

## 1 HOUSE BILL NO. 14

2 INTRODUCED BY R. JOHNSON

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, 1999; PROVIDING FOR MATTERS RELATING  
 8 TO 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 7], 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 7].

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.

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 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 55th legislature and the sale of the bonds by the board of  
 24 examiners:

<u>Agency/Project</u>	<u>CPF</u>
DEPARTMENT OF ADMINISTRATION	
Critical Project Requirements, Capitol Renovation	\$ 3,458,700
Historic Restoration, Montana State Capitol	2,281,000
DEPARTMENT OF CORRECTIONS	
Three Additional Regional Correctional Facilities	11,400,000

1	New Food Service/Kitchen Facility, MSP, Deer Lodge	2,150,000
2	Campus Expansion/Consolidation, PHS, Miles City	11,300,000
3	192 Bed, Infrastructure and Services Expansion and	
4	Fire/Life Safety/Road Improvements, MSP, Deer Lodge	13,074,000
5	Expansion Unit and Land Acquisition, WCC, Billings	2,322,000
6	<b>MONTANA UNIVERSITY SYSTEM</b>	
7	Replace Primary Electrical Distribution,	
8	MSU-Billings	1,700,000
9	Replace HVAC System, Science Complex, UM-Missoula	1,200,000
10	Utility Tunnel Extension, MSU-Bozeman	5,856,000
11	Repair/Replace Primary Electrical Distribution,	
12	MSU-Northern	1,000,000
13	Boiler Plant and Utility Distribution, UM-Dillon	1,117,000
14	Facility Renovation/Completion MSU-COT-GF	4,950,000

15

16       **NEW SECTION. Section 3. Authorization of bonds.** The board of examiners is authorized to issue  
17 and sell general obligation long-range building program bonds in an amount not exceeding \$61,808,700  
18 for the projects described in [section 2] over and above the amount of general obligation long-range building  
19 program bonds outstanding on January 1, 1997, to be issued in accordance with the terms and in the  
20 manner required by Title 17, chapter 5, part 8. The authority granted to the board by this section is in  
21 addition to any other authorization to the board to issue and sell general obligation long-range building  
22 program bonds.

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

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29       **NEW SECTION. Section 5. Capital projects -- contingent funds.** If a capital project is financed in  
30 whole or in part with appropriations contingent upon the receipt of other funding sources, the department

1 of administration may not let the projects for bid until the agency has submitted a financial plan for approval  
2 by the director of the department of administration. A financial plan may not be approved by the director  
3 if:

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

6 (2) the scope of the project is substantially altered or revised from the preliminary plans presented  
7 for that project in the 1998-99 long-range building program presented to the 55th legislature.

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9 **NEW SECTION. Section 6. Legislative consent.** The appropriations authorized in [section 2]  
10 constitute legislative consent for the capital projects contained in [section 2] within the meaning of  
11 18-2-102.

12

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

16

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

21

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

23

-END-

STATE OF MONTANA - FISCAL NOTE

Fiscal Note for HB0014, as introduced

DESCRIPTION OF PROPOSED LEGISLATION:

A bill authorizing the creation of state debt through the issuance of general obligation bonds, and appropriating the proceeds of the bonds for capital projects for the biennium ending June 30, 1999.

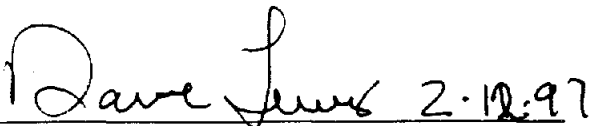
ASSUMPTIONS:

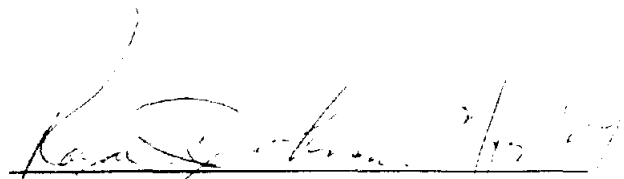
1. The general obligation bonds for the proposed program will be retired by the general fund.
2. The bonds will be issued beginning in July 1997, consistent with the schedule assumed in information note 1.
3. The Executive Budget includes \$5 million general fund for debt service. As shown below, based on the current bonding schedule, a total of \$3,442,000 will be required for the 1999 biennium.
4. Therefore, there is available \$1.558 million to assist the Joint Appropriations Subcommittee in meeting its reduction target of \$1,716,380.

FISCAL IMPACT:

	<u>FY98</u>	<u>FY99</u>
<u>Expenditures:</u>	<u>Difference</u>	<u>Difference</u>
Debt Service (01)	\$178,000	\$3,264,000
<u>Funding:</u>		
General Fund (01)	\$178,000	\$3,264,000

(Continued)

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

  
ROYAL JOHNSON, PRIMARY SPONSOR      DATE  
Fiscal Note for HB0014, as introduced  
**HB14**

Informational data:

