

HOUSE BILL NO. 547

INTRODUCED BY JOHNSON, DEVLIN, STICKNEY, ZOOK, CONNELLY,  
PAVLOVICH, SPAETH, JERGSON, JENKINS, HARPER, SCHYE,  
KEATING, HAMMOND, ABRAMS, NATHE, HANNAH, YELLOWTAIL,  
ADDY, GIACOMETTO, KASTEN, WEEDING, B. BROWN, T. NELSON,  
STEPPLER, GILBERT, CODY, KILPATRICK, BACHINI,  
MENAHAH, L. NELSON

IN THE HOUSE

FEBRUARY 2, 1989

INTRODUCED AND REFERRED TO COMMITTEE  
ON APPROPRIATIONS.

FIRST READING.

MARCH 18, 1989

COMMITTEE RECOMMEND BILL  
DO PASS AS AMENDED. REPORT ADOPTED.

MARCH 20, 1989

PRINTING REPORT.

SECOND READING, DO PASS.

MARCH 21, 1989

ENGROSSING REPORT.

MARCH 22, 1989

THIRD READING, PASSED.  
AYES, 92; NOES, 5.

TRANSMITTED TO SENATE.

IN THE SENATE

MARCH 22, 1989

INTRODUCED AND REFERRED TO COMMITTEE  
ON FINANCE & CLAIMS.

FIRST READING.

IN THE HOUSE

APRIL 8, 1989

ON MOTION, RULES SUSPENDED TO ALLOW  
TRANSMITTAL AFTER 83RD DAY.

IN THE SENATE

APRIL 15, 1989

COMMITTEE RECOMMEND BILL BE  
CONCURRED IN AS AMENDED. REPORT

ADOPTED.

APRIL 17, 1989

SECOND READING, CONCURRED IN.

APRIL 19, 1989

THIRD READING, CONCURRED IN.  
AYES, 38; NOES, 12.

RETURNED TO HOUSE WITH AMENDMENTS.

IN THE HOUSE

APRIL 20, 1989

RECEIVED FROM SENATE.

SECOND READING, AMENDMENTS  
CONCURRED IN.

THIRD READING, AMENDMENTS  
CONCURRED IN.

SENT TO ENROLLING.

REPORTED CORRECTLY ENROLLED.

1 Kearney BILL NO. 541 Member  
2 INTRODUCED BY James H. Kearney Council  
3 James H. Kearney James H. Kearney James H. Kearney James H. Kearney  
4 A BILL FOR AN ACT ENTITLED: "AN ACT ESTABLISHING A STATE  
5 HOME FOR VETERANS, NOT TO EXCEED 100 BEDS, IN EASTERN  
6 MONTANA; AUTHORIZING THE BOARD OF EXAMINERS TO ISSUE AND  
7 SELL NO MORE THAN \$1.4 MILLION IN LONG-RANGE BUILDING  
8 PROGRAM BONDS FOR PLANNING AND CONSTRUCTION; PROVIDING FOR  
9 AN AGREEMENT BETWEEN THE BOARD OF EXAMINERS AND THE  
10 DEPARTMENT OF INSTITUTIONS; ENSURING ADEQUATE GENERAL FUND  
11 SUPPORT FOR FUTURE OPERATIONS; AUTHORIZING THE DEPARTMENT OF  
12 ADMINISTRATION TO CREATE THE NECESSARY ACCOUNTS FOR THE  
13 ADMINISTRATION OF ALL STATE, FEDERAL, AND OTHER FUNDS FOR  
14 ITS CONSTRUCTION AND OPERATION; AUTHORIZING THE DEPARTMENT  
15 OF INSTITUTIONS TO APPLY FOR FEDERAL ASSISTANCE GRANTS; AND  
16 AMENDING SECTIONS 10-2-401 THROUGH 10-2-404, 53-1-202, AND  
17 53-1-402, MCA."

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

20        NEW SECTION.    **Section 1.**    Definitions. For the purposes  
21        of [this act], the following definitions apply:

22 (1) "Board" means the board of examiners as provided  
23 in 2-15-1007.

24           (2) "Eastern Montana" means all of the counties east  
25   of and including: Blaine, Carbon, Fergus, Golden Valley,

1 Hill, and Stillwater counties.

2           (3) "Project" means the construction of a state home  
3   for veterans in eastern Montana.

4           (4) "State veterans' home" or "state home for  
5 veterans" means a home established by the state in eastern  
6 Montana for veterans disabled by age, disease, or otherwise,  
7 who by reason of disability are incapable of earning a  
8 living. The home furnishes nursing home and domiciliary care  
9 for eligible veterans.

10 NEW SECTION. **Section 2.** State veterans' home in  
11 eastern Montana established. A state home for veterans is  
12 established in eastern Montana at a site to be determined by  
13 the site selection committee as provided in [section 3].

14           NEW SECTION.   **Section 3.**   Site selection committee..(1)  
15       The governor shall, by August 1, 1989, appoint a committee  
16       to select a site for a state veterans' home in eastern  
17       Montana.

18           (2) The committee shall consist of seven honorably  
19   discharged veterans of the United States armed forces whose  
20   primary residence is in eastern Montana, as defined in  
21   [section 1]. There may be no more than one committee member  
22   from each county referred to in [section 1].

23           (3) The committee shall:

24 (a) evaluate the need and appropriateness of locating  
25 a state veterans' home in eastern Montana;

1 (b) establish objective criteria in compliance with  
2 federal law for the selection of the most favorable site in  
3 eastern Montana for a state veterans' home;

4 (c) establish criteria that comply with state health  
5 requirements;

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

8 (e) organize and conduct public hearings in each of  
9 the interested communities for the purpose of gathering  
10 input and information; and

11 (f) prepare and forward its recommendation on the most  
12 favorable location for the state veterans' home to the  
13 governor no later than October 31, 1990.

14 (4) The recommendation of the committee must be  
15 presented to the 52nd legislature and is binding unless  
16 overturned by a two-thirds vote of each house.

17 NEW SECTION. **Section 4. Duties of department.** The  
18 department of administration shall:

19 (1) direct its architecture and engineering division  
20 to prepare a long-range building plan for this project  
21 pursuant to 17-7-202; and

22 (2) carry out duties necessary to begin planning and  
23 constructing a state home for veterans in eastern Montana,  
24 including but not limited to arrangements for the approval  
25 of bonds necessary to fulfill the state's financial

1 obligations for construction of the project.

2 NEW SECTION. **Section 5. Authorization of bonds.** The  
3 board is authorized, pursuant to 17-5-402, to issue and sell  
4 long-range building program bonds in an amount not to exceed  
5 \$1.4 million or in an amount as may be required to provide  
6 funds for the payment of up to 35% of the total \$4 million  
7 planning and construction costs of a state home for veterans  
8 in eastern Montana. The authority contained in this section  
9 is in addition to any other authorization to the board to  
10 issue long-range building program bonds.

11 NEW SECTION. **Section 6. Authorization for refunding**  
12 **bonds.** The board is authorized to issue and sell refunding  
13 bonds in an amount necessary to refund any or all long-range  
14 building program bonds issued under 17-5-402. The refunding  
15 bonds must be issued in accordance with the terms and in the  
16 manner required by Title 17, chapter 5, part 3. The  
17 refunding bonds must be general obligations secured by a  
18 pledge of the full faith and credit and taxing powers of the  
19 state. Any money released from the sinking fund account  
20 provided for in 17-5-405 as a result of the issuance of  
21 refunding bonds must revert to the fund of origin to the  
22 extent not required to provide for the debt service on the  
23 refunded bonds. Money required for payment of debt service  
24 on the refunded bonds may be held in trust in a special  
25 escrow account at a bank or trust company for the benefit of

1 the refunded bonds.

