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INTRODUCED BY *Bergquist* *House* BILL NO. *594*
 BY REQUEST OF THE JOINT SUBCOMMITTEE ON LONG-RANGE BUILDING

A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING FOR THE FINANCING OF INSTITUTIONAL FACILITIES; AUTHORIZING THE DEPARTMENT OF CORRECTIONS AND HUMAN SERVICES TO ENTER INTO A LOAN AGREEMENT WITH THE MONTANA HEALTH FACILITY AUTHORITY FOR THE PURPOSE OF FINANCING THE COSTS OF ACQUIRING, CONSTRUCTING, AND EQUIPPING FACILITIES FOR THE MENTALLY ILL AT THE MONTANA STATE HOSPITAL IN WARM SPRINGS, INCLUDING THE ESTABLISHMENT OF RESERVES AND THE PAYMENT OF THE COSTS OF THE FINANCING; AUTHORIZING THE CREATION OF A SPECIAL LIMITED OBLIGATION OF THE DEPARTMENT; PROVIDING A STATUTORY APPROPRIATION; AUTHORIZING THE PAYMENT OF THE SPECIAL LIMITED OBLIGATION FROM FACILITY REVENUE; EXPANDING THE ADULT CORRECTIONS SERVICES TO INCLUDE THE FORENSIC UNIT AT WARM SPRINGS; AUTHORIZING THE USE OF INMATE LABOR FOR CERTAIN PROJECTS; AMENDING SECTIONS 17-7-502, 53-1-202, 53-1-413, AND 90-7-317, MCA; AND PROVIDING EFFECTIVE DATES."

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

NEW SECTION. Section 1. Montana state hospital loan. (1) The department of corrections and human services may enter into a loan agreement with the authority for the purpose of financing the costs of acquiring, constructing, and equipping facilities for the mentally ill at the Montana state hospital in Warm Springs, including the establishment of reserves and the payment of costs of the financing. The maximum principal amount of the loan may not exceed \$21 million for construction and related costs, plus the necessary amounts for capitalized interest, debt service reserves, and financing costs. The loan must be payable over a term not to exceed 25 years and must bear interest and contain other terms and provisions with respect to prepayment or otherwise that are not inconsistent with this section and that the department approves. Investment earnings on the authority's bonds or on funds held for the bonds must be used to pay the principal and interest on the loan as provided in the loan agreement.

(2) The loan may be secured by a mortgage on the Montana state hospital facility, including the land on which it is located. The loan constitutes a special limited obligation of the department, and the

1 principal and interest payments required by that agreement are payable from the facility revenue obtained
2 by the department from the ownership and operation of and the provision of services at the Montana state
3 hospital and the Montana center for the aged, including payments or reimbursements from private users,
4 insurers, and the state or federal government. All facility revenue obtained from services provided by the
5 Montana state hospital and the Montana center for the aged must be deposited in a special revenue fund
6 and must be applied to the payment of the principal and interest payments due under the loan agreement.
7 Principal and interest payments constitute a statutory appropriation within the meaning of 17-7-502.
8 Whenever the foregoing facility revenue exceeds the amount and terms specified and required to repay the
9 loan and maintain required reserves, the excess must be deposited in the general fund. As long as the loan
10 remains outstanding and the state provides services for the mentally ill, the department shall use the
11 Montana state hospital and the Montana center for the aged for those purposes or for other purposes as
12 permitted by the loan agreement and state law, except when foreclosure occurs under the agreement or
13 the mortgage. Notwithstanding the provisions of 77-2-302(1) and upon foreclosure of a mortgage given
14 to secure the loan agreement, there must be paid to the board of land commissioners as a first and prior
15 claim against the mortgaged land an amount equal to the full market value of the land as determined by the
16 board prior to the execution of the mortgage and after appraisal by a qualified land appraiser. The loan
17 agreement may contain other provisions or agreements that the department determines are necessary and
18 that are not inconsistent with the provisions of Title 90, chapter 7.

19 (3) The obligations of the department under the agreement are special limited obligations payable
20 solely from the facility revenue of the Montana state hospital and the Montana center for the aged and do
21 not constitute a debt of the state or obligate the state to appropriate or apply any funds or revenue of the
22 state, except the facility revenue as provided in this section.

23
24 **Section 2.** Section 17-7-502, MCA, is amended to read:

25 **"17-7-502. Statutory appropriations -- definition -- requisites for validity.** (1) A statutory
26 appropriation is an appropriation made by permanent law that authorizes spending by a state agency
27 without the need for a biennial legislative appropriation or budget amendment.

28 (2) Except as provided in subsection (4), to be effective, a statutory appropriation must comply
29 with both of the following provisions:

30 (a) The law containing the statutory authority must be listed in subsection (3).

1 (b) The law or portion of the law making a statutory appropriation must specifically state that a
2 statutory appropriation is made as provided in this section.

3 (3) The following laws are the only laws containing statutory appropriations: 2-9-202; 2-17-105;
4 2-18-812; 3-5-901; 5-13-403; 10-3-203; 10-3-312; 10-3-314; 10-4-301; 15-1-111; 15-23-706;
5 15-25-123; 15-31-702; 15-36-112; 15-37-117; 15-38-202; 15-65-121; 15-70-101; 16-1-404; 16-1-410;
6 16-1-411; 17-3-106; 17-3-212; 17-5-404; 17-5-424; 17-5-704; 17-5-804; 17-6-101; 17-6-201; 17-6-409;
7 17-7-304; 18-11-112; 19-2-502; 19-6-709; 19-9-1007; 19-15-101; 19-17-301; 19-18-512; 19-18-513;
8 19-18-606; 19-19-205; 19-19-305; 19-19-506; 20-4-109; 20-8-111; 20-9-361; 20-26-1403; 20-26-1503;
9 23-2-823; 23-5-136; 23-5-306; 23-5-409; 23-5-610; 23-5-612; 23-5-631; 23-7-301; 23-7-402;
10 27-12-206; 32-1-537; 37-43-204; 37-51-501; 39-71-503; 39-71-907; 39-71-2321; 39-71-2504;
11 44-12-206; 44-13-102; 50-5-232; 50-40-206; 53-6-150; 53-24-206; 60-2-220; 61-2-107; 67-3-205;
12 75-1-1101; 75-5-507; 75-5-1108; 75-11-313; 76-12-123; 77-1-808; 80-2-103; 80-2-222; 80-4-416;
13 80-11-310; 81-5-111; 82-11-136; 82-11-161; 85-1-220; 85-20-402; 90-3-301; 90-4-215; 90-6-331;
14 90-7-220; section 1; 90-9-306; and 90-14-107.

