

HOUSE BILL NO. 759

INTRODUCED BY O'CONNELL, THAYER, WYATT, GOOD, CODY,
PAVLOVICH, WALKER, NISBET, WHALEN, STEPPLER, STRIZICH,
SIMPKINS, NATHE, SQUIRES, ROTH, BROOKE, HARPER, D. BROWN,
REAM, ADDY, AAFEDT, STICKNEY, DARKO, L. NELSON, MCDONOUGH,
RICE, MENAHAN, MCCORMICK, PHILLIPS, DEBRUYCKER,
COCCHIARELLA, GRADY, KILPATRICK, GERVAIS, VINCENT, O'KEEFE,
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DAILY, HARRINGTON, GILBERT, PATTERSON, HANSEN, QUILICI,
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RUSSELL, SMITH, OWENS, COBB, CLARK, MEYER, RANEY,
DAVIS, NOBLE, LYNCH, WALLIN, CONNELLY, J. BROWN,
SPAETH, HAYNE, PETERSON, BLOTKAMP, T. NELSON, GOULD

IN THE HOUSE

MARCH 7, 1989	INTRODUCED AND REFERRED TO COMMITTEE ON APPROPRIATIONS.
MARCH 8, 1989	FIRST READING.
MARCH 18, 1989	COMMITTEE RECOMMEND BILL DO PASS. REPORT ADOPTED.
MARCH 20, 1989	PRINTING REPORT.
MARCH 22, 1989	SECOND READING, DO PASS.
MARCH 23, 1989	ENGROSSING REPORT.
	THIRD READING, PASSED. AYES, 73; NOES, 25.
	TRANSMITTED TO SENATE.

IN THE SENATE

MARCH 27, 1989	INTRODUCED AND REFERRED TO COMMITTEE ON FINANCE & CLAIMS.
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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. REPORT ADOPTED.

APRIL 17, 1989

SECOND READING, CONCURRED IN.

APRIL 19, 1989

THIRD READING, CONCURRED IN.
AYES, 40; NOES, 10.

RETURNED TO HOUSE.

IN THE HOUSE

APRIL 19, 1989

RECEIVED FROM SENATE.

SENT TO ENROLLING.

REPORTED CORRECTLY ENROLLED.

House BILL NO. 759

INTRODUCED BY

Whalen

A BILL FOR AN ACT ENTITLED: "AN ACT TO APPROPRIATE MONEY TO

MATCH FEDERALLY APPROPRIATED FUNDS FOR CONSTRUCTION AND

STARTUP, OPERATING COSTS FOR MEDICAL RESEARCH FACILITY

PROJECTS IN THIS STATE; TO AUTHORIZE THE MONTANA SCIENCE AND

TECHNOLOGY DEVELOPMENT BOARD TO ADMINISTER THE

APPROPRIATION; TO ESTABLISH GOALS AND CRITERIA FOR THE BOARD

TO USE IN MAKING GRANTS OF APPROPRIATED FUNDS; TO PROVIDE

THE BOARD WITH RULEMAKING AUTHORITY TO IMPLEMENT THE

PROVISIONS OF THIS ACT; AMENDING SECTION 17-5-704, MCA; AND

PROVIDING AN EFFECTIVE DATE."

STATEMENT OF INTENT

A statement of intent is required for this bill because

[section 5] grants rulemaking authority to the Montana

science and technology development board to implement the

grant provision of [sections 1 and 2]. It is the

legislature's intent that the board adopt rules establishing

application procedures, the review process to be followed by

the board in making a grant, and disbursement procedures.

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

NEW SECTION. Section 1. Appropriation. There is

appropriated from the income and earnings on the coal
severance tax permanent fund that otherwise would be
appropriated to the coal severance tax permanent fund under
17-5-704 the amount of \$2 million to the medical research
facility projects account established in [section 2] for the
biennium ending June 30, 1991. The money is to be used to
match federally appropriated funds on at least a four-to-one
federal-to-state matching basis for construction and startup
operating costs for medical research facility projects in
the state. The Montana science and technology development
board shall administer the appropriation.