1) BONDING SCHEDULE FOR THE RECOMMENDED BUILDING PROGRAM

PROJECT	FY98	FY99	1999	FY00	TOTAL
			BIENNIUM		BONDED
			TOTALS		PROGRAM
Capitol Renovation	1,729,350	1,729,350	3,458,700		3,458,700
Historic Restoration			0	2,281,000	2,281,000
Regional Correctional Facilities		5,700,000	5,700,000	5,700,000	11,400,000
Food Service/Kitchen Facility MSP	2,150,000		2,150,000		2,150,000
Campus Expan/Consolidation PHS	11,300,000		11,300,000		11,300,000
192 Bed, Infrastructure & Svc Expan MSP	13,074,000		13,074,000		13,074,000
Expansion Unit & Land Acquisition WCC	2,322,000		2,322,000		2,322,000
Replace Primary Elec Dist MSU - Billings	1,700,000		1,700,000		1,700,000
Replace HVAC Sys Sci Complex UM	1,200,000		1,200,000		1,200,000
Util Tunnel Extension MSU	5,856,000		5,856,000		5,856,000
Repair/Replace Primary Elec Dist MSU-Northern		1,000,000	1,000,000		1,000,000
Boiler Plant & Utility Dist WMCUM		1,117,000	1,117,000		1,117,000
Facility Renovation Completion MSU-COT-GF		4,950,000	4,950,000		4,950,000
	39,331,350	14,496,350	53,827,700	7,981,000	61,808,700

2) DEBT SERVICE PLAN - LONG RANGE BUILDING PROGRAM (IN MILLIONS)

Fiscal Year	Current Fiscal Year Total	New LRBP Debt	Projected Fiscal Year Total
1997	4.125		4.125
1998	4.058	0.178	4.236
1999	3.951	3.264	7.215
2000	3.925	4.898	8.823
2001	3.763	5.129	8.892
2002	3.764	5.129	8.893
2003	3.757	5.130	8.887
2004	3.450	5.129	8.579
2005	3.429	5.130	8.559
2006	3.420	5.129	8.549
2007	3.424	5.130	8.554
2008	3.425	5.129	8.554
2009	3.578	5.130	8.708
2010	3.668	5.129	8.797
2011	3.685	5.130	8.815
2012	3.692	5.129	8.821
2013	3.703	5.129	8.832
2014	2.047	5.129	7.176
2015	0.411	5.130	5.541
2016	0.276	5.129	5.405
2017	0.277	5.129	5.406
2018		4.951	4.951
2019		1.865	1.865
2020		0.662	0.662
2021		<u>0.231</u>	<u>0.231</u>
Totals	65.828	103.248	169.076

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ISSUANCE OF GENERAL OBLIGATION BONDS; APPROPRIATING THE PROCEEDS OF THE BONDS FOR  
CAPITAL PROJECTS FOR THE BIENNIUM ENDING JUNE 30, 1999; PROVIDING FOR MATTERS RELATING  
TO APPROPRIATIONS; AMENDING SECTION 12, CHAPTER 774, LAWS OF 1991; AND PROVIDING AN  
IMMEDIATE EFFECTIVE DATE."

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examiners:

<u>Agency/Project</u>	<u>CPF</u>
DEPARTMENT OF ADMINISTRATION	
Critical Project Requirements, Capitol Renovation	\$ 3,458,700
Historic Restoration, Montana State Capitol	<u>2,281,000</u>
	<u>678,902</u>

1	DEPARTMENT OF CORRECTIONS	
2	<del>Three Additional Regional Correctional Facilities</del>	<del>11,400,000</del>
3	<u>ONE ADDITIONAL REGIONAL CORRECTIONAL FACILITY</u>	<u>500,000</u>
4	New Food Service/Kitchen Facility, MSP, Deer Lodge	2,150,000
5	Campus Expansion/Consolidation, PHS, Miles City	<del>11,300,000</del>
6		<u>10,306,000</u>
7	192 Bed, Infrastructure and Services Expansion and	
8	Fire/Life Safety/Road Improvements, MSP, Deer Lodge	<del>13,074,000</del>
9		<u>5,340,000</u>
10	<del>Expansion Unit and Land Acquisition, WCC, Billings</del>	<del>2,322,000</del>
11	MONTANA UNIVERSITY SYSTEM	
12	Replace Primary Electrical Distribution,	
13	MSU-Billings	<del>1,700,000</del>
14		<u>963,600</u>
15	Replace HVAC System, Science Complex, UM-Missoula	1,200,000
16	Utility Tunnel Extension, MSU-Bozeman	<del>5,856,000</del>
17		<u>5,623,113</u>
18	Repair/Replace Primary Electrical Distribution,	
19	MSU-Northern	<del>1,000,000</del>
20		<u>1,028,000</u>
21	Boiler Plant and Utility Distribution, UM-Dillon	1,117,000
22	Facility Renovation/Completion MSU-COT-GF	<del>4,950,000</del>
23		<u>3,950,000</u>
24	<u>ADDITION TO SPECIAL EDUCATION BUILDING,</u>	
25	<u>MSU-BILLINGS</u>	<u>7,004,000</u>
26	<u>(2) IT IS THE INTENT OF THE 55TH LEGISLATURE THAT AT LEAST 50% OF ALL FUTURE</u>	
27	<u>OPERATIONS AND MAINTENANCE COSTS FOR THE SPECIAL EDUCATION BUILDING ADDITION AT</u>	
28	<u>MSU-BILLINGS BE FUNDED BY MONTANA STATE UNIVERSITY AND THAT NO MORE THAN 50% BE</u>	
29	<u>FUNDED WITH GENERAL FUND MONEY.</u>	
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1           **NEW SECTION. Section 3. Authorization of bonds.** The board of examiners is authorized to issue  
2 and sell general obligation long-range building program bonds in an amount not exceeding ~~\$61,808,700~~  
3 \$43,319,315 for the projects described in [section 2] over and above the amount of general obligation  
4 long-range building program bonds outstanding on January 1, 1997, to be issued in accordance with the  
5 terms and in the manner required by Title 17, chapter 5, part 8. The authority granted to the board by this  
6 section is in addition to any other authorization to the board to issue and sell general obligation long-range  
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25 constitute legislative consent for the capital projects contained in [section 2] within the meaning of  
26 18-2-102.