2 NEW SECTION. Section 7. Agreement with the department  
3 of institutions. If the proceeds of any bonds or notes  
4 issued pursuant to [section 5] are appropriated for the  
5 purpose of planning or constructing a state veterans' home  
6 in eastern Montana, the board and the department of  
7 institutions shall enter into an agreement pursuant to which  
8 the department of institutions shall agree to pay to the  
9 state treasurer for deposit in the debt service account  
10 established pursuant to 17-5-405 amounts sufficient to pay,  
11 as due, the principal of and interest on those bonds from  
12 which the appropriation was made and to accumulate and  
13 maintain the required reserve attributable to those bonds.  
14 The agreement must provide that income from the investment  
15 of bond proceeds and the reserves not required for planning  
16 or construction costs must be credited against the  
17 department's payment obligation. The agreement must also  
18 allow for the accumulation of reserves during the first year  
19 the bonds are outstanding. Payments by the department must  
20 be made from funds available therefor.

21 NEW SECTION. Section 8. Benefit of state. The  
22 agreement made pursuant to [section 7] is solely for the  
23 benefit of the state of Montana and is not enforceable by  
24 bondholders or other third-party beneficiaries.

25 NEW SECTION. Section 9. Application for federal

1 construction grant assistance. Upon approval of the project  
2 by the veterans' administration and an authorization by the  
3 state to provide up to 35% of the total planning and  
4 construction costs, the department of institutions, pursuant  
5 to 38 U.S.C. 5031 through 5037, shall apply for construction  
6 grant assistance from the veterans' administration not to  
7 exceed 65% of the total planning and construction costs for  
8 a state home for veterans in eastern Montana.

9 NEW SECTION. Section 10. Contingent revolving fund  
10 established -- fiscal officer designated. (1) The department  
11 of administration shall establish a contingent revolving  
12 account, pursuant to 17-2-201, for the general  
13 administration of federal, state, and other funds accrued  
14 for the purpose of constructing and planning a state home  
15 for veterans in eastern Montana.

16 (2) The state treasurer is designated, pursuant to  
17 17-3-106, as the fiscal officer of the state to receive and  
18 administer any and all construction grant money as approved  
19 by the veterans' administration for this project.

20 NEW SECTION. Section 11. Pledge to continue operation  
21 and maintenance. Pursuant to 38 U.S.C. 641 and 5035(a)(6),  
22 the state shall appropriate from the general fund to the  
23 department of institutions financial support necessary to  
24 provide for continued operation and maintenance of the  
25 project upon completion.

**Section 12.** Section 10-2-401, MCA, is amended to read:

"10-2-401. Location and function of home homes -- persons admitted. The institution institutions at Columbia Falls ~~is the "Montana veterans' home"~~ and in eastern Montana are the "Montana veterans' homes" and ~~as its~~ their primary function provides is to provide a home and subsistence for honorably discharged veterans. The department of institutions may also admit spouses or surviving spouses of honorably discharged veterans to the home homes if space allows."

**Section 13.** Section 10-2-402, MCA, is amended to read:

"10-2-402. Superintendent to be given veterans' preference. In the selection of the superintendent of each of the Montana veterans' home homes, the department of institutions shall apply the preference granted to veterans and disabled veterans, but not the preference granted to other persons, by Title 39, chapter 30."

**Section 14.** Section 10-2-403, MCA, is amended to read:

"10-2-403. Eligibility for residence in home. To be eligible for residence in the a Montana veterans' home under the regulations prescribed by the department of institutions, a person must be an honorably discharged veteran or the spouse or surviving spouse of a veteran who served in the armed forces of the United States. Consideration must also be given to:

(1) the person's age;

(2) the person's physical and mental status;

(3) the person's ability or inability to locate suitable alternative accommodations;

(4) the person's term of residence in Montana;

(5) the person's gender as it relates to availability of appropriate living space;

(6) the ability of the Montana veterans' home to meet the person's needs; and

(7) such other admission requirements as may be established by the department."

**Section 15.** Section 10-2-404, MCA, is amended to read:

"10-2-404. Acceptance and deposit of federal moneys money. The department of institutions may accept moneys money from the federal government that become becomes available to the state as a result of operating the Montana veterans' home homes and shall deposit such moneys money in the state treasury for the benefit of the home homes. If the a resident of the a home is transferred to another institution, as defined in 53-1-101, the department of institutions shall continue to draw from the federal government any moneys money available for the maintenance of such the former resident."

**Section 16.** Section 53-1-202, MCA, is amended to read:

"53-1-202. Institutions in department. (1) The

1 following institutions are in the department:

- 2 (a) Montana state hospital;
- 3 (b) Montana veterans' home at Columbia Falls;
- 4 (c) Montana veterans' home in eastern Montana;
- 5 ~~(c)~~(d) State prison;
- 6 ~~(d)~~(e) Montana developmental center;
- 7 ~~(e)~~(f) Montana center for the aged;
- 8 ~~(f)~~(g) Swan River forest camp; and
- 9 ~~(g)~~(h) Eastmont human services center.

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

13 **Section 17.** Section 53-1-402, MCA, is amended to read:

14 "53-1-402. Residents subject to per diem and ancillary  
15 charges. The department shall collect and process per diem  
16 and ancillary payments for the care of residents in the  
17 following institutions:

- 18 (1) Montana state hospital;
- 19 (2) Montana developmental center;
- 20 (3) Montana veterans' home at Columbia Falls;
- 21 (4) Montana veterans' home in eastern Montana;
- 22 ~~(4)~~(5) Montana center for the aged;
- 23 ~~(5)~~(6) Eastmont human services center."

24 **NEW SECTION. Section 18.** Appropriation. There is  
25 appropriated to the department of administration the

1 proceeds from the sale of long-range building program bonds  
2 for the purpose of planning and constructing a state  
3 veterans' home in eastern Montana.

4 **NEW SECTION. Section 19.** Extension of authority. Any  
5 existing authority to make rules on the subject of the  
6 provisions of [this act] is extended to the provisions of  
7 [this act].

8 **NEW SECTION. Section 20.** Requirements for approval of  
9 state debt -- severability. Because [section 6] authorizes  
10 the creation of a state debt, a vote of two-thirds of the  
11 members of each house is required for enactment of [section  
12 6]. If [this act] is not approved by the required vote,  
13 [sections 5 through 8 and 18] are void. The remaining  
14 sections of [this act] are valid and remain in effect in all  
15 valid applications upon enactment.

-End-

## STATE OF MONTANA - FISCAL NOTE

Form BD-15

In compliance with a written request, there is hereby submitted a Fiscal Note for HB547, as introduced.

DESCRIPTION OF PROPOSED LEGISLATION:

A bill for an act entitled: "An act establishing a state Home for Veterans, not to exceed 100 beds, in Eastern Montana; authorizing the Board of Examiners to issue and sell no more than 1.4 million in Long-Range Building Program bonds for planning and construction, providing for an agreement between the Board of Examiners and the Department of Institutions ensuring adequate general fund support for future operations; authorizing the Department of Administration to create the necessary accounts for the administration of all state, federal, and other funds for its construction and operation; authorizing the Department of Institutions to apply for federal assistance grants.