NEW SECTION. Section 2. Medical research facility
projects account -- allocation of funds -- goals and
criteria -- rulemaking. (1) There is a medical research
facility projects account in the state special revenue fund
into which must be deposited the money appropriated in
[section 1].

(2) Notwithstanding any provision of Title 90, chapter
3, the Montana science and technology development board may
award grants of the money appropriated under [section 1] for
the purposes described in [section 1].

(3) The board may award a grant to a medical research
facility project if the project proposal meets the following
goals:

(a) The project is designed to establish an advanced

INTRODUCED BILL

HB759

1 medical research facility that will be funded sufficiently
2 to become an enduring research presence in the state.

3 (b) The project concentrates on fields of medical
4 research that involve advanced technology applied to
5 national medical concerns.

6 (c) The project is designed to recruit and retain in
7 the state medical researchers of nationally recognized
8 stature.

9 (4) The board, at a minimum, shall use the following
10 criteria in awarding a medical research facility grant:

11 (a) State funds for construction and startup operating
12 costs must be matched on at least a four-to-one
13 federal-to-state matching basis with federal funds
14 appropriated for the same purpose.

15 (b) The project proposal includes an effective
16 construction and operating plan that provides a sound basis
17 for ongoing operation of the facility.

18 (c) The personnel, equipment, and research operation
19 of the facility are sufficient to earn and maintain a
20 nationally recognized stature.

21 (5) The board may adopt rules to implement the
22 purposes of [sections 1 and 2].

23 **Section 3.** Section 17-5-704, MCA, is amended to read:

24 *17-5-704. Investment of funds. (1) Money in the coal
25 severance tax bond fund, the coal severance tax permanent

1 fund, and the coal severance tax income fund must be
2 invested in accordance with the investment standards for
3 coal severance tax funds except as provided in subsection
4 subsections (2) and (3). Income and earnings from all funds
5 must be transferred to and retained in the coal severance
6 tax income fund until appropriated by the legislature.

7 (2) Beginning on July 1, 1987, the legislature shall
8 appropriate 2% of the income and earnings from all funds to
9 be deposited to the coal severance tax permanent fund each
10 year.

11 (3) Beginning Except as provided in [section 1],
12 beginning on July 1, 1989, the legislature shall appropriate
13 15% of the income and earnings from all funds to be
14 deposited to the coal severance tax permanent fund each
15 year. The funds appropriated to the coal severance tax
16 permanent fund under this subsection may not be further
17 appropriated except by vote of three-fourths of the members
18 of each house of the legislature."

19 **NEW SECTION. Section 4.** Effective date. [This act] is
20 effective July 1, 1989.

-End-

STATE OF MONTANA - FISCAL NOTE

Form BD-15

In compliance with a written request, there is hereby submitted a Fiscal Note for HB759, as introduced.

DESCRIPTION OF PROPOSED LEGISLATION:

HB759 would appropriate \$2 million from the income and earnings on the coal severance tax permanent fund to match federally-appropriated funds for construction and startup operating costs for medical research facility projects in the state, authorizing the Montana Science and Technology Board to administer the appropriation.

ASSUMPTIONS:

1. Federal legislation will be approved to appropriate at least \$8 million of federal funds for the construction and startup operating costs for medical research facility projects in Montana.
2. Proposals for which federal funds have been approved will be submitted to the Montana Science and Technology Development Board for review and award of up to \$2 million in state matching grants on at least a 4:1 federal-state basis.
3. Proposals will be received and funds will be obligated by the board in FY90 from the biennial appropriation.
4. Administrative costs related to implementation of the proposed law will be absorbed within the current budget.
5. Income to the coal severance tax permanent fund will be reduced by \$2 million to approximately \$4,337,600 during the 1991 biennium, resulting in a coal severance tax permanent trust fund balance of approximately \$433,530,000 in FY90 and \$457,766,000 in FY91.
8. There is no impact on the Department of Revenue.

