

SENATE BILL NO. 416

INTRODUCED BY J. BRENDEN

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4 A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING FUNDING AND AUTHORIZATION FOR CAPITAL AND
5 INFRASTRUCTURE PROJECTS STATEWIDE; CREATING LOCAL INFRASTRUCTURE GRANT AND LOAN
6 ACCOUNTS; AUTHORIZING THE DEPARTMENT OF COMMERCE TO GRANT FUNDS FOR LOCAL
7 INFRASTRUCTURE PROJECTS; ESTABLISHING CONDITIONS FOR GRANTS AND LOANS FOR
8 INFRASTRUCTURE PROJECTS; REQUIRING LOCAL GOVERNMENTS TO PROVIDE MATCHING FUNDS
9 FOR PROJECTS BASED ON A FORMULA; AUTHORIZING THE DEPARTMENT OF COMMERCE TO MAKE
10 ~~INTERGAP~~ LOANS TO LOCAL GOVERNMENTS FOR MATCHING FUNDS FOR LOCAL INFRASTRUCTURE
11 PROJECTS; AUTHORIZING THE CREATION OF STATE DEBT THROUGH THE ISSUANCE OF GENERAL
12 OBLIGATION BONDS; PROVIDING FOR A GENERAL FUND TRANSFER; PROVIDING RULEMAKING
13 AUTHORITY; PROVIDING APPROPRIATIONS; AMENDING SECTION SECTIONS 15-10-420 AND 16-11-119,
14 MCA; AMENDING SECTION 5, CHAPTER 324, LAWS OF 2011; AND PROVIDING AN IMMEDIATE EFFECTIVE
15 DATE AND A TERMINATION DATE."

16
17 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

(Refer to Third Reading Blue Bill)

Strike everything after the enacting clause and insert:

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20
21 NEW SECTION. Section 1. Definitions. For the purposes of [sections 1 through 14], unless otherwise
22 provided, the following definitions apply:

23 (1) "Authority only" means approval provided by the legislature to expend money that does not require
24 an appropriation, including grants, donations, auxiliary funds, proprietary funds, and university funds.

25 (2) "Capital project" means improvements or the planning, capital construction, environmental cleanup,
26 renovation, or major repair projects authorized in [sections 11 through 14].

27 (3) "CPA" means the capital projects account provided for in 17-5-803 and 17-5-804.

28 (4) "Income to mill ratio" means a local government's median household income, as reported by the U.S.
29 census bureau's American community survey, 2006-2010 5-year estimates, divided by its mills, as reported in
30 the most recent biennial report of the department of revenue. The income to mill ratio for a county includes all

1 state, county, county wide school, local school average mills, fire district average mills, and miscellaneous mills.

2 The income to mill ratio for an incorporated city or town includes only the city average mills.

3 (5) "Infrastructure projects" means:

4 (a) drinking water systems;

5 (b) wastewater treatment;

6 (c) sanitary sewer or storm sewer systems;

7 (d) solid waste disposal and separation systems, including site acquisition, preparation, and monitoring;

8 (e) local roads; or

9 (f) bridges.

10 (6) "Local government" means an incorporated city or town, a county, a consolidated local government,
11 a tribal government, a county or multicounty water, sewer, or solid waste district, or an authority as defined in
12 75-6-304.

13

14 **NEW SECTION. Section 2. Local infrastructure accounts -- use.** (1) There is within the state special
15 revenue fund provided for in 17-2-102 an account called the local infrastructure grant program account to provide
16 grant funding to local governments for local infrastructure projects. The department of commerce shall administer
17 the account.

18 (2) There is within the state special revenue fund provided for in 17-2-102 an account called the local
19 infrastructure loan program account to provide loans to local governments for matching funds required for a local
20 infrastructure project to receive a grant under [section 3]. The department of commerce shall administer the
21 account.