15 (4) There is a statutory appropriation to pay the principal, interest, premiums, and costs of issuing,
16 paying, and securing all bonds, notes, or other obligations, as due, that have been authorized and issued
17 pursuant to the laws of Montana. Agencies that have entered into agreements authorized by the laws of
18 Montana to pay the state treasurer, for deposit in accordance with 17-2-101 through 17-2-107, as
19 determined by the state treasurer, an amount sufficient to pay the principal and interest as due on the
20 bonds or notes have statutory appropriation authority for the payments. (In subsection (3): pursuant to
21 sec. 7, Ch. 567, L. 1991, the inclusion of 19-6-709 terminates upon death of last recipient eligible for
22 supplemental benefit; and pursuant to sec. 15, Ch. 534, L. 1993, the inclusion of 90-14-107 terminates
23 July 1, 1995.)"

24

25 **Section 3.** Section 53-1-202, MCA, is amended to read:

26 **"53-1-202. Department of corrections and human services.** (1) The following components are
27 included in the department of corrections and human services to carry out the purposes of the department:

28 (a) adult corrections services consisting of the following institutional components to incarcerate
29 and rehabilitate felons pursuant to Title 46, chapter 18:

30 (i) the Montana state prison;

1 (ii) the Montana women's correctional center; ~~and~~
 2 (iii) the forensic unit at Warm Springs; and
 3 ~~(iii)~~(iv) appropriate community-based programs for the placement, supervision, and rehabilitation of
 4 adult felons who meet the criteria developed by the department for placement:
 5 (A) in prerelease centers;
 6 (B) under intensive supervision;
 7 (C) under parole or probation pursuant to Title 46, chapter 23, part 2; or
 8 (D) in other appropriate programs;
 9 (b) mental health services consisting of the following institutional components for care and
 10 treatment of the mentally ill pursuant to Title 53, chapter 21:
 11 (i) the Montana state hospital;
 12 (ii) the Montana center for the aged; and
 13 (iii) a community services component consisting of appropriate services for the care and treatment
 14 of the mentally ill pursuant to Title 53, chapter 21, part 2;
 15 (c) chemical dependency services consisting of appropriate detoxification, inpatient, intensive
 16 outpatient, outpatient, prevention, education, and other necessary chemical dependency services pursuant
 17 to Title 53, chapter 24;
 18 (d) institutional and residential components of the developmental disabilities system for those
 19 developmentally disabled persons who require that care according to Title 53, chapter 20, consisting of:
 20 (i) the Montana developmental center; and
 21 (ii) the Eastmont human services center; and
 22 (e) veterans' nursing homes for the nursing home and domiciliary care of honorably discharged
 23 veterans as provided by law, consisting of:
 24 (i) the Montana veterans' home; and
 25 (ii) the eastern Montana veterans' home at Glendive.
 26 (2) A state institution may not be moved, discontinued, or abandoned without prior consent of the
 27 legislature."

28
 29 **Section 4.** Section 53-1-413, MCA, is amended to read:

30 **"53-1-413. Deposit of payments.** (1) Except as provided in 90-7-220, [section 1], and subsection

1 (2) of this section, the department shall deposit payments of per diem and ancillary charges in the state
2 treasury to the credit of the general fund.

3 (2) Payments from the Montana veterans' home ~~shall~~ must be deposited in the federal special
4 revenue fund for the benefit of the home, and payments from the Montana state hospital alcohol program
5 ~~shall~~ must be deposited to an alcohol state special revenue account."

6

7 **Section 5.** Section 90-7-317, MCA, is amended to read:

8 **"90-7-317. Capital reserve account.** (1) There is a capital reserve account in the enterprise fund
9 provided for in 90-7-202(17).

10 (2) The authority shall deposit into the capital reserve account:

11 (a) funds from state appropriations received for deposit into the account, as provided in 90-7-319,
12 for bonds issued to finance capital projects for community health facilities that contract with the state to
13 provide health care services or bonds issued to finance the ~~facility~~ facilities described in 90-7-220 and
14 [section 1];

15 (b) proceeds from the sale of bonds or notes to the extent provided in the resolutions or indentures
16 of the authority authorizing their issuance;

17 (c) ~~revenues~~ revenue from fees and charges imposed by the authority;

18 (d) income from the investment of funds belonging to the authority; and

19 (e) any other funds that may be available to the authority for the purpose of the account from any
20 other source, including loans authorized under 90-7-320."

21

22 NEW SECTION. **Section 6. Legislative consent.** The appropriation authorized in [section 1]
23 constitutes legislative consent for the capital project contained in [section 1] within the meaning of
24 18-2-102.

25

26 NEW SECTION. **Section 7. Authorization of inmate labor for construction, maintenance, and**
27 **demolition -- exemptions.** (1) The director of the department of corrections and human services may
28 authorize the use of inmate labor for purposes of constructing the forensic unit at Warm Springs,
29 maintaining the grounds at Warm Springs, and demolishing abandoned and existing buildings at the
30 Montana state hospital at Warm Springs.

1 (2) The department of administration may exempt the projects authorized in subsection (1) from
2 the provisions of any applicable Montana law relating to public bidding, bonding, workers' compensation
3 coverage, or labor and wage requirements.

4

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

9

10 NEW SECTION. Section 9. Codification instruction. [Section 1] is intended to be codified as an
11 integral part of Title 90, chapter 7, part 2, and the provisions of Title 90, chapter 7, part 2, apply to
12 [section 1].

13

14 NEW SECTION. Section 10. Effective dates. (1) [Sections 1, 2, 4 through 9, and this section]
15 are effective on passage and approval.

16 (2) [Section 3] is effective 20 days after the governor, by executive order, declares that the
17 construction of a new forensic unit at the Montana state hospital complex in Warm Springs, Montana, is
18 complete.

19

-END-

STATE OF MONTANA - FISCAL NOTE

Fiscal Note for HB0594, as introduced (with proposed amendments # HB059401,ADN)

DESCRIPTION OF PROPOSED LEGISLATION:

A bill providing for the financing of institutional facilities.

ASSUMPTIONS:

1. The fiscal note request is for HB504 as introduced with proposed amendments.
2. The Mental Health Planning Advisory Council would hold one, one-day meeting, and six, two-day meetings. There would be one two-day meeting in each of the five mental health regions, a one-day pre-planning meeting in Helena, and a final two-day meeting in Helena to finalize the recommendations of the Mental Health Planning Advisory Council.
3. One half-time support staff would be contracted to support the council. This contracted position would be for the period July 1, through December 31, at a cost of \$5,137. (520 hours at \$9.877 per hour)
4. Department of Corrections and Human Services (DCHS) estimates it would take six months for the Mental Health Planning Advisory Council to conduct its hearings and make its final recommendations concerning the facility to be financed.
5. There would be a minimum six-month delay in the availability of a new facility for the mentally ill and the forensic unit at Montana State Hospital in Warm Springs for adult corrections.

