

**SENATE JOURNAL  
61ST LEGISLATURE  
SEVENTY-EIGHTH LEGISLATIVE DAY**

Helena, Montana  
April 9, 2009

Senate Chambers  
State Capitol

Senate convened at 8:30 a.m. President Story presiding. Invocation by Pastor Keith Johnson. Pledge of Allegiance to the Flag.

Roll Call. All members present. Quorum present.

**BILLS AND JOURNAL:**

4/7/2009

Correctly printed: **SJR 39, SR 25, SR 29, SR 30, SR 31, HB 8, HB 12, HB 42, HB 52, HB 110, HB 130, HB 131, HB 132, HB 173, HB 280, HB 331, HB 333, HB 356, HB 583, HB 634, HB 655.**

Correctly engrossed: **HB 9, HB 615.**

Correctly enrolled: **SB 8, SB 32, SB 86, SB 281, SB 286, SB 349, SB 442, SJR 32.**

Signed by the Speaker at 11:00 a.m., April 8, 2009: **SB 62, SB 71, SB 76, SB 84, SB 124, SB 126, SB 127, SB 193, SB 222, SB 227, SB 297, SB 308, SB 360, SB 367, SB 375, SB 388, SB 400, SB 401, SB 405, SB 424, SB 441, SB 444, SB 463.**

Signed by the President at 11:30 a.m., April 7, 2009: **SB 62, SB 71, SB 76, SB 84, SB 124, SB 126, SB 127, SB 193, SB 222, SB 227, SB 297, SB 308, SB 360, SB 367, SB 375, SB 388, SB 400, SB 401, SB 405, SB 424, SB 441, SB 444, SB 463.**

Signed by the Secretary of the Senate at 4:25 p.m., April 6, 2009: **SB 62, SB 71, SB 76, SB 84, SB 124, SB 126, SB 127, SB 193, SB 222, SB 227, SB 297, SB 308, SB 360, SB 367, SB 375, SB 388, SB 400, SB 401, SB 405, SB 424, SB 441, SB 444, SB 463.**

Delivered to the Governor for approval at 9:05 a.m., April 9, 2009: **SB 62, SB 71, SB 76, SB 84, SB 124, SB 126, SB 127, SB 193, SB 222, SB 227, SB 297, SB 308, SB 360, SB 367, SB 375, SB 388, SB 400, SB 401, SB 405, SB 424, SB 441, SB 444, SB 463.**

Signed by the Speaker at 8:00 a.m., April 9, 2009: **SB 57, SB 58, SB 95, SB 123, SB 133, SB 148, SB 151, SB 156, SB 164, SB 174, SB 202, SB 299, SB 371, SB 399.**

Signed by the President at 9:30 a.m., April 8, 2009: **SB 57, SB 58, SB 95, SB 123, SB 133, SB 148, SB 151, SB 156, SB 164, SB 174, SB 202, SB 299, SB 371, SB 399.**

Signed by the Secretary of the Senate at 4:25 p.m., April 7, 2009: **SB 57, SB 58, SB 95, SB 123, SB 133, SB 148, SB 151, SB 156, SB 164, SB 174, SB 202, SB 299, SB 371, SB 399.**

Signed by the Speaker at 10:30 a.m., April 9, 2009: **SB 22, SB 26, SB 96, SB 104, SB 113, SB 158, SB 171, SB 226, SB 247, SB 269, SB 280, SB 292, SB 330, SB 351, SB 353, SB 361, SB 396, SB 426, SB 446, SB 449, SJR 9, SJR 15.**

Signed by the President at 9:00 a.m., April 9, 2009: **SB 22, SB 26, SB 96, SB 104, SB 113, SB 158, SB 171, SB 226, SB 247, SB 269, SB 280, SB 292, SB 330, SB 351, SB 353, SB 361, SB 396, SB 426, SB 446, SB 449, SJR 9, SJR 15, SR 18, SR 19, SR 20.**

Signed by the Secretary of the Senate at 4:45 p.m., April 8, 2009: **SB 22, SB 26, SB 96, SB 104, SB 113, SB 158, SB 171, SB 226, SB 247, SB 269, SB 280, SB 292, SB 330, SB 351, SB 353, SB 361, SB 396, SB 426, SB 446, SB 449, SJR 9, SJR 15, SR 18, SR 19, SR 20.**

Delivered to the Governor for approval at 3:07 p.m., April 9, 2009: **SB 22, SB 26, SB 96, SB 104, SB 113, SB 158, SB 171, SB 226, SB 247, SB 269, SB 280, SB 292, SB 330, SB 351, SB 353, SB 361, SB 396, SB 426, SB 446, SB 449.**

Delivered to the Governor for approval at 10:35 a.m., April 9, 2009: **SB 57, SB 58, SB 95, SB 123, SB 133, SB 148, SB 151, SB 156, SB 164, SB 174, SB 202, SB 299, SB 371, SB 399.**

Examined by the sponsor and found to be correct: **SB 8, SB 22, SB 26, SB 32, SB 86, SB 96, SB 104, SB 113, SB 158, SB 171, SB 226, SB 247, SB 269, SB 280, SB 281, SB 286, SB 292, SB 330, SB 349, SB 351, SB**

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**353, SB 361, SB 396, SB 426, SB 442, SB 446, SB 449, SJR 9, SJR 15, SR 18, SR 19, SR 20, SR 32.**

Delivered to the Secretary of State at 11:54 a.m., April 9, 2009: **SR 18, SR 19, SR 20.**

Delivered to the Secretary of State at 11:54 a.m., April 9, 2009: **SJR 9, SJR 15.**

Delivered to the Secretary of State at 2:47 p.m., April 9, 2009: **SR 32.**

**REPORTS OF STANDING COMMITTEES**

**FINANCE AND CLAIMS** (Bales, Chairman):

4/8/2009

**HB 5**, be amended as follows:

1. Page 3, line 4.

**Following:** line 3

**Insert:** "Federal special revenue funds consist of federal funds received pursuant to the American Recovery and Reinvestment Act of 2009, Public Law 111-5, for state energy programs."

2. Page 3, line 5.

**Strike:** "870,000 [LRBP fund] 1,500,000 [federal special revenue]"

**Insert:** "1,073,568 [LRBP fund] 1,276,432 [federal special revenue]"

3. Page 3, line 6.

**Strike:** "2,370,000"

**Insert:** "2,350,000"

4. Page 4, line 5.

**Strike:** "3,870,000 [federal special revenue]"

**Insert:** "1,260,000 [LRBP Fund] 2,610,000 [federal special revenue]"

5. Page 4, line 8.

**Following:** "PROGRAMS"

**Strike:** "AND OTHER FEDERAL FUNDS RECEIVED PURSUANT TO THE ACT"

6. Page 4, line 14.

**Strike:** "1,660,000 [federal special revenue]"

**Insert:** "1,660,000 [LRBP fund]"

7. Page 4, line 15 through line 16.

**Strike:** line 15 through line 16 in their entirety

8. Page 5, line 16.

**Strike:** in both places, "2,000,000"

**Insert:** "1,600,000 [LRBP fund]" and "1,600,000 [Total]"

9. Page 5, line 17 through line 18.

**Strike:** "FEDERAL SPECIAL" on line 17 through "111-5." on line 18

**Strike:** "FEDERAL AUTHORITY" on line 18

**Insert:** "funds"

10. Page 8, line 17.

**Following:** line 16

**Insert:** "Interdisciplinary Science Building Finish Out, UM-Missoula 8,000,000 [Authority Only] 8,000,000 [Total]"

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Authority is hereby granted to the university of Montana to make capital improvements for the interdisciplinary science building finish out in the indicated amount contingent upon receipt of federal special revenue as part of funds made available pursuant to the American Recovery and Reinvestment Act of 2009, Public Law 111-5, through competitive grants. All costs for the operation and maintenance of the improvements constructed under this appropriation must be paid by the university of Montana from nonstate sources."

11. Page 9, line 11 through 15.

**Strike:** line 11 through line 15 in their entirety

12. Page 11, line 10.

**Strike:** in both places "2,000,000"

**Insert:** "5,000,000 [State Special Revenue] 5,000,000 [Total]"

13. Page 12, line 10.

**Strike:** "425,000 [federal special revenue]"

**Insert:** "425,000 [LRBP fund]"

14. Page 12, line 11 through line 12.

**Strike:** line 11 through line 12 in their entirety

15. Page 12, line 13.

**Strike:** "650,000 [federal special revenue]"

**Insert:** "650,000 [LRBP fund]"

16. Page 12, line 14 through line 15.

**Strike:** line 14 through line 15 in their entirety

17. Page 12, line 17.

**Strike:** "335,172 [LRBP fund] 64,828 [federal special revenue]"

**Insert:** "400,000 [LRBP fund]"

18. Page 12, line 18 through line 19.

**Strike:** line 18 through line 19 in their entirety

19. Page 12, line 20.

**Strike:** "1,240,000 [federal special revenue]"

**Insert:** "1,240,000 [LRBP fund]"

20. Page 12, line 21 through page 13, line 1.

**Strike:** line 21 through line 1 in their entirety

21. Page 13, line 2.

**Strike:** "6,000,000 [federal special revenue]"

**Insert:** "6,000,000 [LRBP fund]"

22. Page 13, line 3 through line 4.

**Strike:** line 3 through line 4 in their entirety

23. Page 13, line 5.

**Strike:** "1,640,000 [federal special revenue]"

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**Insert:** "1,640,000 [LRBP fund]"

24. Page 13, line 6 through line 7.

**Strike:** line 6 through line 7 in their entirety

25. Page 13, line 8.

**Strike:** "1,200,000 [federal special revenue]"

**Insert:** "1,200,000 [LRBP fund]"

26. Page 13, line 9 through line 10.

**Strike:** line 9 through line 10 in their entirety

27. Page 13, line 12.

**Strike:** "2,250,000 [federal special revenue]"

**Insert:** "2,250,000 [LRBP fund]"

28. Page 13, line 13 through line 14.

**Strike:** line 13 through line 14 in their entirety

29. Page 13, line 16.

**Strike:** "1,600,000 [federal special revenue]"

**Insert:** "1,600,000 [LRBP fund]"

30. Page 13, line 17 through line 18.

**Strike:** line 17 through line 18 in their entirety

31. Page 13, line 19.

**Strike:** "12,300,000 [federal special revenue]"

**Insert:** "12,300,000 [LRBP fund]"

32. Page 13, line 20 through line 21.

**Strike:** "FEDERAL SPECIAL" on line 20 through "111-5." on line 21

And, as amended, be concurred in. Report adopted.

**HB 10**, be amended as follows:

1. Page 2, line 15.

**Following:** line 14

**Insert:** "DEPARTMENT OF REVENUE

Efficiency through Imaging 3,366,178[LRITP] 3,366,178[Total]"

2. Page 3, line 12.

**Following:** "project."

**Insert:** "To reduce state risk, a vendor who successfully bids on the unemployment insurance tax modernization project must have installed in at least one other state a substantially similar project, which must be in production and must meet all federal department of labor reporting requirements."

3. Page 3, line 17.

**Following:** "COMMITTEE."

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**Insert:** "To reduce state risk, a vendor who successfully bids on the medicaid management information system replacement project must have installed in at least one other state a substantially similar project, which must be in production and must be certified by the centers for medicare and medicaid services."

And, as amended, be concurred in. Report adopted.

**HB 11**, be amended as follows:

1. Page 3, line 13.

**Strike:** line 13 in its entirety

**Renumber:** subsequent items

2. Page 5, line 8.

**Strike:** "\$7,262,000"

**Insert:** "\$6,512,000"

3. Page 12, line 23.

**Following:** line 22

**Insert:** "NEW SECTION. **Section 13. Coordination instruction.** (1) If the total transfers for the treasure state endowment program TSEP infrastructure in section 51-F, item 3, of House Bill No. 645 is reduced below a total of \$23 million, the appropriation of \$40,173,080 from the treasure state endowment state special revenue account in [section 11 of this act] is reduced by a like amount.

(2) If the total transfers for the treasure state endowment program regional water system in section 51-F, item 3, of House Bill No. 645 is reduced below a total of \$8 million, the appropriation of \$15 million from the treasure state endowment regional water system special revenue account in [section 7 of this act] is reduced by a like amount."

**Renumber:** subsequent sections

And, as amended, be concurred in. Report adopted.

**HB 224**, be amended as follows:

1. Page 1, line 22.

**Following:** "hospital."

**Insert:** "The amount to be reimbursed as determined in subsection (2) must be reimbursed in equal annual installments over 4 years as long as the participant continues to work at either facility."

2. Page 1.

**Following:** line 24

**Insert:** "(c) The reimbursement payment by the board of regents must be made to the participant and the loan institution."

And, as amended, be concurred in. Report adopted.

**HB 258**, be amended as follows:

1. Page 1, line 16.

**Following:** "auditor for"

**Strike:** "fiscal years 2010 and 2011"

**Insert:** "the 2011 biennium"

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And, as amended, be concurred in. Report adopted.

**HB 459**, be amended as follows:

1. Page 1, line 15.

**Following:** "at"

**Strike:** "the university of Montana-Missoula"

**Insert:** "a unit of the Montana university system"

2. Page 1, line 17.

**Following:** "districts"

**Insert:** "and students registering with a county superintendent"

3. Page 1, line 18.

**Strike:** "faculty"

**Insert:** "instructors"

4. Page 1, line 22.

**Following:** "from"

**Strike:** "the"

5. Page 1, line 23 through page 2, line 2.

**Strike:** subsections (a) through (j) in their entirety

**Insert:** "(a) the commissioner of higher education or a designee;

(b) the superintendent of public instruction or a designee;

(c) a Montana licensed and endorsed classroom teacher appointed by the board of public education;

(d) a Montana licensed school district administrator appointed by the board of public education;

(e) a trustee of a Montana school district appointed by the board of public education;

(f) the dean of the school of education of the hosting unit of the Montana university system or a designee as

a nonvoting member; and

(g) the two officers provided for in subsection (5) as nonvoting members."

6. Page 2, line 5.

**Following:** "board"

**Strike:** "of the Montana virtual academy"

7. Page 2, line 7 through line 8.

**Strike:** "The program director" on line 7 through "Montana-Missoula."

8. Page 2, line 15.

**Following:** ";

**Strike:** "and"

9. Page 2, line 16.

**Following:** line 15

**Insert:** "(g) grant opportunities; and"

**Renumber:** subsequent subsection

10. Page 2, line 23.

**Following:** "LEGISLATURE."

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**Strike:** "THE PROGRAM DIRECTOR SHALL REPORT TO"

**Insert:** "The governing board shall provide"

**Strike:** "63RD"

**Insert:** "62nd"

11. Page 2, line 24.

**Following:** "LEGISLATURE"

**Strike:** "ON HOW" through "SPENT"

**Insert:** "with a report that details:

(1) how the line item funding in House Bill No. 645 cited in [section 4] was spent; and

(2) future funding requirements and recommendations, instructor standards, curriculum development issues, and evaluation of the software for implementing a seamless educational distance learning continuum in the state of Montana"

And, as amended, be concurred in. Report adopted.

