

(8) Montana heritage center, Helena, \$23 million.

**NEW SECTION. Section 3. Authorizations of other funding sources.** The department of administration is authorized to expend money for the indicated capital projects from other funding sources as follows:

(1) Montana state university-Bozeman, Jobs hall, \$25 million of grants, donations, and higher education funds;

(2) Montana state university-Billings, science and instructional tech building addition, \$5 million;

(3) Montana state university-northern, automotive technology center, \$5 million;

(4) University of Montana, Missoula college of technology, \$25 million;

(5) University of Montana-Missoula, athlete academic center, \$2.5 million;

(6) University of Montana-Missoula, Gilkey executive education center, \$9.3 million;

(7) University of Montana-western, main hall renovation phase 3, \$0.5 million;

(8) Montana tech of the university of Montana, natural resource research center addition, \$5 million; and

(9) Montana heritage center, Helena, \$5.5 million.

**NEW SECTION. Section 4. Authorization for bonds -- conditions.** (1) The board of examiners is authorized to issue and sell general obligation bonds in an amount not exceeding \$87.9 million for the capital projects described in [section 2] in addition to the amount of general obligation bonds outstanding on January 1, 2013.

(2) The bonds in this section must 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 of examiners by this section is in addition to any other authorization to the board of examiners to issue and sell general obligation bonds.

(3) The proceeds from the bonds sold under this section must be deposited in the capital projects account provided for in 17-5-804.

**NEW SECTION. Section 5. Planning and design.** The department of administration may proceed with the planning and design of capital projects prior to the receipt of the other funding sources. The entities receiving funds pursuant to [sections 1 through 8] may use interentity loans in accordance with 17-2-107 to pay planning and design costs incurred before the receipt of the funding sources in [sections 2 and 3].

**NEW SECTION. Section 6. Agreement with department of environmental quality.** The department of environmental quality shall review capital projects authorized in [section 2] for potential inclusion in the state building energy conservation program. When a review shows that a capital project will result in energy improvements, that capital project must be submitted to the energy conservation program for consideration of receiving funding under that program. Funding provided under the energy conservation program guidelines must be used to offset or add to the authorized funding for the capital project, and the amount must be dependent on the annual utility savings resulting from the facility improvement. Agencies must be notified of potential funding after the review.

**NEW SECTION.** **Section 7. Capital projects -- contingent funds.** If a capital project is financed in whole or in part with funding from other funding sources, the department of administration may not let the projects 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 3] for that project; or

(2) the scope of the capital project is substantially altered or revised from the capital project presented to the 63rd legislature.

**NEW SECTION.** **Section 8. Legislative consent.** The appropriations authorized in [sections 2 and 3] constitute legislative consent for the capital projects contained in [sections 2 and 3] within the meaning of 18-2-102.

**NEW SECTION. Section 9. Two-thirds vote required.** Because [section 4] 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 10. Effective date.** [This act] is effective on passage and approval.

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