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HOUSE BILL NO. 5

INTRODUCED BY M. HOPKINS, J. FITZPATRICK

BY REQUEST OF THE OFFICE OF BUDGET AND PROGRAM PLANNING

A BILL FOR AN ACT ENTITLED: "AN ACT APPROPRIATING MONEY FOR MAJOR REPAIR AND CAPITAL DEVELOPMENT PROJECTS FOR THE BIENNIUM ENDING JUNE 30, 2025; PROVIDING FOR OTHER MATTERS RELATING TO THE APPROPRIATIONS; PROVIDING FOR A TRANSFER OF FUNDS FROM THE CAPITAL DEVELOPMENTS LONG-RANGE BUILDING PROGRAM ACCOUNT TO THE MAJOR REPAIR LONG-RANGE BUILDING PROGRAM ACCOUNT AND FOR A TRANSFER OF FUNDS FROM THE STATE GENERAL FUND TO THE CAPITAL DEVELOPMENTS LONG-RANGE BUILDING PROGRAM ACCOUNT; AMENDING THE DEFINITION OF AN LRBP-ELIGIBLE BUILDING; PROVIDING FOR AN EMERGENCY SHELTER FACILITY INFRASTRUCTURE GRANT PROGRAM AND CRITERIA; PROVIDING RULEMAKING AUTHORITY; AMENDING SECTION 17-7-201, MCA; AMENDING SECTION 1(4), CHAPTER 468, LAWS OF 2021; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

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

NEW SECTION. **Section 1. Definitions.** As used in [sections 1 through 10], unless the context clearly indicates otherwise, the following definitions apply:

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

(2) "Capital development" means capital projects provided for in 17-7-201(2).

(3) "Capital project" means the planning, design, renovation, construction, alteration, replacement, furnishing, repair, improvement, site, utility, or land acquisition project provided for in [sections 1 through 10].

(4) "LRBP capital development" means the long-range building program capital developments account in the capital projects fund type provided for in 17-7-209.

(5) "LRBP major repair" or "LRBP MR" means the long-range building program major repair

1 (iii) a new facility with a total construction cost of less than \$250,000.

2 (b) The term does not include operations and maintenance as defined in this section.

3 (8) (a) "New facility" means the construction of a new building on state property regardless of  
4 funding source and includes:

5 (i) an addition to an existing building; and

6 (ii) the enclosure of space that was not previously fully enclosed.

7 (b) The term does not include the replacement of state-owned space that is demolished or that is  
8 otherwise removed from state use if the total construction cost of the replacement space is less than \$2.5  
9 million.

10 (9) "Operations and maintenance" means operational costs and regular, ongoing, and routine  
11 repairs and maintenance funded in an agency operating budget that does not extend the capacity, function, or  
12 lifespan of a facility.

13 (10) "Replacement cost of existing long-range building program-eligible building" means the current  
14 replacement value of all long-range building program-eligible buildings included in the statewide facility  
15 inventory and condition assessment as provided in 17-7-202."

16  
17 **NEW SECTION. Section 13. Project management and supervision.** Up to \$2,000,000 is  
18 appropriated from the major repair long-range building program account to the architecture and engineering  
19 division for the purposes of contracted services or modified positions, and associated operating expenses, to  
20 expeditiously implement [sections 1 through 9]. The division is authorized to transfer the appropriation among  
21 the necessary fund types for supervision and project management.

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

25 (1) "Emergency shelter" means any facility, the primary purpose of which is to provide a temporary  
26 shelter for the homeless in general or for specific populations of the homeless and which does not require  
27 occupants to sign leases or occupancy agreements.

28 (2) "Nonprofit corporation" means a domestic corporation, as designated in accordance with 35-2-

1 126, that provides emergency shelter for the homeless.

2

3 **NEW SECTION. Section 15. Emergency shelter facility infrastructure account -- use.** (1) There is  
4 within the state special revenue fund provided for in 17-2-102 an account called the emergency shelter facility  
5 infrastructure account to provide grant funding to nonprofit corporations that provide emergency shelter for the  
6 homeless and for administrative costs related to administering the grants. The department of commerce shall  
7 administer the account.

8 (2) Up to 3% of the funds appropriated in [section 21] may be allocated for the department's  
9 administrative costs.