**HB 464**, be amended as follows:

1. Page 2, line 7 through line 9.

**Strike:** section 3 in its entirety

And, as amended, be concurred in. Report adopted.

**HB 676**, be amended as follows:

1. Title, line 9.

**Following:** "HOMES;"

**Insert:** "REVISING THE DEFINITION OF PRESENT LAW BASE FOR THE ENSUING BUDGET CYCLE;"

2. Title, line 13.

**Following:** line 12

**Insert:** "MODIFYING THE USE OF THE COAL SEVERANCE TAX COMBINED ACCOUNT; PROVIDING A 1 PERCENT INCREASE IN EACH YEAR OF THE 2011 BIENNIUM IN THE BASIC ENTITLEMENT AND THE TOTAL PER-ANB ENTITLEMENT;"

3. Title, line 14.

**Following:** "TANF;"

**Insert:** "AUTHORIZING MONEY IN THE TOBACCO SETTLEMENT ACCOUNT AND THE HEALTH AND MEDICAID INITIATIVES ACCOUNT TO BE USED FOR THE HEALTHY MONTANA KIDS PLAN; REMOVING THE PROHIBITION AGAINST USING CHILDREN'S HEALTH INSURANCE PROGRAM INSURANCE FOR CONTRACEPTION;"

4. Title, line 19.

**Following:** ";"

**Insert:** "PROVIDING A FUND TRANSFER FROM THE JUNK VEHICLE FUND TO THE NATURAL RESOURCES OPERATIONS STATE SPECIAL REVENUE ACCOUNT;"

5. Title, line 20.

**Following:** "GRANTS;"

**Insert:** "REVISING THE ALLOCATION OF PREMIUM TAXES; REVISING THE ELIGIBILITY FOR THE CHILDREN'S HEALTH INSURANCE PROGRAM;"

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6. Title, line 22.

**Following:** "16-11-119,"

**Insert:** "17-6-606, 17-7-102,"

**Following:** "17-7-111,"

**Insert:** "17-7-304, 20-9-306, 33-2-708,"

**Following:** "53-4-212,"

**Insert:** "53-4-1004, 53-4-1005, 53-4-1012, 53-4-1115, 53-4-1201,"

7. Title, line 24.

**Strike:** "A RETROACTIVE APPLICABILITY DATE"

**Insert:** "APPLICABILITY DATES"

8. Page 8, line 13.

**Following:** "districts,"

**Strike:** "and"

9. Page 8, line 14.

**Following:** "Act"

**Insert:** ", and for the biennium beginning July 1, 2009, support for the rail transit authority"

10. Page 9, line 25.

**Following:** "districts,"

**Strike:** "and"

11. Page 9, line 26.

**Following:** "Act" on line 26

**Insert:** ", and for the biennium beginning July 1, 2009, support for the rail transit authority"

12. Page 11.

**Following:** line 23

**Insert:** "**Section 10.** Section 17-6-606, MCA, is amended to read:

**"17-6-606. Tobacco settlement accounts -- purpose -- uses.** (1) The purpose of this section is to dedicate a portion of the tobacco settlement proceeds to fund statewide programs for tobacco disease prevention designed to:

(a) discourage children from starting use of tobacco;

(b) assist adults in quitting use of tobacco;

(c) provide funds for the ~~children's health insurance program~~ healthy Montana kids plan provided for in Title 53, chapter 4, part 11; and

(d) provide funds for the comprehensive health association programs.

(2) An amount equal to 32% of the total yearly tobacco settlement proceeds received after June 30, 2003, must be deposited in a state special revenue account. Subject to subsection (5), the funds referred to in this subsection may be used only for funding statewide programs for tobacco disease prevention designed to prevent children from starting tobacco use and to help adults who want to quit tobacco use. The department of public health and human services shall manage the tobacco disease prevention programs and shall adopt rules to implement the programs. In adopting rules, the department shall consider the standards contained in Best Practices for Comprehensive Tobacco Control Programs--August 1999 or its successor document, published by the U.S. department of health and human services, centers for disease control and prevention.

(3) An amount equal to 17% of the total yearly tobacco settlement proceeds received after June 30, 2003, must be deposited in a state special revenue account. Subject to subsection (5), the funds referred to in this subsection may be used only for:

(a) matching funds to secure the maximum amount of federal funds for the ~~Children's Health Insurance~~



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~~Program Act~~ healthy Montana kids plan provided for in Title 53, chapter 4, part ~~10~~ 11; and

(b) programs of the comprehensive health association provided for in Title 33, chapter 22, part 15, with funding use subject to 33-22-1513.

(4) Funds deposited in a state special revenue account, as provided in subsection (2) or (3), that are not appropriated within 2 years after the date of deposit must be transferred to the trust fund.

(5) The legislature shall appropriate money from the state special revenue accounts provided for in this section for programs for tobacco disease prevention, for the programs referred to in the subsection establishing the account, and for funding the tobacco prevention advisory board.

(6) Programs funded under this section that are private in nature may be funded through contracted services."

**Insert: "Section 11.** Section 17-7-102, MCA, is amended to read:

**"17-7-102. (Temporary) Definitions.** As used in this chapter, the following definitions apply:

(1) "Additional services" means different services or more of the same services.

(2) "Agency" means all offices, departments, boards, commissions, institutions, universities, colleges, and any other person or any other administrative unit of state government that spends or encumbers public money by virtue of an appropriation from the legislature under 17-8-101.

(3) "Approving authority" means:

(a) the governor or the governor's designated representative for executive branch agencies;

(b) the chief justice of the supreme court or the chief justice's designated representative for judicial branch agencies;

(c) the speaker for the house of representatives;

(d) the president for the senate;

(e) appropriate legislative committees or a designated representative for legislative branch agencies; or

(f) the board of regents of higher education or its designated representative for the university system.

(4) (a) "Base budget" means the resources for the operation of state government that are of an ongoing and nonextraordinary nature in the current biennium. The base budget for the state general fund and state special revenue funds may not exceed that level of funding authorized by the previous legislature.

(b) The term does not include funding for water adjudication if the accountability benchmarks contained in 85-2-271 are not met.

(5) "Budget amendment" means a temporary appropriation as provided in Title 17, chapter 7, part 4.

(6) "Emergency" means a catastrophe, disaster, calamity, or other serious unforeseen and unanticipated circumstance that has occurred subsequent to the time that an agency's appropriation was made, that was clearly not within the contemplation of the legislature and the governor, and that affects one or more functions of a state agency and the agency's expenditure requirements for the performance of the function or functions.

(7) "Funds subject to appropriation" means those funds required to be paid out of the treasury as set forth in 17-8-101.

(8) "Necessary" means essential to the public welfare and of a nature that cannot wait until the next legislative session for legislative consideration.

(9) "New proposals" means requests to provide new nonmandated services, to change program services, to eliminate existing services, or to change sources of funding. For purposes of establishing the present law base, the distinction between new proposals and the adjustments to the base budget to develop the present law base is to be determined by the existence of constitutional or statutory requirements for the proposed expenditure. Any proposed increase or decrease that is not based on those requirements is considered a new proposal.

(10) (a) "Present law base" means, subject to subsection (10)(b), that level of funding needed under present law to maintain operations and services at the level authorized by the previous legislature, including but not limited to:

~~(a)~~(i) changes resulting from legally mandated workload, caseload, or enrollment increases or decreases;

~~(b)~~(ii) changes in funding requirements resulting from constitutional or statutory schedules or formulas;

~~(c)~~(iii) inflationary or deflationary adjustments; and

~~(d)~~(iv) elimination of nonrecurring appropriations.

(b) For the budget for the 2011 legislative session, present law base must be adjusted by reducing general

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fund budgets by the equivalent of that portion of the 2% across-the-board reduction assessed by the 61st legislature on selected agencies that was allocated by those agencies to personal services in the 2011 biennium. The director of the governor's office of budget and program planning and the legislative fiscal analyst shall agree on a mechanism for determining how agencies have allocated this reduction.

(11) "Program" means a principal organizational or budgetary unit within an agency.

(12) "Requesting agency" means the agency of state government that has requested a specific budget amendment.

(13) "University system unit" means the board of regents of higher education; office of the commissioner of higher education; university of Montana, with campuses at Missoula, Butte, Dillon, and Helena; Montana state university, with campuses at Bozeman, Billings, Havre, and Great Falls; the agricultural experiment station, with central offices at Bozeman; the forest and conservation experiment station, with central offices at Missoula; the cooperative extension service, with central offices at Bozeman; the bureau of mines and geology, with central offices at Butte; the fire services training school at Great Falls; and the community colleges at Miles City, Glendive, and Kalispell. (Terminates June 30, 2020--sec. 11, Ch. 319, L. 2007.)

**17-7-102. (Effective July 1, 2020) Definitions.** As used in this chapter, the following definitions apply:

(1) "Additional services" means different services or more of the same services.

(2) "Agency" means all offices, departments, boards, commissions, institutions, universities, colleges, and any other person or any other administrative unit of state government that spends or encumbers public money by virtue of an appropriation from the legislature under 17-8-101.

(3) "Approving authority" means:

(a) the governor or the governor's designated representative for executive branch agencies;

(b) the chief justice of the supreme court or the chief justice's designated representative for judicial branch agencies;

(c) the speaker for the house of representatives;

(d) the president for the senate;

(e) appropriate legislative committees or a designated representative for legislative branch agencies; or

(f) the board of regents of higher education or its designated representative for the university system.

(4) "Base budget" means the resources for the operation of state government that are of an ongoing and nonextraordinary nature in the current biennium. The base budget for the state general fund and state special revenue funds may not exceed that level of funding authorized by the previous legislature.

(5) "Budget amendment" means a temporary appropriation as provided in Title 17, chapter 7, part 4.

(6) "Emergency" means a catastrophe, disaster, calamity, or other serious unforeseen and unanticipated circumstance that has occurred subsequent to the time that an agency's appropriation was made, that was clearly not within the contemplation of the legislature and the governor, and that affects one or more functions of a state agency and the agency's expenditure requirements for the performance of the function or functions.

(7) "Funds subject to appropriation" means those funds required to be paid out of the treasury as set forth in 17-8-101.

(8) "Necessary" means essential to the public welfare and of a nature that cannot wait until the next legislative session for legislative consideration.

(9) "New proposals" means requests to provide new nonmandated services, to change program services, to eliminate existing services, or to change sources of funding. For purposes of establishing the present law base, the distinction between new proposals and the adjustments to the base budget to develop the present law base is to be determined by the existence of constitutional or statutory requirements for the proposed expenditure. Any proposed increase or decrease that is not based on those requirements is considered a new proposal.

(10) "Present law base" means that level of funding needed under present law to maintain operations and services at the level authorized by the previous legislature, including but not limited to:

(a) changes resulting from legally mandated workload, caseload, or enrollment increases or decreases;

(b) changes in funding requirements resulting from constitutional or statutory schedules or formulas;

(c) inflationary or deflationary adjustments; and

(d) elimination of nonrecurring appropriations.

(11) "Program" means a principal organizational or budgetary unit within an agency.

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(12) "Requesting agency" means the agency of state government that has requested a specific budget amendment.

(13) "University system unit" means the board of regents of higher education; office of the commissioner of higher education; university of Montana, with campuses at Missoula, Butte, Dillon, and Helena; Montana state university, with campuses at Bozeman, Billings, Havre, and Great Falls; the agricultural experiment station, with central offices at Bozeman; the forest and conservation experiment station, with central offices at Missoula; the cooperative extension service, with central offices at Bozeman; the bureau of mines and geology, with central offices at Butte; the fire services training school at Great Falls; and the community colleges at Miles City, Glendive, and Kalispell."

**Renumber:** subsequent sections

13. Page 12, line 15.

**Strike:** "subsection"

**Insert:** "subsections"

**Following:** "(7)"

**Insert:** "and (8)"

14. Page 15.

**Following:** line 6

**Insert:** "(8) Each agency budget request for the 2013 biennium must include the adjustments to present law base specified in 17-7-102(10)(b)."

**Insert:** "**Section 13.** Section 17-7-304, MCA, is amended to read:

**"17-7-304. Disposal of unexpended appropriations.** (1) All money appropriated for any specific purpose except that appropriated for the university system units listed in subsection (2) ~~for state money appropriated for the state children's health insurance program provided for in Title 53, chapter 4, part 10,~~ and except as provided in subsection (4) must, after the expiration of the time for which appropriated, revert to the several funds and accounts from which originally appropriated. However, any unexpended balance in any specific appropriation may be used for the years for which the appropriation was made or may be used to fund the provisions of 2-18-1203 through 2-18-1205 and 19-2-706 in the succeeding year.

(2) Except as provided in 17-2-108 and subsection (3) of this section, all money appropriated for the university of Montana campuses at Missoula, Butte, Dillon, and Helena and the Montana state university campuses at Bozeman, Billings, Havre, and Great Falls, the agricultural experiment station with central offices at Bozeman, the forest and conservation experiment station with central offices at Missoula, the cooperative extension service with central offices at Bozeman, and the bureau of mines and geology with central offices in Butte must, after the expiration of the time for which appropriated, revert to an account held by the board of regents. The board of regents is authorized to maintain a fund balance. There is a statutory appropriation, as provided in 17-7-502, to use the funds held in this account in accordance with a long-term plan for major and deferred maintenance expenditures and equipment or fixed assets purchases prepared by the affected university system units and approved by the board of regents. The affected university system units may, with the approval of the board of regents, modify the long-term plan at any time to address changing needs and priorities. The board of regents shall communicate the plan to each legislature, to the finance committee when requested by the committee, and to the office of budget and program planning.

(3) Subsection (2) does not apply to reversions that are the result of a reduction in spending directed by the governor pursuant to 17-7-140. Any amount that is a result of a reduction in spending directed by the governor must revert to the fund or account from which it was originally appropriated.

(4) (a) Subject to subsection (4)(b), after the end of a fiscal year, 30% of the money appropriated to an agency for that year by the general appropriations act for personal services, operating expenses, and equipment, by fund type, and remaining unexpended and unencumbered at the end of the year may be reappropriated to be spent during the following 2 years for any purpose that is consistent with the goals and objectives of the agency. The dollar amount of the 30% amount that may be carried forward and spent must be determined by the office of budget and program planning.

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(b) (i) Any portion of the 30% of the unexpended and unencumbered money referred to in subsection (4)(a) that was appropriated to a legislative branch entity may be deposited in the account established in 5-11-407.