22

23 **NEW SECTION. Section 3. Authorization for local infrastructure project grants -- matching funds**
24 **requirement.** (1) The department of commerce is authorized to make grants to local governments for
25 infrastructure projects. The grants authorized in this section are subject to the conditions set forth in [section 7].
26 The department shall commit funds to projects until the funds deposited into the local infrastructure grant program
27 account during the biennium beginning July 1, 2015, are expended.

28 (2) The department shall allocate \$3,514,423 of the funds in the local infrastructure grant program
29 account established in [section 2(1)] to the coal board provided for in 2-15-1821 for the purpose of awarding
30 grants to local governments pursuant to Title 90, chapter 6, part 2.

1 (3) (a) If the amount deposited into the local infrastructure grant program account established in [section
2 2(1)] pursuant to [section 19] is \$30 million, the department shall grant at least 40% of the funds in the account
3 to projects related to exploration or natural resource impacts.

4 (b) If the amount deposited into the local infrastructure grant program account established in [section
5 2(1)] pursuant to [section 19] is \$50 million or more, the department shall grant at least 35% of the funds in the
6 account to projects related to exploration or natural resource impacts.

7 (4) A local government shall provide one-to-one matching funds up to the first \$750,000 of grant funding
8 sought. For a grant request exceeding \$750,000, the relative participation ratio for the local government as
9 calculated pursuant to [section 5] is applied to the amount of the grant exceeding \$750,000.

10 (5) Funding for projects may be provided only as long as there are sufficient funds available from the
11 amount that was deposited or transferred into the local infrastructure grant program account established in
12 [section 2(1)] during the biennium beginning July 1, 2015. Funding for these projects must be made available in
13 the order that the grant recipients satisfy the conditions described in [section 7(1)]. However, any of the projects
14 that have not completed the conditions described in [section 7(1)] by September 30, 2016, must be reviewed by
15 the next regular session of the legislature to determine if the authorized grant should be withdrawn.

16 (6) If a grant recipient does not complete all of the conditions described in [section 7(1)] by September
17 30, 2018, any obligation to the grant recipient is extinguished.

18
19 **NEW SECTION. Section 4. Eligibility -- submission deadline -- priority -- rulemaking authority.**

20 (1) A local government may apply to the department of commerce for local infrastructure grants under [section
21 3]. A local government that has submitted a grant request for a local infrastructure project to the department within
22 the last 2 years and that did not receive approval by the 64th legislature may resubmit the grant request on or
23 before June 1, 2015, without resubmitting other grant materials if there is no material change to the originally
24 submitted grant request.

25 (2) Projects that were approved for funding from the treasure state endowment program by the 64th
26 legislature are not eligible for grants under [this act].

27 (3) For a project that was submitted for approval to the 64th legislature for funding from the treasure state
28 endowment program but did not receive legislative approval for funding from the program, the amount of a grant
29 for the project under [this act] may not exceed the amount of funding recommended for the project as described
30 in the treasure state endowment program 2017 biennium report to the 64th legislature.

1 (4) All local governments that do not submit a grant request pursuant to subsection (1) shall submit grant
2 requests and materials to the department by August 15, 2015, in order to be eligible for funding under [section
3 3].

4 (5) For projects having equal ranking, the department shall give higher consideration to projects that
5 present a higher percentage of matching funds.

6 (6) The department is authorized to adopt rules necessary to implement [sections 1 through 10].
7

8 **NEW SECTION. Section 5. Formula for local government match rate based on relative**
9 **participation ratio.** (1) The match rate for a local government is calculated based on its relative participation
10 ratio.

11 (2) (a) The relative participation ratio for a county is equal to its income to mill ratio divided by the median
12 income to mill ratio of all counties in Montana.

13 (b) The relative participation ratio for an incorporated city or town is equal to its income to mill ratio
14 divided by the median income to mill ratio of all incorporated cities and towns in Montana.

15 (c) The relative participation ratio for any other local government applicant is the same as for the county
16 in which it is located.

17 (3) For a local government with a relative participation ratio of 1.0-1.5, the match rate is 12.5%. For a
18 local government with a relative participation ratio greater than 1.5, the match rate is 25%. For a local
19 government that is not a county, the county in which the local government is located shall also contribute its
20 match rate as determined above.

