

HOUSE BILL NO. 645

INTRODUCED BY M. CUFFE

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4 A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING FUNDING AND AUTHORIZATION FOR CAPITAL AND  
5 INFRASTRUCTURE PROJECTS STATEWIDE; CREATING STATE AND LOCAL INFRASTRUCTURE  
6 ACCOUNTS; PROVIDING ADDITIONAL FUNDING FOR PROJECTS LISTED IN HOUSE BILLS 6, 7, AND 11;  
7 APPROPRIATING MONEY TO THE DEPARTMENT OF ADMINISTRATION FOR CAPITAL PROJECTS AND FOR  
8 THE CONSTRUCTION OF THE STATE VETERANS' HOME IN SOUTHWESTERN MONTANA;  
9 APPROPRIATING MONEY TO THE DEPARTMENTS OF COMMERCE AND NATURAL RESOURCES AND  
10 CONSERVATION FOR GRANTS TO STATE AND LOCAL ENTITIES FOR PROJECTS AND IMPROVEMENTS;  
11 PRIORITIZING PROJECT GRANTS; AUTHORIZING PROJECT GRANTS AMOUNTS; ESTABLISHING  
12 CONDITIONS FOR GRANTS; PROVIDING FOR OTHER MATTERS RELATING TO THE APPROPRIATIONS;  
13 AUTHORIZING THE CREATION OF STATE DEBT THROUGH THE ISSUANCE OF GENERAL OBLIGATION  
14 BONDS; AMENDING SECTION 5, CHAPTER 324, LAWS OF 2011; AND PROVIDING AN IMMEDIATE  
15 EFFECTIVE DATE."

16  
17 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

18  
19 NEW SECTION. SECTION 1. DEFINITIONS. FOR THE PURPOSES OF [SECTIONS 1 THROUGH 11], UNLESS  
20 OTHERWISE PROVIDED, THE FOLLOWING DEFINITIONS APPLY:

21 (1) "AUTHORITY ONLY" MEANS APPROVAL PROVIDED BY THE LEGISLATURE TO EXPEND MONEY THAT DOES NOT  
22 REQUIRE AN APPROPRIATION, INCLUDING GRANTS, DONATIONS, AUXILIARY FUNDS, PROPRIETARY FUNDS, AND UNIVERSITY  
23 FUNDS.

24 (2) "CAPITAL PROJECT" MEANS IMPROVEMENTS OR THE PLANNING, CAPITAL CONSTRUCTION, ENVIRONMENTAL  
25 CLEANUP, RENOVATION, OR MAJOR REPAIR PROJECTS AUTHORIZED IN [SECTIONS 3 THROUGH 6].

26 (3) "CPA" MEANS THE CAPITAL PROJECTS ACCOUNT PROVIDED FOR IN 17-5-803 AND 17-5-804.  
27

28 NEW SECTION. Section 2. Local infrastructure accounts -- use. (1) There is a state and local  
29 infrastructure account in the state special revenue fund to provide grants as authorized in House Bills 6 and 7.  
30 The department of natural resources and conservation shall administer the account.



1 (2) There is a state and local infrastructure account in the state special revenue fund to provide grants  
 2 as authorized in House Bill 11 and in ~~[section 3]~~ [SECTION 9]. The department of commerce shall administer the  
 3 account.

4  
 5 **NEW SECTION. SECTION 3. AUTHORIZATION OF AND APPROPRIATIONS FOR CAPITAL PROJECTS. UPON**  
 6 **PASSAGE AND APPROVAL OF [THIS ACT], THE FOLLOWING PROJECTS, PURSUANT TO 18-2-102, ARE AUTHORIZED AND**  
 7 **APPROVED AND FUNDS ARE APPROPRIATED TO THE DEPARTMENT OF ADMINISTRATION FROM THE INDICATED FUNDING**  
 8 **SOURCES. THE DEPARTMENT OF ADMINISTRATION IS AUTHORIZED TO TRANSFER FUNDING AND AUTHORITY BETWEEN FUND**  
 9 **TYPES. FUNDS NOT REQUIRING LEGISLATIVE APPROPRIATION ARE INCLUDED FOR THE PURPOSES OF AUTHORIZATION**  
 10 **ONLY.**