(ii) After the end of a biennium, any portion of the unexpended and unencumbered money appropriated for the operation of the preceding legislature in a separate appropriation act may be deposited in the account established in 5-11-407. The approving authority shall determine the portion of the unexpended and unencumbered money that is deposited in the account. ~~(Bracketed language terminates on occurrence of contingency--sec. 7, Ch. 565, L. 2005.)"~~

**Insert: "Section 14.** Section 20-9-306, MCA, is amended to read:

**"20-9-306. Definitions.** As used in this title, unless the context clearly indicates otherwise, the following definitions apply:

- (1) "BASE" means base amount for school equity.
- (2) "BASE aid" means:
  - (a) direct state aid for 44.7% of the basic entitlement and 44.7% of the total per-ANB entitlement for the general fund budget of a district;
  - (b) guaranteed tax base aid for an eligible district for any amount up to 35.3% of the basic entitlement, up to 35.3% of the total per-ANB entitlement budgeted in the general fund budget of a district, and 40% of the special education allowable cost payment;
  - (c) the total quality educator payment;
  - (d) the total at-risk student payment;
  - (e) the total Indian education for all payment; and
  - (f) the total American Indian achievement gap payment.
- (3) "BASE budget" means the minimum general fund budget of a district, which includes 80% of the basic entitlement, 80% of the total per-ANB entitlement, 100% of the total quality educator payment, 100% of the total at-risk student payment, 100% of the total Indian education for all payment, 100% of the total American Indian achievement gap payment, and 140% of the special education allowable cost payment.
- (4) "BASE budget levy" means the district levy in support of the BASE budget of a district, which may be supplemented by guaranteed tax base aid if the district is eligible under the provisions of 20-9-366 through 20-9-369.
- (5) "BASE funding program" means the state program for the equitable distribution of the state's share of the cost of Montana's basic system of public elementary schools and high schools, through county equalization aid as provided in 20-9-331 and 20-9-333 and state equalization aid as provided in 20-9-343, in support of the BASE budgets of districts and special education allowable cost payments as provided in 20-9-321.
- (6) "Basic entitlement" means:
  - (a) for each high school district:
    - (i) ~~\$236,552~~ \$246,085 for fiscal year ~~2008~~ 2010; and
    - (ii) ~~\$243,649~~ \$248,546 for each succeeding fiscal year;
  - (b) for each elementary school district or K-12 district elementary program without an approved and accredited junior high school, 7th and 8th grade program, or middle school:
    - (i) ~~\$21,290~~ \$22,141 for fiscal year ~~2008~~ 2010;
    - (ii) ~~\$21,922~~ \$22,362 for each succeeding fiscal year; and
  - (c) for each elementary school district or K-12 district elementary program with an approved and accredited junior high school, 7th and 8th grade program, or middle school:
    - (i) for kindergarten through grade 6 elementary program:
      - (A) ~~\$21,290~~ \$22,141 for fiscal year ~~2008~~ 2010; and
      - (B) ~~\$21,922~~ \$22,362 for each succeeding fiscal year; plus
    - (ii) for an approved and accredited junior high school program, 7th and 8th grade program, or middle school:
      - (A) ~~\$60,275~~ \$62,704 for fiscal year ~~2008~~ 2010; and
      - (B) ~~\$62,083~~ \$63,331 for each succeeding fiscal year.
- (7) "Budget unit" means the unit for which the ANB of a district is calculated separately pursuant to 20-9-311.
- (8) "Direct state aid" means 44.7% of the basic entitlement and 44.7% of the total per-ANB entitlement for the general fund budget of a district and funded with state and county equalization aid.

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(9) "Maximum general fund budget" means a district's general fund budget amount calculated from the basic entitlement for the district, the total per-ANB entitlement for the district, the total quality educator payment, the total at-risk student payment, the total Indian education for all payment, the total American Indian achievement gap payment, and the greater of:

(a) 175% of special education allowable cost payments; or

(b) the ratio, expressed as a percentage, of the district's special education allowable cost expenditures to the district's special education allowable cost payment for the fiscal year that is 2 years previous, with a maximum allowable ratio of 200%.

(10) "Over-BASE budget levy" means the district levy in support of any general fund amount budgeted that is above the BASE budget and below the maximum general fund budget for a district.

(11) "Total American Indian achievement gap payment" means the payment resulting from multiplying \$200 times the number of American Indian students enrolled in the district as provided in 20-9-330.

(12) "Total at-risk student payment" means the payment resulting from the distribution of any funds appropriated for the purposes of 20-9-328.

(13) "Total Indian education for all payment" means the payment resulting from multiplying \$20.40 times the ANB of the district or \$100 for each district, whichever is greater, as provided for in 20-9-329.

(14) "Total per-ANB entitlement" means the district entitlement resulting from the following calculations and using either the current year ANB or the 3-year ANB provided for in 20-9-311:

(a) for a high school district or a K-12 district high school program, a maximum rate of ~~\$5,861~~ \$6,097 for fiscal year ~~2008~~ 2010 and ~~\$6,037~~ \$6,158 for each succeeding fiscal year for the first ANB, decreased at the rate of 50 cents per ANB for each additional ANB of the district up through 800 ANB, with each ANB in excess of 800 receiving the same amount of entitlement as the 800th ANB;

(b) for an elementary school district or a K-12 district elementary program without an approved and accredited junior high school, 7th and 8th grade program, or middle school, a maximum rate of ~~\$4,579~~ \$4,763 for fiscal year ~~2008~~ 2010 and ~~\$4,716~~ \$4,811 for each succeeding fiscal year for the first ANB, decreased at the rate of 20 cents per ANB for each additional ANB of the district up through 1,000 ANB, with each ANB in excess of 1,000 receiving the same amount of entitlement as the 1,000th ANB; and

(c) for an elementary school district or a K-12 district elementary program with an approved and accredited junior high school, 7th and 8th grade program, or middle school, the sum of:

(i) a maximum rate of ~~\$4,579~~ \$4,763 for fiscal year ~~2008~~ 2010 and ~~\$4,716~~ \$4,811 for each succeeding fiscal year for the first ANB for kindergarten through grade 6, decreased at the rate of 20 cents per ANB for each additional ANB up through 1,000 ANB, with each ANB in excess of 1,000 receiving the same amount of entitlement as the 1,000th ANB; and

(ii) a maximum rate of ~~\$5,861~~ \$6,097 for fiscal year ~~2008~~ 2010 and ~~\$6,037~~ \$6,158 for each succeeding fiscal year for the first ANB for grades 7 and 8, decreased at the rate of 50 cents per ANB for each additional ANB for grades 7 and 8 up through 800 ANB, with each ANB in excess of 800 receiving the same amount of entitlement as the 800th ANB.

(15) "Total quality educator payment" means the payment resulting from multiplying \$3,036 for fiscal year 2008 and \$3,042 for each succeeding fiscal year times the number of full-time equivalent educators as provided in 20-9-327."

**Insert: "Section 15.** Section 33-2-708, MCA, is amended to read:

**"33-2-708. Fees and licenses.** (1) (a) Except as provided in 33-17-212(2), the commissioner shall collect a fee of \$1,900 from each insurer applying for or annually renewing a certificate of authority to conduct the business of insurance in Montana.

(b) The commissioner shall collect certain additional fees as follows:

(i) nonresident insurance producer's license:

(A) application for original license, including issuance of license, if issued, \$100;

(B) biennial renewal of license, \$50;

(C) lapsed license reinstatement fee, \$100;

(ii) resident insurance producer's license lapsed license reinstatement fee, \$100;

(iii) surplus lines insurance producer's license:

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- (A) application for original license and for issuance of license, if issued, \$50;
  - (B) biennial renewal of license, \$100;
  - (C) lapsed license reinstatement fee, \$200;
  - (iv) insurance adjuster's license:
    - (A) application for original license, including issuance of license, if issued, \$50;
    - (B) biennial renewal of license, \$100;
    - (C) lapsed license reinstatement fee, \$200;
  - (v) insurance consultant's license:
    - (A) application for original license, including issuance of license, if issued, \$50;
    - (B) biennial renewal of license, \$100;
    - (C) lapsed license reinstatement fee, \$200;
  - (vi) viatical settlement broker's license:
    - (A) application for original license, including issuance of license, if issued, \$50;
    - (B) biennial renewal of license, \$100;
    - (C) lapsed license reinstatement fee, \$200;
  - (vii) resident and nonresident rental car entity producer's license:
    - (A) application for original license, including issuance of license, if issued, \$100;
    - (B) quarterly filing fee, \$25;
  - (viii) an original notification fee for a life insurance producer acting as a viatical settlement broker, in accordance with 33-20-1303(2)(b), \$50;
  - (ix) 50 cents for each page for copies of documents on file in the commissioner's office.
  - (c) The commissioner may adopt rules to determine the date by which a nonresident insurance producer, a surplus lines insurance producer, an insurance adjuster, or an insurance consultant is required to pay the fee for the biennial renewal of a license.
- (2) (a) The commissioner shall charge a fee of \$75 for each course or program submitted for review as required by 33-17-1204 and 33-17-1205, but may not charge more than \$1,500 to a sponsoring organization submitting courses or programs for review in any biennium.
- (b) Insurers and associations composed of members of the insurance industry are exempt from the charge in subsection (2)(a).
- (3) (a) ~~Except as provided in subsection (3)(b), the~~ The commissioner shall promptly deposit with the state treasurer to the credit of the general fund all fines and penalties and those amounts received pursuant to 33-2-311, 33-2-705, 33-28-201, and 50-3-109.
- ~~(b) The commissioner shall deposit 33% of the money collected under 33-2-705 in the special revenue account provided for in 53-4-1115.~~
- ~~(c)~~(b) All other fees collected by the commissioner pursuant to Title 33 and the rules adopted under Title 33 must be deposited in the state special revenue fund to the credit of the state auditor's office.
- (4) All fees are considered fully earned when received. In the event of overpayment, only those amounts in excess of \$10 will be refunded."

**Renumber:** subsequent sections

15. Page 18.

**Following:** line 17

**Insert:** "Section 18. Section 53-4-1004, MCA, is amended to read:

**"53-4-1004. (Temporary) Eligibility for program -- rulemaking.** (1) To be considered eligible for the program, a child:

- (a) must be 18 years of age or younger;
- (b) must have a combined family income at or below ~~250%~~ 200% of the federal poverty level or at a lower level determined by the department of public health and human services as provided in subsection (4);
- (c) may not already be covered by private insurance that offers creditable coverage, as defined in 42 U.S.C. 300gg(c), for 3 months prior to enrollment in the program or since birth, whichever period is less;
- (d) may not be eligible for medicaid benefits; and

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(e) must be a United States citizen or qualified alien and a Montana resident.

(2) The department of public health and human services shall adopt rules that establish the program's criteria for residency. The criteria must conform as nearly as practicable with the residency requirements for medicaid eligibility.

(3) Subject to 53-4-1009(3), rules governing eligibility may also include financial standards and criteria for income and resources, treatment of resources, and nonfinancial criteria.

(4) If the department determines that there is insufficient funding for the program, it may lower the percentage of the federal poverty level established in subsection (1)(b) in order to reduce the number of persons who may be eligible to participate or may limit the amount, scope, or duration of specific services provided. (Terminates on occurrence of contingency--sec. 15, Ch. 571, L. 1999; sec. 14, I.M. No. 155, approved November 4, 2008.)"

**Insert: "Section 19.** Section 53-4-1005, MCA, is amended to read:

**"53-4-1005. (Temporary) Benefits provided.** (1) Benefits provided to participants in the program may include but are not limited to:

- (a) inpatient and outpatient hospital services;
- (b) physician and advanced practice registered nurse services;
- (c) laboratory and x-ray services;
- (d) well-child and well-baby services;
- (e) immunizations;
- (f) clinic services;
- (g) dental services;
- (h) prescription drugs;
- (i) mental health and substance abuse treatment services;
- (j) hearing and vision exams; and
- (k) eyeglasses.

(2) The department shall adopt rules, pursuant to its authority under 53-4-1009, allowing it to cover significant dental needs beyond those covered in the basic plan. Expenditures under this subsection may not exceed \$100,000 in state funds, plus any matched federal funds, each fiscal year.

~~(3) The department is specifically prohibited from providing payment for birth control contraceptives under this program. (Terminates on occurrence of contingency--sec. 15, Ch. 571, L. 1999; sec. 3, Ch. 169, L. 2007.)"~~

**Insert: "Section 20.** Section 53-4-1012, MCA, is amended to read:

**"53-4-1012. (Temporary) State special revenue account.** (1) There is an account in the state special revenue fund to the credit of the state children's health insurance program administered by the department of public health and human services. Any interest or income derived from the account must be deposited in the account.

(2) Money deposited in this account must be used by the department to cover ~~additional~~ children, ~~to expand eligibility within the limits provided in 53-4-1004~~, to reduce or maintain premiums, to pay health care claims, or to establish and maintain a reserve.

~~(3) The department shall transfer the unexpended balance of an appropriation into the account provided for in subsection (1) at the expiration of the appropriation to be used for the purposes stated in subsection (2). (Terminates on occurrence of contingency--sec. 7, Ch. 565, L. 2005; sec. 5, Ch. 129, L. 2007.)"~~

**Insert: "Section 21.** Section 53-4-1115, MCA, is amended to read:

**"53-4-1115. Special revenue account.** (1) There is an account in the state special revenue fund to the credit of the department for the purposes provided in subsection (2). ~~There must be paid into the account the amounts collected under 33-2-708(3)(b).~~ Any interest or income derived from the account must be deposited in the account.

(2) Money in the account:

(a) is to be used solely to cover the number of additional enrollees in the plan that exceeds the number of enrollees as of November 4, 2008, within the limits provided in 53-4-1004, 53-6-131, and this part, ~~and~~ to cover the costs of enrollment, including premium assistance, under 53-4-1108(1), ~~and~~ to pay administrative costs associated with expanded eligibility, and to establish and maintain a reserve; and

(b) may be used only to match federal funds available under the children's health insurance program and the Montana medicaid program.

(3) The unexpended balance of an appropriation from the account must remain in the account and may be

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used only for the purposes stated in subsection (2).

(4) The special revenue account does not affect and is not exclusive of any other sources of funding for the programs described in 53-4-1104(2), including the special revenue account provided for in 53-4-1012.

(5) If the department determines that there is insufficient funding for the purposes of subsection (2), it may reduce eligibility requirements for participants in the children's health insurance program as provided in 53-4-1004(4)."

**Insert: "Section 22.** Section 53-6-1201, MCA, is amended to read:

**"53-6-1201. Special revenue fund -- health and medicaid initiatives.** (1) There is a health and medicaid initiatives account in the state special revenue fund established by 17-2-102. This account is to be administered by the department of public health and human services.

(2) There must be deposited in the account:

(a) money from cigarette taxes deposited under 16-11-119(1)(c);

(b) money from taxes on tobacco products other than cigarettes deposited under 16-11-119(3)(b); and

(c) any interest and income earned on the account.