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





STATE OF MONTANA - FISCAL NOTE

Fiscal Note for HB0014, 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 biennium ending June 30, 1999; providing for matters relating to appropriations; and providing an immediate effective date.

ASSUMPTIONS:

1. The bonds for the proposed program will be retired by the general fund.
2. The bonds will be issued beginning July 1997, consistent with the schedule below.
3. The debt service plan at 5.4% is shown on page 2.

FISCAL IMPACT:

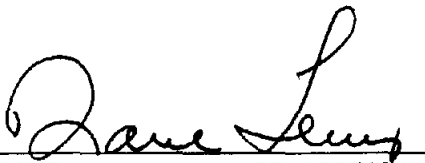
The Governor's Executive Budget includes \$5.0 million for debt service on these capital projects. The debt service as proposed by the House Appropriations Committee is \$2.445 million or \$2.555 million less for the 1999 biennium.

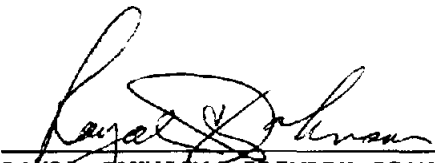
Information Notes:

1) BONDING SCHEDULE FOR THE RECOMMENDED BUILDING PROGRAM

PROJECT	FY98	FY99	1999	TOTAL
			BIENNIUM TOTALS	BONDED PROGRAM
Capitol Renovation	1,729,350	1,729,350	3,458,700	3,458,700
Historic Restoration			0	678,902
Regional Correctional Facilities		500,000	500,000	500,000
Food Service/Kitchen Facility MSP	2,150,000		2,150,000	2,150,000
Campus Expan/Consolidation PHS	10,306,000		10,306,000	10,306,000
192 Bed, Infrastructure & Svc Expan MSP	5,340,000		5,340,000	5,340,000
Replace Primary Elec Dist MSU - Billings	963,600		963,600	963,600
Replace HVAC Sys Sci Complex UM	1,200,000		1,200,000	1,200,000
Util Tunnel Extension MSU	5,623,113		5,623,113	5,623,113
Repair/Replace Primary Elec Dist MSU-Northern		1,028,000	1,028,000	1,028,000
Boiler Plant & Utility Dist WMCUM		1,117,000	1,117,000	1,117,000
Facility Renovation Completion MSU-COT-GF		3,950,000	3,950,000	3,950,000
Addn - Spec Ed Bldg MSU Billings		7,004,000	7,004,000	7,004,000
	27,312,063	15,328,350	42,640,413	43,319,315

(Continued)

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

  
 ROYAL JOHNSON, PRIMARY SPONSOR      DATE

Fiscal Note for HB0014, second reading

**HB 14 #2**

2) DEBT SERVICE

**Debt Service Plan - Long Range Building Program**  
 (in millions)  
 03/14/97

Fiscal Year	General Fund			Projected Fiscal Year Total	Retirement of New Debt
	Current Fiscal Year Total	New LRBP Debt			General Fund
1997	4.125			4.125	
1998	4.058	0.178		4.236	0.178
1999	3.951	2.267		6.218	2.267
2000	3.925	3.557		7.482	3.557
2001	3.763	3.595		7.358	3.595
2002	3.764	3.595		7.359	3.595
2003	3.757	3.595		7.352	3.595
2004	3.450	3.595		7.045	3.595
2005	3.429	3.595		7.024	3.595
2006	3.420	3.595		7.015	3.595
2007	3.424	3.595		7.019	3.595
2008	3.425	3.595		7.020	3.595
2009	3.578	3.595		7.173	3.595
2010	3.668	3.595		7.263	3.595
2011	3.685	3.595		7.280	3.595
2012	3.692	3.595		7.287	3.595
2013	3.703	3.595		7.298	3.595
2014	2.047	3.595		5.642	3.595
2015	0.411	3.595		4.006	3.595
2016	0.276	3.595		3.871	3.595
2017	0.277	3.594		3.871	3.594
2018		3.416		3.416	3.416
2019		1.328		1.328	1.328
2020		0.038		0.038	0.038
<b>Totals</b>	<b>65.828</b>	<b>71.898</b>		<b>137.726</b>	<b>71.898</b>

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1 **SECTION 8. SECTION 12, CHAPTER 774, LAWS OF 1991, PROVIDING APPROPRIATIONS OF**  
2 **BOND PROCEEDS TO THE DEPARTMENT OF ADMINISTRATION FOR CAPITAL PROJECTS ON PAGE 2877,**  
3 **LAWS OF 1991, IS AMENDED TO READ:**

4 "Construct Women’s Correction Center 10,075,600  
5 6,261,100"  
6

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

12 **NEW SECTION. Section 10. Effective date.** [This act] is effective on passage and approval.  
13

-END-

APPROVED BY COM ON  
FINANCE & CLAIMS

HOUSE BILL NO. 14

INTRODUCED BY R. JOHNSON

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, 1999; PROVIDING FOR MATTERS RELATING  
TO APPROPRIATIONS; AMENDING SECTION 12, CHAPTER 774, LAWS OF 1991; 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 7], 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 7].