21 (4) A local government's matching funds may not consist of grant funds from any state source.
22

23 **NEW SECTION. Section 6. Criteria for local road grants -- application requirements.** (1) Grants
24 for local road projects made pursuant to [section 3] are available for:

25 (a) deferred maintenance, rehabilitation, and restoration, including projects designed to extend the life
26 of existing road surfaces by pothole filling, crack sealing, chip sealing, graveling, asphaltting, and overlaying; and

27 (b) reconstruction.

28 (2) A local road project for reconstruction should be designed in accordance with road standards
29 adopted by the local government, the Montana county gravel road standards established by the local technical
30 assistance program at Montana state university, or the standards of the American association of state highway

1 and transportation officials, as applicable.

2 (3) Each local government may submit no more than two applications for road projects for funding under
3 [section 3].

4
5 **NEW SECTION. Section 7. Conditions of grants -- disbursement of funds.** (1) The disbursement
6 of grant funds for the projects chosen by the department of commerce pursuant to [section 3] is subject to
7 completion of the following conditions:

8 (a) The grant recipient shall document that other matching funds required for completion of the project
9 are firmly committed.

10 (b) The grant recipient must have a project management plan that is approved by the department.

11 (c) The grant recipient must be in compliance with the auditing and reporting requirements provided in
12 2-7-503 and have established a financial accounting system that the department can reasonably ensure conforms
13 to generally accepted accounting principles. Tribal governments shall comply with auditing and reporting
14 requirements provided for in office of management and budget Circular A-133.

15 (d) The grant recipient shall execute a grant agreement with the department of commerce.

16 (2) With the exception of local roads and bridges, all projects must adhere to the design standards
17 required by the department of environmental quality. Recipients of grants under [section 3] that are not subject
18 to the department of environmental quality design standards shall adhere to generally accepted industry
19 standards such as Recommended Standards for Wastewater Facilities or Recommended Standards for Water
20 Works, published by the Great Lakes-Upper Mississippi River board of state and provincial public health and
21 environmental managers, latest edition.

22 (3) When applicable, recipients of grants under [section 3] are subject to the requirements of the
23 department of commerce as described in the most recent edition of the Treasure State Endowment Program
24 Project Administration Manual adopted by the department by administrative rule.

25
26 **NEW SECTION. Section 8. Other powers and duties of department.** (1) The department of
27 commerce shall disburse grant funds on a reimbursement basis as grant recipients incur eligible project
28 expenses.

29 (2) If actual project expenses are lower than the projected expense of the project, the department may,
30 at its discretion:

1 (a) reduce the amount of grant funds to be provided to grant recipients in proportion to all other project
2 funding sources; or

3 (b) authorize the use of the remaining authorized grant amounts for the construction of additional
4 infrastructure components directly related to the approved project that will further enhance the overall system.
5

6 **NEW SECTION. Section 9. Authorization to provide loans -- loan repayments to department --**
7 **conditions on loans -- transfer.** (1) The department of commerce is authorized to make loans to local
8 governments from the local infrastructure loan program account in [section 2(2)] for matching funds required for
9 a local infrastructure project to receive a grant under [section 3]. A loan to a local government may not exceed
10 the amount of matching funds required.

11 (2) Disbursement of loan proceeds for infrastructure projects under this section to a local government
12 is subject to the conditions set forth in [section 7].

13 (3) The local government shall execute a loan agreement with the department of commerce prior to
14 receiving loan proceeds.

15 (4) Payments made by a local government to the department for repayment of a loan made pursuant
16 to subsection (1) must be deposited in the general fund.

