

## 1 HOUSE BILL NO. 15

2 INTRODUCED BY BERGSAGEL

3 BY REQUEST OF THE OFFICE OF BUDGET AND PROGRAM PLANNING

4  
5 A BILL FOR AN ACT ENTITLED: "AN ACT AUTHORIZING THE CREATION OF STATE DEBT THROUGH THE  
6 ISSUANCE OF GENERAL OBLIGATION BONDS; APPROPRIATING THE PROCEEDS OF THE BONDS FOR  
7 CAPITAL PROJECTS FOR THE BIENNIUM ENDING JUNE 30, 1997; PROVIDING FOR MATTERS RELATING  
8 TO THE APPROPRIATIONS; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

9  
10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

11  
12 NEW SECTION. **Section 1. Definitions.** For the purposes of [sections 1 through 6], unless  
13 otherwise stated, the following definitions apply:

14 (1) "Capital project" means the acquisition of land or improvements or the planning, capital  
15 construction, renovation, furnishing, or major repair projects authorized in [sections 1 through 6].

16 (2) "CPF" means the capital projects fund.

17 (3) "Other funding sources" means money other than CPF money, including special revenue fund  
18 money, that accrues to an agency under the provisions of the law.

19  
20 NEW SECTION. **Section 2. Appropriation of bond proceeds and other funds.** The following money  
21 is appropriated from the CPF and other funding sources to the department of administration for the capital  
22 projects described in this section, contingent upon the respective authorization of general obligation  
23 long-range building program bonds by the 54th legislature and the sale of the bonds by the board of  
24 examiners:

26 <u>Agency/Project</u>	<u>CPF</u>	<u>Other Appropriated Funds</u>
27 DEPARTMENT OF ADMINISTRATION		
28 Capitol Restoration,		
29 Capitol Complex	\$17,911,000	
30 DEPARTMENT OF CORRECTIONS AND HUMAN SERVICES		

1	Montana State Prison Expansion	4,300,000
2	Regional Correctional Facilities	9,000,000
3	Montana State Hospital,	
4	Redesign/Construction	18,000,000
5	DEPARTMENT OF JUSTICE	
6	Law Enforcement Complex,	
7	Helena	7,000,000
8	MONTANA UNIVERSITY SYSTEM	
9	Central Heating Plant,	
10	Phase II, MSU - Bozeman	3,000,000
11	Chemistry Building Renovation	
12	UM - Montana Tech	4,536,000
13	Underground Utilities Expansion	
14	MSU - Bozeman	6,000,000
15	Pharmacy Addition/Renovation,	
16	UM - Missoula	2,000,000

17

18           **NEW SECTION. Section 3. Authorization of bonds.** The board of examiners is authorized to issue and sell  
19 general obligation long-range building program bonds in an amount not exceeding \$71,747,000 for the projects  
20 described in [section 2] over and above the amount of general obligation long-range building program bonds outstanding  
21 on January 1, 1995, to be issued in accordance with the terms and in the manner required by Title 17, chapter 5, part  
22 8. The authority granted to the board by this section is in addition to any other authorization to the board to issue and  
23 sell general obligation long-range building program bonds.

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25           **NEW SECTION. Section 4. Planning and design.** The department of administration may proceed with the  
26 planning and design of capital projects prior to the receipt of other funding sources. The department may use  
27 interaccount loans in accordance with 17-2-107 to pay planning and design costs incurred prior to the receipt of other  
28 funding sources.

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30           **NEW SECTION. Section 5. Capital projects -- contingent funds.** If a capital project is financed in whole or

1 in part with appropriations contingent upon the receipt of other funding sources, the department of administration may  
2 not let the projects for bid until the agency has submitted a financial plan for approval by the director of the department  
3 of administration. A financial plan may not be approved by the director if:

4 (1) the level of funding provided under the financial plan deviates substantially from the funding level provided  
5 in [section 2] for that project; or

6 (2) the scope of the project is substantially altered or revised from the preliminary plans presented for that  
7 project in the 1996-97 long-range building program presented to the 54th legislature.

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9 **NEW SECTION. Section 6. Legislative consent.** The appropriations authorized in [section 2] constitute  
10 legislative consent for the capital projects contained in [section 2] within the meaning of 18-2-102.

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12 **NEW SECTION. Section 7. Requirements for approval of state debt.** Because [section 3] authorizes the  
13 creation of a state debt, a vote of two-thirds of the members of each house is required for enactment of [section 3].  
14 If [section 3] is not approved by the required vote, [this act] is void.

