

## SENATE BILL NO. 376

INTRODUCED BY J. COHENOUR

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4 A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING FUNDING FOR THE MONTANA HERITAGE CENTER;  
5 GRANTING AUTHORITY TO CONSTRUCT THE MONTANA HERITAGE CENTER OR ENTER INTO A LEASE  
6 WITH OPTION TO PURCHASE THE MONTANA HERITAGE CENTER; CREATING THE HISTORIC  
7 PRESERVATION COMPETITIVE GRANT PROGRAM; REVISING THE SALES TAX ON ACCOMMODATIONS  
8 AND CAMPGROUNDS; CREATING ACCOUNTS AND ALLOCATING A PORTION OF TAX PROCEEDS TO  
9 THEM; PROVIDING RULEMAKING AUTHORITY RELATED TO THE HISTORIC PRESERVATION  
10 COMPETITIVE GRANT PROGRAM; AMENDING SECTIONS 2-17-101, 7-14-112, 15-68-102, 15-68-820, AND  
11 18-3-101, MCA; AND PROVIDING AN EFFECTIVE DATE AND A TERMINATION DATE."

12

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

14

15 NEW SECTION. **Section 1. Account -- Montana heritage center.** There is an account in the state  
16 special revenue fund established in 17-2-102 known as the Montana heritage center account. The tax collections  
17 allocated in 15-68-820(2)(b) must be deposited in the account. The money in the account is authorized to the  
18 department of administration and may be used only for capital construction of the Montana heritage center or for  
19 payments on a lease with option to purchase the Montana heritage center.

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21 NEW SECTION. **Section 2. Authorization to lease or construct Montana heritage center.** (1) The  
22 department of administration is authorized to enter into a lease with option to purchase the Montana heritage  
23 center. If the department enters into a lease with option to purchase, the lease must provide that, at the end of  
24 the lease's term, the building is a state-owned property.

25 (2) If the department determines not to enter into a lease, the department is authorized to construct the  
26 Montana heritage center, which includes the remodel of the veterans' and pioneer memorial building.

27 (3) The department of administration shall determine the most cost-effective and efficient manner in  
28 which to construct the Montana heritage center based on the funding available. The department may construct  
29 the Montana heritage center in phases.

30 (4) This section constitutes legislative consent for the construction of the Montana heritage center within

1 the meaning of 18-2-102.

2

3 **NEW SECTION. Section 3. Historic preservation grants -- proposals -- recommendations.** (1)

4 There is a historic preservation competitive grant program established within the department of commerce. A  
5 person, association, or representative of a governing unit seeking a historic preservation grant under this section  
6 must submit a grant proposal to the department by March 1 of the year preceding the convening of a regular  
7 legislative session.

8 (2) The department shall review all proposals for historic preservation grants before they are submitted  
9 to the legislature.

10 (3) Consistent with the rules adopted in accordance with [section 4], the department shall make  
11 recommendations to the legislature on each proposal submitted to the department.

12 (4) The department's recommendations to the legislature are advisory only.

13 (5) The department shall present its recommendations to the appropriations committee of the legislature  
14 by the 15th day of a regular legislative session.

15

16 **NEW SECTION. Section 4. Priorities for funding -- rulemaking.** (1) The department shall make  
17 recommendations for grants awarded under the historic preservation competitive grant program to public or  
18 private entities for the preservation of historic sites in the state. The recommendations must be based on  
19 competitive criteria created by the department, as guided by the legislature. The criteria may include:

20 (a) the degree of economic stimulus or economic activity, including job creation and work creation for  
21 Montana contractors and service workers;

22 (b) the timing of the project, including access to matching funds, if needed, and approval of permits so  
23 that work can be completed without delay;

24 (c) the historic or heritage value related to the state of Montana;

25 (d) the successful track record or experience of the organization directing the project; and

26 (e) the expected ongoing economic benefit to the state as a result of the project completion.

27 (2) The department shall adopt rules necessary to implement the historic preservation competitive grant  
28 program. In adopting rules, the department shall look to the rules adopted for the treasure state endowment  
29 program, the cultural and aesthetic grant program, and other similar state programs. To the extent feasible, the  
30 department shall make the rules compatible with those other programs.

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2           **NEW SECTION. Section 5. Historic preservation grants -- account.** (1) There is an account in the  
3 state special revenue fund established in 17-2-102 known as the historic preservation account. The tax collections  
4 allocated in 15-68-820(2)(c) must be deposited in the account.

5           (2) Money deposited in the account is subject to appropriation by the legislature and may be used only  
6 for historic preservation grants to be administered by the department of commerce.

7           (3) The department shall allocate and disburse historic preservation account funds as appropriated by  
8 the legislature.