(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.** (1) 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 55th legislature and the sale of the bonds by the board of  
examiners:

<u>Agency/Project</u>	<u>CPF</u>
DEPARTMENT OF ADMINISTRATION	
Critical Project Requirements, Capitol Renovation	\$ 3,458,700
Historic Restoration, Montana State Capitol	<u>2,281,000</u>
	<u>678,902</u>



1	DEPARTMENT OF CORRECTIONS	
2	<del>Three Additional Regional Correctional Facilities</del>	<del>11,400,000</del>
3	<u>ONE ADDITIONAL REGIONAL CORRECTIONAL FACILITY</u>	<u>500,000</u>
4	New Food Service/Kitchen Facility, MSP, Deer Lodge	2,150,000
5	Campus Expansion/Consolidation, PHS, Miles City	11,300,000
6		<u>10,306,000</u>
7	192 Bed, Infrastructure and Services Expansion and	
8	Fire/Life Safety/Road Improvements, MSP, Deer Lodge	13,074,000
9		<u>5,340,000</u>
10	<del>Expansion Unit and Land Acquisition, WCC, Billings</del>	<del>2,322,000</del>
11	<u>MONTANA HISTORICAL SOCIETY</u>	
12	<u>PURCHASE OF VIRGINIA CITY AND NEVADA CITY PROPERTY</u>	<u>7,825,000</u>
13	MONTANA UNIVERSITY SYSTEM	
14	Replace Primary Electrical Distribution,	
15	MSU-Billings	1,700,000
16		<u>963,600</u>
17	Replace HVAC System, Science Complex, UM-Missoula	1,200,000
18	Utility Tunnel Extension, MSU-Bozeman	5,856,000
19		<u>5,623,113</u>
20	Repair/Replace Primary Electrical Distribution,	
21	MSU-Northern	1,000,000
22		<u>1,028,000</u>
23	Boiler Plant and Utility Distribution, UM-Dillon	1,117,000
24	Facility Renovation/Completion MSU-COT-GF	4,950,000
25		<u>3,950,000</u>
26	<u>ADDITION TO SPECIAL EDUCATION BUILDING,</u>	
27	<u>MSU-BILLINGS</u>	<u>7,004,000</u>
28	<u>(2) IT IS THE INTENT OF THE 55TH LEGISLATURE THAT AT LEAST 50% OF ALL FUTURE</u>	
29	<u>OPERATIONS AND MAINTENANCE COSTS FOR THE SPECIAL EDUCATION BUILDING ADDITION AT</u>	
30	<u>MSU-BILLINGS BE FUNDED BY MONTANA STATE UNIVERSITY AND THAT NO MORE THAN 50% BE</u>	

1 FUNDED WITH GENERAL FUND MONEY.

2

3 NEW SECTION. Section 3. Authorization of bonds. The board of examiners is authorized to issue  
4 and sell general obligation long-range building program bonds in an amount not exceeding ~~\$61,808,700~~  
5 ~~\$43,319,315~~ \$51,144,315 for the projects described in [section 2] over and above the amount of general  
6 obligation long-range building program bonds outstanding on January 1, 1997, to be issued in accordance  
7 with the terms and in the manner required by Title 17, chapter 5, part 8. The authority granted to the  
8 board by this section is in addition to any other authorization to the board to issue and sell general  
9 obligation long-range building program bonds.

10

11 NEW SECTION. Section 4. Planning and design. The department of administration may proceed  
12 with the planning and design of capital projects before the receipt of other funding sources. The  
13 department may use interaccount loans in accordance with 17-2-107 to pay planning and design costs  
14 incurred before the receipt of other funding sources.

15

16 NEW SECTION. Section 5. Capital projects -- contingent funds. If a capital project is financed in  
17 whole or in part with appropriations contingent upon the receipt of other funding sources, the department  
18 of administration may not let the projects for bid until the agency has submitted a financial plan for approval  
19 by the director of the department of administration. A financial plan may not be approved by the director  
20 if:

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

23 (2) the scope of the project is substantially altered or revised from the preliminary plans presented  
24 for that project in the 1998-99 long-range building program presented to the 55th legislature.

25

26 NEW SECTION. Section 6. Legislative consent. (1) The appropriations authorized in [section 2]  
27 constitute legislative consent for the capital projects contained in [section 2] within the meaning of  
28 18-2-102.

29 (2) THE EXPENDITURE OF \$1,870,000 FOR THE CAPITOL RENOVATION PROJECT AUTHORIZED  
30 IN [SECTION 2] IS CONTINGENT UPON WRITTEN PERMISSION TO CHANGE LEGISLATIVE CONTROL OF

1 ROOMS AND OFFICES AS PROVIDED FOR IN 2-17-108. THE WRITTEN APPROVAL OF THE RENOVATION  
2 PLANS MUST BE FILED WITH THE SECRETARY OF STATE.