(3) This account may be used only to provide funding for:

(a) the state funds necessary to take full advantage of available federal matching funds in order to administer the plan and maximize enrollment of eligible children under the children's health insurance program healthy Montana kids plan, provided for under Title 53, chapter 4, part ~~10~~ 11, and to provide outreach to the eligible children; ~~The increased revenue in this account is intended to increase enrollment rates for eligible children in the program and not to be used to support existing levels of enrollment based upon appropriations for the biennium ending June 30, 2005.~~

(b) a new need-based prescription drug program established by the legislature for children, seniors, chronically ill, and disabled persons that does not supplant similar services provided under any existing program;

(c) increased medicaid services and medicaid provider rates. The increased revenue is intended to increase medicaid services and medicaid provider rates and not to supplant the general fund in the trended traditional level of appropriation for medicaid services and medicaid provider rates.

(d) an offset to loss of revenue to the general fund as a result of new tax credits;

(e) funding new programs to assist eligible small employers with the costs of providing health insurance benefits to eligible employees;

(f) the cost of administering the tax credit, the purchasing pool, and the premium incentive payments and premium assistance payments as provided in Title 33, chapter 22, part 20; and

(g) providing a state match for the medicaid program for premium incentive payments or premium assistance payments to the extent that a waiver is granted by federal law as provided in 53-2-216.

(4) ~~(a) Except for \$1 million appropriated for the startup costs of 53-6-1004 and 53-6-1005, the money appropriated for fiscal year 2006 for the programs in subsections (3)(b) and (3)(d) through (3)(g) may not be expended until the office of budget and program planning has certified that \$25 million has been deposited in the account provided for in this section or December 1, 2005, whichever occurs earlier.~~

~~(b)~~(a) On or before July 1, the budget director shall calculate a balance required to sustain each program in subsection (3) for each fiscal year of the biennium. If the budget director certifies that the reserve balance will be sufficient, then the agencies may expend the revenue for the programs as appropriated. If the budget director determines that the reserve balance of the revenue will not support the level of appropriation, the budget director shall notify each agency. Upon receipt of the notification, the agency shall adjust the operating budget for the program to reflect the available revenue as determined by the budget director.

~~(c)~~(b) Until the programs or credits described in subsections (3)(b) and (3)(d) through (3)(g) are established, the funding must be used exclusively for the purposes described in subsections (3)(a) and (3)(c).

(5) The phrase "trended traditional level of appropriation", as used in subsection (3)(c), means the appropriation amounts, including supplemental appropriations, as those amounts were set based on eligibility standards, services authorized, and payment amount during the past five biennial budgets.

(6) The department of public health and human services may adopt rules to implement this section."

**Renumber:** subsequent sections



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16. Page 22.

**Following:** line 4

**Insert:** "NEW SECTION. **Section 27. Legislative intent.** It is the intent of the legislature that the appropriation in House Bill No. 2 for an FTE in the veterans' affairs program be attached to the veterans service office in Missoula and that the FTE, on average, spend 2 days each week in Hamilton, 2 days each week in Polson, and 1 day each week in Missoula."

**Insert:** "NEW SECTION. **Section 28. Emergency medical service grant program reports.** The department of transportation shall report to the children, families, health, and human services interim committee twice during each year of the interim on the results of the emergency medical service grant program funded in House Bill No. 2. The reports must include grants submitted, grants processed and awarded, and the remaining balance of the appropriation."

**Renumber:** subsequent sections

17. Page 22, line 6.

**Following:** "(1)"

**Strike:** "There is"

**Insert:** "By August 15, 2009, there must be"

18. Page 22, line 9.

**Following:** "(2)"

**Strike:** "There is"

**Insert:** "By August 15, 2009, there must be"

19. Page 22.

**Following:** line 10

**Insert:** "(3) There is transferred \$300,000 from the junk vehicle fund as authorized in 75-10-532 to the natural resources operations state special revenue account established in 15-38-301."

20. Page 22, line 15.

**Strike:** "16"

**Insert:** "26"

21. Page 22, line 16.

**Strike:** "16"

**Insert:** "26"

22. Page 22, line 20.

**Strike:** "**Retroactive applicability**"

**Insert:** "**Applicability**"

**Following:** "**applicability.**"

**Insert:** "(1)"

23. Page 22.

**Following:** line 21

**Insert:** "(2) [Section 14] applies to school budgets for school fiscal years beginning on or after July 1, 2009."

24. Page 22, line 23.

**Strike:** "[Section 9] terminates"

**Insert:** "[Sections 9 through 11] terminate"

And, as amended, be concurred in. Report adopted.

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**REPORTS OF SELECT COMMITTEES**

CONFERENCE COMMITTEE  
on House Amendments to **Senate Bill 310**  
Report No. 1, April 8, 2009

Mr. President and Mr. Speaker:

We, your Conference Committee met and considered House amendments to **Senate Bill 310** (reference copy -- salmon) and recommend this Conference Committee report be adopted.

And, recommend that House amendments to **Senate Bill 310** (reference copy -- salmon) be accepted by the Senate.

For the Senate:

Shockley, Chair  
Laslovich

For the House:

Ingraham  
Reichner  
Sands

CONFERENCE COMMITTEE  
on Senate Amendments to **House Bill 602**  
Report No. 1, April 8, 2009

Mr. President and Mr. Speaker:

We, your Conference Committee met and considered Senate amendments to **House Bill 602** (reference copy -- salmon) and recommend this Conference Committee report be adopted.

And, recommend that **House Bill 602** (reference copy -- salmon) be amended as follows:

1. Page 1, line 11.

**Following:** "~~vehicle,~~"

**Insert:** ", including a highway patrol vehicle,"

2. Page 2, line 20.

**Strike:** "OR"

**Insert:** ", "

**Following:** "~~patrol~~"

**Insert:** ", or the highway patrol"

3. Page 2, line 21.

**Strike:** subsection (3) in its entirety

For the House:

D. Brown  
Cohenour  
French  
Washburn

For the Senate:

Brenden  
Shockley  
J. Tropila

**MESSAGES FROM THE OTHER HOUSE**

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**Senate amendments to House bills** concurred in: 4/8/2009

**HB 318**, introduced by Kottel  
**HB 384**, introduced by Villa  
**HB 628**, introduced by Stoker  
**HB 630**, introduced by Sands

**House joint resolutions** passed and transmitted to the Senate for concurrence: 4/8/2009

**HJR 31**, introduced by McGillvray  
**HJR 34**, introduced by McAlpin  
**HJR 35**, introduced by Himmelberger

**HB 531** - The House failed to concur in Senate amendments to **HB 531**. 4/8/2009

**Senate bills** concurred in and returned to the Senate: 4/8/2009

**SB 198**, introduced by Lewis  
**SB 350**, introduced by Gillan

**Senate bill** concurred in as amended and returned to the Senate for concurrence in House amendments: 4/8/2009

**SB 119**, introduced by Esp

**SB 348** - The House acceded to the request of the Senate and authorized the Speaker to appoint the following **Free** Conference Committee to meet with a like committee from the Senate to confer on **SB 348**: 4/8/2009

Representative Wilmer, Vice Chair  
Representative Himmelberger  
Representative Malek  
Representative Mendenhall

**Governor's amendments to House bill** concurred in and returned to the Senate: 4/8/2009

**HB 55**, introduced by Hawk

**FIRST READING AND COMMITMENT OF BILLS**

The following House joint resolutions were introduced, read first time, and referred to committees:

**HJR 31**, introduced by McGillvray, J. Peterson, Bennett, Vance, Smith, referred to Judiciary.  
**HJR 34**, introduced by McAlpin, Ingraham, Stoker, French, Smith, Sands, P. Noonan, B. Beck, Becker, Furey, Hunter, referred to Judiciary.  
**HJR 35**, introduced by Himmelberger, referred to State Administration.

**THIRD READING OF BILLS**

The following bills having been read three several times, title and history agreed to, were disposed of in the following manner:

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**SB 65, as amended by the House**, passed as follows:

Yeas: Bales, Barkus, Barrett, Black, Branae, T. Brown, Brueggeman, Cooney, Curtiss, Erickson, Esp, Essmann, Gallus, Gebhardt, Gillan, Hamlett, Hansen, Hawks, Jackson, Jent, Juneau, Kaufmann, Keane, Laible, Larsen, Laslovich, Lewis, Moss, Murphy, Perry, Peterson, Ripley, Schmidt, Shockley, Squires, Steinbeisser, Stewart-Peregoy, J. Tropila, M. Tropila, Tutvedt, Wanzenried, Williams, Windy Boy, Zinke, Mr. President.  
Total 45

Nays: Balyeat, Brenden, R. Brown, Hinkle, McGee.  
Total 5

Absent or not voting: None.  
Total 0

Excused: None.  
Total 0

**SB 73** passed as follows:

Yeas: Balyeat, Barkus, Barrett, Black, Branae, Brenden, R. Brown, T. Brown, Brueggeman, Cooney, Curtiss, Erickson, Esp, Essmann, Gallus, Gebhardt, Gillan, Hamlett, Hansen, Hawks, Hinkle, Jackson, Jent, Juneau, Kaufmann, Keane, Laible, Larsen, Laslovich, Lewis, Moss, Murphy, Perry, Peterson, Ripley, Schmidt, Shockley, Squires, Steinbeisser, Stewart-Peregoy, J. Tropila, M. Tropila, Tutvedt, Wanzenried, Williams, Windy Boy, Zinke.  
Total 47

Nays: Bales, McGee, Mr. President.  
Total 3

Absent or not voting: None.  
Total 0

Excused: None.  
Total 0

**SB 108** passed as follows:

Yeas: Bales, Balyeat, Barkus, Barrett, Black, Branae, Brenden, R. Brown, T. Brown, Brueggeman, Cooney, Curtiss, Erickson, Esp, Essmann, Gallus, Gebhardt, Gillan, Hamlett, Hansen, Hawks, Hinkle, Jackson, Jent, Juneau, Kaufmann, Keane, Laible, Larsen, Laslovich, Lewis, McGee, Moss, Murphy, Perry, Peterson, Ripley, Schmidt, Shockley, Squires, Steinbeisser, Stewart-Peregoy, J. Tropila, M. Tropila, Tutvedt, Wanzenried, Williams, Windy Boy, Zinke, Mr. President.  
Total 50

Nays: None.  
Total 0

Absent or not voting: None.  
Total 0

Excused: None.  
Total 0

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**SB 231, as amended by the House**, passed as follows:

Yeas: Bales, Balyeat, Barkus, Barrett, Black, Branae, Brenden, R. Brown, T. Brown, Brueggeman, Cooney, Curtiss, Erickson, Esp, Essmann, Gallus, Gillan, Hamlett, Hansen, Hawks, Hinkle, Jackson, Jent, Juneau, Kaufmann, Keane, Laible, Larsen, Laslovich, Lewis, McGee, Moss, Murphy, Perry, Peterson, Ripley, Schmidt, Shockley, Squires, Steinbeisser, Stewart-Peregoy, J. Tropila, M. Tropila, Tutvedt, Wanzenried, Williams, Windy Boy, Zinke, Mr. President.

Total 49

Nays: Gebhardt.

Total 1

Absent or not voting: None.

Total 0

Excused: None.

Total 0

**SB 430, as amended by the House**, passed as follows:

Yeas: Bales, Balyeat, Barkus, Barrett, Black, Branae, Brenden, R. Brown, T. Brown, Brueggeman, Cooney, Curtiss, Erickson, Esp, Essmann, Gallus, Gebhardt, Gillan, Hamlett, Hansen, Hawks, Hinkle, Jackson, Jent, Juneau, Kaufmann, Keane, Laible, Larsen, Laslovich, Lewis, McGee, Moss, Murphy, Perry, Peterson, Ripley, Schmidt, Shockley, Squires, Steinbeisser, Stewart-Peregoy, J. Tropila, M. Tropila, Tutvedt, Wanzenried, Williams, Windy Boy, Zinke, Mr. President.

Total 50

Nays: None.

Total 0

Absent or not voting: None.

Total 0

Excused: None.

Total 0

**HB 3** concurred in as follows:

Yeas: Bales, Barkus, Barrett, Black, Brenden, R. Brown, T. Brown, Brueggeman, Curtiss, Erickson, Esp, Gallus, Gebhardt, Gillan, Hamlett, Hansen, Hawks, Jent, Kaufmann, Keane, Laible, Larsen, Laslovich, Lewis, McGee, Murphy, Perry, Peterson, Ripley, Schmidt, Shockley, Squires, Steinbeisser, Stewart-Peregoy, M. Tropila, Wanzenried, Williams, Windy Boy, Zinke, Mr. President.

Total 40

Nays: Balyeat, Branae, Cooney, Essmann, Hinkle, Jackson, Juneau, Moss, J. Tropila, Tutvedt.

Total 10

Absent or not voting: None.

Total 0

Excused: None.

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Total 0

**HB 4** concurred in as follows:

Yeas: Bales, Barkus, Barrett, Black, Branae, Brenden, R. Brown, T. Brown, Brueggeman, Cooney, Curtiss, Erickson, Esp, Gallus, Gebhardt, Gillan, Hamlett, Hansen, Hawks, Jackson, Jent, Juneau, Kaufmann, Keane, Laible, Larsen, Laslovich, Lewis, McGee, Moss, Murphy, Perry, Peterson, Ripley, Schmidt, Shockley, Squires, Steinbeisser, Stewart-Peregoy, J. Tropila, M. Tropila, Tutvedt, Wanzenried, Williams, Windy Boy, Zinke, Mr. President.  
Total 47

Nays: Balyeat, Essmann, Hinkle.  
Total 3

Absent or not voting: None.  
Total 0

Excused: None.  
Total 0

**HB 8** concurred in as follows:

Yeas: Bales, Barkus, Barrett, Black, Branae, Brenden, R. Brown, T. Brown, Brueggeman, Cooney, Curtiss, Erickson, Esp, Essmann, Gallus, Gebhardt, Gillan, Hamlett, Hansen, Hawks, Jackson, Jent, Kaufmann, Keane, Laible, Larsen, Laslovich, Lewis, McGee, Moss, Murphy, Perry, Peterson, Ripley, Schmidt, Squires, Steinbeisser, Stewart-Peregoy, J. Tropila, M. Tropila, Tutvedt, Wanzenried, Williams, Windy Boy, Zinke, Mr. President.  
Total 46

Nays: Balyeat, Hinkle, Juneau, Shockley.  
Total 4

Absent or not voting: None.  
Total 0

Excused: None.  
Total 0

**HB 12 failed** as follows:

Yeas: Branae, Brueggeman, Cooney, Erickson, Gallus, Gillan, Hamlett, Hansen, Hawks, Jent, Juneau, Kaufmann, Keane, Larsen, Laslovich, Moss, Schmidt, Squires, Stewart-Peregoy, M. Tropila, Wanzenried, Williams, Windy Boy.  
Total 23

Nays: Bales, Balyeat, Barkus, Barrett, Black, Brenden, R. Brown, T. Brown, Curtiss, Esp, Essmann, Gebhardt, Hinkle, Jackson, Laible, Lewis, McGee, Murphy, Perry, Peterson, Ripley, Shockley, Steinbeisser, J. Tropila, Tutvedt, Zinke, Mr. President.  
Total 27