ASSUMPTIONS:

1. Assume that the \$1,400,000 in principal authorized project expenditure would be a continuing appropriation.
2. Assume committee would be required to meet seven (7) times in FY90 and one (1) time in FY91.
3. Assume that seven (7) members of the proposed committee would have to travel for meetings and hearings and would receive travel, meals, lodging and salary of \$25/day/committee member.
4. Committee would hold seven (7) hearings in fiscal year 1991.
5. Assume an average trip of 350 miles requiring an overnight stay.
6. Assume that committee will need a part-time secretary and a minimal office with a telephone, desk, file cabinet, chair, word processor, supplies and postage.
7. Assume no additional personnel would be needed by the Department of Institutions or the Department of Administration.
8. Assume the part-time secretary would tape and type hearing minutes.
9. Assume construction and occupancy in the 92-93 biennium.
10. Allows a bond issue to finance the construction costs and assumes the Department of Institutions will pay back the principle and interest on the bonds.
11. The home will need to be operated on General Fund which would then allow the reimbursement received by the home to be used to pay back the bond debt account.

FISCAL IMPACT:

<u>Revenues:</u>	<u>Proposed</u>	<u>Proposed</u>
	<u>FY90</u>	<u>FY91</u>
Long Range Building Bond	\$1,400,000	Biennial Appropriation
<u>Expenditures:</u>		
Personal Services	\$ 7,137	7,487
Operating Expenses	13,008	8,792
TOTAL	\$ 20,145	\$ 16,279
<u>Net Effect:</u> End of Biennium		\$1,363,576

*Ray Shackleford*

RAY SHACKLEFORD, BUDGET DIRECTOR  
OFFICE OF BUDGET AND PROGRAM PLANNING

2/11/89

DATE

*John Johnson*

JOHN JOHNSON, PRIMARY SPONSOR

DATE

Fiscal Note for HB547, as introduced

**HB 547**



Fiscal Note Request HB547 as introduced.

Form BD-15

Page 2

EFFECT ON COUNTY OR OTHER LOCAL REVENUE OR EXPENDITURES:

The chosen county would be favorably impacted by the jobs created if the project becomes a reality.

LONG-RANGE EFFECTS OF PROPOSED LEGISLATION:

1. Assume cost of operation is similar to the Veteran's Home in Columbia Falls.
2. Total cost per day/resident in FY88 = \$44.22/day. Inflated at 4%/year = FY92 @ \$51.73/day/resident  
FY93 @ \$53.80/day/resident
3. Estimated revenue reimbursement: FY = \$1,250,900 FY93 = \$1,275,918  
Assume same mix of residents as the FY88 reimbursement at the Veteran's Home in Columbia Falls.

TECHNICAL OR MECHANICAL DEFECTS OR CONFLICTS WITH EXISTING LEGISLATION:

Delete Section 10 - using capital projects fund not contingency revolving fund.

HB 547

APPROVED BY COMMITTEE  
ON APPROPRIATIONS

## HOUSE BILL NO. 547

INTRODUCED BY JOHNSON, DEVLIN, STICKNEY, ZOOK, CONNELLY,  
PAVLOVICH, SPAETH, JERGESON, JENKINS, HARPER, SCHYE,  
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MENAHAH, L. NELSON

A BILL FOR AN ACT ENTITLED: "AN ACT ESTABLISHING A STATE  
HOME FOR VETERANS, NOT TO EXCEED 100 BEDS, IN EASTERN  
MONTANA; AUTHORIZING THE BOARD OF EXAMINERS TO ISSUE AND  
SELL NO MORE THAN \$1.4 MILLION IN LONG-RANGE BUILDING  
PROGRAM BONDS FOR PLANNING AND CONSTRUCTION; PROVIDING FOR  
AN AGREEMENT BETWEEN THE BOARD OF EXAMINERS AND THE  
DEPARTMENT OF INSTITUTIONS; ENSURING ADEQUATE GENERAL FUND  
SUPPORT FOR FUTURE OPERATIONS; AUTHORIZING THE DEPARTMENT OF  
ADMINISTRATION TO CREATE THE NECESSARY ACCOUNTS FOR THE  
ADMINISTRATION OF ALL STATE, FEDERAL, AND OTHER FUNDS FOR  
ITS CONSTRUCTION AND OPERATION; AUTHORIZING THE DEPARTMENT  
OF INSTITUTIONS TO APPLY FOR FEDERAL ASSISTANCE GRANTS; AND  
AMENDING SECTIONS 10-2-401 THROUGH 10-2-404, 53-1-202, AND  
53-1-402, MCA."

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

NEW SECTION. **Section 1.** Definitions. For the purposes

of [this act], the following definitions apply:

(1) "Board" means the board of examiners as provided  
in 2-15-1007.

(2) "Eastern Montana" means all of the counties east  
of and including: Blaine, Carbon, Fergus, Golden Valley,  
Hill, and Stillwater counties.

(3) "Project" means the construction of a state home  
for veterans in eastern Montana.

(4) "State veterans' home" or "state home for  
veterans" means a home established by the state in eastern  
Montana for veterans disabled by age, disease, or otherwise,  
who by reason of disability are incapable of earning a  
living. The home furnishes nursing home and domiciliary care  
for eligible veterans.

NEW SECTION. **Section 2.** State veterans' home in  
eastern Montana established. A state home for veterans is  
established in eastern Montana at a site to be determined by  
the site selection committee as provided in [section 3].

NEW SECTION. **Section 3.** Site selection committee. (1)  
The governor shall, by August JUNE 1, 1989, appoint a  
committee to select a site for a state veterans' home in  
eastern Montana.

(2) The committee shall consist of seven honorably  
discharged veterans of the United States armed forces whose  
primary residence is in eastern Montana, as defined in

1 [section 1]. There may be no more than one committee member  
2 from each county referred to in [section 1].

3 (3) The committee shall:

4 (a) evaluate the need and appropriateness of locating  
5 a state veterans' home in eastern Montana;

6 (b) establish objective criteria in compliance with  
7 federal law for the selection of the most favorable site in  
8 eastern Montana for a state veterans' home;

9 (c) establish criteria that comply with state health  
10 requirements;

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

13 (e) organize and conduct public hearings in each of  
14 the interested communities for the purpose of gathering  
15 input and information; and

16 (f) prepare and forward its recommendation on the most  
17 favorable location for the state veterans' home to the  
18 governor no later than October 31 APRIL 1, 1990.

19 ~~{4}--The--recommendation--of--the--committee--must--be~~  
20 ~~presented-to-the-52nd--legislature--and--is--binding--unless~~  
21 ~~overturned-by-a-two-thirds-vote-of-each-house.~~

22 (4) (A) THE RECOMMENDATION OF THE SITE SELECTION  
23 COMMITTEE IS BINDING.

24 (B) THE COMMITTEE'S EXPENSES MUST BE PAID BY THE  
25 MONTANA BOARD OF VETERANS' AFFAIRS.

1 NEW SECTION. Section 4. Duties of department. The  
2 department of administration shall:

3 (1) direct its architecture and engineering division  
4 to prepare a long-range building plan for this project  
5 pursuant to 17-7-202; and

6 (2) carry out duties necessary to begin planning and  
7 constructing a state home for veterans in eastern Montana,  
8 including but not limited to arrangements for the approval  
9 of bonds necessary to fulfill the state's financial  
10 obligations for construction of the project.

11 NEW SECTION. Section 5. Authorization of bonds. The  
12 board is authorized, pursuant to ~~17-5-402~~ 17-5-802, to issue  
13 and sell long-range building program bonds in an amount not  
14 to exceed \$1.4 million or in an amount as may be required to  
15 provide funds for the payment of up to 35% of the total \$4  
16 million planning and construction costs of a state home for  
17 veterans in eastern Montana. The authority contained in this  
18 section is in addition to any other authorization to the  
19 board to issue long-range building program bonds.