3

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

7

8 SECTION 8. SECTION 12, CHAPTER 774, LAWS OF 1991, PROVIDING APPROPRIATIONS OF  
9 BOND PROCEEDS TO THE DEPARTMENT OF ADMINISTRATION FOR CAPITAL PROJECTS ON PAGE 2877,  
10 LAWS OF 1991, IS AMENDED TO READ:

11	"Construct Women's Correction Center	10,075,600
12		<u>6,261,100"</u>

13

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

18

19 NEW SECTION. Section 10. Effective date. [This act] is effective on passage and approval.

20

-END-

STATE OF MONTANA - FISCAL NOTE

Fiscal Note for HB0014, Second Reading Second House as Amended

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 biennium ending June 30, 1999; providing for matters relating to appropriations; and providing an immediate effective date.

ASSUMPTIONS:

1. HB 14 will authorize issuance of general obligation bonds for purchase of the Virginia/Nevada City property.
2. The Virginia/Nevada City bond will be retired by the coal severance tax authorized in Section 24 of HB 5 and by the bed tax authorized in Section 12 of HB 5.
3. All other bonds for the proposed program will be retired by the general fund.
4. The state must pay the Bovey Corp. \$6.5 million within 30 days of legislative action on the Virginia/Nevada City project (upon the Governor's approval). The remaining \$1.325 million will be used to help fund renovation, restoration, and provide an artifact storage and curator building.
5. The Montana Historical Society will obtain a general fund loan to pay the \$6.5 million to the Bovey Corp. The loan will be repaid once the bonds have been issued.
6. The bonds will be issued beginning July 1997, consistent with the schedule below.
7. The debt service plan is shown on page 2 at 5.4% for all projects, except for purchase of the Virginia/Nevada City properties, which is at 5.0%.

FISCAL IMPACT:


The Governor's Executive Budget included \$5.0 million of general fund for debt service on the capital projects. The general fund debt service currently is \$2.445 million or \$2.555 million less for the 1999 biennium. The debt service being retired with coal severance tax and bed tax revenues is \$1.209 million for the 1999 biennium.


Information Notes:

- 1) BONDING SCHEDULE FOR THE RECOMMENDED BUILDING PROGRAM

PROJECT	FY98	FY99	1999	FY00	TOTAL BONDED PROGRAM
			BIENNIUM TOTALS		
Capitol Renovation	1,729,350	1,729,350	3,458,700		3,458,700
Historic Restoration			0	678,902	678,902
Regional Correctional Facilities		500,000	500,000		500,000
Food Service/Kitchen Facility MSP	2,150,000		2,150,000		2,150,000
Campus Expan/Consolidation PHS	10,306,000		10,306,000		10,306,000
192 Bed, Infrastructure & Svc Expan MSP	5,340,000		5,340,000		5,340,000
Replace Primary Elec Dist MSU -Billings	963,600		963,600		963,600
Replace HVAC Sys Sci Complex UM	1,200,000		1,200,000		1,200,000
Util Tunnel Extension MSU	5,623,113		5,623,113		5,623,113
Repair/Replace Primary Elec Dist MSU-Northern		1,028,000	1,028,000		1,028,000
Boiler Plant & Utility Dist WMCUM		1,117,000	1,117,000		1,117,000
Facility Renovation Completion MSU-COT-GF		3,950,000	3,950,000		3,950,000
Addn - Spec Ed Bldg MSU Billings		7,004,000	7,004,000		7,004,000
Purchase Virginia City & Nevada City Property	7,825,000		7,825,000		7,825,000
	35,137,063	15,228,350	50,465,413	678,902	51,144,315

(Continued)

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

  
 ROYAL JOHNSON, PRIMARY SPONSOR      DATE

Fiscal Note for HB0014, Second Reading, Second House as amended

HB 14 #3

**Information Notes (Cont'd):**

2)	FUNDING	FY	Tax	Distribution
	Coal Tax	1998	38,832,000	1,009,632
		1999	38,223,000	993,798
	Bed Tax*	1998		400,000
		1999		400,000

\* Expires July 1, 2001

**Debt Service Plan - Long Range Building Program**

(in millions)

04/10/97

Fiscal Year	General Fund			Retirement of New Debt	
	Current Fiscal Year Total	New LRBP Debt	Projected Fiscal Year Total	General Fund	Coal Tax
1997	4.125		4.125		
1998	4.058	0.374	4.432	0.178	0.196
1999	3.951	3.280	7.231	2.267	1.013
2000	3.925	4.570	8.495	3.557	1.013
2001	3.763	4.609	8.372	3.595	1.014
2002	3.764	4.609	8.373	3.595	1.014
2003	3.757	4.608	8.365	3.595	1.013
2004	3.450	4.608	8.058	3.595	1.013
2005	3.429	4.609	8.038	3.595	1.014
2006	3.420	4.608	8.028	3.595	1.013
2007	3.424	4.608	8.032	3.595	1.013
2008	3.425	4.413	7.838	3.595	0.818
2009	3.578	3.595	7.173	3.595	
2010	3.668	3.595	7.263	3.595	
2011	3.685	3.595	7.280	3.595	
2012	3.692	3.595	7.287	3.595	
2013	3.703	3.595	7.298	3.595	
2014	2.047	3.595	5.642	3.595	
2015	0.411	3.595	4.006	3.595	
2016	0.276	3.595	3.871	3.595	
2017	0.277	3.594	3.871	3.594	
2018		3.416	3.416	3.416	
2019		1.328	1.328	1.328	
2020		0.038	0.038	0.038	
<b>Totals</b>	<b>65.828</b>	<b>82.032</b>	<b>147.860</b>	<b>71.898</b>	<b>10.134</b>