FISCAL IMPACT:

Expenditures:

	<u>FY96</u>	<u>FY97</u>
DCHS:	<u>Difference</u>	<u>Difference</u>
Operating Expenses	33,300	0

Funding:

General Fund (01)	30,000	0
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LONG-RANGE EFFECTS OF PROPOSED LEGISLATION:

The amendments to this bill will delay the availability of the 196 bed adult corrections Forensic Unit at Warm Springs for a minimum six months. An equivalent number of beds for corrections inmates will be needed from some other facility during this delay.

Dave Lewis 4-3-95

 DAVE LEWIS, BUDGET DIRECTOR DATE
 Office of Budget and Program Planning

 ERNEST BERGSAGEL, PRIMARY SPONSOR DATE
 Fiscal Note for HB0594, as introduced
with amendments

HB 594

1 HOUSE BILL NO. 594

2 INTRODUCED BY BERGSAGEL

3 BY REQUEST OF THE JOINT SUBCOMMITTEE ON LONG-RANGE BUILDING
4

5 A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING FOR THE FINANCING OF INSTITUTIONAL
6 FACILITIES; AUTHORIZING THE DEPARTMENT OF CORRECTIONS AND HUMAN SERVICES TO ENTER
7 INTO A LOAN AGREEMENT WITH THE MONTANA HEALTH FACILITY AUTHORITY FOR THE PURPOSE OF
8 FINANCING THE COSTS OF ACQUIRING, CONSTRUCTING, AND EQUIPPING FACILITIES FOR THE
9 MENTALLY ILL AT THE MONTANA STATE HOSPITAL IN WARM SPRINGS, INCLUDING THE
10 ESTABLISHMENT OF RESERVES AND THE PAYMENT OF THE COSTS OF THE FINANCING; AUTHORIZING
11 THE CREATION OF A SPECIAL LIMITED OBLIGATION OF THE DEPARTMENT; PROVIDING A STATUTORY
12 APPROPRIATION AND AN APPROPRIATION OF LOAN PROCEEDS; AUTHORIZING THE PAYMENT OF THE
13 SPECIAL LIMITED OBLIGATION FROM FACILITY REVENUE; EXPANDING THE ADULT CORRECTIONS
14 SERVICES TO INCLUDE THE FORENSIC UNIT AT WARM SPRINGS; AUTHORIZING THE USE OF INMATE
15 LABOR FOR CERTAIN PROJECTS; AMENDING SECTIONS 17-7-502, 53-1-202, 53-1-413, AND 90-7-317,
16 MCA; AND PROVIDING EFFECTIVE DATES."

17
18 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
19

20 NEW SECTION. **Section 1. Montana state hospital loan.** (1) The department of corrections and
21 human services may enter into a loan agreement with the authority for the purpose of financing the costs
22 of acquiring, constructing, and equipping facilities for the mentally ill at the Montana state hospital in Warm
23 Springs, including the establishment of reserves and the payment of costs of the financing. The maximum
24 principal amount of the loan may not exceed \$21 million for construction and related costs, plus the
25 necessary amounts for capitalized interest, debt service reserves, and financing costs. The loan must be
26 payable over a term not to exceed 25 years and must bear interest and contain other terms and provisions
27 with respect to prepayment or otherwise that are not inconsistent with this section and that the department
28 approves. Investment earnings on the authority's bonds or on funds held for the bonds must be used to
29 pay the principal and interest on the loan as provided in the loan agreement.

30 (2) The loan may be secured by a mortgage on the Montana state hospital facility, including the

1 land on which it is located. The loan constitutes a special limited obligation of the department, and the
2 principal and interest payments required by that agreement are payable from the facility revenue obtained
3 by the department from the ownership and operation of and the provision of services at the Montana state
4 hospital and the Montana center for the aged, including payments or reimbursements from private users,
5 insurers, and the state or federal government. All facility revenue obtained from services provided by the
6 Montana state hospital and the Montana center for the aged must be deposited in a special revenue fund
7 and must be applied to the payment of the principal and interest payments due under the loan agreement.
8 Principal and interest payments constitute a statutory appropriation within the meaning of 17-7-502.
9 Whenever the foregoing facility revenue exceeds the amount and terms specified and required to repay the
10 loan and maintain required reserves, the excess must be deposited ~~in the general fund~~ AS PROVIDED IN
11 53-1-413. As long as the loan remains outstanding and the state provides services for the mentally ill, the
12 department shall use the Montana state hospital and the Montana center for the aged for those purposes
13 or for other purposes as permitted by the loan agreement and state law, except when foreclosure occurs
14 under the agreement or the mortgage. Notwithstanding the provisions of 77-2-302(1) and upon foreclosure
15 of a mortgage given to secure the loan agreement, there must be paid to the board of land commissioners
16 as a first and prior claim against the mortgaged land an amount equal to the full market value of the land
17 as determined by the board prior to the execution of the mortgage and after appraisal by a qualified land
18 appraiser. The loan agreement may contain other provisions or agreements that the department determines
19 are necessary and that are not inconsistent with the provisions of Title 90, chapter 7.

20 (3) The obligations of the department under the agreement are special limited obligations payable
21 solely from the facility revenue of the Montana state hospital and the Montana center for the aged and do
22 not constitute a debt of the state or obligate the state to appropriate or apply any funds or revenue of the
23 state, except the facility revenue as provided in this section.

24

25 **Section 2.** Section 17-7-502, MCA, is amended to read:

26 **"17-7-502. Statutory appropriations -- definition -- requisites for validity.** (1) A statutory
27 appropriation is an appropriation made by permanent law that authorizes spending by a state agency
28 without the need for a biennial legislative appropriation or budget amendment.

29 (2) Except as provided in subsection (4), to be effective, a statutory appropriation must comply
30 with both of the following provisions:

1 (a) The law containing the statutory authority must be listed in subsection (3).

2 (b) The law or portion of the law making a statutory appropriation must specifically state that a
3 statutory appropriation is made as provided in this section.

4 (3) The following laws are the only laws containing statutory appropriations: 2-9-202; 2-17-105;
5 2-18-812; 3-5-901; 5-13-403; 10-3-203; 10-3-312; 10-3-314; 10-4-301; 15-1-111; 15-23-706;
6 15-25-123; 15-31-702; 15-36-112; 15-37-117; 15-38-202; 15-65-121; 15-70-101; 16-1-404; 16-1-410;
7 16-1-411; 17-3-106; 17-3-212; 17-5-404; 17-5-424; 17-5-704; 17-5-804; 17-6-101; 17-6-201; 17-6-409;
8 17-7-304; 18-11-112; 19-2-502; 19-6-709; 19-9-1007; 19-15-101; 19-17-301; 19-18-512; 19-18-513;
9 19-18-606; 19-19-205; 19-19-305; 19-19-506; 20-4-109; 20-8-111; 20-9-361; 20-26-1403; 20-26-1503;
10 23-2-823; 23-5-136; 23-5-306; 23-5-409; 23-5-610; 23-5-612; 23-5-631; 23-7-301; 23-7-402;
11 27-12-206; 32-1-537; 37-43-204; 37-51-501; 39-71-503; 39-71-907; 39-71-2321; 39-71-2504;
12 44-12-206; 44-13-102; 50-5-232; 50-40-206; 53-6-150; 53-24-206; 60-2-220; 61-2-107; 67-3-205;
13 75-1-1101; 75-5-507; 75-5-1108; 75-11-313; 76-12-123; 77-1-808; 80-2-103; 80-2-222; 80-4-416;
14 80-11-310; 81-5-111; 82-11-136; 82-11-161; 85-1-220; 85-20-402; 90-3-301; 90-4-215; 90-6-331;
15 90-7-220; section 1; 90-9-306; and 90-14-107.