17 (5) The amount of unencumbered funds in the local infrastructure loan program account on July 1, 2016,
18 may be transferred to the local infrastructure grant program account on or after July 15, 2016.
19

20 **NEW SECTION. Section 10. Maximum state funding available for infrastructure -- per project --**
21 **per county.** (1) If the amount deposited into the local infrastructure grant program account established in [section
22 (2)(1)] in the biennium beginning July 1, 2015, is \$60 million:

23 (a) the maximum amount of state funding under [this act], whether through grants or loans, may not
24 exceed \$2.5 million per project; or

25 (b) the maximum amount of grant funding that may be received in a single county, including grant funding
26 under [this act] and any grant funding awarded by the 64th legislature, may not exceed \$5 million.

27 (2) If the amount deposited into the local infrastructure grant program account established in [section
28 2(1)] in the biennium beginning July 1, 2015, is \$100 million:

29 (a) the maximum amount of state funding under [this act], whether through grants or loans, may not
30 exceed \$3.75 million per project; or

1 (b) the maximum amount of grant funding that may be received in a single county, including grant funding
2 under [this act] and any grant funding awarded by the 64th legislature, may not exceed \$7.5 million.

3 (3) If the amount deposited into the local infrastructure grant program account established in [section 2(1)]
4 in the biennium beginning July 1, 2015, is \$125 million:

5 (a) the maximum amount of state funding under [this act], whether through grants or loans, may not
6 exceed \$5 million per project; or

7 (b) the maximum amount of grant funding that may be received in a single county, including grant funding
8 under [this act] and any grant funding awarded by the 64th legislature, may not exceed \$10 million.

9

10 **NEW SECTION. Section 11. Authorization of capital projects.** (1) Upon passage and approval of
11 [this act], the following projects, pursuant to 18-2-102, are authorized and approved from the indicated funding
12 sources. The department of administration is authorized to transfer funding and authority between fund types.
13 Funds not requiring legislative appropriation are included for the purposes of authorization only:

14 DEPARTMENT OF PUBLIC HEALTH AND HUMAN SERVICES

15 First Step - Mental Health \$7.6 million (CPA)

16 MONTANA UNIVERSITY SYSTEM

17 Romney Hall - MSU Bozeman \$18.4 million (CPA) \$4.6 million (Authority only)

18 (2) If the amount deposited into the capital projects fund pursuant to [section 15] in the biennium
19 beginning July 1, 2015, is \$50 million, the following project, pursuant to 18-2-102, is also authorized and approved
20 from the indicated funding sources. The department of administration is authorized to transfer funding and
21 authority between fund types. Funds not requiring legislative appropriation are included for the purposes of
22 authorization only:

23 DEPARTMENT OF ADMINISTRATION

24 Montana Heritage Center \$25 million (CPA) \$5 million (Authority only)

25 (3) If the amount deposited into the capital projects fund pursuant to [sections 15 and 19] in the biennium
26 beginning July 1, 2015, is \$75 million, the following projects, pursuant to 18-2-102, are authorized and approved
27 from the indicated funding sources. The department of administration is authorized to transfer funding and
28 authority between fund types. Funds not requiring legislative appropriation are included for the purposes of
29 authorization only.

30 MONTANA UNIVERSITY SYSTEM



1	Missoula-UM-Renovation Clapp Science Building	\$10 million (CPA)	
2	Library Renovation - MSU Billings	\$2.65 million (CPA)	
3	Learning and Veteran Center, Great Falls College-MSU	\$3 million (CPA)	
4	Butte-MTECH - Renovate Engineering Facilities	\$6 million (CPA)	\$4 million (Authority only)
5	MONTANA HERITAGE COMMISSION		
6	Virginia City, Nevada City and Reeder's Alley	\$1.6 million (CPA)	
7	DEPARTMENT OF FISH, WILDLIFE, & PARKS		
8	Lewis & Clark Caverns SP Electrical Upgrades	\$1.75 million (CPA)	

9

10 NEW SECTION. Section 12. Planning and design. The department of administration may proceed
 11 with the planning and design of capital projects prior to the receipt of other funding sources. The department may
 12 use interentity loans in accordance with 17-2-107 to pay planning and design costs incurred before the receipt
 13 of funding from another funding source.