HOUSE BILL NO. 14

INTRODUCED BY R. JOHNSON

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, 1999; PROVIDING FOR MATTERS RELATING TO APPROPRIATIONS; AMENDING SECTION 12, CHAPTER 774, LAWS OF 1991; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

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

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NEW SECTION. **Section 2. Appropriation of bond proceeds and other funds.** (1) 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 55th legislature and the sale of the bonds by the board of examiners:

<u>Agency/Project</u>	<u>CPF</u>
DEPARTMENT OF ADMINISTRATION	
Critical Project Requirements, Capitol Renovation	\$ 3,458,700
Historic Restoration, Montana State Capitol	2,281,000
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1	DEPARTMENT OF CORRECTIONS	
2	<del>Three Additional Regional Correctional Facilities</del>	<del>11,400,000</del>
3	<u>ONE ADDITIONAL REGIONAL CORRECTIONAL FACILITY</u>	<u>500,000</u>
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13	MONTANA UNIVERSITY SYSTEM	
14	Replace Primary Electrical Distribution,	
15	MSU-Billings	<del>1,700,000</del>
16		<u>963,600</u>
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18	Utility Tunnel Extension, MSU-Bozeman	<del>5,856,000</del>
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24	Facility Renovation/Completion MSU-COT-GF	<del>4,950,000</del>
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26	<u>ADDITION TO SPECIAL EDUCATION BUILDING,</u>	
27	<u>MSU-BILLINGS</u>	<u>7,004,000</u>
28	<u>(2) IT IS THE INTENT OF THE 55TH LEGISLATURE THAT AT LEAST 50% OF ALL FUTURE</u>	
29	<u>OPERATIONS AND MAINTENANCE COSTS FOR THE SPECIAL EDUCATION BUILDING ADDITION AT</u>	
30	<u>MSU-BILLINGS BE FUNDED BY MONTANA STATE UNIVERSITY AND THAT NO MORE THAN 50% BE</u>	

1 FUNDED WITH GENERAL FUND MONEY.

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 13 department may use interaccount loans in accordance with 17-2-107 to pay planning and design costs  
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 18 of administration may not let the projects for bid until the agency has submitted a financial plan for approval  
 19 by the director of the department of administration. A financial plan may not be approved by the director  
 20 if:

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

23 (2) the scope of the project is substantially altered or revised from the preliminary plans presented  
 24 for that project in the 1998-99 long-range building program presented to the 55th legislature.

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 27 constitute legislative consent for the capital projects contained in [section 2] within the meaning of  
 28 18-2-102.

29 (2) THE EXPENDITURE OF \$1,870,000 FOR THE CAPITOL RENOVATION PROJECT AUTHORIZED  
 30 IN [SECTION 2] IS CONTINGENT UPON WRITTEN PERMISSION TO CHANGE LEGISLATIVE CONTROL OF



1 ROOMS AND OFFICES AS PROVIDED FOR IN 2-17-108. THE WRITTEN APPROVAL OF THE RENOVATION  
2 PLANS MUST BE FILED WITH THE SECRETARY OF STATE.

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

7  
8 SECTION 8. SECTION 12, CHAPTER 774, LAWS OF 1991, PROVIDING APPROPRIATIONS OF  
9 BOND PROCEEDS TO THE DEPARTMENT OF ADMINISTRATION FOR CAPITAL PROJECTS ON PAGE 2877,  
10 LAWS OF 1991, IS AMENDED TO READ:

11 "Construct Women's Correction Center 10,075,600  
12 6,261,100"  
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15 severable from the invalid part remain in effect. If a part of [this act] is invalid in one or more of its  
16 applications, the part remains in effect in all valid applications that are severable from the invalid  
17 applications.

18  
19 NEW SECTION. Section 10. Effective date. [This act] is effective on passage and approval.

20 -END-

STATE OF MONTANA - FISCAL NOTE

Fiscal Note for HB0014, Reference as amended

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 biennium ending June 30, 1999; providing for matters relating to appropriations; and providing an immediate effective date.

ASSUMPTIONS:

1. HB 14 will authorize issuance of general obligation bonds for purchase of the Virginia/Nevada City property.
2. The Virginia/Nevada City bond will be retired by the coal severance tax authorized in Section 24 of HB 5.
3. All other bonds for the proposed program will be retired by the general fund.
4. The state must pay the Bovey Corp. \$6.5 million within 30 days of legislative action on the Virginia/Nevada City project (upon the Governor's approval). The remaining \$1.325 million will be used to help fund renovation, restoration, and provide an artifact storage and curator building.
5. The Montana Historical Society will obtain a general fund loan to pay the \$6.5 million to the Bovey Corp. The loan will be repaid once the bonds have been issued.
6. The bonds will be issued beginning July 1997, consistent with the schedule below.
7. The debt service plan is shown on page 2 at 5.4% for all projects, except for purchase of the Virginia/Nevada City properties, which is at 5.0%.

FISCAL IMPACT:

The Governor's Executive Budget included \$5.0 million of general fund for debt service on the capital projects. The general fund debt service will be \$2.445 million, or \$2.555 million less, plus the \$1.209 million for Virginia/Nevada City.