15  
16 **NEW SECTION. Section 8. Severability.** If a part of [this act] is invalid, all valid parts that are severable from  
17 the invalid part remain in effect. If a part of [this act] is invalid in one or more of its applications, the part remains in  
18 effect in all valid applications that are severable from the invalid applications.

19  
20 **NEW SECTION. Section 9. Effective date.** [This act] is effective on passage and approval.

21 -END-

STATE OF MONTANA - FISCAL NOTE

Fiscal Note for HB0015, as introduced

DESCRIPTION OF PROPOSED LEGISLATION:

An act authorizing the creation of state debt through the issuance of general obligation bonds, appropriating the proceeds of the bonds for capital projects for the 1997 biennium, and providing for matters relating to the appropriations.

ASSUMPTIONS:

1. The proposed bonded state building program will result in no general fund costs.
2. Bonds will be issued beginning in January 1996, consistent with the schedule assumed in information Note 1.
3. As a result of passage and approval of HB19, 12% of coal severance tax (CST) collections will be allocated to the long-range building program account effective July 1, 1995 (Fiscal Note for HB19).
4. Therefore, CST revenue will be \$.339 million in FY96 and \$5.258 million in FY97 (ROC), and about \$5.400 million beginning in FY98, based on current estimates.
5. As recommended in the Governor's Executive Budget, not all of the CST will be required to retire the debt on the recommended bonded program. There will be a surplus of approximately \$.109 million in FY96, \$3.087 million in FY97, \$1 million in FY98, and \$1.2 million in FY99 through FY17, based on current revenue estimates. The Governor's Executive Budget recommends the surplus be made available for legislative appropriation for maintenance of state-owned buildings.
6. The capitol land grant (CLG) will be used to retire approximately \$7 million of the debt on the State Capitol renovation. The remaining CLG revenue will be available for maintenance projects on the capitol complex. (Information Note 2)
7. Bonds issued for the state hospital will be retired through savings realized in the Department of Corrections and Human Services operating budgets.

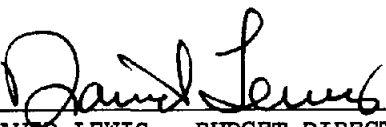
FISCAL IMPACT:

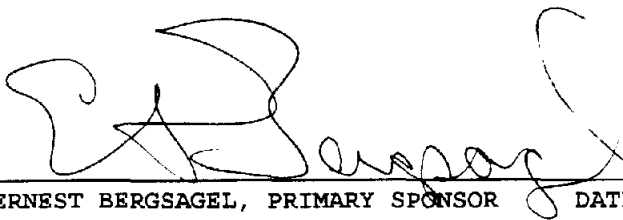
	<u>FY96</u>	<u>FY97</u>
<u>Expenditures:</u>	<u>Difference</u>	<u>Difference</u>
Debt Service	230,000	2,400,000
 <u>Funding:</u>		
Coal Severance Tax	230,000	2,171,000
Capitol Land Grant	<u>0</u>	<u>229,000</u>
Total	230,000	2,400,000

LONG-RANGE EFFECTS OF PROPOSED LEGISLATION:

A portion, but not all of either the coal severance tax revenue in the long-range building account or the capitol land grant revenue available for the capitol complex will be dedicated to retire the debt on the recommended building program. The balances remaining will be recommended for, and subject to, legislative appropriation for either cash or bonded building projects.

(Continued)

 1-12-95  
 DAVID LEWIS, BUDGET DIRECTOR DATE  
 Office of Budget and Program Planning

  
 ERNEST BERGSAGEL, PRIMARY SPONSOR DATE

(continued)

INFORMATION NOTES:

1) BONDING SCHEDULE FOR RECOMMENDED BUILDING PROGRAM

PROJECT	FY96	FY97	FY98
Swan River	560,000		
Cascade Correctional Facility	4,100,000		
Montana State Prison		3,740,000	
Correctional Facilities		2,000,000	2,900,000
State Capitol		5,000,000	12,911,000
MSU Heating Plant		3,000,000	
State Hospital		18,000,000	
Chemistry Building			4,536,000
Underground Utilities		6,000,000	
Law Enforcement Academy	500,000		6,500,000
Pharmacy		2,000,000	
<b>Totals</b>	<b>5,160,000</b>	<b>39,740,000</b>	<b>26,847,000</b>

2) DEBT SERVICE PLAN  
(In Millions)