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10           **Section 6.** Section 2-17-101, MCA, is amended to read:

11           **"2-17-101. Allocation of space -- leasing -- definition.** (1) The department of administration shall  
12 determine the space required by state agencies other than the university system and shall allocate space in  
13 buildings owned or leased by the state, based on each agency's need. To efficiently and effectively allocate  
14 space, the department shall identify the amount, location, and nature of space used by each agency, including  
15 summary information on average cost per square foot for each municipality, and report this to the office of budget  
16 and program planning and to the legislative fiscal analyst by September 1 of each even-numbered year. The  
17 report must be provided in an electronic format.

18           (2) An agency requiring additional space shall notify the department. The department, in consultation  
19 with the agency, shall determine the amount and nature of the space needed and locate space within a building  
20 owned or leased by the state, including buildings in Helena and in other areas, to meet the agency's  
21 requirements. If space is not available in a building owned or leased by the state, the department shall locate  
22 space to be leased in an appropriate existing building or a build-to-lease building, including buildings in Helena  
23 and in other areas, or recommend alternatives to leasing, such as remodeling or exchanging space with another  
24 agency. A state agency may not lease, rent, or purchase real property without prior approval of the department.

25           (3) (a) The location of the chambers for the house of representatives must be determined in the sole  
26 discretion of the house of representatives. The location of the chambers for the senate must be determined in  
27 the sole discretion of the senate.

28           (b) Subject to 2-17-108, the department, with the advice of the legislative council, shall allocate other  
29 space for the use of the legislature, including but not limited to space for committee rooms and legislative offices.

30           (4) The department shall consolidate the offices of state agencies in a single, central location within a

1 municipality whenever the consolidation would result in a cost savings to the state while permitting sufficient  
2 space and facilities for the agencies. The department may purchase, lease, or acquire, by exchange or otherwise,  
3 land and buildings in a municipality to achieve consolidation. Offices of the law enforcement services division and  
4 motor vehicle division of the department of justice are exempted from consolidation.

5 (5) ~~Any~~ Except as provided in [sections 1 and 2], any lease for more than 40,000 square feet or for a  
6 term of more than 20 years must be submitted as part of the long-range building program and approved by the  
7 legislature before the department of administration may proceed with the lease. Multiple leases in the same  
8 building entered into within any 60-day period are to be aggregated for purposes of this threshold calculation.  
9 When immediate relocation of agency employees is required due to a public exigency, the requirements of this  
10 subsection do not apply, but the new lease must be reported as required by subsection (1).

11 (6) The department shall include language in every lease providing that if funds are not appropriated or  
12 otherwise made available to support continued performance of the lease in subsequent fiscal periods, the lease  
13 must be canceled.

14 (7) "Public exigency" means that due to unforeseen circumstances a facility occupied by state employees  
15 is uninhabitable due to immediate conditions that adversely impact the health or safety of the occupants of the  
16 facility."  
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18 **Section 7.** Section 7-14-112, MCA, is amended to read:

19 **"7-14-112. Senior citizen and persons with disabilities transportation services account -- use.** (1)  
20 There is a senior citizen and persons with disabilities transportation services account in the state special revenue  
21 fund. Money must be deposited in the account pursuant to 15-68-820(2)(a).

22 (2) The account must be used to provide operating funds or matching funds for operating grants pursuant  
23 to 49 U.S.C. 5311 to counties, incorporated cities and towns, tribal governments, urban transportation districts,  
24 or nonprofit organizations for transportation services for persons 60 years of age or older and for persons with  
25 disabilities.

26 (3) (a) Subject to the conditions of subsection (3)(b), the department of transportation is authorized to  
27 award grants to counties, incorporated cities and towns, tribal governments, urban transportation districts, and  
28 nonprofit organizations for transportation services using guidelines established in the state management plan for  
29 the purposes described in 49 U.S.C. 5310 and 5311.

30 (b) Priority for awarding grants must be determined according to the following factors:

1 (i) the most recent census or federal estimate of persons 60 years of age or older and persons with  
 2 disabilities in the area served by a county, incorporated city or town, tribal government, urban transportation  
 3 district, or nonprofit organization;

4 (ii) the annual number of trips provided by the transportation provider to persons 60 years of age or older  
 5 and to persons with disabilities in the transportation service area; and

6 (iii) the coordination of services as required in subsection (4).

7 (4) In awarding grants, the department of transportation shall give preference to proposals that:

8 (a) include participation in a local transportation advisory committee;

9 (b) address and document the transportation needs within the community, county, and service area or  
 10 region;

11 (c) identify all other transportation providers in the community, county, and service area or region;

12 (d) explain how services are going to be coordinated with the other transportation providers in the service  
 13 area or region by creating a locally developed transportation coordination plan;

14 (e) indicate how services are going to be expanded to meet the unmet needs of senior citizens and  
 15 disabled persons within the community, county, and service area or region who are dependent upon public transit;

16 (f) include documentation of coordination with other local transportation programs within the community,  
 17 county, and service area or region, including:

18 (i) utilization of existing resources and equipment to maximize the delivery of service; and

19 (ii) the projected increase in ridership and expansion of service;

20 (g) invite school districts to participate or be included in the transportation coordination efforts within the  
 21 community, county, and service area or region; and

22 (h) at a minimum, comply with the provisions in subsections (4)(b) through (4)(f)."