20 NEW SECTION. Section 6. Authorization for refunding  
21 bonds. The board is authorized to issue and sell refunding  
22 bonds in an amount necessary to refund any or all long-range  
23 building program bonds issued under 17-5-402. The refunding  
24 bonds must be issued in accordance with the terms and in the  
25 manner required by Title 17, chapter 5, part 3. The

1 refunding bonds must be general obligations secured by a  
 2 pledge of the full faith and credit and taxing powers of the  
 3 state. Any money released from the sinking-fund DEBT SERVICE  
 4 account provided for in 17-5-405 as a result of the issuance  
 5 of refunding bonds must revert to the fund of origin to the  
 6 extent not required to provide for the debt service on the  
 7 refunded bonds. Money required for payment of debt service  
 8 on the refunded bonds may be held in trust in a special  
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 10 the refunded bonds.

11 NEW SECTION. Section 7. Agreement with the department  
 12 of institutions. If the proceeds of any bonds or notes  
 13 issued pursuant to [section 5] are appropriated for the  
 14 purpose of planning or constructing a state veterans' home  
 15 in eastern Montana, the board and the department of  
 16 institutions shall enter into an agreement pursuant to which  
 17 the department of institutions shall agree to pay to the  
 18 state treasurer for deposit in the debt service account  
 19 established pursuant to 17-5-405 amounts sufficient to pay,  
 20 as due, the principal of and interest on those bonds from  
 21 which the appropriation was made and to accumulate and  
 22 maintain the required reserve attributable to those bonds.  
 23 The agreement must provide that income from the investment  
 24 of bond proceeds and the reserves not required for planning  
 25 or construction costs must be credited against the

1 department's payment obligation. The agreement must also  
 2 allow for the accumulation of reserves during the first year  
 3 the bonds are outstanding. Payments by the department must  
 4 be made from funds available therefor.

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 6 agreement made pursuant to [section 7] is solely for the  
 7 benefit of the state of Montana and is not enforceable by  
 8 bondholders or other third-party beneficiaries.

9 NEW SECTION. Section 9. Application for federal  
 10 construction grant assistance. Upon approval of the project  
 11 by the veterans' administration and an authorization by the  
 12 state to provide up to 35% of the total planning and  
 13 construction costs, the department of institutions, pursuant  
 14 to 38 U.S.C. 5031 through 5037, shall apply for construction  
 15 grant assistance from the veterans' administration not to  
 16 exceed 65% of the total planning and construction costs for  
 17 a state home for veterans in eastern Montana NO LATER THAN  
 18 JUNE 15, 1990.

19 ~~NEW SECTION. Section 10. Contingent revolving fund~~  
 20 ~~established-----fiscal officer designated-----{1}-----The~~  
 21 ~~department--of--administration--shall--establish--a--contingent~~  
 22 ~~revolving--account,--pursuant--to--17-2-201,--for--the--general~~  
 23 ~~administration--of--federal,--state,--and--other--funds--accrued~~  
 24 ~~for--the--purpose--of--constructing--and--planning--a--state--home~~  
 25 ~~for--veterans--in--eastern--Montana.~~

~~(2) The state treasurer is designated, pursuant to 17-3-106, as the fiscal officer of the state to receive and administer any and all construction grant money as approved by the veterans' administration for this project.~~

**NEW SECTION. Section 10.** Pledge to continue operation and maintenance. Pursuant to 38 U.S.C. 641 and 5035(a)(6), the state shall appropriate from the general fund to the department of institutions financial support necessary to provide for continued operation and maintenance of the project upon completion.

**Section 11.** Section 10-2-401, MCA, is amended to read:

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and disabled veterans, but not the preference granted to other persons, by Title 39, chapter 30."

**Section 13.** Section 10-2-403, MCA, is amended to read:

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- (6) the ability of the Montana veterans' home to meet the person's needs; and
- (7) such other admission requirements as may be established by the department."

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"10-2-404. Acceptance and deposit of federal moneys money. The department of institutions may accept moneys money from the federal government that ~~become~~ becomes

1 available to the state as a result of operating the Montana  
 2 veterans' home homes and shall deposit such moneys money in  
 3 the state treasury for the benefit of the home homes. If the  
 4 a resident of the a home is transferred to another  
 5 institution, as defined in 53-1-101, the department of  
 6 institutions shall continue to draw from the federal  
 7 government any moneys money available for the maintenance of  
 8 such the former resident."

9 **Section 15.** Section 53-1-202, MCA, is amended to read:

10 "53-1-202. Institutions in department. (1) The  
 11 following institutions are in the department:

12 (a) Montana state hospital;

13 (b) Montana veterans' home at Columbia Falls;

14 (c) Montana veterans' home in eastern Montana;

15 ~~(d)~~ State prison;

16 ~~(e)~~ Montana developmental center;

17 ~~(f)~~ Montana center for the aged;

18 ~~(g)~~ Swan River forest camp; and

19 ~~(h)~~ Eastmont human services center.

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

23 **Section 16.** Section 53-1-402, MCA, is amended to read:

24 "53-1-402. Residents subject to per diem and ancillary  
 25 charges. The department shall collect and process per diem

1 and ancillary payments for the care of residents in the  
 2 following institutions:

3 (1) Montana state hospital;

4 (2) Montana developmental center;

5 (3) Montana veterans' home at Columbia Falls;

6 (4) Montana veterans' home in eastern Montana;

7 ~~(4)~~ (5) Montana center for the aged;

8 ~~(5)~~ (6) Eastmont human services center."

9 **NEW SECTION. Section 17.** Appropriation. There is  
 10 appropriated to the department of administration the  
 11 proceeds from the sale of long-range building program bonds  
 12 for the purpose of planning and constructing a state  
 13 veterans' home in eastern Montana.

14 **NEW SECTION. Section 18.** Extension of authority. Any  
 15 existing authority to make rules on the subject of the  
 16 provisions of [this act] is extended to the provisions of  
 17 [this act].

18 **NEW SECTION. Section 19.** Requirements for approval of  
 19 state debt -- severability. Because [section 6] authorizes  
 20 the creation of a state debt, a vote of two-thirds of the  
 21 members of each house is required for enactment of [section  
 22 6]. If [this act] is not approved by the required vote,  
 23 [sections 5 through 8 and ~~18~~ 17] are void. The remaining  
 24 sections of [this act] are valid and remain in effect in all  
 25 valid applications upon enactment.

HB 0547/02

1        NEW SECTION. SECTION 20. COORDINATION INSTRUCTION. IF  
2        HOUSE BILL NO. 202 IS PASSED AND APPROVED, [SECTIONS 5  
3        THROUGH 7 OF THIS ACT] ARE VOID.