Fiscal Year	General Fund Current Fiscal Year Total	New Debt*	Projected Fiscal Year Total	Retirement of New Debt		
				Coal Tax	Capital Land Grant	Projected New Revenues
1995	14.428	0.000	14.428	0.000		
1996	7.682	0.230	7.912	0.230		0.230
1997	3.981	2.400	6.381	2.171	0.229	2.400
1998	3.777	4.790	8.567	4.371	0.419	4.790
1999	3.664	4.790	8.454	4.155	0.635	4.790
2000	3.640	4.790	8.430	4.156	0.634	4.790
2001	3.479	4.790	8.269	4.153	0.637	4.790
2002	3.482	4.790	8.272	4.158	0.632	4.790
2003	3.476	4.790	8.266	4.158	0.632	4.790
2004	3.171	4.790	7.961	4.158	0.632	4.790
2005	3.152	4.790	7.942	4.154	0.636	4.790
2006	3.144	4.790	7.934	4.155	0.635	4.790
2007	3.149	4.790	7.939	4.154	0.636	4.790
2008	3.150	4.790	7.940	4.155	0.635	4.790
2009	3.303	4.790	8.093	4.157	0.633	4.790
2010	3.394	4.790	8.184	4.155	0.635	4.790
2011	3.411	4.790	8.201	4.155	0.635	4.790
2012	3.417	4.790	8.207	4.158	0.632	4.790
2013	3.428	4.790	8.218	4.157	0.633	4.790
2014	1.772	4.790	6.562	4.154	0.636	4.790
2015	0.135	4.790	4.925	4.158	0.632	4.790
2016	0.000	4.790	4.790	4.155	0.635	4.790
2017	0.000	4.790	4.790	4.155	0.635	4.790
<b>Totals</b>	<b>82.235</b>	<b>98.430</b>	<b>180.665</b>	<b>85.732</b>	<b>12.698</b>	<b>98.430</b>

\* Excluding State Hospital

STATE OF MONTANA - FISCAL NOTE

Fiscal Note for HB0015, second reading

DESCRIPTION OF PROPOSED LEGISLATION:

An act authorizing the creation of state debt through the issuance of general obligation bonds, appropriating the proceeds of the bonds for capital projects for the 1997 biennium, and providing for matters relating to the appropriations.

ASSUMPTIONS:

1. The proposed bonded state building program will result in no general fund costs. Bonds will be issued beginning in January 1996, consistent with the schedule assumed in Information Note 1.
2. As a result of passage and approval of HB19, 12% of coal severance tax (CST) collections will be allocated to the long-range building program account effective July 1, 1995, resulting in CST net revenue of \$.339 million in FY96 and \$5.258 million in FY97 (ROC), and about \$5.350 million beginning in FY98. (Fiscal Note for HB19)
3. The proposed bonded program includes \$30.515 million authorized in HB15 and \$9.0 million authorized in HB585 for regional correctional facilities, resulting in total, new general obligation debt of \$39,515,240.
4. Debt service will be \$216,000 in FY96 and \$2,208,000 in FY97, with \$3.5 million in FY98 through FY17. As shown below and in Information Note 2, CST from the long-range building account will be used to retire \$216,000 in FY96 and \$1.979 million in FY97. Capitol trust land revenue will be used to retire approximately \$5 million of the debt on the State Capitol renovation, beginning with \$229,000 in FY97.
5. Revenue bonds will be issued for the Montana State Hospital at Warm Springs through the Montana Health Facilities Authority and will be retired through Medicaid payments and savings realized in the Department of Corrections and Human Services operating budget.

FISCAL IMPACT:

	<u>FY96</u>	<u>FY97</u>
<u>Expenditures:</u>	<u>Difference</u>	<u>Difference</u>
Debt Service	216,000	2,208,000
<u>Funding:</u>		
Coal Severance Tax	216,000	1,979,000
Capitol Land Grant	<u>0</u>	<u>229,000</u>
Total	216,000	2,208,000

(Continued)

*David Lewis* 3-17-95  
 DAVID LEWIS, BUDGET DIRECTOR      DATE  
 Office of Budget and Program Planning

*Ernest Bergsagel*  
 ERNEST BERGSAGEL, PRIMARY SPONSOR      DATE

Fiscal Note for HB0015, second reading

HB 15-#2

INFORMATION NOTES:

1) BONDING SCHEDULE FOR BUILDING PROGRAM

PROJECT	FY96	FY97	FY98
Cascade Correctional Facility	4,300,000		
Montana State Prison	560,000	3,740,000	
Correctional Facilities		2,000,000	2,700,000
State Capitol		5,000,000	7,559,240
MSU Heating Plant		3,120,000	
Chemistry Building			4,536,000
Underground Utilities		6,000,000	
<b>Totals</b>	<b>4,860,000</b>	<b>19,860,000</b>	<b>14,795,240</b>

2) DEBT SERVICE PLAN  
(In Millions)