Absent or not voting: None.  
Total 0

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Excused: None.  
Total 0

**HB 42** concurred in as follows:

Yeas: Bales, Balyeat, Barkus, Barrett, Black, Branae, Brenden, R. Brown, T. Brown, Brueggeman, Cooney, Curtiss, Erickson, Esp, Essmann, Gallus, Gebhardt, Gillan, Hamlett, Hansen, Hawks, Hinkle, Jackson, Jent, Juneau, Kaufmann, Keane, Laible, Larsen, Laslovich, Lewis, McGee, Moss, Murphy, Perry, Peterson, Ripley, Schmidt, Shockley, Squires, Steinbeisser, Stewart-Peregoy, J. Tropila, M. Tropila, Tutvedt, Wanzenried, Williams, Windy Boy, Zinke, Mr. President.  
Total 50

Nays: None.  
Total 0

Absent or not voting: None.  
Total 0

Excused: None.  
Total 0

**HB 110** concurred in as follows:

Yeas: Bales, Barrett, Black, Branae, T. Brown, Brueggeman, Cooney, Curtiss, Erickson, Esp, Essmann, Gallus, Gebhardt, Gillan, Hamlett, Hansen, Hawks, Jent, Juneau, Kaufmann, Keane, Laible, Larsen, Laslovich, Lewis, McGee, Moss, Murphy, Perry, Peterson, Ripley, Schmidt, Shockley, Squires, Stewart-Peregoy, J. Tropila, M. Tropila, Tutvedt, Wanzenried, Williams, Windy Boy, Zinke, Mr. President.  
Total 43

Nays: Balyeat, Barkus, Brenden, R. Brown, Hinkle, Jackson, Steinbeisser.  
Total 7

Absent or not voting: None.  
Total 0

Excused: None.  
Total 0

**HB 173** concurred in as follows:

Yeas: Bales, Barkus, Barrett, Black, Branae, Brenden, R. Brown, T. Brown, Brueggeman, Cooney, Curtiss, Erickson, Esp, Gebhardt, Gillan, Hamlett, Hansen, Hawks, Hinkle, Jackson, Jent, Juneau, Kaufmann, Keane, Laible, Larsen, Laslovich, McGee, Moss, Murphy, Perry, Peterson, Schmidt, Shockley, Squires, Stewart-Peregoy, J. Tropila, M. Tropila, Tutvedt, Wanzenried, Williams, Windy Boy, Mr. President.  
Total 43

Nays: Balyeat, Essmann, Gallus, Lewis, Ripley, Steinbeisser, Zinke.  
Total 7

Absent or not voting: None.  
Total 0

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Excused: None.  
Total 0

**HB 228** concurred in as follows:

Yeas: Bales, Balyeat, Barkus, Barrett, Black, Branae, Brenden, R. Brown, T. Brown, Brueggeman, Cooney, Curtiss, Esp, Essmann, Gallus, Gebhardt, Gillan, Hamlett, Hawks, Hinkle, Jackson, Jent, Keane, Laible, Larsen, Laslovich, Lewis, McGee, Murphy, Perry, Peterson, Ripley, Shockley, Squires, Steinbeisser, M. Tropila, Tutvedt, Wanzenried, Zinke, Mr. President.  
Total 40

Nays: Erickson, Hansen, Juneau, Kaufmann, Moss, Schmidt, Stewart-Peregoy, J. Tropila, Williams, Windy Boy.  
Total 10

Absent or not voting: None.  
Total 0

Excused: None.  
Total 0

**HB 280** concurred in as follows:

Yeas: Bales, Balyeat, Barkus, Barrett, Black, Branae, Brenden, R. Brown, T. Brown, Brueggeman, Cooney, Curtiss, Erickson, Esp, Essmann, Gallus, Gebhardt, Gillan, Hamlett, Hansen, Hawks, Hinkle, Jackson, Jent, Juneau, Kaufmann, Keane, Laible, Larsen, Laslovich, Lewis, McGee, Moss, Murphy, Perry, Peterson, Ripley, Schmidt, Shockley, Squires, Steinbeisser, Stewart-Peregoy, J. Tropila, M. Tropila, Tutvedt, Wanzenried, Williams, Windy Boy, Zinke, Mr. President.  
Total 50

Nays: None.  
Total 0

Absent or not voting: None.  
Total 0

Excused: None.  
Total 0

**HB 322, as amended by the Governor**, concurred in as follows:

Yeas: Bales, Balyeat, Barkus, Barrett, Black, Branae, Brenden, R. Brown, T. Brown, Brueggeman, Cooney, Curtiss, Erickson, Esp, Essmann, Gallus, Gebhardt, Gillan, Hamlett, Hansen, Hawks, Hinkle, Jackson, Jent, Juneau, Kaufmann, Keane, Laible, Larsen, Laslovich, Lewis, McGee, Moss, Murphy, Perry, Peterson, Ripley, Schmidt, Shockley, Squires, Steinbeisser, Stewart-Peregoy, J. Tropila, M. Tropila, Tutvedt, Wanzenried, Williams, Windy Boy, Zinke, Mr. President.  
Total 50

Nays: None.  
Total 0

Absent or not voting: None.



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Total 0

Excused: None.

Total 0

**HB 333** concurred in as follows:

Yeas: Bales, Balyeat, Barkus, Barrett, Black, Branae, Brenden, R. Brown, T. Brown, Brueggeman, Cooney, Curtiss, Erickson, Esp, Essmann, Gallus, Gebhardt, Gillan, Hamlett, Hansen, Hawks, Hinkle, Jackson, Jent, Juneau, Kaufmann, Keane, Laible, Larsen, Laslovich, Lewis, McGee, Moss, Murphy, Perry, Peterson, Ripley, Schmidt, Shockley, Squires, Steinbeisser, Stewart-Peregoy, J. Tropila, M. Tropila, Tutvedt, Wanzenried, Williams, Windy Boy, Zinke, Mr. President.

Total 50

Nays: None.

Total 0

Absent or not voting: None.

Total 0

Excused: None.

Total 0

**HB 356**, concurred in as follows:

Yeas: Bales, Balyeat, Barkus, Barrett, Black, Branae, Brenden, R. Brown, T. Brown, Brueggeman, Cooney, Curtiss, Erickson, Esp, Essmann, Gallus, Gebhardt, Gillan, Hamlett, Hansen, Hawks, Hinkle, Jackson, Jent, Juneau, Kaufmann, Keane, Laible, Larsen, Laslovich, Lewis, McGee, Moss, Murphy, Perry, Peterson, Ripley, Schmidt, Shockley, Squires, Steinbeisser, Stewart-Peregoy, J. Tropila, M. Tropila, Tutvedt, Wanzenried, Williams, Windy Boy, Zinke, Mr. President.

Total 50

Nays: None.

Total 0

Absent or not voting: None.

Total 0

Excused: None.

Total 0

**HB 583** concurred in as follows:

Yeas: Bales, Barrett, Black, Branae, Brenden, T. Brown, Brueggeman, Cooney, Curtiss, Erickson, Essmann, Gallus, Gebhardt, Gillan, Hamlett, Hansen, Hawks, Jent, Juneau, Kaufmann, Keane, Laible, Larsen, Laslovich, Lewis, Moss, Murphy, Perry, Peterson, Ripley, Schmidt, Squires, Steinbeisser, Stewart-Peregoy, J. Tropila, M. Tropila, Tutvedt, Wanzenried, Williams, Windy Boy, Zinke, Mr. President.

Total 42

Nays: Balyeat, Barkus, R. Brown, Esp, Hinkle, Jackson, McGee, Shockley.

Total 8

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Absent or not voting: None.  
Total 0

Excused: None.  
Total 0

**HB 622** concurred in as follows:

Yeas: Bales, Balyeat, Barkus, Barrett, Black, Branae, R. Brown, T. Brown, Brueggeman, Cooney, Curtiss, Erickson, Essmann, Gallus, Gillan, Hamlett, Hansen, Hawks, Hinkle, Jackson, Jent, Juneau, Kaufmann, Keane, Laible, Larsen, Laslovich, Lewis, McGee, Moss, Murphy, Perry, Peterson, Schmidt, Shockley, Squires, Steinbeisser, Stewart-Peregoy, J. Tropila, M. Tropila, Tutvedt, Wanzenried, Williams, Windy Boy, Zinke, Mr. President.  
Total 46

Nays: Brenden, Esp, Gebhardt, Ripley.  
Total 4

Absent or not voting: None.  
Total 0

Excused: None.  
Total 0

**HB 634** concurred in as follows:

Yeas: Balyeat, Barrett, Black, Branae, T. Brown, Brueggeman, Cooney, Curtiss, Erickson, Essmann, Gallus, Gillan, Hamlett, Hansen, Hawks, Hinkle, Jackson, Jent, Juneau, Kaufmann, Keane, Laible, Larsen, Laslovich, McGee, Moss, Murphy, Perry, Peterson, Schmidt, Shockley, Squires, Stewart-Peregoy, J. Tropila, M. Tropila, Wanzenried, Williams, Windy Boy.  
Total 38

Nays: Bales, Barkus, Brenden, R. Brown, Esp, Gebhardt, Lewis, Ripley, Steinbeisser, Tutvedt, Zinke, Mr. President.  
Total 12

Absent or not voting: None.  
Total 0

Excused: None.  
Total 0

**SECOND READING OF BILLS  
(COMMITTEE OF THE WHOLE)**

Senator Peterson moved the Senate resolve itself into a Committee of the Whole for consideration of business on second reading. Motion carried. Senator J. Tropila in the chair.

Mr. President: We, your Committee of the Whole, having had under consideration business on second reading, recommend as follows:

**HB 2** - Senator Bales moved **HB 2** be concurred in.

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**Section A - General Government Appropriation Subcommittee, Senator Laible, Chair**

**HB 2** - Senator McGee moved **HB 2**, second reading copy, be amended as follows:

1. Page A-1, line 8.

**Strike:** "865,628            414,177"            [general fund FY10 and FY11]

**Insert:** "748,544            292,657"            [general fund FY10 and FY11]

2. Page B-6, following line 10.

**Insert:** "c. Mental Health Diversion (Restricted/Biennial)

"117,084            121,520"            [general fund FY 10 FY11]

3. Page B-10, following line 2.

**Insert:** "Mental Health Diversion is contingent upon passage and approval of House Bill No. 130, House Bill No. 131, or House Bill No. 132 and may be used only to implement those bills."

Amendment adopted as follows:

Yeas: Balyeat, Barkus, Barrett, Black, Brenden, R. Brown, T. Brown, Brueggeman, Curtiss, Esp, Essmann, Gallus, Hinkle, Jackson, Laslovich, Lewis, McGee, Murphy, Perry, Peterson, Ripley, Schmidt, Shockley, Steinbeisser, J. Tropila, Tutvedt, Zinke, Mr. President.

Total 28

Nays: Bales, Branae, Cooney, Erickson, Gebhardt, Gillan, Hamlett, Hansen, Hawks, Jent, Juneau, Kaufmann, Keane, Laible, Larsen, Moss, Squires, Stewart-Peregoy, M. Tropila, Wanzenried, Williams, Windy Boy.

Total 22

Absent or not voting: None.

Total 0

Excused: None.

Total 0

**HB 2** - Senator Zinke moved **HB 2**, second reading copy, be amended as follows:

1. Page A-11.

**Following:** line 18

**Insert:** "The line item for New Worker Training is to provide training funds for businesses to train and educate both new and existing employees, which will result in the retention and creation of high-wage and high-skilled jobs that will increase the earning potential and employment opportunities for Montana employees and enhance the state's economy. The line item for New Worker Training is intended to be implemented using a framework similar to that established under the Primary Sector Business Workforce Training Act provided for in Title 39, chapter 11, except that the New Worker Training appropriation line item is to be used to train and educate both new and existing employees."

Amendment adopted as follows:

Yeas: Bales, Balyeat, Barkus, Barrett, Black, Branae, Brenden, R. Brown, T. Brown, Brueggeman, Cooney, Curtiss, Esp, Essmann, Gallus, Gebhardt, Gillan, Hamlett, Hansen, Hawks, Hinkle, Jackson, Jent, Keane, Laible, Larsen, Laslovich, Lewis, McGee, Moss, Murphy, Perry, Peterson, Ripley, Schmidt, Shockley, Steinbeisser,

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Stewart-Peregoy, J. Tropila, M. Tropila, Tutvedt, Williams, Windy Boy, Zinke, Mr. President.  
Total 45

Nays: Erickson, Juneau, Kaufmann, Squires, Wanzenried.  
Total 5

Absent or not voting: None.  
Total 0

Excused: None.  
Total 0

**HB 2** - Senator Cooney moved **HB 2**, second reading copy, be amended as follows:

1. Page A-1, line 21 through 22.  
**Strike:** line 21 through line 22 in their entirety

Amendment **not** adopted as follows:

Yeas: Black, Branae, Cooney, Erickson, Gallus, Gillan, Hamlett, Hansen, Hawks, Jackson, Jent, Juneau, Kaufmann, Keane, Larsen, Laslovich, Moss, Schmidt, Squires, Stewart-Peregoy, J. Tropila, M. Tropila, Wanzenried, Williams, Windy Boy.  
Total 25

Nays: Bales, Balyeat, Barkus, Barrett, Brenden, R. Brown, T. Brown, Brueggeman, Curtiss, Esp, Essmann, Gebhardt, Hinkle, Laible, Lewis, McGee, Murphy, Perry, Peterson, Ripley, Shockley, Steinbeisser, Tutvedt, Zinke, Mr. President.  
Total 25

Absent or not voting: None.  
Total 0

Excused: None.  
Total 0

Senator Shockley excused at this time.

**HB 2** - Senator Hinkle moved **HB 2**, second reading copy, be amended as follows:

1. Page A-1, line 6.  
**Strike:** "6,787,778 7,100,735" [general fund FY 10 and FY 11]  
**Insert:** "5,842,770 6,158,896" [general fund FY 10 and FY 11]

2. Page A-1, line 19.  
**Strike:** "\$239,126 IN FISCAL YEAR 2010 AND \$239,125"  
**Insert:** "\$1,184,134 in fiscal year 2010 and \$1,180,964"

3. Page A-2, line 12.  
**Strike:** "2,461,531 2,463,759" [general fund FY 10 and FY 11]  
**Insert:** "1,983,884 1,999,094" [general fund FY 10 and FY 11]

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4. Page A-3, line 16.

**Strike:** "\$183,161 in fiscal year 2010 and \$183,161"

**Insert:** "\$660,808 in fiscal year 2010 and \$647,826"

5. Page A-4, line 6.

**Strike:** "437,570 435,075" [general fund FY 10 and FY 11]

**Insert:** "397,150 398,669" [general fund FY 10 and FY 11]

6. Page A-4, line 17.

**Strike:** "\$8,953 IN FISCAL YEAR 2010 AND \$8,952"

**Insert:** "\$49,373 in fiscal year 2010 and \$45,358"

7. Page A-7, line 5.

**Strike:** "20,046,388 20,119,209" [general fund FY 10 and FY 11]

**Insert:** "16,227,084 16,301,589" [general fund FY 10 and FY 11]

8. Page A-7.

**Following:** line 15

**Insert:** "Property Assessment Division includes unspecified reductions in general fund money of \$3,819,304 in fiscal year 2010 and \$3,817,256 in fiscal year 2011. The agency may allocate these reductions in funding among programs when developing 2011 biennium operating plans."