11 **MONTANA UNIVERSITY SYSTEM**

12 **ROMNEY HALL - MSU BOZEMAN**

13 **\$25 MILLION (CPA) \$3 MILLION (AUTHORITY ONLY)**

14 **GREAT FALLS COLLEGE OF TECHNOLOGY, NURSING ADDITION \$5.4 MILLION (CPA)**

15 **MSU-BILLINGS TECH BUILDING ADDITION \$5 MILLION (CPA)**

16  
 17 **NEW SECTION. SECTION 4. PLANNING AND DESIGN. THE DEPARTMENT OF ADMINISTRATION MAY PROCEED**  
 18 **WITH THE PLANNING AND DESIGN OF CAPITAL PROJECTS PRIOR TO THE RECEIPT OF OTHER FUNDING SOURCES. THE**  
 19 **DEPARTMENT MAY USE INTERENTITY LOANS IN ACCORDANCE WITH 17-2-107 TO PAY PLANNING AND DESIGN COSTS**  
 20 **INCURRED BEFORE THE RECEIPT OF FUNDING FROM ANOTHER FUNDING SOURCE.**

21  
 22 **NEW SECTION. SECTION 5. CAPITAL PROJECTS -- CONTINGENT FUNDS. (1) EXCEPT AS PROVIDED IN**  
 23 **SUBSECTION (2), IF A CAPITAL PROJECT IS FINANCED IN WHOLE OR IN PART WITH APPROPRIATIONS CONTINGENT ON THE**  
 24 **RECEIPT OF FUNDING FROM ANOTHER FUNDING SOURCE, THE DEPARTMENT OF ADMINISTRATION MAY NOT LET THE**  
 25 **PROJECT GO TO BID UNTIL THE AGENCY RECEIVING FUNDING HAS SUBMITTED A FINANCIAL PLAN FOR APPROVAL BY THE**  
 26 **DIRECTOR OF THE DEPARTMENT OF ADMINISTRATION.**

27 **(2) A FINANCIAL PLAN MAY NOT BE APPROVED BY THE DIRECTOR IF:**

28 **(A) THE LEVEL OF FUNDING PROVIDED UNDER THE FINANCIAL PLAN DEVIATES SUBSTANTIALLY FROM THE FUNDING**  
 29 **LEVEL PROVIDED IN [SECTION 3] FOR THAT PROJECT; OR**

30 **(B) THE SCOPE OF THE PROJECT IS SUBSTANTIALLY ALTERED OR REVISED FROM THE PRELIMINARY PLANS**

1 PRESENTED FOR THAT PROJECT IN THE 2019 BIENNIUM LONG-RANGE BUILDING PROGRAM AND AS PRESENTED TO THE  
 2 65TH LEGISLATURE.

3  
 4 NEW SECTION. SECTION 6. REVIEW BY DEPARTMENT OF ENVIRONMENTAL QUALITY. THE DEPARTMENT OF  
 5 ENVIRONMENTAL QUALITY SHALL REVIEW CAPITAL PROJECTS AUTHORIZED IN [SECTION 3] FOR POTENTIAL INCLUSION IN  
 6 THE STATE BUILDING ENERGY CONSERVATION PROGRAM UNDER TITLE 90, CHAPTER 4, PART 6. WHEN A REVIEW SHOWS  
 7 THAT A CAPITAL PROJECT WILL RESULT IN ENERGY IMPROVEMENTS, THE PROJECT MUST BE SUBMITTED TO THE ENERGY  
 8 CONSERVATION PROGRAM FOR FUNDING CONSIDERATION. FUNDING PROVIDED UNDER THE ENERGY CONSERVATION  
 9 PROGRAM GUIDELINES MUST BE USED TO OFFSET OR ADD TO THE AUTHORIZED FUNDING FOR THE PROJECT, WITH THE  
 10 AMOUNT DEPENDENT ON THE ANNUAL UTILITY SAVINGS RESULTING FROM THE FACILITY IMPROVEMENT. AGENCIES MUST  
 11 BE NOTIFIED OF POTENTIAL FUNDING AFTER THE REVIEW.