Fiscal Year	General Fund Current Fiscal Year Total	New Debt*	Projected Fiscal Year Total	Retirement of New Debt		
				Coal Tax	Capitol Land Grant	Projected New Revenues
1995	14.428	0.000	14.428	0.000		
1996	7.682	0.216	7.898	0.216		0.216
1997	3.981	2.208	6.189	1.979	0.229	2.208
1998	3.777	3.530	7.307	3.074	0.456	3.530
1999	3.664	3.530	7.194	3.075	0.455	3.530
2000	3.640	3.530	7.170	3.074	0.456	3.530
2001	3.479	3.530	7.009	3.074	0.456	3.530
2002	3.482	3.530	7.012	3.074	0.456	3.530
2003	3.476	3.530	7.006	3.075	0.455	3.530
2004	3.171	3.530	6.701	3.075	0.455	3.530
2005	3.152	3.530	6.682	3.075	0.455	3.530
2006	3.144	3.530	6.674	3.074	0.456	3.530
2007	3.149	3.530	6.679	3.075	0.455	3.530
2008	3.150	3.530	6.680	3.075	0.455	3.530
2009	3.303	3.530	6.833	3.074	0.456	3.530
2010	3.394	3.530	6.924	3.074	0.456	3.530
2011	3.411	3.530	6.941	3.074	0.456	3.530
2012	3.417	3.530	6.947	3.075	0.455	3.530
2013	3.428	3.530	6.958	3.076	0.454	3.530
2014	1.772	3.530	5.302	3.075	0.455	3.530
2015	0.135	3.530	3.665	3.075	0.455	3.530
2016	0.000	3.530	3.530	3.074	0.456	3.530
2017	0.000	3.530	3.530	3.074	0.456	3.530
<b>Totals</b>	<b>82.235</b>	<b>73.024</b>	<b>155.259</b>	<b>63.686</b>	<b>9.338</b>	<b>73.024</b>

\* Excluding Montana State Hospital Revenue Bonds

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24 examiners:

<u>Agency/Project</u>	<u>CPF</u>	<u>Other Appropriated Funds</u>
25 DEPARTMENT OF ADMINISTRATION		
26 Capitol Restoration,		
27 Capitol Complex	\$17,911,000	
28	\$12,559,240	
29		

30 DEPARTMENT OF CORRECTIONS AND HUMAN SERVICES



1	Montana State Prison Expansion	4,300,000
2	<del>Regional Correctional Facilities</del>	<del>9,000,000</del>
3	<del>Montana State Hospital,</del>	
4	<del>Redesign/Construction</del>	<del>18,000,000</del>
5	<del>DEPARTMENT OF JUSTICE</del>	
6	<del>Law Enforcement Complex,</del>	
7	<del>Helena</del>	<del>7,000,000</del>
8	MONTANA UNIVERSITY SYSTEM	
9	Central Heating Plant,	
10	Phase II, MSU - Bozeman	3,000,000
11		<u>3,120,000</u>
12	Chemistry Building Renovation	
13	UM - Montana Tech	4,536,000
14	Underground Utilities Expansion	
15	MSU - Bozeman	6,000,000
16	<del>Pharmacy Addition/Renovation,</del>	
17	<del>UM Missoula</del>	<del>2,000,000</del>

19        NEW SECTION. Section 3. Authorization of bonds. The board of examiners is authorized to issue  
 20 and sell general obligation long-range building program bonds in an amount not exceeding ~~\$71,747,000~~  
 21 \$30,515,240 for the projects described in [section 2] over and above the amount of general obligation  
 22 long-range building program bonds outstanding on January 1, 1995, to be issued in accordance with the  
 23 terms and in the manner required by Title 17, chapter 5, part 8. The authority granted to the board by this  
 24 section is in addition to any other authorization to the board to issue and sell general obligation long-range  
 25 building program bonds.

27        NEW SECTION. Section 4. Planning and design. The department of administration may proceed  
 28 with the planning and design of capital projects prior to the receipt of other funding sources. The  
 29 department may use interaccount loans in accordance with 17-2-107 to pay planning and design costs  
 30 incurred prior to the receipt of other funding sources.