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24 **Section 8.** Section 15-68-102, MCA, is amended to read:

25 **"15-68-102. Imposition and rate of sales tax and use tax -- exceptions.** (1) A sales tax of the  
 26 following percentages is imposed on sales of the following property or services:

27 (a) ~~3%~~ 3.5% on accommodations and campgrounds;

28 (b) 4% on the base rental charge for rental vehicles.

29 (2) The sales tax is imposed on the purchaser and must be collected by the seller and paid to the  
 30 department by the seller. The seller holds all sales taxes collected in trust for the state. The sales tax must be

1 applied to the sales price.

2 (3) (a) For the privilege of using property or services within this state, there is imposed on the person  
3 using the following property or services a use tax equal to the following percentages of the value of the property  
4 or services:

5 (i) ~~3%~~ 3.5% on accommodations and campgrounds;

6 (ii) 4% on the base rental charge for rental vehicles.

7 (b) The use tax is imposed on property or services that were:

8 (i) acquired outside this state as the result of a transaction that would have been subject to the sales tax  
9 had it occurred within this state;

10 (ii) acquired within the exterior boundaries of an Indian reservation within this state as a result of a  
11 transaction that would have been subject to the sales tax had it occurred outside the exterior boundaries of an  
12 Indian reservation within this state;

13 (iii) acquired as the result of a transaction that was not initially subject to the sales tax imposed by  
14 subsection (1) or the use tax imposed by subsection (3)(a) but which transaction, because of the buyer's  
15 subsequent use of the property, is subject to the sales tax or use tax; or

16 (iv) rendered as the result of a transaction that was not initially subject to the sales tax or use tax but that  
17 because of the buyer's subsequent use of the services is subject to the sales tax or use tax.

18 (4) For purposes of this section, the value of property must be determined as of the time of acquisition,  
19 introduction into this state, or conversion to use, whichever is latest.

20 (5) The sale of property or services exempt or nontaxable under this chapter is exempt from the tax  
21 imposed in subsections (1) and (3).

22 (6) Lodging facilities and campgrounds are exempt from the tax imposed in subsections (1)(a) and  
23 (3)(a)(i) until October 1, 2003, for contracts entered into prior to April 30, 2003, that provide for a guaranteed  
24 charge for accommodations or campgrounds."

25

26 **Section 9.** Section 15-68-820, MCA, is amended to read:

27 **"15-68-820. Sales tax and use tax proceeds.** (1) Except as provided in subsection (2), all money  
28 collected under this chapter must, in accordance with the provisions of 17-2-124, be deposited by the department  
29 into the general fund.

30 (2) (a) Twenty-five percent of the revenue collected on the base rental charge for rental vehicles under

1 15-68-102(1)(b) and 15-68-102(3)(a)(ii) must be deposited in the state special revenue fund to the credit of the  
 2 senior citizen and persons with disabilities transportation services account provided for in 7-14-112.

3 (b) Of the revenue collected on accommodations and campgrounds under 15-68-102(1)(a) and  
 4 15-68-102(3)(a)(i), 12.85% must be deposited in the account established in [section 1].

5 (c) Of the revenue collected on accommodations and campgrounds under 15-68-102(1)(a) and  
 6 15-68-102(3)(a)(i), 1.45% must be deposited in the account established in [section 5] to be used for the historic  
 7 preservation competitive grant program established in [section 3]."

8

9 **Section 10.** Section 18-3-101, MCA, is amended to read:

10 **"18-3-101. Authority to lease with option to purchase.** ~~When~~ (1) Except as provided in subsection  
 11 (2), when authorized by a vote of two-thirds of the members of each house of the legislature, the department of  
 12 administration may, as part of the long-range building program, enter into a lease contract that provides an option  
 13 to purchase a building to be used by the state or any department of state government.

14 (2) The provisions of this section do not apply to [sections 1 and 2]."

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16 NEW SECTION. Section 11. Codification instruction. (1) [Sections 1 and 2] are intended to be  
 17 codified as an integral part of Title 22, chapter 3, part 1, and the provisions of Title 22, chapter 3, part 1, apply  
 18 to [sections 1 and 2].

19 (2) [Sections 3 through 5] are intended to be codified as an integral part of Title 90, chapter 6, and the  
 20 provisions of Title 90, chapter 6, apply to [sections 3 through 5].

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22 NEW SECTION. Section 12. Effective date. [This act] is effective July 1, 2017.

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24 NEW SECTION. Section 13. Termination. [This act] terminates June 30, 2027, or the last day of the  
 25 fiscal year following the budget director's certification to the legislative finance committee that the construction  
 26 of the Montana heritage center is complete and all costs associated with its construction are fully paid or that the  
 27 obligations of a lease with option to purchase have been fully satisfied and the building is state-owned, whichever  
 28 occurs last.

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