12  
 13 NEW SECTION. Section 7. Authorization of bonds -- appropriations -- conditions. (1) The board  
 14 of examiners is authorized to issue and sell general obligation bonds in one or more series and from time to time  
 15 for the purposes described in subsection (3) in addition to the amount of general obligation bonds outstanding  
 16 on January 1, 2017.

17 (2) The bonds under this section must be issued in accordance with the terms and in the manner  
 18 required by Title 17, chapter 5, part 8. The authority granted to the board of examiners by this section is in  
 19 addition to any other authorization to the board of examiners to issue and sell general obligation bonds.

20 (3) On [the effective date of this act], the board of examiners is authorized to issue and sell up to ~~\$33.4~~  
 21 \$68.8 million in general obligation bonds and deposit the proceeds as follows:

22 (A) \$35.4 MILLION OF THE PROCEEDS FROM THE BONDS SOLD UNDER THIS SECTION MUST BE DEPOSITED IN THE  
 23 CAPITAL PROJECTS ACCOUNT PROVIDED FOR IN 17-5-803 AND 17-5-804;

24 ~~(a)~~(B) \$9.6 million of the proceeds from the bonds sold under this section must be deposited in the state  
 25 and local infrastructure account provided for in ~~section 1(1)~~ [SECTION 2(1)] and \$8.2 million is appropriated from  
 26 the account, for the biennium beginning July 1, 2017, to the department of natural resources and conservation  
 27 for projects listed in House Bill 6 and \$1.4 million is appropriated from the account, for the biennium beginning  
 28 July 1, 2017, to the department of natural resources and conservation for projects listed in House Bill 7; and

29 ~~(b)~~(C) \$23.8 million of the proceeds from the bonds sold under this section must be deposited in the state  
 30 and local infrastructure account provided for in ~~section 1(2)~~ [SECTION 2(2)]. A total of \$8.8 million is appropriated,

1 for the biennium beginning July 1, 2017, from the account to the department of commerce for projects listed in  
 2 House Bill 11. The remaining \$15 million is for the quality schools facility grant program grants as set forth in  
 3 ~~[section 3]~~ [SECTION 9].

4 (4) ~~Any~~ EXCEPT FOR THE AUTHORIZATION TO BOND THE CAPITAL PROJECTS LISTED IN SUBSECTION (3)(A), ANY  
 5 outstanding authorization to bond in subsection (3) expires June 30, 2019.

6  
 7 **NEW SECTION. SECTION 8. AUTHORIZATION OF BONDS -- STATE VETERANS' HOME IN SOUTHWESTERN**  
 8 **MONTANA. (1) UPON PASSAGE AND APPROVAL OF [THIS ACT], IN ADDITION TO THE AMOUNT OF GENERAL OBLIGATION**  
 9 **BONDS OUTSTANDING ON JANUARY 1, 2017, AND AUTHORIZED UNDER [SECTION 7(3)], THE BOARD OF EXAMINERS IS**  
 10 **AUTHORIZED TO ISSUE AND SELL UP TO \$10 MILLION IN GENERAL OBLIGATION BONDS IN ONE OR MORE SERIES IN**  
 11 **ACCORDANCE WITH TITLE 17, CHAPTER 5, PART 8, FOR THE PURPOSE OF FUNDING THE CONSTRUCTION AND ASSOCIATED**  
 12 **COSTS OF THE STATE VETERANS' HOME IN SOUTHWESTERN MONTANA.**