-End-

## HOUSE BILL NO. 547

INTRODUCED BY JOHNSON, DEVLIN, STICKNEY, ZOOK, CONNELLY,  
PAVLOVICH, SPAETH, JERGESON, JENKINS, HARPER, SCHYE,  
KEATING, HAMMOND, ABRAMS, NATHE, HANNAH, YELLOWTAIL,  
ADDY, GIACOMETTO, KASTEN, WEEDING, B. BROWN, T. NELSON,  
STEPPLER, GILBERT, CODY, KILPATRICK, BACHINI,  
MENAHAH, L. NELSON

A BILL FOR AN ACT ENTITLED: "AN ACT ESTABLISHING A STATE  
HOME FOR VETERANS, NOT TO EXCEED 100 BEDS, IN EASTERN  
MONTANA; AUTHORIZING THE BOARD OF EXAMINERS TO ISSUE AND  
SELL NO MORE THAN \$1.4 MILLION IN LONG-RANGE BUILDING  
PROGRAM BONDS FOR PLANNING AND CONSTRUCTION; PROVIDING FOR  
AN AGREEMENT BETWEEN THE BOARD OF EXAMINERS AND THE  
DEPARTMENT OF INSTITUTIONS; ENSURING ADEQUATE GENERAL FUND  
SUPPORT FOR FUTURE OPERATIONS; AUTHORIZING THE DEPARTMENT OF  
ADMINISTRATION TO CREATE THE NECESSARY ACCOUNTS FOR THE  
ADMINISTRATION OF ALL STATE, FEDERAL, AND OTHER FUNDS FOR  
ITS CONSTRUCTION AND OPERATION; AUTHORIZING THE DEPARTMENT  
OF INSTITUTIONS TO APPLY FOR FEDERAL ASSISTANCE GRANTS; AND  
AMENDING SECTIONS 10-2-401 THROUGH 10-2-404, 53-1-202, AND  
53-1-402, MCA."

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

NEW SECTION. **Section 1.** Definitions. For the purposes

of [this act], the following definitions apply:

(1) "Board" means the board of examiners as provided  
in 2-15-1007.

(2) "Eastern Montana" means all of the counties east  
of and including: Blaine, Carbon, Fergus, Golden Valley,  
Hill, and Stillwater counties.

(3) "Project" means the construction of a state home  
for veterans in eastern Montana.

(4) "State veterans' home" or "state home for  
veterans" means a home established by the state in eastern  
Montana for veterans disabled by age, disease, or otherwise,  
who by reason of disability are incapable of earning a  
living. The home furnishes nursing home and domiciliary care  
for eligible veterans.

NEW SECTION. **Section 2.** State veterans' home in  
eastern Montana established. A state home for veterans is  
established in eastern Montana at a site to be determined by  
the site selection committee as provided in [section 3].

NEW SECTION. **Section 3.** Site selection committee. (1)  
The governor shall, by August JUNE 1, 1989, appoint a  
committee to select a site for a state veterans' home in  
eastern Montana.

(2) The committee shall consist of seven honorably  
discharged veterans of the United States armed forces whose  
primary residence is in eastern Montana, as defined in



1 [section 1]. There may be no more than one committee member  
2 from each county referred to in [section 1].

3 (3) The committee shall:

4 (a) evaluate the need and appropriateness of locating  
5 a state veterans' home in eastern Montana;

6 (b) establish objective criteria in compliance with  
7 federal law for the selection of the most favorable site in  
8 eastern Montana for a state veterans' home;

9 (c) establish criteria that comply with state health  
10 requirements;

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

13 (e) organize and conduct public hearings in each of  
14 the interested communities for the purpose of gathering  
15 input and information; and

16 (f) prepare and forward its recommendation on the most  
17 favorable location for the state veterans' home to the  
18 governor no later than ~~October 31~~ APRIL 1, 1990.

19 ~~{4}--The---recommendation--of--the---committee---must---be~~  
20 ~~presented-to-the-52nd--legislature--and--is--binding--unless~~  
21 ~~overturned-by-a-two-thirds-vote-of-each-house-~~

22 (4) (A) THE RECOMMENDATION OF THE SITE SELECTION  
23 COMMITTEE IS BINDING.

24 (B) THE COMMITTEE'S EXPENSES MUST BE PAID BY THE  
25 MONTANA BOARD OF VETERANS' AFFAIRS.

1 NEW SECTION. Section 4. Duties of department. The  
2 department of administration shall:

3 (1) direct its architecture and engineering division  
4 to prepare a long-range building plan for this project  
5 pursuant to 17-7-202; and

6 (2) carry out duties necessary to begin planning and  
7 constructing a state home for veterans in eastern Montana,  
8 including but not limited to arrangements for the approval  
9 of bonds necessary to fulfill the state's financial  
10 obligations for construction of the project.

11 NEW SECTION. Section 5. Authorization of bonds. The  
12 board is authorized, pursuant to ~~17-5-402~~ 17-5-802, to issue  
13 and sell long-range building program bonds in an amount not  
14 to exceed \$1.4 million or in an amount as may be required to  
15 provide funds for the payment of up to 35% of the total \$4  
16 million planning and construction costs of a state home for  
17 veterans in eastern Montana. The authority contained in this  
18 section is in addition to any other authorization to the  
19 board to issue long-range building program bonds.

20 NEW SECTION. Section 6. Authorization for refunding  
21 bonds. The board is authorized to issue and sell refunding  
22 bonds in an amount necessary to refund any or all long-range  
23 building program bonds issued under 17-5-402. The refunding  
24 bonds must be issued in accordance with the terms and in the  
25 manner required by Title 17, chapter 5, part 3. The

1 refunding bonds must be general obligations secured by a  
 2 pledge of the full faith and credit and taxing powers of the  
 3 state. Any money released from the sinking-fund DEBT SERVICE  
 4 account provided for in 17-5-405 as a result of the issuance  
 5 of refunding bonds must revert to the fund of origin to the  
 6 extent not required to provide for the debt service on the  
 7 refunded bonds. Money required for payment of debt service  
 8 on the refunded bonds may be held in trust in a special  
 9 escrow account at a bank or trust company for the benefit of  
 10 the refunded bonds.

11 NEW SECTION. Section 7. Agreement with the department  
 12 of institutions. If the proceeds of any bonds or notes  
 13 issued pursuant to [section 5] are appropriated for the  
 14 purpose of planning or constructing a state veterans' home  
 15 in eastern Montana, the board and the department of  
 16 institutions shall enter into an agreement pursuant to which  
 17 the department of institutions shall agree to pay to the  
 18 state treasurer for deposit in the debt service account  
 19 established pursuant to 17-5-405 amounts sufficient to pay,  
 20 as due, the principal of and interest on those bonds from  
 21 which the appropriation was made and to accumulate and  
 22 maintain the required reserve attributable to those bonds.  
 23 The agreement must provide that income from the investment  
 24 of bond proceeds and the reserves not required for planning  
 25 or construction costs must be credited against the

1 department's payment obligation. The agreement must also  
 2 allow for the accumulation of reserves during the first year  
 3 the bonds are outstanding. Payments by the department must  
 4 be made from funds available therefor.

5 NEW SECTION. Section 8. Benefit of state. The  
 6 agreement made pursuant to [section 7] is solely for the  
 7 benefit of the state of Montana and is not enforceable by  
 8 bondholders or other third-party beneficiaries.

9 NEW SECTION. Section 9. Application for federal  
 10 construction grant assistance. Upon approval of the project  
 11 by the veterans' administration and an authorization by the  
 12 state to provide up to 35% of the total planning and  
 13 construction costs, the department of institutions, pursuant  
 14 to 38 U.S.C. 5031 through 5037, shall apply for construction  
 15 grant assistance from the veterans' administration not to  
 16 exceed 65% of the total planning and construction costs for  
 17 a state home for veterans in eastern Montana NO LATER THAN  
 18 JUNE 15, 1990.