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A BILL FOR AN ACT ENTITLED: "AN ACT AUTHORIZING THE CREATION OF STATE DEBT THROUGH THE ISSUANCE OF GENERAL OBLIGATION BONDS; APPROPRIATING THE PROCEEDS OF THE BONDS FOR CAPITAL PROJECTS FOR THE BIENNIUM ENDING JUNE 30, 1997; PROVIDING FOR MATTERS RELATING TO THE APPROPRIATIONS; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

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NEW SECTION. Section 2. Appropriation of bond proceeds and other funds. The following money is appropriated from the CPF and other funding sources to the department of administration for the capital projects described in this section, contingent upon the respective authorization of general obligation long-range building program bonds by the 54th legislature and the sale of the bonds by the board of examiners:

<u>Agency/Project</u>	<u>CPF</u>	<u>Other Appropriated Funds</u>
DEPARTMENT OF ADMINISTRATION		
Capitol Restoration,		
Capitol Complex	\$17,911,000	
	<u>\$12,559,240</u>	
DEPARTMENT OF CORRECTIONS AND HUMAN SERVICES		



1	Montana State Prison Expansion	4,300,000
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5	<b>DEPARTMENT OF JUSTICE</b>	
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12	Chemistry Building Renovation	
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15	MSU - Bozeman	6,000,000
16	<del>Pharmacy Addition/Renovation,</del>	
17	<del>UM Missoula</del>	<del>2,000,000</del>
18	<b><u>DEPARTMENT OF LABOR AND INDUSTRY</u></b>	
19	<u>JOB SERVICE OFFICE, HAVRE</u>	<u>350,000</u>

20

21 **NEW SECTION. Section 3. Authorization of bonds.** (1) The board of examiners is authorized to

22 issue and sell general obligation long-range building program bonds in an amount not exceeding

23 ~~\$71,747,000~~ \$30,515,240 for the projects described in [section 2] over and above the amount of general

24 obligation long-range building program bonds outstanding on January 1, 1995, to be issued in accordance

25 with the terms and in the manner required by Title 17, chapter 5, part 8. The authority granted to the

26 board by this section is in addition to any other authorization to the board to issue and sell general

27 obligation long-range building program bonds.

28 **(2) IT IS THE INTENT OF THE 54TH LEGISLATURE THAT DEBT SERVICE PAYMENTS FOR THE**

29 **HAVRE JOB SERVICE OFFICE BE PAID WITH FEDERAL FUNDS. IF FEDERAL FUNDS BECOME**

30 **UNAVAILABLE, HOWEVER, THE DEPARTMENT OF LABOR AND INDUSTRY IS DIRECTED TO REDUCE**

1 OPERATING OR PERSONAL SERVICES COSTS IN ORDER TO SERVICE THE DEBT. THE DEBT SERVICE  
 2 PAYMENTS FOR THE JOB SERVICE OFFICE ARE NOT TO BE PAID WITH GENERAL FUND MONEY. THE  
 3 DEPARTMENT IS ALSO ENCOURAGED TO PURSUE THE PURCHASE OF AN EXISTING BUILDING IN HAVRE  
 4 AS AN ALTERNATIVE TO NEW CONSTRUCTION.

5  
 6 NEW SECTION. Section 4. Planning and design. The department of administration may proceed  
 7 with the planning and design of capital projects prior to the receipt of other funding sources. The  
 8 department may use interaccount loans in accordance with 17-2-107 to pay planning and design costs  
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 13 of administration may not let the projects for bid until the agency has submitted a financial plan for approval  
 14 by the director of the department of administration. A financial plan may not be approved by the director  
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16 (1) the level of funding provided under the financial plan deviates substantially from the funding  
 17 level provided in [section 2] for that project; or

18 (2) the scope of the project is substantially altered or revised from the preliminary plans presented  
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1 applications, the part remains in effect in all valid applications that are severable from the invalid  
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3

4 **NEW SECTION. Section 9. Effective date.** [This act] is effective on passage and approval.

5

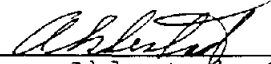
-END-

SENATE STANDING COMMITTEE REPORT

Page 1 of 1  
March 28, 1995

MR. PRESIDENT:


We, your committee on Finance and Claims having had under consideration HB 15 (third reading copy -- blue), respectfully report that HB 15 be amended as follows and as so amended be concurred in.


Signed:   
Senator Gary Aklestad, Chair

That such amendments read:

1. Page 2, lines 18 and 19.  
Strike: Lines 18 and 19 in their entirety.
2. Page 2, line 21.  
Strike: "(1)"
3. Page 2, line 28 through Page 3, line 4.  
Strike: subsection (2) in its entirety

-END-

  
Amd. Coord.  
Sec. of Senate

  
Senator Carrying Bill

HB 15  
SENATE

SENATE COMMITTEE OF THE WHOLE AMENDMENT

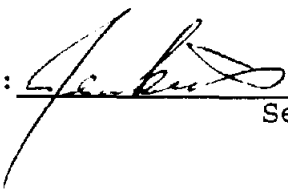
April 6, 1995 2:26 pm

Mr. Chairman: I move to amend HB 15 (third reading copy -- blue).

ADOPT

V.V.