9. Page A-8, line 6.

**Strike:** "2,100,067 2,131,697" [general fund FY 10 and FY 11]

**Insert:** "1,441,221 1,633,076" [general fund FY 10 and FY 11]

10. Page A-9, line 18.

**Strike:** "\$580,071 in fiscal year 2010 and \$580,071"

**Insert:** "\$1,238,917 in fiscal year 2010 and \$1,078,692"

11. Page A-12, line 3.

**Strike:** "737,193 737,571" [general fund FY 10 and FY 11]

**Insert:** "530,667 530,889" [general fund FY 10 and FY 11]

12. Page A-13, line 1.

**Strike:** "\$46,633 in fiscal year 2010 and \$46,633"

**Insert:** "\$253,159 in fiscal year 2010 and \$253,315"

13. Page A-13, line 10.

**Strike:** "529,240 529,818" [general fund FY 10 and FY 11]

**Insert:** "76,690 68,421" [general fund FY 10 and FY 11]

14. Page A-14, line 21.

**Strike:** "\$116,575 IN FISCAL YEAR 2010 AND \$116,575"

**Insert:** "\$569,125 in fiscal year 2010 and \$577,972"

Amendment **not** adopted as follows:

Yeas: Balyeat, Barkus, Brenden, Curtiss, Essmann, Gebhardt, Hinkle, Jackson, McGee.  
Total 9

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Nays: Bales, Barrett, Black, Branae, R. Brown, T. Brown, Brueggeman, Cooney, Erickson, Esp, Gallus, Gillan, Hamlett, Hansen, Hawks, Jent, Juneau, Kaufmann, Keane, Laible, Larsen, Laslovich, Lewis, Moss, Murphy, Perry, Peterson, Ripley, Schmidt, Squires, Steinbeisser, Stewart-Peregoy, J. Tropila, M. Tropila, Tutvedt, Wanzenried, Williams, Windy Boy, Zinke, Mr. President.

Total 40

Absent or not voting: None.

Total 0

Excused: Shockley.

Total 1

Senator Shockley present at this time.

**HB 2** - Senator Schmidt moved **HB 2**, second reading copy, be amended as follows:

1. Page A-1, line 10.

**Strike:** "1,823,930 1,864,034" [general fund FY 10 & FY 11]

**Insert:** "1,921,643 1,917,626" [general fund FY 10 & FY 11]

2. Page A-1, line 11 through line 12.

**Strike:** line 11 through line 12 in their entirety

3. Page A-2, line 1.

**Strike:** line 1 in its entirety

**Insert:** "If Senate Bill No. 460 is passed and approved, Fiscal Analysis and Review is reduced by \$97,713 general fund money in fiscal year 2010 and by \$53,592 general fund money in fiscal year 2011."

Amendment adopted as follows:

Yeas: Bales, Balyeat, Barkus, Barrett, Black, Branae, Brenden, R. Brown, T. Brown, Brueggeman, Cooney, Curtiss, Erickson, Esp, Essmann, Gallus, Gebhardt, Gillan, Hamlett, Hansen, Hawks, Hinkle, Jackson, Jent, Juneau, Kaufmann, Keane, Laible, Larsen, Laslovich, Lewis, McGee, Moss, Murphy, Perry, Peterson, Ripley, Schmidt, Shockley, Squires, Steinbeisser, Stewart-Peregoy, J. Tropila, M. Tropila, Tutvedt, Wanzenried, Williams, Windy Boy, Zinke, Mr. President.

Total 50

Nays: None.

Total 0

Absent or not voting: None.

Total 0

Excused: None.

Total 0

**HB 2** - Senator Cooney moved **HB 2**, second reading copy, be amended as follows:

1. Page A-4, line 6.

**Strike:** "437,570 435,075" [general fund FY 2010 and FY 2011]

**Insert:** "446,523 444,027" [general fund FY 2010 and FY 2011]

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2. Page A-4.

**Strike:** line 17 through line 18 in their entirety

3. Page E-3, line 13.

**Strike:** "221,171 223,717" [general fund FY 2010 and FY 2011]

**Insert:** "225,711 228,257" [general fund FY 2010 and FY 2011]

4. Page E-3.

**Strike:** line 18 through line 19 in their entirety

5. Page E-4, line 19.

**Strike:** "458,925 456,702" [general fund FY 2010 and FY 2011]

**Insert:** "468,352 466,129" [general fund FY 2010 and FY 2011]

6. Page E-5.

**Strike:** line 6 through line 7 in their entirety

Amendment **not** adopted as follows:

Yeas: Branae, Brueggeman, Cooney, Erickson, Gallus, Gillan, Hamlett, Hansen, Hawks, Jent, Juneau, Kaufmann, Keane, Larsen, Laslovich, Moss, Schmidt, Squires, Stewart-Peregoy, J. Tropila, M. Tropila, Wanzenried, Williams, Windy Boy.

Total 24

Nays: Bales, Balyeat, Barkus, Barrett, Black, Brenden, R. Brown, T. Brown, Curtiss, Esp, Essmann, Gebhardt, Hinkle, Jackson, Laible, Lewis, McGee, Murphy, Perry, Peterson, Ripley, Shockley, Steinbeisser, Tutvedt, Zinke, Mr. President.

Total 26

Absent or not voting: None.

Total 0

Excused: None.

Total 0

**HB 2** - Senator Cooney moved **HB 2**, second reading copy, be amended as follows:

1. Page A-1, line 8.

**Strike:** "865,628 414,177" [general fund FY10 and FY11]

**Insert:** "780,681 325,848" [general fund FY10 and FY11]

2. Page B-6.

**Following:** line 10

**Insert:** "c. Mental Health Diversion (Restricted/Biennial) 84,947 88,329" [general fund FY10 and FY11]

3. Page B-10.

**Following:** line 2

**Insert:** "Mental Health Diversion is contingent upon passage and approval of House Bill No. 130, House Bill No. 131, or House Bill No. 132 and may used only to implement those bills."

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Amendment **not** adopted as follows:

Yeas: Balyeat, Barrett, R. Brown, T. Brown, Brueggeman, Cooney, Curtiss, Esp, Gallus, Gebhardt, Jackson, Juneau, Kaufmann, Laslovich, McGee, Perry, Peterson, Ripley, Shockley, Zinke, Mr. President.

Total 21

Nays: Bales, Barkus, Black, Branae, Brenden, Erickson, Essmann, Gillan, Hamlett, Hansen, Hawks, Hinkle, Jent, Keane, Laible, Larsen, Lewis, Moss, Murphy, Schmidt, Squires, Steinbeisser, Stewart-Peregoy, J. Tropila, M. Tropila, Tutvedt, Wanzenried, Williams, Windy Boy.

Total 29

Absent or not voting: None.

Total 0

Excused: None.

Total 0

**HB 2** - Senator Gallus moved **HB 2**, second reading copy, be amended as follows:

1. Page A-2, line 5.

**Strike:** "1,376,585 1,387,560" [general fund FY10 and F11]

**Insert:** "1,751,585 1,762,560" [general fund FY10 and FY11]

Amendment **not** adopted as follows:

Yeas: Branae, Cooney, Erickson, Gallus, Gillan, Hamlett, Hansen, Hawks, Jent, Juneau, Kaufmann, Laible, Larsen, Laslovich, Moss, Schmidt, Squires, Stewart-Peregoy, J. Tropila, M. Tropila, Wanzenried, Williams, Windy Boy.

Total 23

Nays: Bales, Balyeat, Barkus, Barrett, Black, Brenden, R. Brown, T. Brown, Brueggeman, Curtiss, Esp, Essmann, Gebhardt, Hinkle, Jackson, Keane, Lewis, McGee, Murphy, Perry, Peterson, Ripley, Shockley, Steinbeisser, Tutvedt, Zinke, Mr. President.

Total 27

Absent or not voting: None.

Total 0

Excused: None.

Total 0

Senator Liable moved to close Section A as amended. Motion carried.

**Section B - Health and Human Services Appropriation Subcommittee, Senator Lewis, Chair**

**HB 2** - Senator Larsen moved **HB 2**, second reading copy, be amended as follows:

1. Page B-6, following line 1.

**Insert:** "e. Nonmedicaid Aging Community Services (Restricted/OTO)

1,000,000 1,000,000" [general fund FY10 and FY11]

Amendment **not** adopted as follows:



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Yeas: Branae, Cooney, Erickson, Gallus, Gillan, Hamlett, Hansen, Hawks, Jent, Juneau, Kaufmann, Keane, Larsen, Laslovich, Moss, Schmidt, Squires, Stewart-Peregoy, J. Tropila, M. Tropila, Wanzenried, Williams, Windy Boy.  
Total 23

Nays: Bales, Balyeat, Barkus, Barrett, Black, Brenden, R. Brown, T. Brown, Brueggeman, Curtiss, Esp, Essmann, Gebhardt, Hinkle, Jackson, Laible, Lewis, McGee, Murphy, Perry, Peterson, Ripley, Shockley, Steinbeisser, Tutvedt, Zinke, Mr. President.  
Total 27

Absent or not voting: None.  
Total 0

Excused: None.  
Total 0

**HB 2** - Senator Williams moved **HB 2**, second reading copy, be amended as follows:

1. Page B-1, following line 22.

**Insert:** "e. Healthy Montana Kids (Restricted)"  
"105,419 102,088" [state special fund FY10 and FY11]  
"358,982 341,194" [federal special fund FY10 and FY11]

2. Page B-3, following line 11.

**Insert:** "b. Healthy Montana Kids (Restricted)"  
"315,404 124,827" [state special fund FY10 and FY11]  
"1,074,043 417,190" [federal special fund FY10 and FY11]

3. Page B-4.

**Strike:** line 19 in its entirety  
**Insert:** "11,578,987 12,585,355" [state special fund FY10 and FY11]  
"39,429,767 42,062,301" [federal special fund FY10 and FY11]

Amendment **not** adopted as follows:

Yeas: Branae, Brueggeman, Cooney, Erickson, Gallus, Gillan, Hamlett, Hansen, Hawks, Jent, Juneau, Kaufmann, Keane, Larsen, Laslovich, Moss, Schmidt, Squires, Stewart-Peregoy, J. Tropila, M. Tropila, Wanzenried, Williams, Windy Boy.  
Total 24

Nays: Bales, Balyeat, Barkus, Barrett, Black, Brenden, R. Brown, T. Brown, Curtiss, Esp, Essmann, Gebhardt, Hinkle, Jackson, Laible, Lewis, McGee, Murphy, Perry, Peterson, Ripley, Shockley, Steinbeisser, Tutvedt, Zinke, Mr. President.  
Total 26

Absent or not voting: None.  
Total 0

Excused: None.  
Total 0

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**HB 2** - Senator Brueggeman moved **HB 2**, second reading copy, be amended as follows:

1. Page B-6, line 17 through page B-8, line 8.

**Strike:** line 17 on page B-6 through line 8 on page B-8 in their entirety

Amendment adopted as follows:

Yeas: Bales, Balyeat, Barkus, Barrett, Black, Branae, Brenden, R. Brown, T. Brown, Brueggeman, Cooney, Curtiss, Erickson, Esp, Essmann, Gallus, Gebhardt, Gillan, Hamlett, Hansen, Hawks, Hinkle, Jackson, Jent, Juneau, Kaufmann, Keane, Laible, Larsen, Lewis, McGee, Moss, Murphy, Perry, Peterson, Ripley, Schmidt, Shockley, Squires, Steinbeisser, Stewart-Peregoy, J. Tropila, M. Tropila, Tutvedt, Williams, Windy Boy, Zinke, Mr. President.  
Total 48

Nays: Laslovich, Wanzenried.  
Total 2

Absent or not voting: None.  
Total 0

Excused: None.  
Total 0

Senator Jent excused at this time.

**HB 2** - Senator Hinkle moved **HB 2**, second reading copy, be amended as follows:

1. Page B-4, line 6.

**Strike:** "119,398,495 127,982,185" [general fund FY10 and FY11]

**Insert:** "91,847,029 99,404,991" [general fund FY10 and FY11]

2. Page B-9,

**Following:** line 10

**Insert:** "Health Resources Division includes a reduction of \$27,551,466 in general fund money in fiscal year 2010 and a reduction of \$28,577,194 in general fund money in fiscal 2011. The department may allocate this reduction among divisions when developing 2011 biennium operating plans."

Amendment **not** adopted as follows:

Yeas: Balyeat, Barkus, Curtiss, Gebhardt, Hinkle, McGee, Shockley.  
Total 7

Nays: Bales, Barrett, Black, Branae, Brenden, R. Brown, T. Brown, Brueggeman, Cooney, Erickson, Esp, Essmann, Gallus, Gillan, Hamlett, Hansen, Hawks, Jackson, Juneau, Kaufmann, Keane, Laible, Larsen, Laslovich, Lewis, Moss, Murphy, Perry, Peterson, Ripley, Schmidt, Squires, Steinbeisser, Stewart-Peregoy, J. Tropila, M. Tropila, Tutvedt, Wanzenried, Williams, Windy Boy, Zinke, Mr. President.  
Total 42

Absent or not voting: None.  
Total 0

Excused: Jent.

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Total 1

Senator Jent present at this time.

**HB 2** - Senator Kaufmann moved **HB 2**, second reading copy, be amended as follows:

1. Page B-1, line 5.

**Strike:** "199,038,960 207,258,400"[federal special fund FY 10 and FY 11]

**Insert:** "198,538,960 206,758,400"[federal special fund FY 10 and FY 11]

2. Page B-3, line 14.

**Strike:** "89,798,560 90,655,003" [federal special fund FY 10 and FY 11]

**Insert:** "90,298,560 91,155,003" [federal special fund FY 10 and FY 11]

Amendment **not** adopted as follows:

Yeas: Barrett, Branae, Cooney, Erickson, Gallus, Gillan, Hamlett, Hansen, Hawks, Jent, Juneau, Kaufmann, Keane, Larsen, Laslovich, Moss, Squires, Stewart-Peregoy, J. Tropila, M. Tropila, Wanzenried, Williams, Windy Boy, Zinke.

Total 24

Nays: Bales, Balyeat, Barkus, Black, Brenden, R. Brown, T. Brown, Brueggeman, Curtiss, Esp, Essmann, Gebhardt, Hinkle, Jackson, Laible, Lewis, McGee, Murphy, Perry, Peterson, Ripley, Schmidt, Shockley, Steinbeisser, Tutvedt, Mr. President.

Total 26

Absent or not voting: None.

Total 0

Excused: None.