19 NEW-SECTION:--Section-10:--Contingent---revolving---fund  
 20 established-----fiscal---officer---designated;---{1}---The  
 21 department--of--administration--shall-establish-a-contingent  
 22 revolving-account;--pursuant-to--17-2-201;--for--the--general  
 23 administration--of--federal;--state;--and-other-funds-accrued  
 24 for-the-purpose-of-constructing-and-planning--a--state--home  
 25 for-veterans-in-eastern-Montana;

~~{2}--The--state--treasurer--is--designated, pursuant to  
17-3-106, as the fiscal officer of the state to receive--and  
administer--any and all construction grant money as approved  
by the veterans' administration for this project.~~

**NEW SECTION. Section 10.** Pledge to continue operation  
and maintenance. Pursuant to 38 U.S.C. 641 and 5035(a)(6),  
the state shall appropriate from the general fund to the  
department of institutions financial support necessary to  
provide for continued operation and maintenance of the  
project upon completion.

**Section 11.** Section 10-2-401, MCA, is amended to read:

"10-2-401. Location and function of home homes --  
persons admitted. The institution institutions at Columbia  
Falls ~~is the "Montana veterans' home"~~ and in eastern Montana  
are the "Montana veterans' homes" and ~~as its~~ their primary  
function ~~provides~~ is to provide a home and subsistence for  
honorably discharged veterans. The department of  
institutions may also admit spouses or surviving spouses of  
honorably discharged veterans to the home homes if space  
allows."

**Section 12.** Section 10-2-402, MCA, is amended to read:

"10-2-402. Superintendent to be given veterans'  
preference. In the selection of the superintendent of each  
of the Montana veterans' home homes, the department of  
institutions shall apply the preference granted to veterans

and disabled veterans, but not the preference granted to  
other persons, by Title 39, chapter 30."

**Section 13.** Section 10-2-403, MCA, is amended to read:

"10-2-403. Eligibility for residence in home. To be  
eligible for residence in the a Montana veterans' home under  
the regulations prescribed by the department of  
institutions, a person must be an honorably discharged  
veteran or the spouse or surviving spouse of a veteran who  
served in the armed forces of the United States.  
Consideration must also be given to:

- (1) the person's age;
- (2) the person's physical and mental status;
- (3) the person's ability or inability to locate  
suitable alternative accommodations;
- (4) the person's term of residence in Montana;
- (5) the person's gender as it relates to availability  
of appropriate living space;
- (6) the ability of the Montana veterans' home to meet  
the person's needs; and
- (7) such other admission requirements as may be  
established by the department."

**Section 14.** Section 10-2-404, MCA, is amended to read:

"10-2-404. Acceptance and deposit of federal ~~moneys~~  
money. The department of institutions may accept ~~moneys~~  
money from the federal government that become becomes

available to the state as a result of operating the Montana veterans' home homes and shall deposit such moneys money in the state treasury for the benefit of the home homes. If the a resident of the a home is transferred to another institution, as defined in 53-1-101, the department of institutions shall continue to draw from the federal government any moneys money available for the maintenance of such the former resident."

**Section 15.** Section 53-1-202, MCA, is amended to read:

"53-1-202. Institutions in department. (1) The following institutions are in the department:

(a) Montana state hospital;

(b) Montana veterans' home at Columbia Falls;

(c) Montana veterans' home in eastern Montana;

~~(c)~~(d) State prison;

~~(d)~~(e) Montana developmental center;

~~(e)~~(f) Montana center for the aged;

~~(f)~~(g) Swan River forest camp; and

~~(g)~~(h) Eastmont human services center.

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

**Section 16.** Section 53-1-402, MCA, is amended to read:

"53-1-402. Residents subject to per diem and ancillary charges. The department shall collect and process per diem

and ancillary payments for the care of residents in the following institutions:

(1) Montana state hospital;

(2) Montana developmental center;

(3) Montana veterans' home at Columbia Falls;

(4) Montana veterans' home in eastern Montana;

~~(4)~~(5) Montana center for the aged;

~~(5)~~(6) Eastmont human services center."

**NEW SECTION. Section 17.** Appropriation. There is appropriated to the department of administration the proceeds from the sale of long-range building program bonds for the purpose of planning and constructing a state veterans' home in eastern Montana.

**NEW SECTION. Section 18.** Extension of authority. Any existing authority to make rules on the subject of the provisions of [this act] is extended to the provisions of [this act].

**NEW SECTION. Section 19.** Requirements for approval of state debt -- severability. Because [section 6] authorizes the creation of a state debt, a vote of two-thirds of the members of each house is required for enactment of [section 6]. If [this act] is not approved by the required vote, [sections 5 through 8 and ~~18~~ 17] are void. The remaining sections of [this act] are valid and remain in effect in all valid applications upon enactment.

HB 0547/02

1        NEW SECTION. SECTION 20. COORDINATION INSTRUCTION. IF  
2        HOUSE BILL NO. 202 IS PASSED AND APPROVED, [SECTIONS 5  
3        THROUGH 7 OF THIS ACT] ARE VOID.

-End-

SENATE STANDING COMMITTEE REPORT

page 1 of 2  
April 15, 1989

SENATE COMMITTEE ON FINANCE AND CLAIMS, HB 547  
4-15-89  
Page 2 of 2

MR. PRESIDENT,

We, your committee on Finance and Claims, having had under consideration HB 547 (third reading copy -- blue), respectfully report that HB 547 be amended and as so amended be concurred in:

Sponsor: Johnson (Devlin)

1. Title, line 20.  
Following: ";"  
Insert: "PROVIDING FOR FUNDING A PLANNING AND STUDY PROCESS;"
2. Title, line 20.  
Strike: "AND"  
Insert: "EXEMPTING THE VETERANS' HOME FROM CERTIFICATE OF NEED REVIEW;"
3. Title, line 22.  
Following: "MCA"  
Insert: "; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE"
4. Page 2, line 23.  
Following: "(2)"  
Insert: "(a)"  
Following: "The"  
Insert: "voting membership of the"
5. Page 3, line 1.  
Following: "one"  
Insert: "voting"
6. Page 3.  
Following: line 2  
Insert: "(b) Representatives of the state departments of administration, institutions, and military affairs will serve as nonvoting members of the committee."
7. Page 6, lines 17 and 18.  
Following: "Montana" on line 17  
Strike: remainder of line 17 through "1990" on line 18
8. Page 6, line 18.  
Following: "-."  
Insert: "Construction may not commence before written confirmation of the allocation of federal funds to the state for this purpose is received from the Veterans' Administration."

9. Page 10.  
Following: line 8  
Insert: "NEW SECTION. Section 17. Exemption from certificate of need review. The veterans' home provided for in [section 2] is exempt from certificate of need review under Title 50, chapter 5, part 3."  
Renumber: subsequent sections
10. Page 10, line 9.  
Following: "Appropriation."  
Insert: "(1)"
11. Page 10, line 13.  
Following: "-."  
Insert: "(2) There is appropriated to the department of administration \$50,000 from the general fund for the 1991 biennium for the purpose of planning and designing a state veterans' home in eastern Montana. There is appropriated to the department of military affairs \$30,000 from the general fund for the 1991 biennium for the purpose of conducting a study to determine the location for a veterans' home in eastern Montana.  
(3) The appropriation contained in this section includes spending authority for any federal funds received pursuant to the grant referred to in [section 9]."
12. Page 10, line 23.  
Strike: "17"  
Insert: "18"
13. Page 11, line 3.  
Strike: "7"  
Insert: "8, 18, and 20"
14. Page 11.  
Following: line 3  
Insert: "NEW SECTION. Section 22. Effective date. [This act] is effective on passage and approval."