16 (4) There is a statutory appropriation to pay the principal, interest, premiums, and costs of issuing,
17 paying, and securing all bonds, notes, or other obligations, as due, that have been authorized and issued
18 pursuant to the laws of Montana. Agencies that have entered into agreements authorized by the laws of
19 Montana to pay the state treasurer, for deposit in accordance with 17-2-101 through 17-2-107, as
20 determined by the state treasurer, an amount sufficient to pay the principal and interest as due on the
21 bonds or notes have statutory appropriation authority for the payments. (In subsection (3): pursuant to
22 sec. 7, Ch. 567, L. 1991, the inclusion of 19-6-709 terminates upon death of last recipient eligible for
23 supplemental benefit; and pursuant to sec. 15, Ch. 534, L. 1993, the inclusion of 90-14-107 terminates
24 July 1, 1995.)"

25

26 **Section 3.** Section 53-1-202, MCA, is amended to read:

27 **"53-1-202. Department of corrections and human services.** (1) The following components are
28 included in the department of corrections and human services to carry out the purposes of the department:

29 (a) adult corrections services consisting of the following institutional components to incarcerate
30 and rehabilitate felons pursuant to Title 46, chapter 18:

- 1 (i) the Montana state prison;
- 2 (ii) the Montana women's correctional center; ~~and~~
- 3 (iii) the forensic unit at Warm Springs; and
- 4 ~~(iii)~~(iv) appropriate community-based programs for the placement, supervision, and rehabilitation of
- 5 adult felons who meet the criteria developed by the department for placement:
- 6 (A) in prerelease centers;
- 7 (B) under intensive supervision;
- 8 (C) under parole or probation pursuant to Title 46, chapter 23, part 2; or
- 9 (D) in other appropriate programs;
- 10 (b) mental health services consisting of the following institutional components for care and
- 11 treatment of the mentally ill pursuant to Title 53, chapter 21:
- 12 (i) the Montana state hospital;
- 13 (ii) the Montana center for the aged; and
- 14 (iii) a community services component consisting of appropriate services for the care and treatment
- 15 of the mentally ill pursuant to Title 53, chapter 21, part 2;
- 16 (c) chemical dependency services consisting of appropriate detoxification, inpatient, intensive
- 17 outpatient, outpatient, prevention, education, and other necessary chemical dependency services pursuant
- 18 to Title 53, chapter 24;
- 19 (d) institutional and residential components of the developmental disabilities system for those
- 20 developmentally disabled persons who require that care according to Title 53, chapter 20, consisting of:
- 21 (i) the Montana developmental center; and
- 22 (ii) the Eastmont human services center; and
- 23 (e) veterans' nursing homes for the nursing home and domiciliary care of honorably discharged
- 24 veterans as provided by law, consisting of:
- 25 (i) the Montana veterans' home; and
- 26 (ii) the eastern Montana veterans' home at Glendive.
- 27 (2) A state institution may not be moved, discontinued, or abandoned without prior consent of the
- 28 legislature."
- 29
- 30

Section 4. Section 53-1-413, MCA, is amended to read:

1 **"53-1-413. Deposit of payments.** (1) Except as provided in 90-7-220, [section 1], and subsection
 2 (2) of this section, the department shall deposit payments of per diem and ancillary charges in the state
 3 treasury to the credit of the general fund.

4 (2) Payments from the Montana veterans' home ~~shall~~ must be deposited in the federal special
 5 revenue fund for the benefit of the home, and payments from the Montana state hospital alcohol program
 6 ~~shall~~ must be deposited to an alcohol state special revenue account."

7

8 **Section 5.** Section 90-7-317, MCA, is amended to read:

9 **"90-7-317. Capital reserve account.** (1) There is a capital reserve account in the enterprise fund
 10 provided for in 90-7-202(17).

11 (2) The authority shall deposit into the capital reserve account:

12 (a) funds from state appropriations received for deposit into the account, as provided in 90-7-319,
 13 for bonds issued to finance capital projects for community health facilities that contract with the state to
 14 provide health care services or bonds issued to finance the ~~facility~~ facilities described in 90-7-220 and
 15 [section 1];

16 (b) proceeds from the sale of bonds or notes to the extent provided in the resolutions or indentures
 17 of the authority authorizing their issuance;

18 (c) ~~revenues~~ revenue from fees and charges imposed by the authority;

19 (d) income from the investment of funds belonging to the authority; and

20 (e) any other funds that may be available to the authority for the purpose of the account from any
 21 other source, including loans authorized under 90-7-320."

22

23 **NEW SECTION. Section 6. Legislative consent.** The appropriation authorized in [section 1]
 24 constitutes legislative consent for the capital project contained in [section 1] within the meaning of
 25 18-2-102.

26

27 **NEW SECTION. Section 7. Authorization of inmate labor for ~~construction, maintenance, and~~**
 28 **~~demolition~~ -- exemptions.** (1) The director of the department of corrections and human services may
 29 authorize the use of inmate labor for purposes of ~~constructing the forensic unit at Warm Springs,~~
 30 ~~maintaining the grounds at Warm Springs, and~~ demolishing abandoned and existing buildings at the

1 Montana state hospital at Warm Springs.

2 (2) The department of administration may exempt the DEMOLITION projects authorized in
3 subsection (1) from the provisions of any applicable Montana law relating to public bidding, bonding,
4 workers' compensation coverage, or labor and wage requirements.

5

6 NEW SECTION. SECTION 8. APPROPRIATION OF LOAN PROCEEDS. THE PROCEEDS OF THE
7 LOAN AUTHORIZED IN [SECTION 1] ARE APPROPRIATED TO THE DEPARTMENT OF ADMINISTRATION
8 TO BE USED FOR THE CONSTRUCTION OF THE MONTANA STATE HOSPITAL IN WARM SPRINGS.

9

10 NEW SECTION. Section 9. Severability. If a part of [this act] is invalid, all valid parts that are
11 severable from the invalid part remain in effect. If a part of [this act] is invalid in one or more of its
12 applications, the part remains in effect in all valid applications that are severable from the invalid
13 applications.

14

15 NEW SECTION. Section 10. Codification instruction. [Section 1] is intended to be codified as an
16 integral part of Title 90, chapter 7, part 2, and the provisions of Title 90, chapter 7, part 2, apply to
17 [section 1].