FISCAL IMPACT:Expenditures:

	Current	FY90	
Dept. of Commerce	Law	Proposed	
		Law	Difference
Grants	\$ -0-	\$2,000,000	\$2,000,000

Funding:

Coal Severance Tax	\$ -0-	\$2,000,000	\$2,000,000
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Fund Impact:

Coal Severance Tax			
Permanent Trust	\$435,530,000	\$433,530,000	(\$2,000,000)

LONG-RANGE IMPACT OF PROPOSED LEGISLATION:

Appropriation of state funds will leverage federal funds for medical facilities.

 DATE 3/15/89
DAVE LEWIS, BUDGET DIRECTOR
OFFICE OF BUDGET AND PROGRAM PLANNING

 DATE 3-21-89
HELEN G. O'CONNELL, PRIMARY SPONSOR

Fiscal Note for HB759, as introduced

HB 759

APPROVED BY COMMITTEE
ON APPROPRIATIONS

House BILL NO. 759

INTRODUCED BY

A BILL FOR AN ACT ENTITLED: "AN ACT TO APPROPRIATE MONEY TO

MATCH FEDERALLY APPROPRIATED FUNDS FOR CONSTRUCTION AND

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STATEMENT OF INTENT

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NEW SECTION. Section 1. Appropriation. There is

appropriated from the income and earnings on the coal severance tax permanent fund that otherwise would be appropriated to the coal severance tax permanent fund under 17-5-704 the amount of \$2 million to the medical research facility projects account established in [section 2] for the biennium ending June 30, 1991. The money is to be used to match federally appropriated funds on at least a four-to-one federal-to-state matching basis for construction and startup operating costs for medical research facility projects in the state. The Montana science and technology development board shall administer the appropriation.

NEW SECTION. Section 2. Medical research facility projects account -- allocation of funds -- goals and criteria -- rulemaking. (1) There is a medical research facility projects account in the state special revenue fund into which must be deposited the money appropriated in [section 1].

(2) Notwithstanding any provision of Title 90, chapter 3, the Montana science and technology development board may award grants of the money appropriated under [section 1] for the purposes described in [section 1].

(3) The board may award a grant to a medical research facility project if the project proposal meets the following goals:

(a) The project is designed to establish an advanced

1 medical research facility that will be funded sufficiently
2 to become an enduring research presence in the state.

3 (b) The project concentrates on fields of medical
4 research that involve advanced technology applied to
5 national medical concerns.

6 (c) The project is designed to recruit and retain in
7 the state medical researchers of nationally recognized
8 stature.

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10 criteria in awarding a medical research facility grant:

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16 construction and operating plan that provides a sound basis
17 for ongoing operation of the facility.

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19 of the facility are sufficient to earn and maintain a
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21 (5) The board may adopt rules to implement the
22 purposes of [sections 1 and 2].

23 **Section 3.** Section 17-5-704, MCA, is amended to read:

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1 fund, and the coal severance tax income fund must be
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4 subsections (2) and (3). Income and earnings from all funds
5 must be transferred to and retained in the coal severance
6 tax income fund until appropriated by the legislature.

7 (2) Beginning on July 1, 1987, the legislature shall
8 appropriate 2% of the income and earnings from all funds to
9 be deposited to the coal severance tax permanent fund each
10 year.

11 (3) Beginning Except as provided in [section 1],
12 beginning on July 1, 1989, the legislature shall appropriate
13 15% of the income and earnings from all funds to be
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15 year. The funds appropriated to the coal severance tax
16 permanent fund under this subsection may not be further
17 appropriated except by vote of three-fourths of the members
18 of each house of the legislature."

19 **NEW SECTION. Section 4.** Effective date. [This act] is
20 effective July 1, 1989.

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A BILL FOR AN ACT ENTITLED: "AN ACT TO APPROPRIATE MONEY TO
MATCH FEDERALLY APPROPRIATED FUNDS FOR CONSTRUCTION AND
STARTUP OPERATING COSTS FOR MEDICAL RESEARCH FACILITY
PROJECTS IN THIS STATE; TO AUTHORIZE THE MONTANA SCIENCE AND
TECHNOLOGY DEVELOPMENT BOARD TO ADMINISTER THE
APPROPRIATION; TO ESTABLISH GOALS AND CRITERIA FOR THE BOARD

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PROVISIONS OF THIS ACT; AMENDING SECTION 17-5-704, MCA; AND
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STATEMENT OF INTENT

A statement of intent is required for this bill because
[section 5] grants rulemaking authority to the Montana
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match federally appropriated funds on at least a four-to-one
federal-to-state matching basis for construction and startup
operating costs for medical research facility projects in

1 the state. The Montana science and technology development
2 board shall administer the appropriation.