Information Notes:

BONDING SCHEDULE FOR THE RECOMMENDED BUILDING PROGRAM

PROJECT	FY98	FY99	1999	TOTAL
			BIENNIUM TOTALS	BONDED PROGRAM
Capitol Renovation	1,729,350	1,729,350	3,458,700	3,458,700
Historic Restoration			0	678,902
Regional Correctional Facilities		500,000	500,000	500,000
Food Service/Kitchen Facility MSP	2,150,000		2,150,000	2,150,000
Campus Expan/Consolidation PHS	10,306,000		10,306,000	10,306,000
192 Bed, Infrastructure & Svc Expan MSP	5,340,000		5,340,000	5,340,000
Replace Primary Elec Dist MSU - Billings	963,600		963,600	963,600
Replace HVAC Sys Sci Complex UM	1,200,000		1,200,000	1,200,000
Util Tunnel Extension MSU	5,623,113		5,623,113	5,623,113
Repair/Replace Primary Elec Dist MSU-Northern		1,028,000	1,028,000	1,028,000
Boiler Plant & Utility Dist WMCUM		1,117,000	1,117,000	1,117,000
Facility Renovation Completion MSU-COT-GF		3,950,000	3,950,000	3,950,000
Addn - Spec Ed Bldg MSU Billings		7,004,000	7,004,000	7,004,000
Purchase Virginia City & Nevada City Property	7,825,000		7,825,000	7,825,000
	<u>35,137,063</u>	<u>15,328,350</u>	<u>50,465,413</u>	<u>51,144,315</u>

(Continued)

*Dave Lewis* 4-16-97  
 DAVE LEWIS, BUDGET DIRECTOR      DATE  
 Office of Budget and Program Planning

ROYAL JOHNSON, PRIMARY SPONSOR      DATE

Fiscal Note for HB0014, Reference as amended

**HB 14 # 4**

Information Notes (Continued)

**Debt Service Plan - Long Range Building Program**

(in millions)

04/10/97

Fiscal Year	General Fund			Retirement of New Debt	
	Current Fiscal Year Total	New LRBP Debt	Projected Fiscal Year Total	General Fund	Virginia/ Nevada City
1997	4.125		4.125		
1998	4.058	0.374	4.432	0.178	0.196
1999	3.951	3.280	7.231	2.267	1.013
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2003	3.757	4.608	8.365	3.595	1.013
2004	3.450	4.608	8.058	3.595	1.013
2005	3.429	4.609	8.038	3.595	1.014
2006	3.420	4.608	8.028	3.595	1.013
2007	3.424	4.608	8.032	3.595	1.013
2008	3.425	4.413	7.838	3.595	0.818
2009	3.578	3.595	7.173	3.595	
2010	3.668	3.595	7.263	3.595	
2011	3.685	3.595	7.280	3.595	
2012	3.692	3.595	7.287	3.595	
2013	3.703	3.595	7.298	3.595	
2014	2.047	3.595	5.642	3.595	
2015	0.411	3.595	4.006	3.595	
2016	0.276	3.595	3.871	3.595	
2017	0.277	3.594	3.871	3.594	
2018		3.416	3.416	3.416	
2019		1.328	1.328	1.328	
2020		0.038	0.038	0.038	
<b>Totals</b>	<b>65.828</b>	<b>82.032</b>	<b>147.860</b>	<b>71.898</b>	<b>10.134</b>



**FREE CONFERENCE COMMITTEE**

on House Bill 14

Report No. 1, April 19, 1997

Page 1 of 1

Mr. Speaker and Mr. President:


We, your Free Conference Committee met and considered **House Bill 14** (reference copy -- salmon) and recommend that **House Bill 14** be amended as follows:


1. Page 2, line 12.  
Strike: "7,825,000"  
Insert: "3,912,500"

2. Page 3, line 5.  
Strike: "\$51,144,315"  
Insert: "\$47,231,815"

And this FREE Conference Committee report be adopted.

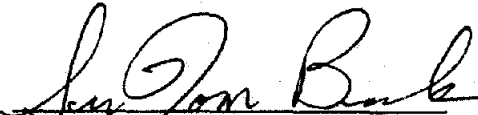
For the House:

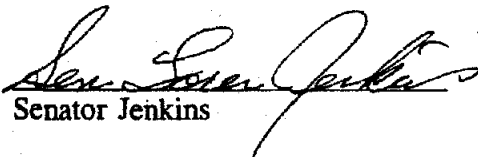
  
Rep. R. Johnson, Chair

  
Rep. Keenan

\_\_\_\_\_  
Rep. McCann

For the Senate:

  
Senator Beck, Chair

  
Senator Jenkins

\_\_\_\_\_  
Senator Christiaens *b7c*

ADOPT

REJECT

FCCR#1  
HB 14  
AC HB 14-1

841803CC.Hgd

HOUSE BILL NO. 14

INTRODUCED BY R. JOHNSON

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, 1999; PROVIDING FOR MATTERS RELATING TO APPROPRIATIONS; AMENDING SECTION 12, CHAPTER 774, LAWS OF 1991; 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 7], unless otherwise stated, the following definitions apply:

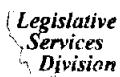
(1) "Capital project" means the acquisition of land or improvements or the planning, capital construction, renovation, furnishing, or major repair projects authorized in [sections 1 through 7].