18

19 NEW SECTION. Section 11. Effective dates. (1) [Sections 1, 2, 4 through ~~9~~ 10, and this section]
20 are effective on passage and approval.

21 (2) [Section 3] is effective 20 days after the governor, by executive order, declares that the
22 construction of a new forensic unit at the Montana state hospital complex in Warm Springs, Montana, is
23 complete.

24

-END-

1 HOUSE BILL NO. 594

2 INTRODUCED BY BERGSAGEL

3 BY REQUEST OF THE JOINT SUBCOMMITTEE ON LONG-RANGE BUILDING
4

5 A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING FOR THE FINANCING OF INSTITUTIONAL
6 FACILITIES; AUTHORIZING THE DEPARTMENT OF CORRECTIONS AND HUMAN SERVICES TO ENTER
7 INTO A LOAN AGREEMENT WITH THE MONTANA HEALTH FACILITY AUTHORITY FOR THE PURPOSE OF
8 FINANCING THE COSTS OF ACQUIRING, CONSTRUCTING, AND EQUIPPING FACILITIES FOR THE
9 MENTALLY ILL AT THE MONTANA STATE HOSPITAL IN WARM SPRINGS, INCLUDING THE
10 ESTABLISHMENT OF RESERVES AND THE PAYMENT OF THE COSTS OF THE FINANCING; AUTHORIZING
11 THE CREATION OF A SPECIAL LIMITED OBLIGATION OF THE DEPARTMENT; PROVIDING A STATUTORY
12 APPROPRIATION AND AN APPROPRIATION OF LOAN PROCEEDS; AUTHORIZING THE PAYMENT OF THE
13 SPECIAL LIMITED OBLIGATION FROM FACILITY REVENUE; EXPANDING THE ADULT CORRECTIONS
14 SERVICES TO INCLUDE THE FORENSIC UNIT AT WARM SPRINGS; AUTHORIZING THE USE OF INMATE
15 LABOR FOR CERTAIN PROJECTS; AMENDING SECTIONS 17-7-502, 53-1-202, 53-1-413, AND 90-7-317,
16 MCA; AND PROVIDING EFFECTIVE DATES."

17
18 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
19

20 NEW SECTION. **Section 1. Montana state hospital loan.** (1) The department of corrections and
21 human services may enter into a loan agreement with the authority for the purpose of financing the costs
22 of acquiring, constructing, and equipping facilities for the mentally ill at the Montana state hospital in Warm
23 Springs, including the establishment of reserves and the payment of costs of the financing. The maximum
24 principal amount of the loan may not exceed \$21 million for construction and related costs, plus the
25 necessary amounts for capitalized interest, debt service reserves, and financing costs. The loan must be
26 payable over a term not to exceed 25 years and must bear interest and contain other terms and provisions
27 with respect to prepayment or otherwise that are not inconsistent with this section and that the department
28 approves. Investment earnings on the authority's bonds or on funds held for the bonds must be used to
29 pay the principal and interest on the loan as provided in the loan agreement.

30 (2) The loan may be secured by a mortgage on the Montana state hospital facility, including the

1 land on which it is located. The loan constitutes a special limited obligation of the department, and the
2 principal and interest payments required by that agreement are payable from the facility revenue obtained
3 by the department from the ownership and operation of and the provision of services at the Montana state
4 hospital and the Montana center for the aged, including payments or reimbursements from private users,
5 insurers, and the state or federal government. All facility revenue obtained from services provided by the
6 Montana state hospital and the Montana center for the aged must be deposited in a special revenue fund
7 and must be applied to the payment of the principal and interest payments due under the loan agreement.
8 Principal and interest payments constitute a statutory appropriation within the meaning of 17-7-502.
9 Whenever the foregoing facility revenue exceeds the amount and terms specified and required to repay the
10 loan and maintain required reserves, the excess must be deposited ~~in the general fund~~ **AS PROVIDED IN**
11 **53-1-413**. As long as the loan remains outstanding and the state provides services for the mentally ill, the
12 department shall use the Montana state hospital and the Montana center for the aged for those purposes
13 or for other purposes as permitted by the loan agreement and state law, except when foreclosure occurs
14 under the agreement or the mortgage. Notwithstanding the provisions of 77-2-302(1) and upon foreclosure
15 of a mortgage given to secure the loan agreement, there must be paid to the board of land commissioners
16 as a first and prior claim against the mortgaged land an amount equal to the full market value of the land
17 as determined by the board prior to the execution of the mortgage and after appraisal by a qualified land
18 appraiser. The loan agreement may contain other provisions or agreements that the department determines
19 are necessary and that are not inconsistent with the provisions of Title 90, chapter 7.

20 (3) The obligations of the department under the agreement are special limited obligations payable
21 solely from the facility revenue of the Montana state hospital and the Montana center for the aged and do
22 not constitute a debt of the state or obligate the state to appropriate or apply any funds or revenue of the
23 state, except the facility revenue as provided in this section.

24

25 **Section 2.** Section 17-7-502, MCA, is amended to read:

26 **"17-7-502. Statutory appropriations -- definition -- requisites for validity.** (1) A statutory
27 appropriation is an appropriation made by permanent law that authorizes spending by a state agency
28 without the need for a biennial legislative appropriation or budget amendment.

29 (2) Except as provided in subsection (4), to be effective, a statutory appropriation must comply
30 with both of the following provisions:

1 (a) The law containing the statutory authority must be listed in subsection (3).

2 (b) The law or portion of the law making a statutory appropriation must specifically state that a
3 statutory appropriation is made as provided in this section.

4 (3) The following laws are the only laws containing statutory appropriations: 2-9-202; 2-17-105;
5 2-18-812; 3-5-901; 5-13-403; 10-3-203; 10-3-312; 10-3-314; 10-4-301; 15-1-111; 15-23-706;
6 15-25-123; 15-31-702; 15-36-112; 15-37-117; 15-38-202; 15-65-121; 15-70-101; 16-1-404; 16-1-410;
7 16-1-411; 17-3-106; 17-3-212; 17-5-404; 17-5-424; 17-5-704; 17-5-804; 17-6-101; 17-6-201; 17-6-409;
8 17-7-304; 18-11-112; 19-2-502; 19-6-709; 19-9-1007; 19-15-101; 19-17-301; 19-18-512; 19-18-513;
9 19-18-606; 19-19-205; 19-19-305; 19-19-506; 20-4-109; 20-8-111; 20-9-361; 20-26-1403; 20-26-1503;
10 23-2-823; 23-5-136; 23-5-306; 23-5-409; 23-5-610; 23-5-612; 23-5-631; 23-7-301; 23-7-402;
11 27-12-206; 32-1-537; 37-43-204; 37-51-501; 39-71-503; 39-71-907; 39-71-2321; 39-71-2504;
12 44-12-206; 44-13-102; 50-5-232; 50-40-206; 53-6-150; 53-24-206; 60-2-220; 61-2-107; 67-3-205;
13 75-1-1101; 75-5-507; 75-5-1108; 75-11-313; 76-12-123; 77-1-808; 80-2-103; 80-2-222; 80-4-416;
14 80-11-310; 81-5-111; 82-11-136; 82-11-161; 85-1-220; 85-20-402; 90-3-301; 90-4-215; 90-6-331;
15 90-7-220; section 1; 90-9-306; and 90-14-107.