AND AS AMENDED BE CONCURRED IN

Signed:

  
Pete Story, Chairman

## HOUSE BILL NO. 547

INTRODUCED BY JOHNSON, DEVLIN, STICKNEY, ZOOK, CONNELLY,  
PAVLOVICH, SPAETH, JERGESON, JENKINS, HARPER, SCHYE,  
KEATING, HAMMOND, ABRAMS, NATHE, HANNAH, YELLOWTAIL,  
ADDY, GIACOMETTO, KASTEN, WEEDING, B. BROWN, T. NELSON,  
STEPPLER, GILBERT, CODY, KILPATRICK, BACHINI,

MENAHAN, L. NELSON

A BILL FOR AN ACT ENTITLED: "AN ACT ESTABLISHING A STATE  
HOME FOR VETERANS, NOT TO EXCEED 100 BEDS, IN EASTERN  
MONTANA; AUTHORIZING THE BOARD OF EXAMINERS TO ISSUE AND  
SELL NO MORE THAN \$1.4 MILLION IN LONG-RANGE BUILDING  
PROGRAM BONDS FOR PLANNING AND CONSTRUCTION; PROVIDING FOR  
AN AGREEMENT BETWEEN THE BOARD OF EXAMINERS AND THE  
DEPARTMENT OF INSTITUTIONS; ENSURING ADEQUATE GENERAL FUND  
SUPPORT FOR FUTURE OPERATIONS; AUTHORIZING THE DEPARTMENT OF  
ADMINISTRATION TO CREATE THE NECESSARY ACCOUNTS FOR THE  
ADMINISTRATION OF ALL STATE, FEDERAL, AND OTHER FUNDS FOR  
ITS CONSTRUCTION AND OPERATION; AUTHORIZING THE DEPARTMENT  
OF INSTITUTIONS TO APPLY FOR FEDERAL ASSISTANCE GRANTS;  
PROVIDING FOR FUNDING A PLANNING AND STUDY PROCESS; AND  
EXEMPTING THE VETERANS' HOME FROM CERTIFICATE OF NEED  
REVIEW; AMENDING SECTIONS 10-2-401 THROUGH 10-2-404,  
53-1-202, AND 53-1-402, MCA; 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 [this act], the following definitions apply:

(1) "Board" means the board of examiners as provided  
in 2-15-1007.

(2) "Eastern Montana" means all of the counties east  
of and including: Blaine, Carbon, Fergus, Golden Valley,  
Hill, and Stillwater counties.

(3) "Project" means the construction of a state home  
for veterans in eastern Montana.

(4) "State veterans' home" or "state home for  
veterans" means a home established by the state in eastern  
Montana for veterans disabled by age, disease, or otherwise,  
who by reason of disability are incapable of earning a  
living. The home furnishes nursing home and domiciliary care  
for eligible veterans.

NEW SECTION. Section 2. State veterans' home in  
eastern Montana established. A state home for veterans is  
established in eastern Montana at a site to be determined by  
the site selection committee as provided in [section 3].

NEW SECTION. Section 3. Site selection committee. (1)  
The governor shall, by August JUNE 1, 1989, appoint a  
committee to select a site for a state veterans' home in  
eastern Montana.

1 (2) (A) The VOTING MEMBERSHIP OF THE committee shall  
 2 consist of seven honorably discharged veterans of the United  
 3 States armed forces whose primary residence is in eastern  
 4 Montana, as defined in [section 1]. There may be no more  
 5 than one VOTING committee member from each county referred  
 6 to in [section 1].

7 (B) REPRESENTATIVES OF THE STATE DEPARTMENTS OF  
 8 ADMINISTRATION, INSTITUTIONS, AND MILITARY AFFAIRS SHALL  
 9 SERVE AS NONVOTING MEMBERS OF THE COMMITTEE.

10 (3) The committee shall:

11 (a) evaluate the need and appropriateness of locating  
 12 a state veterans' home in eastern Montana;

13 (b) establish objective criteria in compliance with  
 14 federal law for the selection of the most favorable site in  
 15 eastern Montana for a state veterans' home;

16 (c) establish criteria that comply with state health  
 17 requirements;

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

20 (e) organize and conduct public hearings in each of  
 21 the interested communities for the purpose of gathering  
 22 input and information; and

23 (f) prepare and forward its recommendation on the most  
 24 favorable location for the state veterans' home to the  
 25 governor no later than ~~October 31~~ APRIL 1, 1990.

1 ~~(4) The recommendation of the committee must be~~  
 2 ~~presented to the 52nd legislature and is binding unless~~  
 3 ~~overturned by a two-thirds vote of each house.~~

4 (4) (A) THE RECOMMENDATION OF THE SITE SELECTION  
 5 COMMITTEE IS BINDING.

6 (B) THE COMMITTEE'S EXPENSES MUST BE PAID BY THE  
 7 MONTANA BOARD OF VETERANS' AFFAIRS.

8 NEW SECTION. Section 4. Duties of department. The  
 9 department of administration shall:

10 (1) direct its architecture and engineering division  
 11 to prepare a long-range building plan for this project  
 12 pursuant to 17-7-202; and

13 (2) carry out duties necessary to begin planning and  
 14 constructing a state home for veterans in eastern Montana,  
 15 including but not limited to arrangements for the approval  
 16 of bonds necessary to fulfill the state's financial  
 17 obligations for construction of the project.

18 NEW SECTION. Section 5. Authorization of bonds. The  
 19 board is authorized, pursuant to ~~17-5-402~~ 17-5-802, to issue  
 20 and sell long-range building program bonds in an amount not  
 21 to exceed \$1.4 million or in an amount as may be required to  
 22 provide funds for the payment of up to 35% of the total \$4  
 23 million planning and construction costs of a state home for  
 24 veterans in eastern Montana. The authority contained in this  
 25 section is in addition to any other authorization to the



1 board to issue long-range building program bonds.

2 NEW SECTION. Section 6. Authorization for refunding  
3 bonds. The board is authorized to issue and sell refunding  
4 bonds in an amount necessary to refund any or all long-range  
5 building program bonds issued under 17-5-402. The refunding  
6 bonds must be issued in accordance with the terms and in the  
7 manner required by Title 17, chapter 5, part 3. The  
8 refunding bonds must be general obligations secured by a  
9 pledge of the full faith and credit and taxing powers of the  
10 state. Any money released from the sinking-fund DEBT SERVICE  
11 account provided for in 17-5-405 as a result of the issuance  
12 of refunding bonds must revert to the fund of origin to the  
13 extent not required to provide for the debt service on the  
14 refunded bonds. Money required for payment of debt service  
15 on the refunded bonds may be held in trust in a special  
16 escrow account at a bank or trust company for the benefit of  
17 the refunded bonds.

18 NEW SECTION. Section 7. Agreement with the department  
19 of institutions. If the proceeds of any bonds or notes  
20 issued pursuant to [section 5] are appropriated for the  
21 purpose of planning or constructing a state veterans' home  
22 in eastern Montana, the board and the department of  
23 institutions shall enter into an agreement pursuant to which  
24 the department of institutions shall agree to pay to the  
25 state treasurer for deposit in the debt service account

1 established pursuant to 17-5-405 amounts sufficient to pay,  
2 as due, the principal of and interest on those bonds from  
3 which the appropriation was made and to accumulate and  
4 maintain the required reserve attributable to those bonds.  
5 The agreement must provide that income from the investment  
6 of bond proceeds and the reserves not required for planning  
7 or construction costs must be credited against the  
8 department's payment obligation. The agreement must also  
9 allow for the accumulation of reserves during the first year  
10 the bonds are outstanding. Payments by the department must  
11 be made from funds available therefor.