(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.** (1) 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 55th legislature and the sale of the bonds by the board of examiners:

<u>Agency/Project</u>	<u>CPF</u>
DEPARTMENT OF ADMINISTRATION	
Critical Project Requirements, Capitol Renovation	\$ 3,458,700
Historic Restoration, Montana State Capitol	<u>2,281,000</u>
	<u>678,902</u>



1	DEPARTMENT OF CORRECTIONS	
2	<del>Three Additional Regional Correctional Facilities</del>	<del>11,400,000</del>
	<u>ONE ADDITIONAL REGIONAL CORRECTIONAL FACILITY</u>	<u>500,000</u>
4	New Food Service/Kitchen Facility, MSP, Deer Lodge	2,150,000
5	Campus Expansion/Consolidation, PHS, Miles City	<del>11,300,000</del>
6		<u>10,306,000</u>
7	192 Bed, Infrastructure and Services Expansion and	
8	Fire/Life Safety/Road Improvements, MSP, Deer Lodge	<del>13,074,000</del>
9		<u>5,340,000</u>
10	<del>Expansion Unit and Land Acquisition, WCC, Billings</del>	<del>2,322,000</del>
11	<u>MONTANA HISTORICAL SOCIETY</u>	
12	<u>PURCHASE OF VIRGINIA CITY AND NEVADA CITY PROPERTY</u>	<u>7,826,000</u>
13		<u>3,912,500</u>
14	MONTANA UNIVERSITY SYSTEM	
15	Replace Primary Electrical Distribution,	
16	MSU-Billings	<del>1,700,000</del>
17		<u>963,600</u>
18	Replace HVAC System, Science Complex, UM-Missoula	1,200,000
19	Utility Tunnel Extension, MSU-Bozeman	<del>6,856,000</del>
20		<u>5,623,113</u>
21	Repair/Replace Primary Electrical Distribution,	
22	MSU-Northern	<del>1,000,000</del>
23		<u>1,028,000</u>
24	Boiler Plant and Utility Distribution, UM-Dillon	1,117,000
25	Facility Renovation/Completion MSU-COT-GF	<del>4,950,000</del>
26		<u>3,950,000</u>
27	<u>ADDITION TO SPECIAL EDUCATION BUILDING,</u>	
28	<u>MSU-BILLINGS</u>	<u>7,004,000</u>
29	<u>(2) IT IS THE INTENT OF THE 55TH LEGISLATURE THAT AT LEAST 50% OF ALL FUTURE</u>	
30	<u>OPERATIONS AND MAINTENANCE COSTS FOR THE SPECIAL EDUCATION BUILDING ADDITION AT</u>	

1 MSU-BILLINGS BE FUNDED BY MONTANA STATE UNIVERSITY AND THAT NO MORE THAN 50% BE  
2 FUNDED WITH GENERAL FUND MONEY.

3  
4 NEW SECTION. Section 3. Authorization of bonds. The board of examiners is authorized to issue  
5 and sell general obligation long-range building program bonds in an amount not exceeding ~~\$61,808,700~~  
6 ~~\$43,319,315~~ ~~\$61,144,315~~ \$47,231,815 for the projects described in [section 2] over and above the  
7 amount of general obligation long-range building program bonds outstanding on January 1, 1997, to be  
8 issued in accordance with the terms and in the manner required by Title 17, chapter 5, part 8. The  
9 authority granted to the board by this section is in addition to any other authorization to the board to issue  
10 and sell general obligation long-range building program bonds.

11  
12 NEW SECTION. Section 4. Planning and design. The department of administration may proceed  
13 with the planning and design of capital projects before the receipt of other funding sources. The  
14 department may use interaccount loans in accordance with 17-2-107 to pay planning and design costs  
15 incurred before the receipt of other funding sources.

16  
17 NEW SECTION. Section 5. Capital projects -- contingent funds. If a capital project is financed in  
18 whole or in part with appropriations contingent upon the receipt of other funding sources, the department  
19 of administration may not let the projects for bid until the agency has submitted a financial plan for approval  
20 by the director of the department of administration. A financial plan may not be approved by the director  
21 if:

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

24 (2) the scope of the project is substantially altered or revised from the preliminary plans presented  
25 for that project in the 1998-99 long-range building program presented to the 55th legislature.

26  
27 NEW SECTION. Section 6. Legislative consent. (1) The appropriations authorized in [section 2]  
28 constitute legislative consent for the capital projects contained in [section 2] within the meaning of  
29 18-2-102.

30 (2) THE EXPENDITURE OF \$1,870,000 FOR THE CAPITOL RENOVATION PROJECT AUTHORIZED

1 IN [SECTION 2] IS CONTINGENT UPON WRITTEN PERMISSION TO CHANGE LEGISLATIVE CONTROL OF  
 2 ROOMS AND OFFICES AS PROVIDED FOR IN 2-17-108. THE WRITTEN APPROVAL OF THE RENOVATION  
 3 PLANS MUST BE FILED WITH THE SECRETARY OF STATE.

4

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

8

9 SECTION 8. SECTION 12, CHAPTER 774, LAWS OF 1991, PROVIDING APPROPRIATIONS OF  
 10 BOND PROCEEDS TO THE DEPARTMENT OF ADMINISTRATION FOR CAPITAL PROJECTS ON PAGE 2877,  
 11 LAWS OF 1991, IS AMENDED TO READ:

12	"Construct Women's Correction Center	10,075,600
13		<u>6,261,100"</u>

14

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

19

20 NEW SECTION. Section 10. Effective date. [This act] is effective on passage and approval.

21

-END-