16 (4) There is a statutory appropriation to pay the principal, interest, premiums, and costs of issuing,
17 paying, and securing all bonds, notes, or other obligations, as due, that have been authorized and issued
18 pursuant to the laws of Montana. Agencies that have entered into agreements authorized by the laws of
19 Montana to pay the state treasurer, for deposit in accordance with 17-2-101 through 17-2-107, as
20 determined by the state treasurer, an amount sufficient to pay the principal and interest as due on the
21 bonds or notes have statutory appropriation authority for the payments. (In subsection (3): pursuant to
22 sec. 7, Ch. 567, L. 1991, the inclusion of 19-6-709 terminates upon death of last recipient eligible for
23 supplemental benefit; and pursuant to sec. 15, Ch. 534, L. 1993, the inclusion of 90-14-107 terminates
24 July 1, 1995.)"

25
26 **Section 3.** Section 53-1-202, MCA, is amended to read:

27 **"53-1-202. Department of corrections and human services.** (1) The following components are
28 included in the department of corrections and human services to carry out the purposes of the department:

29 (a) adult corrections services consisting of the following institutional components to incarcerate
30 and rehabilitate felons pursuant to Title 46, chapter 18:

- 1 (i) the Montana state prison;
- 2 (ii) the Montana women's correctional center; ~~and~~
- 3 (iii) the forensic unit at Warm Springs; and
- 4 ~~####(iv)~~ appropriate community-based programs for the placement, supervision, and rehabilitation of
- 5 adult felons who meet the criteria developed by the department for placement:
- 6 (A) in prerelease centers;
- 7 (B) under intensive supervision;
- 8 (C) under parole or probation pursuant to Title 46, chapter 23, part 2; or
- 9 (D) in other appropriate programs;
- 10 (b) mental health services consisting of the following institutional components for care and
- 11 treatment of the mentally ill pursuant to Title 53, chapter 21:
- 12 (i) the Montana state hospital;
- 13 (ii) the Montana center for the aged; and
- 14 (iii) a community services component consisting of appropriate services for the care and treatment
- 15 of the mentally ill pursuant to Title 53, chapter 21, part 2;
- 16 (c) chemical dependency services consisting of appropriate detoxification, inpatient, intensive
- 17 outpatient, outpatient, prevention, education, and other necessary chemical dependency services pursuant
- 18 to Title 53, chapter 24;
- 19 (d) institutional and residential components of the developmental disabilities system for those
- 20 developmentally disabled persons who require that care according to Title 53, chapter 20, consisting of:
- 21 (i) the Montana developmental center; and
- 22 (ii) the Eastmont human services center; and
- 23 (e) veterans' nursing homes for the nursing home and domiciliary care of honorably discharged
- 24 veterans as provided by law, consisting of:
- 25 (i) the Montana veterans' home; and
- 26 (ii) the eastern Montana veterans' home at Glendive.
- 27 (2) A state institution may not be moved, discontinued, or abandoned without prior consent of the
- 28 legislature."
- 29

30 **Section 4.** Section 53-1-413, MCA, is amended to read:

1 **"53-1-413. Deposit of payments.** (1) Except as provided in 90-7-220, [section 1], and subsection
2 (2) of this section, the department shall deposit payments of per diem and ancillary charges in the state
3 treasury to the credit of the general fund.

4 (2) Payments from the Montana veterans' home ~~shall~~ must be deposited in the federal special
5 revenue fund for the benefit of the home, and payments from the Montana state hospital alcohol program
6 ~~shall~~ must be deposited to an alcohol state special revenue account."

7

8 **Section 5.** Section 90-7-317, MCA, is amended to read:

9 **"90-7-317. Capital reserve account.** (1) There is a capital reserve account in the enterprise fund
10 provided for in 90-7-202(17).

11 (2) The authority shall deposit into the capital reserve account:

12 (a) funds from state appropriations received for deposit into the account, as provided in 90-7-319,
13 for bonds issued to finance capital projects for community health facilities that contract with the state to
14 provide health care services or bonds issued to finance the ~~facility~~ facilities described in 90-7-220 and
15 [section 1];

16 (b) proceeds from the sale of bonds or notes to the extent provided in the resolutions or indentures
17 of the authority authorizing their issuance;

18 (c) ~~revenues~~ revenue from fees and charges imposed by the authority;

19 (d) income from the investment of funds belonging to the authority; and

20 (e) any other funds that may be available to the authority for the purpose of the account from any
21 other source, including loans authorized under 90-7-320."

22

23 **NEW SECTION. Section 6. Legislative consent.** The appropriation authorized in [section 1]
24 constitutes legislative consent for the capital project contained in [section 1] within the meaning of
25 18-2-102.

26

27 **NEW SECTION. Section 7. Authorization of inmate labor for ~~construction, maintenance, and~~**
28 **~~demolition~~ -- exemptions.** (1) The director of the department of corrections and human services may
29 authorize the use of inmate labor for purposes of ~~constructing the forensic unit at Warm Springs,~~
30 ~~maintaining the grounds at Warm Springs, and~~ demolishing abandoned and existing buildings at the

1 Montana state hospital at Warm Springs.

2 (2) The department of administration may exempt the DEMOLITION projects authorized in
3 subsection (1) from the provisions of any applicable Montana law relating to public bidding, bonding,
4 workers' compensation coverage, or labor and wage requirements.

5
6 **NEW SECTION. SECTION 8. APPROPRIATION OF LOAN PROCEEDS. THE PROCEEDS OF THE**
7 **LOAN AUTHORIZED IN [SECTION 1] ARE APPROPRIATED TO THE DEPARTMENT OF ADMINISTRATION**
8 **TO BE USED FOR THE CONSTRUCTION OF THE MONTANA STATE HOSPITAL IN WARM SPRINGS.**

9
10 **NEW SECTION. Section 9. Severability.** If a part of [this act] is invalid, all valid parts that are
11 severable from the invalid part remain in effect. If a part of [this act] is invalid in one or more of its
12 applications, the part remains in effect in all valid applications that are severable from the invalid
13 applications.

14
15 **NEW SECTION. Section 10. Codification instruction.** [Section 1] is intended to be codified as an
16 integral part of Title 90, chapter 7, part 2, and the provisions of Title 90, chapter 7, part 2, apply to
17 [section 1].