12 NEW SECTION. Section 8. Benefit of state. The  
13 agreement made pursuant to [section 7] is solely for the  
14 benefit of the state of Montana and is not enforceable by  
15 bondholders or other third-party beneficiaries.

16 NEW SECTION. Section 9. Application for federal  
17 construction grant assistance. Upon approval of the project  
18 by the veterans' administration and an authorization by the  
19 state to provide up to 35% of the total planning and  
20 construction costs, the department of institutions, pursuant  
21 to 38 U.S.C. 5031 through 5037, shall apply for construction  
22 grant assistance from the veterans' administration not to  
23 exceed 65% of the total planning and construction costs for  
24 a state home for veterans in eastern Montana NO LATER THAN  
25 JUNE 15, 1990. CONSTRUCTION MAY NOT COMMENCE BEFORE WRITTEN

CONFIRMATION OF THE ALLOCATION OF FEDERAL FUNDS TO THE STATE  
FOR THIS PURPOSE IS RECEIVED FROM THE VETERANS'  
ADMINISTRATION.

~~NEW-SECTION--Section 10--Contingent--revolving--fund  
established-----fiscal--officer--designated,----(1)--The  
department--of--administration--shall--establish--a--contingent  
revolving-account,--pursuant-to--17-2-201,--for--the--general  
administration--of--federal,--state,--and--other--funds--accrued  
for--the--purpose--of--constructing--and--planning--a--state--home  
for--veterans--in--eastern--Montana--~~

~~{2}--The--state--treasurer--is--designated,--pursuant-to  
17-3-106,--as--the--fiscal--officer--of--the--state--to--receive--and  
administer--any--and--all--construction--grant--money--as--approved  
by--the--veterans'--administration--for--this--project--~~

NEW SECTION. Section 10. Pledge to continue operation and maintenance. Pursuant to 38 U.S.C. 641 and 5035(a)(6), the state shall appropriate from the general fund to the department of institutions financial support necessary to provide for continued operation and maintenance of the project upon completion.

**Section 11.** Section 10-2-401, MCA, is amended to read:

"10-2-401. Location and function of home homes -- persons admitted. The institution institutions at Columbia Falls ~~is the "Montana veterans' home"~~ and in eastern Montana are the "Montana veterans' homes" and ~~as its~~ their primary

function provides is to provide a home and subsistence for honorably discharged veterans. The department of institutions may also admit spouses or surviving spouses of honorably discharged veterans to the home homes if space allows."

**Section 12.** Section 10-2-402, MCA, is amended to read:

"10-2-402. Superintendent to be given veterans' preference. In the selection of the superintendent of each of the Montana veterans' home homes, the department of institutions shall apply the preference granted to veterans and disabled veterans, but not the preference granted to other persons, by Title 39, chapter 30."

**Section 13.** Section 10-2-403, MCA, is amended to read:

"10-2-403. Eligibility for residence in home. To be eligible for residence in the a Montana veterans' home under the regulations prescribed by the department of institutions, a person must be an honorably discharged veteran or the spouse or surviving spouse of a veteran who served in the armed forces of the United States. Consideration must also be given to:

- (1) the person's age;
- (2) the person's physical and mental status;
- (3) the person's ability or inability to locate suitable alternative accommodations;
- (4) the person's term of residence in Montana;

(5) the person's gender as it relates to availability of appropriate living space;

(6) the ability of the Montana veterans' home to meet the person's needs; and

(7) such other admission requirements as may be established by the department."

**Section 14.** Section 10-2-404, MCA, is amended to read:

"10-2-404. Acceptance and deposit of federal moneys money. The department of institutions may accept moneys money from the federal government that ~~become~~ becomes available to the state as a result of operating the Montana veterans' home ~~homes~~ and shall deposit such moneys money in the state treasury for the benefit of the home ~~homes~~. If the a resident of the a home is transferred to another institution, as defined in 53-1-101, the department of institutions shall continue to draw from the federal government any moneys money available for the maintenance of such the former resident."

**Section 15.** Section 53-1-202, MCA, is amended to read:

"53-1-202. Institutions in department. (1) The following institutions are in the department:

- (a) Montana state hospital;
- (b) Montana veterans' home at Columbia Falls;
- (c) Montana veterans' home in eastern Montana;
- (d) State prison;

(e) Montana developmental center;

(f) Montana center for the aged;

(g) Swan River forest camp; and

(h) Eastmont human services center.

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

**Section 16.** Section 53-1-402, MCA, is amended to read:

"53-1-402. Residents subject to per diem and ancillary charges. The department shall collect and process per diem and ancillary payments for the care of residents in the following institutions:

- (1) Montana state hospital;
- (2) Montana developmental center;
- (3) Montana veterans' home at Columbia Falls;
- (4) Montana veterans' home in eastern Montana;
- (5) Montana center for the aged;
- (6) Eastmont human services center."

**NEW SECTION. SECTION 17. EXEMPTION FROM CERTIFICATE OF NEED REVIEW. THE VETERANS' HOME PROVIDED FOR IN [SECTION 2] IS EXEMPT FROM CERTIFICATE OF NEED REVIEW UNDER TITLE 50, CHAPTER 5, PART 3.**

**NEW SECTION. Section 18. Appropriation.** (1) There is appropriated to the department of administration the proceeds from the sale of long-range building program bonds

1 for the purpose of planning and constructing a state  
2 veterans' home in eastern Montana.

3 (2) THERE IS APPROPRIATED TO THE DEPARTMENT OF  
4 ADMINISTRATION \$50,000 FROM THE GENERAL FUND FOR THE 1991  
5 BIENNIUM FOR THE PURPOSE OF PLANNING AND DESIGNING A STATE  
6 VETERANS' HOME IN EASTERN MONTANA. THERE IS APPROPRIATED TO  
7 THE DEPARTMENT OF MILITARY AFFAIRS \$30,000 FROM THE GENERAL  
8 FUND FOR THE 1991 BIENNIUM FOR THE PURPOSE OF CONDUCTING A  
9 STUDY TO DETERMINE THE LOCATION FOR A VETERANS' HOME IN  
10 EASTERN MONTANA.

11 (3) THE APPROPRIATION CONTAINED IN THIS SECTION  
12 INCLUDES SPENDING AUTHORITY FOR ANY FEDERAL FUNDS RECEIVED  
13 PURSUANT TO THE GRANT REFERRED TO IN [SECTION 9].

14 NEW SECTION. Section 19. Extension of authority. Any  
15 existing authority to make rules on the subject of the  
16 provisions of [this act] is extended to the provisions of  
17 [this act].

18 NEW SECTION. Section 20. Requirements for approval of  
19 state debt -- severability. Because [section 6] authorizes  
20 the creation of a state debt, a vote of two-thirds of the  
21 members of each house is required for enactment of [section  
22 6]. If [this act] is not approved by the required vote,  
23 [sections 5 through 8 and ~~18~~ 17 18] are void. The remaining  
24 sections of [this act] are valid and remain in effect in all  
25 valid applications upon enactment.

1 NEW SECTION. SECTION 21. COORDINATION INSTRUCTION. IF  
2 HOUSE BILL NO. 202 IS PASSED AND APPROVED, [SECTIONS 5  
3 THROUGH 7 8, 18, AND 20 OF THIS ACT] ARE VOID.

4 NEW SECTION. SECTION 22. EFFECTIVE DATE. [THIS ACT]  
5 IS EFFECTIVE ON PASSAGE AND APPROVAL.

-End-