REJECT

Signed: 

Senator Jenkins

That such amendments read:

AMEND SENATE FINANCE AND CLAIMS COMMITTEE REPORT DATED MARCH 28, 1995, AS FOLLOWS:

Strip amendments 1 through 3 in their entirety.

AND THAT HOUSE BILL NO. 15, THIRD READING COPY BE FURTHER AMENDED AS FOLLOWS:

1. Page 1, lines 12 and 15.

Strike: "6"

Insert: "7"

2. Page 2, line 23.

Strike: "\$30,515,240"

Insert: "\$30,865,240"

3. Page 3, following line 4.

Insert: "NEW SECTION. **Section 4. Agreement with department of**

**labor and industry.** For the proceeds of the bonds and notes authorized and appropriated by [sections 2 and 3] for the expansion and renovation of the job service office, Havre, the board of examiners and the department of labor and industry may enter into an agreement under which the department shall pay the state treasurer, for deposit in accordance with 17-2-101 through 17-2-107, an amount, as determined by the state treasurer, that is sufficient to pay the principal and interest due on the bonds and notes from which the appropriation was made and that is sufficient to accommodate and maintain reserves required under the bonds and notes. The agreement must further provide that income from the investment of bond proceeds, unused principal, and the reserves not required for construction and renovation costs may be credited against the department's payment obligation. The agreement must also allow for the accumulation of reserves during the first year that the bonds are outstanding. Payment by the department must be made from funds available therefor."

 Amd. Coord.

HB 15

SENATE



Renumber: subsequent sections

The purpose of this amendment is approve construction (or purchase) of a Job Service building in Havre, and to provide bonding authority to fund the project in the amount of \$350,000. Debt service is to be repaid with Federal Department of Labor funds.

-END-

SENATE COMMITTEE OF THE WHOLE AMENDMENT

April 6, 1995 1:15 pm

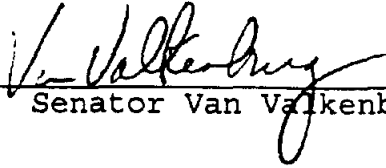
Mr. Chairman: I move to amend HB 15 (third reading copy -- blue).

ADOPT

34-16

REJECT

Signed: \_\_\_\_\_

  
Senator Van Valkenburg

That such amendments read:

1. Page 2, following line 17.

Insert: "Pharmacy/Psychology Building Addition  
UM - Missoula 2,000,000"

2. Page 2, line 23.

Strike: "\$30,515,240"  
Insert: "\$32,515,240"

3. Page 3, following line 23.

Insert: "NEW SECTION. Section 7. Coordination instruction. If [this act] and House Bill No. 5 are both passed and approved and if both contain authorization for the pharmacy/psychology building addition project at the university of Montana-Missoula, then the amount of authorization for federal and private funding for that project in House Bill No. 5 is reduced by \$2 million."

The purpose of this amendment is to authorize \$2 million in bonding authority for the university of Montana toward funding of the pharmacy/psychology building addition. This \$2 million in state bonding authority would provide leverage for the university in their ability to raise private donations for the project.

-END-



Amd. Coord.

791314CW.SPV

HOUSE BILL NO. 15

INTRODUCED BY BERGSAGEL

BY REQUEST OF THE OFFICE OF BUDGET AND PROGRAM PLANNING

A BILL FOR AN ACT ENTITLED: "AN ACT AUTHORIZING THE CREATION OF STATE DEBT THROUGH THE ISSUANCE OF GENERAL OBLIGATION BONDS; APPROPRIATING THE PROCEEDS OF THE BONDS FOR CAPITAL PROJECTS FOR THE BIENNIUM ENDING JUNE 30, 1997; PROVIDING FOR MATTERS RELATING TO THE APPROPRIATIONS; 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 [sections 1 through 6 Z], unless otherwise stated, the following definitions apply:

(1) "Capital project" means the acquisition of land or improvements or the planning, capital construction, renovation, furnishing, or major repair projects authorized in [sections 1 through 6 Z].

(2) "CPF" means the capital projects fund.

(3) "Other funding sources" means money other than CPF money, including special revenue fund money, that accrues to an agency under the provisions of the law.