3 NEW SECTION. **Section 2. Medical research facility**
4 **projects account -- allocation of funds -- goals and**
5 **criteria -- rulemaking.** (1) There is a medical research
6 facility projects account in the state special revenue fund
7 into which must be deposited the money appropriated in
8 [section 1].

9 (2) Notwithstanding any provision of Title 90, chapter
10 3, the Montana science and technology development board may
11 award grants of the money appropriated under [section 1] for
12 the purposes described in [section 1].

13 (3) The board may award a grant to a medical research
14 facility project if the project proposal meets the following
15 goals:

16 (a) The project is designed to establish an advanced
17 medical research facility that will be funded sufficiently
18 to become an enduring research presence in the state.

19 (b) The project concentrates on fields of medical
20 research that involve advanced technology applied to
21 national medical concerns.

22 (c) The project is designed to recruit and retain in
23 the state medical researchers of nationally recognized
24 stature.

25 (4) The board, at a minimum, shall use the following

1 criteria in awarding a medical research facility grant:

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3 costs must be matched on at least a four-to-one
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7 construction and operating plan that provides a sound basis
8 for ongoing operation of the facility.

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10 of the facility are sufficient to earn and maintain a
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13 purposes of [sections 1 and 2].

14 **Section 3.** Section 17-5-704, MCA, is amended to read:

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16 severance tax bond fund, the coal severance tax permanent
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18 invested in accordance with the investment standards for
19 coal severance tax funds except as provided in subsection
20 subsections (2) and (3). Income and earnings from all funds
21 must be transferred to and retained in the coal severance
22 tax income fund until appropriated by the legislature.

23 (2) Beginning on July 1, 1987, the legislature shall
24 appropriate 2% of the income and earnings from all funds to
25 be deposited to the coal severance tax permanent fund each

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7 permanent fund under this subsection may not be further
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9 of each house of the legislature."

10 NEW SECTION. Section 4. Effective date. [This act] is
11 effective July 1, 1989.

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STATEMENT OF INTENT

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[section 2(5)] grants rulemaking authority to the Montana
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3 NEW SECTION. Section 2. Medical research facility
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5 appropriated for the same purpose.

6 (b) The project proposal includes an effective
7 construction and operating plan that provides a sound basis
8 for ongoing operation of the facility.

9 (c) The personnel, equipment, and research operation
10 of the facility are sufficient to earn and maintain a
11 nationally recognized stature.

12 (5) The board may adopt rules to implement the
13 purposes of [sections 1 and 2].

14 **Section 3.** Section 17-5-704, MCA, is amended to read:

15 "17-5-704. Investment of funds. (1) Money in the coal
16 severance tax bond fund, the coal severance tax permanent
17 fund, and the coal severance tax income fund must be
18 invested in accordance with the investment standards for
19 coal severance tax funds except as provided in subsection
20 subsections (2) and (3). Income and earnings from all funds
21 must be transferred to and retained in the coal severance
22 tax income fund until appropriated by the legislature.

23 (2) Beginning on July 1, 1987, the legislature shall
24 appropriate 2% of the income and earnings from all funds to
25 be deposited to the coal severance tax permanent fund each

1 year.

2 (3) Beginning Except as provided in [section 1],
3 beginning on July 1, 1989, the legislature shall appropriate
4 15% of the income and earnings from all funds to be
5 deposited to the coal severance tax permanent fund each
6 year. The funds appropriated to the coal severance tax
7 permanent fund under this subsection may not be further
8 appropriated except by vote of three-fourths of the members
9 of each house of the legislature."

10 NEW SECTION. **Section 4.** Effective date. [This act] is
11 effective July 1, 1989.

-End-