13 **(2) THE PROCEEDS OF THE BONDS AUTHORIZED IN SUBSECTION (1) MUST BE DEPOSITED INTO THE CAPITAL**  
 14 **PROJECTS ACCOUNT AND APPROPRIATED TO THE DEPARTMENT OF ADMINISTRATION TO BE USED FOR THE CONSTRUCTION**  
 15 **OF THE STATE VETERANS' HOME IN SOUTHWESTERN MONTANA.**

16 **(3) IF FEDERAL GRANT FUNDS FOR THE CONSTRUCTION OF THE VETERANS' HOME ARE RECEIVED PRIOR TO THE**  
 17 **BONDS BEING ISSUED, THE AUTHORITY TO ISSUE BONDS AS PROVIDED FOR IN SUBSECTION (1) IS EXTINGUISHED IN AN**  
 18 **AMOUNT EQUAL TO THE FEDERAL GRANTS RECEIVED.**

19 **(4) IF FEDERAL GRANT FUNDS FOR THE CONSTRUCTION OF THE VETERANS' HOME ARE RECEIVED AFTER THE**  
 20 **BONDS ARE ISSUED, THE FEDERAL GRANT FUNDS MUST BE DEPOSITED AND APPLIED TO DEBT SERVICE OBLIGATIONS**  
 21 **ASSOCIATED WITH THE CONSTRUCTION OF THE STATE VETERANS' HOME IN SOUTHWESTERN MONTANA.**

22  
 23 **NEW SECTION. Section 9. Quality schools facility grant program -- appropriation.** (1) The  
 24 department of commerce is appropriated up to \$15 million from the state and local infrastructure account  
 25 established in ~~[section 4(2)]~~ [SECTION 2(2)] to be used to fund quality schools facility program grants authorized  
 26 by this section for the biennium beginning July 1, 2017.

27 (2) The funds appropriated in subsection (1) must be used by the department to make grants to the  
 28 public school districts listed in subsection (3) for the described purposes and in amounts not to exceed the  
 29 amounts set out in subsection (3). The appropriation is subject to the conditions set forth in 90-6-812 and  
 30 described in the quality schools facility grant program 2019 biennium report to the 65th legislature. The

1 department shall commit funds to projects listed in subsection (3), up to the amounts authorized, based on the  
 2 manner of disbursement set forth in subsections (4) and (5), until the funds appropriated to finance grants in  
 3 subsection (1) are expended.

4 (3) The following applicants and projects are authorized for grants and are listed in the order of their  
 5 priority:

6 Applicant/Project	Grant Amount
7 1. St. Ignatius K-12 (building repair)	\$680,511
8 2. Grass Range ELE (asbestos abatement)	\$55,631
9 3. Miles City ELE (fire system upgrades)	\$352,834
10 4. Libby K-12 (heating and ventilation repair)	\$1,075,000
11 5. Custer County HS (drainage and roof upgrades)	\$953,576
12 6. Grass Range HS (fire system upgrades)	\$77,183
13 7. Wolf Point HS (storm drain system upgrades)	\$918,600
14 8. Polson ELE (replace boiler and system)	\$1,224,679
15 9. Geraldine K-12 (replace unsafe seating)	\$75,000
16 10. Arlee ELE (replace boiler)	\$694,157
17 11. Livingston ELE (energy and infrastructure improvement)	\$665,000
18 12. Rosebud K-12 (water system improvements)	\$174,300
19 13. Park City ELE (replace roof)	\$562,396
20 14. Cascade ELE (heating system repairs)	\$421,120
21 15. Noxon ELE (heating and ventilation replacement and deferred maintenance)	\$490,011
22 16. Ashland ELE (replace roof)	\$1,013,000
23 17. Troy ELE (heating and ventilation upgrades)	\$395,000
24 18. Troy HS (heating and ventilation upgrades)	\$395,000
25 19. Lodge Grass HS (electrical system improvements)	\$459,000
26 20. Billings HS (heating, ventilation, and lighting repairs and replacement)	\$1,558,988
27 21. Trout Creek ELE (foundation and flooring repairs)	\$102,600
28 22. Superior K-12 (heating and ventilation upgrades)	\$526,851
29 23. Lockwood ELE (repair and replace roofing)	\$542,003
30 24. Centerville ELE (security upgrades)	\$770,603