18
19 **NEW SECTION. Section 11. Effective dates.** (1) [Sections 1, 2, 4 through ~~9~~ 10, and this section]
20 are effective on passage and approval.

21 (2) [Section 3] is effective 20 days after the governor, by executive order, declares that the
22 construction of a new forensic unit at the Montana state hospital complex in Warm Springs, Montana, is
23 complete.

24 -END-

HOUSE BILL NO. 594

INTRODUCED BY BERGSAGEL

BY REQUEST OF THE JOINT SUBCOMMITTEE ON LONG-RANGE BUILDING

A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING FOR THE FINANCING OF INSTITUTIONAL FACILITIES; AUTHORIZING THE DEPARTMENT OF CORRECTIONS AND HUMAN SERVICES TO ENTER INTO A LOAN AGREEMENT WITH THE MONTANA HEALTH FACILITY AUTHORITY FOR THE PURPOSE OF FINANCING THE COSTS OF ACQUIRING, CONSTRUCTING, AND EQUIPPING FACILITIES FOR THE MENTALLY ILL AT THE MONTANA STATE HOSPITAL IN WARM SPRINGS, INCLUDING THE ESTABLISHMENT OF RESERVES AND THE PAYMENT OF THE COSTS OF THE FINANCING; AUTHORIZING THE CREATION OF A SPECIAL LIMITED OBLIGATION OF THE DEPARTMENT; PROVIDING A STATUTORY APPROPRIATION AND AN APPROPRIATION OF LOAN PROCEEDS; AUTHORIZING THE PAYMENT OF THE SPECIAL LIMITED OBLIGATION FROM FACILITY REVENUE; EXPANDING THE ADULT CORRECTIONS SERVICES TO INCLUDE THE FORENSIC UNIT AT WARM SPRINGS; AUTHORIZING THE USE OF INMATE LABOR FOR CERTAIN PROJECTS; AMENDING SECTIONS 17-7-502, 53-1-202, 53-1-413, AND 90-7-317, MCA; AND PROVIDING EFFECTIVE DATES."

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

NEW SECTION. Section 1. Montana state hospital loan. (1) The department of corrections and human services may enter into a loan agreement with the authority for the purpose of financing the costs of acquiring, constructing, and equipping facilities for the mentally ill at the Montana state hospital in Warm Springs, including the establishment of reserves and the payment of costs of the financing. The maximum principal amount of the loan may not exceed \$21 million for construction and related costs, plus the necessary amounts for capitalized interest, debt service reserves, and financing costs. The loan must be payable over a term not to exceed 25 years and must bear interest and contain other terms and provisions with respect to prepayment or otherwise that are not inconsistent with this section and that the department approves. Investment earnings on the authority's bonds or on funds held for the bonds must be used to pay the principal and interest on the loan as provided in the loan agreement.

(2) The loan may be secured by a mortgage on the Montana state hospital facility, including the

1 land on which it is located. The loan constitutes a special limited obligation of the department, and the
 2 principal and interest payments required by that agreement are payable from the facility revenue obtained
 3 by the department from the ownership and operation of and the provision of services at the Montana state
 4 hospital and the Montana center for the aged, including payments or reimbursements from private users,
 5 insurers, and the state or federal government. All facility revenue obtained from services provided by the
 6 Montana state hospital and the Montana center for the aged must be deposited in a special revenue fund
 7 and must be applied to the payment of the principal and interest payments due under the loan agreement.
 8 Principal and interest payments constitute a statutory appropriation within the meaning of 17-7-502.
 9 Whenever the foregoing facility revenue exceeds the amount and terms specified and required to repay the
 10 loan and maintain required reserves, the excess must be deposited ~~in the general fund~~ AS PROVIDED IN
 11 53-1-413. As long as the loan remains outstanding and the state provides services for the mentally ill, the
 12 department shall use the Montana state hospital and the Montana center for the aged for those purposes
 13 or for other purposes as permitted by the loan agreement and state law, except when foreclosure occurs
 14 under the agreement or the mortgage. Notwithstanding the provisions of 77-2-302(1) and upon foreclosure
 15 of a mortgage given to secure the loan agreement, there must be paid to the board of land commissioners
 16 as a first and prior claim against the mortgaged land an amount equal to the full market value of the land
 17 as determined by the board prior to the execution of the mortgage and after appraisal by a qualified land
 18 appraiser. The loan agreement may contain other provisions or agreements that the department determines
 19 are necessary and that are not inconsistent with the provisions of Title 90, chapter 7.

20 (3) The obligations of the department under the agreement are special limited obligations payable
 21 solely from the facility revenue of the Montana state hospital and the Montana center for the aged and do
 22 not constitute a debt of the state or obligate the state to appropriate or apply any funds or revenue of the
 23 state, except the facility revenue as provided in this section.

24

25 **Section 2.** Section 17-7-502, MCA, is amended to read:

26 "17-7-502. **Statutory appropriations -- definition -- requisites for validity.** (1) A statutory
 27 appropriation is an appropriation made by permanent law that authorizes spending by a state agency
 28 without the need for a biennial legislative appropriation or budget amendment.

29 (2) Except as provided in subsection (4), to be effective, a statutory appropriation must comply
 30 with both of the following provisions:

1 (a) The law containing the statutory authority must be listed in subsection (3).

2 (b) The law or portion of the law making a statutory appropriation must specifically state that a
3 statutory appropriation is made as provided in this section.

4 (3) The following laws are the only laws containing statutory appropriations: 2-9-202; 2-17-105;
5 2-18-812; 3-5-901; 5-13-403; 10-3-203; 10-3-312; 10-3-314; 10-4-301; 15-1-111; 15-23-706;
6 15-25-123; 15-31-702; 15-36-112; 15-37-117; 15-38-202; 15-65-121; 15-70-101; 16-1-404; 16-1-410;
7 16-1-411; 17-3-106; 17-3-212; 17-5-404; 17-5-424; 17-5-704; 17-5-804; 17-6-101; 17-6-201; 17-6-409;
8 17-7-304; 18-11-112; 19-2-502; 19-6-709; 19-9-1007; 19-15-101; 19-17-301; 19-18-512; 19-18-513;
9 19-18-606; 19-19-205; 19-19-305; 19-19-506; 20-4-109; 20-8-111; 20-9-361; 20-26-1403; 20-26-1503;
10 23-2-823; 23-5-136; 23-5-306; 23-5-409; 23-5-610; 23-5-612; 23-5-631; 23-7-301; 23-7-402;
11 27-12-206; 32-1-537; 37-43-204; 37-51-501; 39-71-503; 39-71-907; 39-71-2321; 39-71-2504;
12 44-12-206; 44-13-102; 50-5-232; 50-40-206; 53-6-150; 53-24-206; 60-2-220; 61-2-107; 67-3-205;
13 75-1-1101; 75-5-507; 75-5-1108; 75-11-313; 76-12-123; 77-1-808; 80-2-103; 80-2-222; 80-4-416;
14 80-11-310; 81-5-111; 82-11-136; 82-11-161; 85-1-220; 85-20-402; 90-3-301; 90-4-215; 90-6-331;
15 90-7-220; section 1; 90-9-306; and 90-14-107.