Total 0

**HB 2** - Senator Windy Boy moved **HB 2**, second reading copy, be amended as follows:

1. Page B-2, line 2.

**Strike:** "32,979,790 34,177,913" [general fund FY 10 and FY 11]

**Insert:** "32,702,790 33,900,913" [general fund FY 10 and FY 11]

**Strike:** "27,596,106 28,578,012" [federal fund FY 10 and FY 11]

**Insert:** "26,609,106 27,591,012" [federal fund FY 10 and FY 11]

2. Page B-2.

**Following:** line 5

**Insert:** "a. Annualization of Tribal General Fund (Restricted)  
277,000 277,000 [general fund FY 10 and FY 11]  
987,000 987,000 [federal fund FY 10 and FY 11]"

3. Page B-8.

**Following:** line 19

**Insert:** "Funding in Annualization of Tribal General Fund may be expended only by the Child and Family Services

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Division for Title IV-E contracts with tribal governments."

Amendment adopted as follows:

Yeas: Bales, Balyeat, Barkus, Barrett, Black, Branae, Brenden, R. Brown, T. Brown, Brueggeman, Cooney, Curtiss, Erickson, Esp, Essmann, Gallus, Gebhardt, Gillan, Hamlett, Hansen, Hawks, Hinkle, Jackson, Jent, Juneau, Kaufmann, Keane, Laible, Larsen, Laslovich, Lewis, McGee, Moss, Murphy, Perry, Peterson, Ripley, Schmidt, Shockley, Squires, Steinbeisser, Stewart-Peregoy, J. Tropila, M. Tropila, Tutvedt, Wanzenried, Williams, Windy Boy, Zinke, Mr. President.

Total 50

Nays: None.

Total 0

Absent or not voting: None.

Total 0

Excused: None.

Total 0

**HB 2** - Senator Wanzenried moved **HB 2**, second reading copy, be amended as follows:

1. Page B-6, following line 10.

**Insert:** "c. Mental Health Diversion (Restricted/Biennial/OTO)  
3,000,000" [state special fund FY10 and FY11]

2. Page B-10, following line 2.

**Insert:** "Mental Health Diversion is contingent upon passage and approval of House Bill No. 130, House Bill No. 131, or House Bill No. 132 and may be used only to implement those bills."

Amendment **not** adopted as follows:

Yeas: Branae, Cooney, Erickson, Gallus, Gillan, Hamlett, Hansen, Hawks, Jent, Juneau, Kaufmann, Keane, Larsen, Laslovich, Moss, Schmidt, Squires, Stewart-Peregoy, J. Tropila, M. Tropila, Wanzenried, Williams, Windy Boy.  
Total 23

Nays: Bales, Balyeat, Barkus, Barrett, Black, Brenden, R. Brown, T. Brown, Brueggeman, Curtiss, Esp, Essmann, Gebhardt, Hinkle, Jackson, Laible, Lewis, McGee, Murphy, Perry, Peterson, Ripley, Shockley, Steinbeisser, Tutvedt, Zinke, Mr. President.

Total 27

Absent or not voting: None.

Total 0

Excused: None.

Total 0

Senator Gallus excused at this time.

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**HB 2** - Senator Kaufmann moved **HB 2**, second reading copy, be amended as follows:

1. Page B-5, line 4.

**Strike:** "(OTO)"

Amendment **not** adopted as follows:

Yeas: Branae, Cooney, Erickson, Gillan, Hamlett, Hansen, Hawks, Jent, Juneau, Kaufmann, Keane, Larsen, Laslovich, Moss, Schmidt, Squires, Stewart-Peregoy, J. Tropila, M. Tropila, Wanzenried, Williams, Windy Boy.  
Total 22

Nays: Bales, Balyeat, Barkus, Barrett, Black, Brenden, R. Brown, T. Brown, Brueggeman, Curtiss, Esp, Essmann, Gebhardt, Hinkle, Jackson, Laible, Lewis, McGee, Murphy, Perry, Peterson, Ripley, Shockley, Steinbeisser, Tutvedt, Zinke, Mr. President.  
Total 27

Absent or not voting: None.  
Total 0

Excused: Gallus.  
Total 1

**HB 2** - Senator Wanzenried moved **HB 2**, second reading copy, be amended as follows:

1. Page B-1, line 4.

Strike: "31,632,822 32,510,189"[general fund FY10 and FY11]

Insert: "31,786,696 32,676,590"[general fund FY10 and FY11]

Strike: "1,274,231"[state special fund FY10]

Insert: "1,275,836"[state special fund FY10]

2. Page B-1, line 5.

Strike: "199,038,960 207,258,400" [federal special fund FY10 and FY11]

Insert: "199,198,216 207,430,621" [federal special fund FY10 and FY11]

Strike: "1,275,963" [state special fund FY11]

Insert: "1,277,699" [state special fund FY11]

3. Page B-2, line 2.

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Strike: "32,979,790 34,177,913"[general fund FY10 and FY11]

Insert: "33,173,859 34,388,266"[general fund FY10 and FY11]

Strike: "27,596,106 28,578,012"[federal special fund FY10 and FY11]

Insert: "27,705,270 28,696,336"[federal special fund FY10 and FY11]

4. Page B-2, line 10.

Strike: "1,741,420 3,174,109"[general fund FY10 and FY11]

Insert: "1,808,044 3,236,412"[general fund FY10 and FY11]

Strike: "5,654,298 5,672,394"[federal special fund FY10 and FY11]

Insert: "5,783,742 5,793,443"[federal special fund FY10 and FY11]

5. Page B-3, line 2.

Strike: "1,081,607 1,082,787"[state special fund FY10 and FY11]

Insert: "1,087,131 1,088,702"[state special fund FY10 and FY11]

Strike: "11,451,382 11,458,140"[federal special fund FY10 and FY11]

Insert: "11,489,624 11,498,973"[federal special fund FY10 and FY11]

6. Page B-3, line 3.

Strike: "4,265,432 4,271,133 "[general fund FY10 and FY11]

Insert: "4,292,126 4,299,765"[general fund FY10 and FY11]

7. Page B-3, line 13.

Strike: "4,566,174 4,566,702"[state special fund FY10 and FY11]

Insert: "4,572,803 4,573,801"[state special fund FY10 and FY11]

8. Page B-3, line 14.

Strike: "52,999,747 53,863,403" [general fund FY10 and FY11]

Insert: "53,086,001 53,955,767" [general fund FY10 and FY11]

Strike: "89,798,560 90,655,003"[federal special fund FY10 and FY11]

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Insert: "89,854,647 90,715,064"[federal special fund FY10 and FY11]

Amendment **not** adopted as follows:

Yeas: Branae, Cooney, Erickson, Gallus, Gillan, Hamlett, Hansen, Hawks, Jent, Juneau, Kaufmann, Keane, Larsen, Laslovich, Moss, Schmidt, Squires, Stewart-Peregoy, J. Tropila, M. Tropila, Wanzenried, Williams, Windy Boy.  
Total 23

Nays: Bales, Balyeat, Barkus, Barrett, Black, Brenden, R. Brown, T. Brown, Brueggeman, Curtiss, Esp, Essmann, Gebhardt, Hinkle, Jackson, Laible, Lewis, McGee, Murphy, Perry, Peterson, Ripley, Shockley, Steinbeisser, Tutvedt, Zinke, Mr. President.  
Total 27

Absent or not voting: None.  
Total 0

Excused: None.  
Total 0

**HB 2** - Senator Schmidt moved **HB 2**, second reading copy, be amended as follows:

1. Page B-5, line 21.

**Strike:** "1,349,996 1,849,981" [general fund FY10 and FY11]  
**Insert:** "1,170,996 1,539,981" [general fund FY10 and FY11]

2. Page B-6, following line 1.

**Insert:** "e. Assisted Living Facility Rate Increase (Restricted/OTO)  
179,000 310,000" [general fund FY10 and FY11]  
"580,291 731,695" [federal special fund FY10 and FY11]

Amendment adopted as follows:

Yeas: Bales, Barkus, Barrett, Black, Branae, Brenden, R. Brown, T. Brown, Brueggeman, Cooney, Curtiss, Erickson, Essmann, Gillan, Hamlett, Hansen, Hawks, Jackson, Jent, Juneau, Kaufmann, Keane, Laible, Larsen, Laslovich, Lewis, Moss, Murphy, Perry, Peterson, Ripley, Schmidt, Squires, Steinbeisser, Stewart-Peregoy, J. Tropila, M. Tropila, Tutvedt, Wanzenried, Williams, Windy Boy, Zinke.  
Total 42

Nays: Balyeat, Esp, Gebhardt, Hinkle, McGee, Shockley, Mr. President.  
Total 7

Absent or not voting: None.  
Total 0

Excused: Gallus.  
Total 1

**HB 2** - Senator Schmidt moved **HB 2**, second reading copy, be amended as follows:

1. Page B-3, line 14.

**Strike:** "52,999,747 53,863,403" [general fund FY 10 and FY 11]

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**Insert:** "53,199,747 54,063,403" [general fund FY 10 and FY 11]

Amendment **failed** as follows:

Yeas: Branae, Cooney, Erickson, Gillan, Hamlett, Hansen, Hawks, Jent, Juneau, Kaufmann, Keane, Larsen, Laslovich, Moss, Schmidt, Squires, Stewart-Peregoy, J. Tropila, M. Tropila, Wanzenried, Williams, Windy Boy.  
Total 22

Nays: Bales, Balyeat, Barkus, Barrett, Black, Brenden, R. Brown, T. Brown, Brueggeman, Curtiss, Esp, Essmann, Gebhardt, Hinkle, Jackson, Laible, Lewis, McGee, Murphy, Perry, Peterson, Ripley, Shockley, Steinbeisser, Tutvedt, Zinke, Mr. President.  
Total 27

Absent or not voting: None.  
Total 0

Excused: Gallus.  
Total 1

Senator Gallus present at this time.

**HB 2** - Senator Laslovich moved **HB 2**, second reading copy, be amended as follows:

1. Page B-6.

**Following:** line 10

**Insert:** "c. Mental Health Diversion (Restricted/Biennial) 123,782 117,934" [general fund FY10 and FY11]

2. Page B-10.

**Following:** line 2

**Insert:** "Mental Health Diversion is contingent upon passage and approval of House Bill No. 130, House Bill No. 131, or House Bill 132 and may be used only to implement those bills."

3. Page D-1, line 5.

**Strike:** "9,446,335 9,485,644" [general fund FY10 and FY11]

**Insert:** "9,322,553 9,367,710" [general fund FY10 and FY11]

Amendment adopted as follows:

Yeas: Bales, Balyeat, Barkus, Barrett, Black, Branae, Brenden, R. Brown, T. Brown, Brueggeman, Cooney, Curtiss, Erickson, Esp, Essmann, Gallus, Gebhardt, Gillan, Hamlett, Hansen, Hawks, Hinkle, Jackson, Jent, Kaufmann, Keane, Laible, Larsen, Laslovich, Lewis, McGee, Moss, Murphy, Perry, Peterson, Ripley, Schmidt, Shockley, Squires, Steinbeisser, Stewart-Peregoy, J. Tropila, Tutvedt, Williams, Windy Boy, Zinke, Mr. President.  
Total 47

Nays: Juneau, M. Tropila, Wanzenried.  
Total 3

Absent or not voting: None.  
Total 0

Excused: None.



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Total 0

**HB 2** - Senator Laslovich moved **HB 2**, second reading copy, be amended as follows:

1. Page B-6.

**Following:** line 10

**Insert:** "c. Mental Health Diversion (Restricted/Biennial) 102,485 97,369" [state special fund FY10 and FY11]

2. Page B-10.

**Following:** line 2

**Insert:** "Mental Health Diversion is contingent upon passage and approval of House Bill No. 130, House Bill No. 131, or House Bill 132 and may be used only to implement those bills."

3. Page D-3, line 12.

**Strike:** "1,728,684 1,724,016" [state special fund FY10 and FY11]

**Insert:** "1,626,199 1,626,647" [state special fund FY10 and FY11]

Amendment adopted as follows:

Yeas: Bales, Balyeat, Barkus, Barrett, Black, Branae, Brenden, R. Brown, Brueggeman, Cooney, Curtiss, Esp, Essmann, Gallus, Gebhardt, Gillan, Hamlett, Hansen, Hawks, Hinkle, Jackson, Jent, Kaufmann, Keane, Laible, Larsen, Laslovich, Lewis, McGee, Moss, Murphy, Perry, Peterson, Ripley, Schmidt, Shockley, Squires, Steinbeisser, Stewart-Peregoy, J. Tropila, M. Tropila, Williams, Windy Boy, Zinke, Mr. President.

Total 45

Nays: T. Brown, Erickson, Juneau, Tutvedt, Wanzenried.

Total 5

Absent or not voting: None.

Total 0

Excused: None.

Total 0

**HB 2** - Senator Laslovich moved **HB 2**, second reading copy, be amended as follows:

1. Page B-6.

**Following:** line 10

**Insert:** "c. Mental Health Diversion (Restricted/Biennial) 560,327" [general fund FY11]

2. Page B-10.

**Following:** line 2

**Insert:** "Mental Health Diversion is contingent upon passage and approval of House Bill No. 130, House Bill No. 131, or House Bill 132 and may be used only to implement those bills."

3. Page D-1, line 16.

**Strike:** "24,005,185" [general fund FY11]

**Insert:** "23,444,858" [general fund FY11]

Amendment **not** adopted as follows:

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Yeas: Balyeat, Esp, Gallus, Hansen, Juneau, Keane, Larsen, Laslovich, McGee, Perry, Stewart-Peregoy, Windy Boy, Mr. President.

Total 13

Nays: Bales, Barkus, Barrett, Black, Branae, Brenden, R. Brown, T. Brown, Brueggeman, Cooney, Curtiss, Erickson, Essmann, Gebhardt, Gillan, Hamlett, Hawks, Hinkle, Jackson, Jent, Kaufmann, Laible, Lewis, Moss, Murphy, Peterson, Ripley, Schmidt, Shockley, Squires, Steinbeisser, J. Tropila, M. Tropila, Tutvedt, Wanzenried, Williams, Zinke.

Total 37

Absent or not voting: None.

Total 0

Excused: None.

Total 0

**HB 2** - Senator Balyeat moved **HB 2**, second reading copy, be amended as follows:

1. Page B-6, line 10.

**Insert:** "C. Mental Health Diversion (Restricted/Biennial)

1,000,000 1,000,000" [state special fund FY 2010 and FY 2011]

2. Page B-10.

**Following:** line 2

**Insert:** "Mental Health Diversion is contingent upon passage and approval of House Bill No. 130, House Bill No. 131, or House Bill No. 132 and may be used only to implement those bills."