14

15 NEW SECTION. Section 13. Capital projects -- contingent funds. (1) Except as provided in
 16 subsection (2), if a capital project is financed in whole or in part with appropriations contingent on the receipt of
 17 funding from another funding source, the department of administration may not let the project for bid until the
 18 agency receiving funding has submitted a financial plan for approval by the director of the department of
 19 administration.

20 (2) A financial plan may not be approved by the director if:

21 (a) the level of funding provided under the financial plan deviates substantially from the funding level
 22 provided in [section 11] for that project; or

23 (b) the scope of the project is substantially altered or revised from the preliminary plans presented for
 24 that project in the 2017 biennium long-range building program and as presented to the 64th legislature.

25

26 NEW SECTION. Section 14. Review by department of environmental quality. The department of
 27 environmental quality shall review capital projects authorized in [section 11] for potential inclusion in the state
 28 building energy conservation program under Title 90, chapter 4, part 6. When a review shows that a capital
 29 project will result in energy improvements, the project must be submitted to the energy conservation program for
 30 funding consideration. Funding provided under the energy conservation program guidelines must be used to

1 offset or add to the authorized funding for the project, with the amount dependent on the annual utility savings
2 resulting from the facility improvement. Agencies must be notified of potential funding after the review.

3
4 **NEW SECTION. Section 15. Authorization of bonds -- conditions.** (1) The board of examiners is
5 authorized to issue and sell general obligation bonds in one or more series and from time to time for the purposes
6 described in subsections (3) through (5) in addition to the amount of general obligation bonds outstanding on
7 January 1, 2015.

8 (2) The bonds under this section must be issued in accordance with the terms and in the manner
9 required by Title 17, chapter 5, part 8. The authority granted to the board of examiners by this section is in
10 addition to any other authorization to the board of examiners to issue and sell general obligation bonds.

11 (3) On [the effective date of this act], the board of examiners is authorized to issue and sell general
12 obligation bonds and deposit the proceeds as follows:

13 (a) \$30 million of the proceeds from the bonds sold under this section must be deposited in the capital
14 projects account provided for in 17-5-803 and 17-5-804; and

15 (b) \$30 million of the proceeds from the bonds sold under this section must be deposited in the local
16 infrastructure loan program account provided for in [section 2(2)].

17 (4) If the unaudited general fund revenue, including transfers in, for fiscal year ending June 30, 2015 as
18 certified by the state treasurer is at least \$2.152 billion, the board of examiners is authorized to issue and sell
19 additional general obligation bonds and deposit the proceeds as follows:

20 (a) \$20 million of the proceeds from the bonds sold under this section must be deposited in the capital
21 projects account provided for in 17-5-803 and 17-5-804; and

22 (b) \$20 million of the proceeds from the bonds sold under this section must be deposited in the local
23 infrastructure loan program account provided for in [section 2(2)].

24

25 **Section 16.** Section 15-10-420, MCA, is amended to read:

26 **"15-10-420. Procedure for calculating levy.** (1) (a) Subject to the provisions of this section, a
27 governmental entity that is authorized to impose mills may impose a mill levy sufficient to generate the amount
28 of property taxes actually assessed in the prior year plus one-half of the average rate of inflation for the prior 3
29 years. The maximum number of mills that a governmental entity may impose is established by calculating the
30 number of mills required to generate the amount of property tax actually assessed in the governmental unit in the

1 prior year based on the current year taxable value, less the current year's value of newly taxable property, plus
2 one-half of the average rate of inflation for the prior 3 years.

3 (b) A governmental entity that does not impose the maximum number of mills authorized under
4 subsection (1)(a) may carry forward the authority to impose the number of mills equal to the difference between
5 the actual number of mills imposed and the maximum number of mills authorized to be imposed. The mill authority
6 carried forward may be imposed in a subsequent tax year.

7 (c) For the purposes of subsection (1)(a), the department shall calculate one-half of the average rate of
8 inflation for the prior 3 years by using the consumer price index, U.S. city average, all urban consumers, using
9 the 1982-84 base of 100, as published by the bureau of labor statistics of the United States department of labor.