10

11 **NEW SECTION. Section 16. Emergency shelter facility infrastructure grants authorization.** (1)  
12 The department of commerce is authorized to make up to \$5 million in grants to nonprofit corporations for  
13 emergency shelter, property acquisition, construction, shelter space acquisition, or general capital improvement  
14 projects. The grants authorized in this section are subject to the conditions set forth in [section 18].

15 (2) The department of commerce must receive proposals from nonprofit corporations for  
16 emergency shelter facility infrastructure projects.

17 (3) Funding for projects may be provided only as long as there are sufficient funds available from  
18 the amount that was deposited or transferred into the emergency shelter facility infrastructure account for  
19 grants established in [section 15(1)]. Funding for these projects must be made available in the order that the  
20 grant recipients satisfy the conditions described in [section 18].

21

22 **NEW SECTION. Section 17. Eligibility -- submission deadline -- priority -- rulemaking authority.**  
23 (1) A nonprofit corporation may apply to the department of commerce for emergency shelter facility  
24 infrastructure grants under [section 16].

25 (2) Nonprofit corporations shall submit grant applications to the department in order to be eligible  
26 for funding under [section 16].

27 (3) The department is authorized to adopt rules or guidelines necessary to implement [sections 14  
28 through section 20].

1

2 **NEW SECTION. Section 18. Condition of grants -- disbursement of funds.** (1) The disbursement

3 of grant funds for the projects chosen by the department of commerce pursuant to [section 16] is subject to

4 completion of the following conditions:

5 (a) For grants in an amount of \$25,000 or more, the grant recipient shall document the availability  
6 of matching funds or in-kind contributions of assets with an appraised value from private sources representing  
7 at least \$1 in value for each \$1 of the grant.

8 (b) The grant recipient shall execute a grant agreement with the department of commerce that  
9 includes a project management plan and reporting requirements to track the outcomes of allocated grants.

10 (c) The grant recipient shall satisfy other specific requirements considered necessary by the  
11 department of commerce to accomplish the purpose of the project as evidenced by the application to the  
12 department.

13 (2) Projects must adhere to the design standards required by applicable regulatory agencies.  
14 Recipients of program funds for projects that are not subject to any design standards must comply with  
15 generally accepted industry standards.

16 (3) If actual project expenses are lower than the projected expense of the project, the department  
17 shall reduce the amount of grant funds to be provided to grant recipients.

18

19 **NEW SECTION. Section 19. Maximum state funding available -- per project -- per county.** (1)

20 The maximum amount of state funding allocated to entities within any individual county under [sections 14  
21 through 18] may not exceed \$750,000.

22 (2) If total applications within a specific jurisdiction exceed the maximum amount allowed, the  
23 department shall include input from local elected officials in their ranking criteria for those applications.

24

25 **NEW SECTION. Section 20. Transfer of funds.** By July 1, 2023, the state treasurer shall transfer \$5  
26 million from the general fund to the emergency shelter facility infrastructure account established in [section 15].

27

28 **NEW SECTION. Section 21. Appropriation.** There is appropriated \$5 million for the biennium

1 beginning July 1, 2023, from the emergency shelter facility infrastructure account established in [section 15] to  
2 the department of commerce for grants as authorized in [sections 14 through 19].

3  
4 **NEW SECTION. Section 22. Severability.** If a part of [this act] is invalid, all valid parts that are  
5 severable from the invalid part remain in effect. If a part of [this act] is invalid in one or more of its applications,  
6 the part remains in effect in all valid applications that are severable from the invalid applications.

7  
8 **Section 23.** Section 1, Chapter 468, Laws of 2021, is amended to read:

9 **Section 1. Authorizations of and appropriations for capital projects.** The portion of section  
10 1(4)(c), Chapter 468, Laws of 2021, appropriating money from the general fund to the Montana university  
11 system for program expansion or operations and maintenance for the indicated new facility is amended to read:

12 "Montana University System  
13 UM Forestry Conservation & Science Lab \$798,659 from the general fund  
14 MAES Research and Wool Laboratories \$389,402 ~~\$305,298~~ from the general fund"

15  
16 **NEW SECTION. Section 24. Effective date.** [This act] is effective on passage and approval.

17 - END -