**NEW SECTION. Section 2. Appropriation of bond proceeds and other funds.** The following money is appropriated from the CPF and other funding sources to the department of administration for the capital projects described in this section, contingent upon the respective authorization of general obligation long-range building program bonds by the 54th legislature and the sale of the bonds by the board of examiners:

<u>Agency/Project</u>	<u>CPF</u>	<u>Other Appropriated Funds</u>
DEPARTMENT OF ADMINISTRATION		
Capitol Restoration,		
Capitol Complex	\$17,911,000	
	\$12,559,240	
DEPARTMENT OF CORRECTIONS AND HUMAN SERVICES		

1	Montana State Prison Expansion	4,300,000
2	<del>Regional Correctional Facilities</del>	<del>9,000,000</del>
3	<del>Montana State Hospital,</del>	
4	<del>Redesign/Construction</del>	<del>18,000,000</del>
5	<del>DEPARTMENT OF JUSTICE</del>	
6	<del>Law Enforcement Complex,</del>	
7	<del>Helena</del>	<del>7,000,000</del>
8	MONTANA UNIVERSITY SYSTEM	
9	Central Heating Plant,	
10	Phase II, MSU - Bozeman	3,000,000
11		<u>3,120,000</u>
12	Chemistry Building Renovation	
13	UM - Montana Tech	4,536,000
14	Underground Utilities Expansion	
15	MSU - Bozeman	6,000,000
16	<del>Pharmacy Addition/Renovation,</del>	
17	<del>UM - Missoula</del>	<del>2,000,000</del>
18	<u>PHARMACY/PSYCHOLOGY BUILDING ADDITION</u>	
19	<u>UM - MISSOULA</u>	<u>2,000,000</u>
20	<u>DEPARTMENT OF LABOR AND INDUSTRY</u>	
21	<u>JOB SERVICE OFFICE, HAVRE</u>	<u>350,000</u>

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NEW SECTION. Section 3. Authorization of bonds. (1) The board of examiners is authorized to issue and sell general obligation long-range building program bonds in an amount not exceeding ~~\$71,747,000~~ ~~\$30,515,240~~ \$32,865,240 for the projects described in [section 2] over and above the amount of general obligation long-range building program bonds outstanding on January 1, 1995, to be issued in accordance with the terms and in the manner required by Title 17, chapter 5, part 8. The authority granted to the board by this section is in addition to any other authorization to the board to issue and sell general obligation long-range building program bonds.

(2) IT IS THE INTENT OF THE 54TH LEGISLATURE THAT DEBT SERVICE PAYMENTS FOR THE

1 HAVRE JOB SERVICE OFFICE BE PAID WITH FEDERAL FUNDS. IF FEDERAL FUNDS BECOME  
2 UNAVAILABLE, HOWEVER, THE DEPARTMENT OF LABOR AND INDUSTRY IS DIRECTED TO REDUCE  
3 OPERATING OR PERSONAL SERVICES COSTS IN ORDER TO SERVICE THE DEBT. THE DEBT SERVICE  
4 PAYMENTS FOR THE JOB SERVICE OFFICE ARE NOT TO BE PAID WITH GENERAL FUND MONEY. THE  
5 DEPARTMENT IS ALSO ENCOURAGED TO PURSUE THE PURCHASE OF AN EXISTING BUILDING IN HAVRE  
6 AS AN ALTERNATIVE TO NEW CONSTRUCTION.

7  
8 NEW SECTION. SECTION 4. AGREEMENT WITH DEPARTMENT OF LABOR AND INDUSTRY. FOR  
9 THE PROCEEDS OF THE BONDS AND NOTES AUTHORIZED AND APPROPRIATED BY [SECTIONS 2 AND  
10 3] FOR THE EXPANSION AND RENOVATION OF THE JOB SERVICE OFFICE, HAVRE, THE BOARD OF  
11 EXAMINERS AND THE DEPARTMENT OF LABOR AND INDUSTRY MAY ENTER INTO AN AGREEMENT  
12 UNDER WHICH THE DEPARTMENT SHALL PAY THE STATE TREASURER, FOR DEPOSIT IN ACCORDANCE  
13 WITH 17-2-101 THROUGH 17-2-107, AN AMOUNT, AS DETERMINED BY THE STATE TREASURER, THAT  
14 IS SUFFICIENT TO PAY THE PRINCIPAL AND INTEREST DUE ON THE BONDS AND NOTES FROM WHICH  
15 THE APPROPRIATION WAS MADE AND THAT IS SUFFICIENT TO ACCOMMODATE AND MAINTAIN  
16 RESERVES REQUIRED UNDER THE BONDS AND NOTES. THE AGREEMENT MUST FURTHER PROVIDE  
17 THAT INCOME FROM THE INVESTMENT OF BOND PROCEEDS, UNUSED PRINCIPAL, AND THE RESERVES  
18 NOT REQUIRED FOR CONSTRUCTION AND RENOVATION COSTS MAY BE CREDITED AGAINST THE  
19 DEPARTMENT'S PAYMENT OBLIGATION. THE AGREEMENT MUST ALSO ALLOW FOR THE  
20 ACCUMULATION OF RESERVES DURING THE FIRST YEAR THAT THE BONDS ARE OUTSTANDING.  
21 PAYMENT BY THE DEPARTMENT MUST BE MADE FROM FUNDS AVAILABLE THEREFOR.