10 (2) A governmental entity may apply the levy calculated pursuant to subsection (1)(a) plus any additional
11 levies authorized by the voters, as provided in 15-10-425, to all property in the governmental unit, including newly
12 taxable property.

13 (3) (a) For purposes of this section, newly taxable property includes:

14 (i) annexation of real property and improvements into a taxing unit;

15 (ii) construction, expansion, or remodeling of improvements;

16 (iii) transfer of property into a taxing unit;

17 (iv) subdivision of real property; and

18 (v) transfer of property from tax-exempt to taxable status.

19 (b) Newly taxable property does not include an increase in value that arises because of an increase in
20 the incremental value within a tax increment financing district.

21 (4) (a) For the purposes of subsection (1), the taxable value of newly taxable property includes the
22 release of taxable value from the incremental taxable value of a tax increment financing district because of:

23 (i) a change in the boundary of a tax increment financing district;

24 (ii) an increase in the base value of the tax increment financing district pursuant to 7-15-4287; or

25 (iii) the termination of a tax increment financing district.

26 (b) If a tax increment financing district terminates prior to the certification of taxable values as required
27 in 15-10-202, the increment value is reported as newly taxable property in the year in which the tax increment
28 financing district terminates. If a tax increment financing district terminates after the certification of taxable values
29 as required in 15-10-202, the increment value is reported as newly taxable property in the following tax year.

30 (c) For the purpose of subsection (3)(a)(ii), the value of newly taxable class four property that was

1 constructed, expanded, or remodeled property since the completion of the last reappraisal cycle is the current
2 year market value of that property less the previous year market value of that property.

3 (d) For the purpose of subsection (3)(a)(iv), the subdivision of real property includes the first sale of real
4 property that results in the property being taxable as class four property under 15-6-134 or as nonqualified
5 agricultural land as described in 15-6-133(1)(c).

6 (5) Subject to subsection (8), subsection (1)(a) does not apply to:

7 (a) school district levies established in Title 20; or

8 (b) a mill levy imposed for a newly created regional resource authority.

9 (6) For purposes of subsection (1)(a), taxes imposed do not include net or gross proceeds taxes received
10 under 15-6-131 and 15-6-132.

11 (7) In determining the maximum number of mills in subsection (1)(a), the governmental entity:

12 (a) may increase the number of mills to account for a decrease in reimbursements; and

13 (b) may not increase the number of mills to account for a loss of tax base because of legislative action
14 that is reimbursed under the provisions of 15-1-121(7).

15 (8) The department shall calculate, on a statewide basis, the number of mills to be imposed for purposes
16 of 15-10-108, 20-9-331, 20-9-333, 20-9-360, and 20-25-439. However, the number of mills calculated by the
17 department may not exceed the mill levy limits established in those sections. The mill calculation must be
18 established in tenths of mills. If the mill levy calculation does not result in an even tenth of a mill, then the
19 calculation must be rounded up to the nearest tenth of a mill.

20 (9) (a) The provisions of subsection (1) do not prevent or restrict:

21 (i) a judgment levy under 2-9-316, 7-6-4015, or 7-7-2202;

22 (ii) a levy to repay taxes paid under protest as provided in 15-1-402;

23 (iii) an emergency levy authorized under 10-3-405, 20-9-168, or 20-15-326;

24 (iv) a levy for the support of a study commission under 7-3-184;

25 (v) a levy for the support of a newly established regional resource authority;

26 (vi) the portion that is the amount in excess of the base contribution of a governmental entity's property
27 tax levy for contributions for group benefits excluded under 2-9-212 or 2-18-703; ~~or~~

28 (vii) a levy for reimbursing a county for costs incurred in transferring property records to an adjoining
29 county under 7-2-2807 upon relocation of a county boundary; or

30 (viii) a levy for the purpose of repaying a loan to finance matching funds for infrastructure projects in order

1 to be eligible to receive a grant under [section 3].