1	25. Kalispell ELE (infrastructure and energy upgrades)	\$483,680
2	26. Shields Valley ELE (replace boiler)	\$458,311
3	27. Lavina K-12 (replace boiler)	\$365,126
4	28. Belt ELE (ventilation system upgrades)	\$531,550
5	29. St. Regis K-12 (safety and security improvements)	\$538,196
6	30. Stevensville ELE (replace boilers and system upgrades)	\$879,801
7	31. Havre HS (ventilation system upgrades)	\$525,000
8	32. Anaconda HS (replace boilers and system upgrades)	\$1,800,738
9	33. Forsyth HS (heating and ventilation upgrades)	\$263,073
10	34. Stevensville HS (replace boilers and system upgrades)	\$1,064,057
11	35. Sun River Valley (Simms HS) (addition and remodel)	\$898,262
12	36. Kalispell HS (infrastructure and energy upgrades)	\$1,574,235
13	37. Drummond HS (retaining wall improvements)	\$193,600
14	38. Rocky Boy HS (replace air handler)	\$763,620
15	39. Frenchtown K-12 (window replacement and improvements)	\$426,408
16	40. Laurel ELE (heating and ventilation upgrades)	\$632,000
17	41. Stanford K-12 (ventilation system upgrades)	\$413,040
18	42. Hamilton K-12 (building envelope improvements)	\$833,216
19	43. Hays Lodge Pole K-12 (life safety, health compliance, electrical, and mechanical improvements)	
20		\$4,025,500
21	44. Roundup HS (replace boiler)	\$503,500
22	45. Wibaux K-12 (demolish and construct new building)	\$3,729,823
23	46. Power HS (kitchen and cafeteria remodel)	\$600,650
24	47. Butte ELE (ventilation system upgrades)	\$374,751
25	48. Fort Benton HS (technology upgrades)	\$67,472
26	49. Clinton ELE (energy conservation improvements)	\$313,784
27	50. Terry K-12 (deferred maintenance and improvements to schools)	\$120,000
28	(4) The maximum amount of a grant for a project under this section is \$1.225 million.	
29	(5) A grant recipient's entitlement to receive funds is dependent on the grant recipient's compliance with	
30	the conditions set forth in 90-6-812 and on the availability of funds.	

1 (6) Grants to recipients listed in subsection (3) that have not completed all of the conditions described  
 2 in 90-6-812 by September 30, 2018, will be reconsidered by the department of commerce. The department of  
 3 commerce may withdraw the grant.

4  
 5 **NEW SECTION.** **Section 10. Approval of grants -- completion of biennial appropriation.** The  
 6 legislature, pursuant to 90-6-809 and 90-6-810, approves the quality schools facility grants listed in ~~[section 3]~~  
 7 [SECTION 9]. The authorization of these grants constitutes a biennial appropriation from the state and local  
 8 infrastructure account established in ~~[section 1(2)]~~ [SECTION 2(2)].

9  
 10 **NEW SECTION.** **Section 11. Condition of grants -- disbursement of funds.** The disbursement of  
 11 grant funds for the projects specified in ~~[section 3(3)]~~ [SECTION 9(3)] is subject to the conditions set forth in  
 12 90-6-812.

13  
 14 **SECTION 12.** SECTION 5, CHAPTER 324, LAWS OF 2011, IS AMENDED TO READ:

15 **"Section 5. Capital project appropriations.** (1) There is appropriated ~~\$4,812,500~~ up to \$5,293,750 from  
 16 state special revenue account established in section 2, Chapter 461, Laws of 2009, to the department of  
 17 administration for the southwestern Montana veterans' home project.