16 (4) There is a statutory appropriation to pay the principal, interest, premiums, and costs of issuing,
17 paying, and securing all bonds, notes, or other obligations, as due, that have been authorized and issued
18 pursuant to the laws of Montana. Agencies that have entered into agreements authorized by the laws of
19 Montana to pay the state treasurer, for deposit in accordance with 17-2-101 through 17-2-107, as
20 determined by the state treasurer, an amount sufficient to pay the principal and interest as due on the
21 bonds or notes have statutory appropriation authority for the payments. (In subsection (3): pursuant to
22 sec. 7, Ch. 567, L. 1991, the inclusion of 19-6-709 terminates upon death of last recipient eligible for
23 supplemental benefit; and pursuant to sec. 15, Ch. 534, L. 1993, the inclusion of 90-14-107 terminates
24 July 1, 1995.)"

25
26 **Section 3. Section 53-1-202, MCA, is amended to read:**

27 **"53-1-202. Department of corrections and human services.** (1) The following components are
28 included in the department of corrections and human services to carry out the purposes of the department:

29 (a) adult corrections services consisting of the following institutional components to incarcerate
30 and rehabilitate felons pursuant to Title 46, chapter 18:

- 1 (i) the Montana state prison;
- 2 (ii) the Montana women's correctional center; ~~and~~
- 3 (iii) the forensic unit at Warm Springs; and
- 4 ~~####(iv)~~ appropriate community-based programs for the placement, supervision, and rehabilitation of
- 5 adult felons who meet the criteria developed by the department for placement:
- 6 (A) in prerelease centers;
- 7 (B) under intensive supervision;
- 8 (C) under parole or probation pursuant to Title 46, chapter 23, part 2; or
- 9 (D) in other appropriate programs;
- 10 (b) mental health services consisting of the following institutional components for care and
- 11 treatment of the mentally ill pursuant to Title 53, chapter 21:
- 12 (i) the Montana state hospital;
- 13 (ii) the Montana center for the aged; and
- 14 (iii) a community services component consisting of appropriate services for the care and treatment
- 15 of the mentally ill pursuant to Title 53, chapter 21, part 2;
- 16 (c) chemical dependency services consisting of appropriate detoxification, inpatient, intensive
- 17 outpatient, outpatient, prevention, education, and other necessary chemical dependency services pursuant
- 18 to Title 53, chapter 24;
- 19 (d) institutional and residential components of the developmental disabilities system for those
- 20 developmentally disabled persons who require that care according to Title 53, chapter 20, consisting of:
- 21 (i) the Montana developmental center; and
- 22 (ii) the Eastmont human services center; and
- 23 (e) veterans' nursing homes for the nursing home and domiciliary care of honorably discharged
- 24 veterans as provided by law, consisting of:
- 25 (i) the Montana veterans' home; and
- 26 (ii) the eastern Montana veterans' home at Glendive.
- 27 (2) A state institution may not be moved, discontinued, or abandoned without prior consent of the
- 28 legislature."

29

30 **Section 4.** Section 53-1-413, MCA, is amended to read:

1 **"53-1-413. Deposit of payments.** (1) Except as provided in 90-7-220, [section 1], and subsection
 2 (2) of this section, the department shall deposit payments of per diem and ancillary charges in the state
 3 treasury to the credit of the general fund.

4 (2) Payments from the Montana veterans' home shall must be deposited in the federal special
 5 revenue fund for the benefit of the home, and payments from the Montana state hospital alcohol program
 6 shall must be deposited to an alcohol state special revenue account."
 7

8 **Section 5.** Section 90-7-317, MCA, is amended to read:

9 **"90-7-317. Capital reserve account.** (1) There is a capital reserve account in the enterprise fund
 10 provided for in 90-7-202(17).

11 (2) The authority shall deposit into the capital reserve account:

12 (a) funds from state appropriations received for deposit into the account, as provided in 90-7-319,
 13 for bonds issued to finance capital projects for community health facilities that contract with the state to
 14 provide health care services or bonds issued to finance the ~~facility~~ facilities described in 90-7-220 and
 15 [section 1];

16 (b) proceeds from the sale of bonds or notes to the extent provided in the resolutions or indentures
 17 of the authority authorizing their issuance;

18 (c) ~~revenues~~ revenue from fees and charges imposed by the authority;

19 (d) income from the investment of funds belonging to the authority; and

20 (e) any other funds that may be available to the authority for the purpose of the account from any
 21 other source, including loans authorized under 90-7-320."
 22

23 **NEW SECTION. Section 6. Legislative consent.** The appropriation authorized in [section 1]
 24 constitutes legislative consent for the capital project contained in [section 1] within the meaning of
 25 18-2-102.
 26

27 **NEW SECTION. Section 7. Authorization of inmate labor for ~~construction, maintenance, and~~
 28 ~~demolition -- exemptions.~~ (1) The director of the department of corrections and human services may
 29 authorize the use of inmate labor for purposes of ~~constructing the forensic unit at Warm Springs,~~
 30 ~~maintaining the grounds at Warm Springs, and~~ demolishing abandoned and existing buildings at the**

1 Montana state hospital at Warm Springs.

2 (2) The department of administration may exempt the DEMOLITION projects authorized in
3 subsection (1) from the provisions of any applicable Montana law relating to public bidding, bonding,
4 workers' compensation coverage, or labor and wage requirements.

5

6 NEW SECTION. SECTION 8. APPROPRIATION OF LOAN PROCEEDS. THE PROCEEDS OF THE
7 LOAN AUTHORIZED IN [SECTION 1] ARE APPROPRIATED TO THE DEPARTMENT OF ADMINISTRATION
8 TO BE USED FOR THE CONSTRUCTION OF THE MONTANA STATE HOSPITAL IN WARM SPRINGS.

9

10 NEW SECTION. Section 9. Severability. If a part of [this act] is invalid, all valid parts that are
11 severable from the invalid part remain in effect. If a part of [this act] is invalid in one or more of its
12 applications, the part remains in effect in all valid applications that are severable from the invalid
13 applications.

14

15 NEW SECTION. Section 10. Codification instruction. [Section 1] is intended to be codified as an
16 integral part of Title 90, chapter 7, part 2, and the provisions of Title 90, chapter 7, part 2, apply to
17 [section 1].

18

19 NEW SECTION. Section 11. Effective dates. (1) [Sections 1, 2, 4 through ~~8~~ 10, and this section]
20 are effective on passage and approval.

21 (2) [Section 3] is effective 20 days after the governor, by executive order, declares that the
22 construction of a new forensic unit at the Montana state hospital complex in Warm Springs, Montana, is
23 complete.

24

-END-