22  
23 NEW SECTION. Section 5. Planning and design. The department of administration may proceed  
24 with the planning and design of capital projects prior to the receipt of other funding sources. The  
25 department may use interaccount loans in accordance with 17-2-107 to pay planning and design costs  
26 incurred prior to the receipt of other funding sources.

27  
28 NEW SECTION. Section 6. Capital projects -- contingent funds. If a capital project is financed in  
29 whole or in part with appropriations contingent upon the receipt of other funding sources, the department  
30 of administration may not let the projects for bid until the agency has submitted a financial plan for approval

1 by the director of the department of administration. A financial plan may not be approved by the director  
2 if:

3 (1) the level of funding provided under the financial plan deviates substantially from the funding  
4 level provided in [section 2] for that project; or

5 (2) the scope of the project is substantially altered or revised from the preliminary plans presented  
6 for that project in the 1996-97 long-range building program presented to the 54th legislature.

7  
8 NEW SECTION. Section 7. Legislative consent. The appropriations authorized in [section 2]  
9 constitute legislative consent for the capital projects contained in [section 2] within the meaning of  
10 18-2-102.

11  
12 NEW SECTION. SECTION 8. COORDINATION INSTRUCTION. IF [THIS ACT] AND HOUSE BILL  
13 NO. 5 ARE BOTH PASSED AND APPROVED AND IF BOTH CONTAIN AUTHORIZATION FOR THE  
14 PHARMACY/PSYCHOLOGY BUILDING ADDITION PROJECT AT THE UNIVERSITY OF  
15 MONTANA-MISSOULA, THEN THE AMOUNT OF AUTHORIZATION FOR FEDERAL AND PRIVATE FUNDING  
16 FOR THAT PROJECT IN HOUSE BILL NO. 5 IS REDUCED BY \$2 MILLION.

17  
18 NEW SECTION. Section 9. Requirements for approval of state debt. Because [section 3]  
19 authorizes the creation of a state debt, a vote of two-thirds of the members of each house is required for  
20 enactment of [section 3]. If [section 3] is not approved by the required vote, [this act] is void.

21  
22 NEW SECTION. Section 10. Severability. If a part of [this act] is invalid, all valid parts that are  
23 severable from the invalid part remain in effect. If a part of [this act] is invalid in one or more of its  
24 applications, the part remains in effect in all valid applications that are severable from the invalid  
25 applications.

26  
27 NEW SECTION. Section 11. Effective date. [This act] is effective on passage and approval.

28 -END-

## 1 HOUSE BILL NO. 15

2 INTRODUCED BY BERGSAGEL

3 BY REQUEST OF THE OFFICE OF BUDGET AND PROGRAM PLANNING

4  
5 A BILL FOR AN ACT ENTITLED: "AN ACT AUTHORIZING THE CREATION OF STATE DEBT THROUGH THE  
6 ISSUANCE OF GENERAL OBLIGATION BONDS; APPROPRIATING THE PROCEEDS OF THE BONDS FOR  
7 CAPITAL PROJECTS FOR THE BIENNIUM ENDING JUNE 30, 1997; PROVIDING FOR MATTERS RELATING  
8 TO THE APPROPRIATIONS; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

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

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23 long-range building program bonds by the 54th legislature and the sale of the bonds by the board of  
24 examiners:

25 <u>Agency/Project</u>	<u>CPF</u>	<u>Other Appropriated Funds</u>
26 DEPARTMENT OF ADMINISTRATION		
27 Capitol Restoration,		
28 Capitol Complex	\$17,911,000	
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20	<u>DEPARTMENT OF LABOR AND INDUSTRY</u>	
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24 applications, the part remains in effect in all valid applications that are severable from the invalid  
25 applications.

26  
27 **NEW SECTION. Section 11. Effective date.** [This act] is effective on passage and approval.

28 -END-



**FREE CONFERENCE COMMITTEE**

on House Bill 15  
Report No. 1, April 12, 1995

Mr. Speaker and Mr. President:

We, your Free Conference Committee met and considered **House Bill 15** and recommend as follows:

- 1. We recommend that the Free Conference Committee Report to House Bill 15 be adopted.

And this FREE Conference Committee report be adopted.

For the House:

Bergsager

Chair

McCann

Kasten

For the Senate:

Harding

Chair

Christiaens

Beck

ADOPT

REJECT

HB 15  
FCCR#1