18 (2) There is appropriated ~~\$8,937,500~~ \$10,000,000 from the federal special revenue fund to the  
 19 department of administration for the southwestern Montana veterans' home project.

20 (3) The department of administration is authorized to transfer the appropriations in subsections (1) and  
 21 (2) among the necessary fund types for this project."

22  
 23 **NEW SECTION.** **Section 13. Notification to tribal governments.** The secretary of state shall send  
 24 a copy of [this act] to each tribal government located on the seven Montana reservations and to the Little Shell  
 25 Chippewa tribe.

26  
 27 **COORDINATION SECTION.** **Section 14. Coordination instruction.** (1) If House Bill 6 is not passed  
 28 and approved, then the total amount of bonding authorized in ~~[section 2(3) of this act]~~ [SECTION 7(3) OF THIS ACT]  
 29 is reduced by \$8.2 million and ~~[section 2(3)(a) of this act]~~ [SECTION 7(3)(B) OF THIS ACT] must be replaced with the  
 30 following language:

1           "~~(a)~~(B) \$1.4 million of the proceeds from the bonds sold under this section must be deposited in the state  
2 and local infrastructure account provided for in ~~{section 1(4)}~~ [SECTION 2(1)] and this amount is appropriated from  
3 the account, for the biennium beginning July 1, 2017, to the department of natural resources and conservation  
4 for projects listed in House Bill 7."

5           (2) If House Bill 7 is not passed and approved, then the total amount of bonding authorized in ~~{section~~  
6 ~~2(3) of this act}~~ [SECTION 7(3) OF THIS ACT] is reduced by \$1.4 million and ~~{section 2(3)(a) of this act}~~ [SECTION  
7 7(3)(B) OF THIS ACT] must be replaced with the following language:

8           "~~(a)~~(B) \$8.2 million of the proceeds from the bonds sold under this section must be deposited in the state  
9 and local infrastructure account provided for in ~~{section 1(4)}~~ [SECTION 2(1)] and this amount is appropriated from  
10 the account, for the biennium beginning July 1, 2017, to the department of natural resources and conservation  
11 for projects listed in House Bill 6."

12           (3) If neither House Bill 6 nor House Bill 7 is passed and approved, then the total amount of bonding  
13 authorized in ~~{section 2(3) of this act}~~ [SECTION 7(3) OF THIS ACT] is reduced by \$9.6 million and ~~{section 2(3)(a)~~  
14 ~~of this act}~~ [SECTION 7(3)(B) OF THIS ACT] must be stricken.

15           (4) If House Bill 11 is not passed and approved, then the total amount of bonding authorized in ~~{section~~  
16 ~~2(3) of this act}~~ [SECTION 7(3) OF THIS ACT] is reduced by \$8.8 million and ~~{section 2(3)(b) of this act}~~ [SECTION  
17 7(3)(C) OF THIS ACT] must be replaced with the following language:

18           "~~(b)~~(C) \$15 million of the proceeds from the bonds sold under this section must be deposited in the state  
19 and local infrastructure account provided for in ~~{section 1(2)}~~ [SECTION 2(2)] and this amount is appropriated from  
20 the account, for the biennium beginning July 1, 2017, to the department of commerce for the quality schools  
21 facility grant program grants as set forth in ~~{section 3}~~ [SECTION 9]."

22  
23           NEW SECTION. Section 15. Severability. If a part of [this act] is invalid, all valid parts that are  
24 severable from the invalid part remain in effect. If a part of [this act] is invalid in one or more of its applications,  
25 the part remains in effect in all valid applications that are severable from the invalid applications.

26  
27           NEW SECTION. Section 16. Creation of state debt -- two-thirds vote required. Because ~~{section~~  
28 ~~2}~~ [SECTIONS 7 AND 8] ~~authorizes~~ AUTHORIZE the creation of state debt, Article VIII, section 8, of the Montana  
29 constitution requires a vote of two-thirds of the members of each house of the legislature for passage.

30