2 (b) A levy authorized under subsection (9)(a) may not be included in the amount of property taxes
3 actually assessed in a subsequent year.

4 (10) A governmental entity may levy mills for the support of airports as authorized in 67-10-402,
5 67-11-301, or 67-11-302 even though the governmental entity has not imposed a levy for the airport or the airport
6 authority in either of the previous 2 years and the airport or airport authority has not been appropriated operating
7 funds by a county or municipality during that time.

8 (11) The department may adopt rules to implement this section. The rules may include a method for
9 calculating the percentage of change in valuation for purposes of determining the elimination of property, new
10 improvements, or newly taxable property in a governmental unit."

11

12 **Section 17.** Section 5, Chapter 324, Laws of 2011, is amended to read:

13 **"Section 5. Capital project appropriations.** (1) There is appropriated ~~\$4,812,500~~ up to \$5,293,750
14 from state special revenue account established in section 2, Chapter 461, Laws of 2009, to the department of
15 administration for the southwestern Montana veterans' home project.

16 (2) There is appropriated ~~\$8,937,500~~ \$9,831,250 from the federal special revenue fund to the department
17 of administration for the southwestern Montana veterans' home project.

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

20

21 NEW SECTION. **Section 18. Authorization of bonds -- veterans' home in southwestern Montana.**

22 (1) On [the effective date of this act], the board of examiners is authorized to issue and sell up to \$10 million in
23 general obligation bonds for the purpose of funding the construction of the state veterans' home in southwestern
24 Montana.

25 (2) The proceeds of the bonds authorized in subsection (a) are appropriated to the department of
26 administration to be used for the construction of the state veterans' home in southwestern Montana.

27 (3) If federal grant funds for the construction of the veterans' home are received prior to the bonds being
28 issued, the authority to issue bonds as provided for in subsection (a) is extinguished.

29 (4) If federal grant funds for the construction of the veterans' home are received after the bonds are
30 issued, the federal grant funds must first be applied to pay off the bonds and any remaining proceeds of the

1 bonds must be deposited into the general fund.

2

3 **NEW SECTION. Section 19. General fund transfer.** (1) For the biennium beginning July 1, 2015, there
4 is transferred \$30 million from the general fund to the local infrastructure grant program account provided for in
5 [section 2(1)].

6 (2) If the unaudited general fund revenue, including transfers in, for the fiscal year ending June 30, 2015,
7 as certified by the state treasurer is at least \$2.152 billion, there is transferred an additional \$20 million from the
8 general fund to the local infrastructure grant program account provided for in [section 2(1)].

9 (3) If the unaudited general fund revenue, including transfers in, for the fiscal year ending June 30, 2016,
10 as certified by the state treasurer is at least \$2.35 billion:

11 (a) an additional \$25 million from the general fund is transferred to the local infrastructure grant program
12 account provided for in [section 2(1)]; and

13 (b) an additional \$25 million from the general fund is transferred to the capital projects account provided
14 for in 17-5-803 and 17-5-804.

15

16 **NEW SECTION. Section 20. Notification to tribal governments.** The secretary of state shall send
17 a copy of [this act] to each tribal government located on the seven Montana reservations and to the Little Shell
18 Chippewa tribe.

19

20 **NEW SECTION. Section 21. Codification instruction.** [Sections 1 through 10] are intended to be
21 codified as an integral part of Title 90, chapter 6, and the provisions of Title 90, chapter 6, apply to [sections 1
22 through 10].

23

24 **NEW SECTION. Section 22. Severability.** If a part of [this act] is invalid, all valid parts that are
25 severable from the invalid part remain in effect. If a part of [this act] is invalid in one or more of its applications,
26 the part remains in effect in all valid applications that are severable from the invalid applications.

27

28 **NEW SECTION. Section 23. Creation of state debt.** Because [section 15] authorizes the creation of
29 state debt, Article VIII, section 8, of the Montana constitution requires a vote of two-thirds of the members of each
30 house of the legislature for passage.