3. Page D-3, line 12.

**Strike:** "1,728,684 1,724,016" [state special fund FY 2010 and FY 2011]

**Insert:** "728,684 724,016" [state special fund FY 2010 and FY 2011]

Amendment adopted as follows:

Yeas: Bales, Balyeat, Barkus, Barrett, Black, Branae, Brenden, R. Brown, T. Brown, Curtiss, Esp, Essmann, Gallus, Gebhardt, Hamlett, Hawks, Hinkle, Jackson, Jent, Keane, Laible, Larsen, Laslovich, Lewis, McGee, Moss, Murphy, Perry, Peterson, Ripley, Schmidt, Shockley, Steinbeisser, Stewart-Peregoy, J. Tropila, M. Tropila, Tutvedt, Windy Boy, Zinke.

Total 39

Nays: Brueggeman, Cooney, Erickson, Gillan, Hansen, Juneau, Kaufmann, Squires, Wanzenried, Williams, Mr. President.

Total 11

Absent or not voting: None.

Total 0

Excused: None.

Total 0

Senator Bales excused at this time.

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Senator Lewis moved to close Section B. Motion carried.

**Section C - Natural Resources Appropriation Subcommittee, Senator Ripley, Chair**

Senator Bales excused at this time.

**HB 2** - Senator Hinkle moved **HB 2**, second reading copy, be amended as follows:

1. Page C-3, line 13.

**Strike:** "2,946,271 2,951,476" [general fund FY10 and FY11]

**Insert:** "2,585,229 2,588,744" [general fund FY10 and FY11]

2. Page C-5.

**Following:** line 2

**Insert:** "Planning, Prevention, and Assistance Division includes a reduction in general fund money of \$361,042 in fiscal year 2010 and \$362,732 in fiscal year 2011. The agency may allocate these reductions in funding among programs when developing the 2011 biennium operating plans."

3. Page C-5, line 16.

**Strike:** "2,600,000" [general fund FY 10]

**Insert:** "2,418,000" [general fund FY 10]

4. Page C-7, line 21.

**Strike:** "468,310 475,057" [general fund FY10 and FY11]

**Insert:** "351,010 385,838" [general fund FY10 and FY11]

5. Page C-10.

**Following:** line 4

**Insert:** "Diagnostic Laboratory Program includes a reduction in general fund money of \$117,300 in fiscal year 2010 and \$89,219 in fiscal year 2011. The agency may allocate these reductions in funding among programs when developing the 2011 biennium operating plans."

6. Page C-10, line 7.

**Strike:** "1,989,142 2,034,058" [general fund FY10 and FY11]

**Insert:** "437,145 477,278" [general fund FY10 and FY11]

7. Page C-11, line 19.

**Strike:** "\$750,000 in fiscal year 2010 and \$750,000"

**Insert:** "\$2,301,997 in fiscal year 2010 and \$2,306,780"

8. Page C-12, line 15.

**Strike:** "133,640 136,916" [general fund FY10 and FY11]

**Insert:** "36,740 42,771" [general fund FY10 and FY11]

9. Page C-13

**Following:** line 17

**Insert:** "Central Management Division includes a reduction in general fund money of \$96,900 in fiscal year 2010 and \$94,145 in fiscal year 2011. The agency may allocate these reductions in funding among programs when developing the 2011 biennium operating plans."

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Amendment **not** adopted as follows:

Yeas: Balyeat, Black, Brenden, Curtiss, Esp, Essmann, Gebhardt, Hinkle, Jackson, McGee.  
Total 10

Nays: Barkus, Barrett, Branae, R. Brown, T. Brown, Brueggeman, Cooney, Erickson, Gallus, Gillan, Hamlett, Hansen, Hawks, Jent, Juneau, Kaufmann, Keane, Laible, Larsen, Laslovich, Lewis, Moss, Murphy, Perry, Peterson, Ripley, Schmidt, Shockley, Squires, Steinbeisser, Stewart-Peregoy, J. Tropila, M. Tropila, Tutvedt, Wanzenried, Williams, Windy Boy, Zinke, Mr. President.  
Total 39

Absent or not voting: None.  
Total 0

Excused: Bales.  
Total 1

**HB 2** - Senator Ripley moved **HB 2**, second reading copy, be amended as follows:

1. Page C-5.

**Following:** line 7

**Insert:** "Permitting and Compliance Division includes a reduction in general fund money of \$535,866 in fiscal year 2010 and \$537,194 in fiscal year 2011. The agency may allocate these reductions in funding among programs when developing 2011 biennium operating plans."

Amendment adopted as follows:

Yeas: Balyeat, Barkus, Barrett, Black, Branae, Brenden, R. Brown, T. Brown, Brueggeman, Curtiss, Esp, Essmann, Gebhardt, Gillan, Hamlett, Hansen, Hawks, Hinkle, Jackson, Jent, Keane, Laible, Larsen, Laslovich, Lewis, McGee, Moss, Murphy, Perry, Peterson, Ripley, Shockley, Squires, Steinbeisser, Stewart-Peregoy, J. Tropila, M. Tropila, Tutvedt, Windy Boy, Zinke, Mr. President.  
Total 41

Nays: Cooney, Erickson, Gallus, Juneau, Kaufmann, Schmidt, Wanzenried, Williams.  
Total 8

Absent or not voting: None.  
Total 0

Excused: Bales.  
Total 1

Senator Ripley moved to close Section C. Motion carried.

**Section D - Corrections Appropriation Subcommittee, Senator Brueggeman, Chair**

**HB 2** - Senator Black moved **HB 2**, second reading copy, be amended as follows:

1. Page D-8.

**Following:** line 16

**Insert:** "Secure Facilities includes \$215,349 in general fund money in fiscal year 2010 and \$430,697 in general fund

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money in fiscal year 2011 that may be used only for provider rate increases for contracted beds operated by private for-profit providers."

Amendment adopted as follows:

Yeas: Bales, Barkus, Barrett, Black, Branae, Brenden, R. Brown, T. Brown, Brueggeman, Curtiss, Erickson, Esp, Essmann, Gebhardt, Hamlett, Hawks, Jackson, Jent, Laible, Larsen, Lewis, McGee, Murphy, Perry, Peterson, Ripley, Steinbeisser, J. Tropila, Tutvedt, Windy Boy, Zinke, Mr. President.  
Total 32

Nays: Balyeat, Cooney, Gallus, Gillan, Hansen, Hinkle, Juneau, Kaufmann, Keane, Laslovich, Moss, Schmidt, Shockley, Squires, Stewart-Peregoy, M. Tropila, Wanzenried, Williams.  
Total 18

Absent or not voting: None.  
Total 0

Excused: None.  
Total 0

Senator Brueggeman moved to close Section D. Motion carried

**Section E - Education Appropriation Subcommittee, Senator Barrett, Chair**

Senator Esp excused at this time.

**HB 2** - Senator Hawks moved **HB 2**, second reading copy, be amended as follows:

1. Page E-10.

**Following:** line 5

**Insert:** "The variable cost of education for each full-time equivalent student at the community colleges, including Summitnet, is \$2,194 for each year of the 2009 biennium. The general fund appropriation for OCHE--Community College Assistance (04) in [this act], the general fund appropriation for Community College Assistance (RST/OTO) in House Bill No. 645, and the federal special revenue appropriation for Community Colleges Tuition Mitigation in House Bill No. 645 provide 50.8% of the fixed cost of education plus 50.8% of the variable cost of education for each full-time equivalent student in fiscal year 2010 and 50.8% of the fixed cost of education plus 50.8% of the variable cost of education for each full-time equivalent student in fiscal year 2011. The remaining percentage of the budget must be paid from funds other than those appropriated in House Bill No. 2 or House Bill No. 645.

The sum of the general fund appropriation for OCHE--Community College Assistance (04) in [this act], the general fund appropriation for Community College Assistance (RST/OTO) in House Bill No. 645, and the federal special revenue appropriation for Community Colleges Tuition Mitigation in House Bill No. 645 is calculated to fund education in the community colleges for an estimated 2,434 resident FTE students in fiscal year 2010 and 2,535 resident FTE students in fiscal year 2011. If total resident FTE student enrollment in the community colleges is greater than the estimated number for the biennium, the community colleges shall serve the additional students without a state general fund contribution. If actual resident FTE student enrollment is less than the estimated number for the biennium, the community colleges shall revert general fund money to the state in accordance with 17-7-142."

Amendment **not** adopted as follows:

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Yeas: Branae, Cooney, Erickson, Gallus, Gillan, Hamlett, Hansen, Hawks, Jent, Juneau, Kaufmann, Keane, Larsen, Laslovich, Moss, Schmidt, Squires, Stewart-Peregoy, J. Tropila, M. Tropila, Wanzenried, Williams, Windy Boy, Zinke.

Total 24

Nays: Bales, Balyeat, Barkus, Barrett, Black, Brenden, R. Brown, T. Brown, Brueggeman, Curtiss, Essmann, Gebhardt, Hinkle, Jackson, Laible, Lewis, McGee, Murphy, Perry, Peterson, Ripley, Shockley, Steinbeisser, Tutvedt, Mr. President.

Total 25

Absent or not voting: None.

Total 0

Excused: Esp.

Total 1

**HB 2** - Senator M. Tropila moved **HB 2**, second reading copy, be amended as follows:

1. Page E-4, line 9.

**Strike:** "3,515,682 3,504,253" [general fund FY10 FY11]

**Insert:** "3,634,563 3,623,135" [general fund FY10 FY11]

2. Page E-4.

**Strike:** line 14 through line 15

Amendment **not** adopted as follows:

Yeas: Branae, Cooney, Erickson, Gallus, Gillan, Hamlett, Hansen, Hawks, Jent, Juneau, Kaufmann, Keane, Larsen, Laslovich, Moss, Schmidt, Squires, Stewart-Peregoy, J. Tropila, M. Tropila, Wanzenried, Williams, Windy Boy.

Total 23

Nays: Bales, Balyeat, Barkus, Barrett, Black, Brenden, R. Brown, T. Brown, Brueggeman, Curtiss, Esp, Essmann, Gebhardt, Hinkle, Jackson, Laible, Lewis, McGee, Murphy, Perry, Peterson, Ripley, Shockley, Steinbeisser, Tutvedt, Zinke, Mr. President.

Total 27

Absent or not voting: None.

Total 0

Excused: None.

Total 0

Senator Jent excused at this time.

**HB 2** - Senator Williams moved **HB 2**, second reading copy, be amended as follows:

1. Page E-6, line 7.

**Strike:** "1,087,870 1,103,458" [general fund FY10 FY11]

**Insert:** "1,142,087 1,157,675" [general fund FY10 FY11]

2. Page E-7.

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**Strike:** line 5 through line 6

Amendment **not** adopted as follows:

Yeas: Branae, Cooney, Erickson, Gallus, Gillan, Hamlett, Hansen, Hawks, Juneau, Kaufmann, Keane, Larsen, Laslovich, Moss, Schmidt, Squires, Stewart-Peregoy, J. Tropila, M. Tropila, Wanzenried, Williams, Windy Boy.  
Total 22

Nays: Bales, Balyeat, Barkus, Barrett, Black, Brenden, R. Brown, T. Brown, Brueggeman, Curtiss, Esp, Essmann, Gebhardt, Hinkle, Jackson, Laible, Lewis, McGee, Murphy, Perry, Peterson, Ripley, Shockley, Steinbeisser, Tutvedt, Zinke, Mr. President.  
Total 27

Absent or not voting: None.  
Total 0

Excused: Jent.  
Total 1

**HB 2** - Senator M. Tropila moved **HB 2**, second reading copy, be amended as follows:

1. Page E-3, line 22.  
**Strike:** "450,627 446,985" [general fund FY10 FY11]  
**Insert:** "474,555 470,952" [general fund FY10 FY11]

2. Page E-4, line 4.  
**Strike:** "539,726 539,544" [general fund FY10 FY11]  
**Insert:** "546,489 546,348" [general fund FY10 FY11]

3. Page E-4, line 6.  
**Strike:** "1,307,141 1,311,561" [general fund FY10 FY11]  
**Insert:** "1,357,817 1,362,382" [general fund FY10 FY11]

4. Page E-4, line 9  
**Strike:** "3,515,682 3,504,253" [general fund FY10 FY11]  
**Insert:** "3,664,760 3,653,385" [general fund FY10 FY11]

Amendment **not** adopted as follows:

Yeas: Branae, Cooney, Erickson, Gallus, Gillan, Hamlett, Hansen, Hawks, Juneau, Kaufmann, Keane, Larsen, Laslovich, Moss, Schmidt, Squires, Stewart-Peregoy, J. Tropila, M. Tropila, Wanzenried, Williams, Windy Boy.  
Total 22

Nays: Bales, Balyeat, Barkus, Barrett, Black, Brenden, R. Brown, T. Brown, Brueggeman, Curtiss, Esp, Essmann, Gebhardt, Hinkle, Jackson, Laible, Lewis, McGee, Murphy, Perry, Peterson, Ripley, Shockley, Steinbeisser, Tutvedt, Zinke, Mr. President.  
Total 27

Absent or not voting: None.  
Total 0

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Excused: Jent.  
Total 1

Senator Jent present at this time.

**HB 2** - Senator Hawks moved **HB 2**, second reading copy, be amended as follows:

1. Page E-1, line 13.

**Strike:** "528,979,895 529,951,539" [general fund FY10 FY11]

**Insert:** "542,840,430 554,799,681" [general fund FY10 FY11]

2. Page E-1, line 15.

**Strike:** " 1 1" [general fund FY10 FY11]

**Insert:** "5,000,000 5,000,000" [general fund FY10 FY11]

3. Page E-3, line 3.

**Strike:** "1%" in two places

**Insert:** "3%" in two places

Amendment **not** adopted as follows:

Yeas: Branae, Cooney, Erickson, Gallus, Gillan, Hamlett, Hansen, Hawks, Jent, Juneau, Kaufmann, Keane, Larsen, Laslovich, Moss, Schmidt, Squires, Stewart-Peregoy, J. Tropila, M. Tropila, Wanzenried, Williams, Windy Boy.  
Total 23

Nays: Bales, Balyeat, Barkus, Barrett, Black, Brenden, R. Brown, T. Brown, Brueggeman, Curtiss, Esp, Essmann, Gebhardt, Hinkle, Jackson, Laible, Lewis, McGee, Murphy, Perry, Peterson, Ripley, Shockley, Steinbeisser, Tutvedt, Zinke, Mr. President.  
Total 27

Absent or not voting: None.  
Total 0

Excused: None.  
Total 0

**HB 2** - Senator Hinkle moved Amendment HB2-011 with Amendment # 5 segregated.

1. Page E-1, line 5.

**Strike:** "9,093,505 9,148,604" [general fund FY 2010 and FY 2011]

**Insert:** "7,729,479 7,776,313" [general fund FY 2010 and FY 2011]

2. Page E-3, line 1.

**Strike:** "\$185,838 EACH YEAR OF THE BIENNIUM"

**Insert:** "\$1,549,864 in fiscal year 2010 and \$1,558,129 in fiscal year 2011"

3. Page E-3, line 13.

**Strike:** "221,171 223,717" [general fund FY 2010 and FY 2011]

**Insert:** "187,995 190,159" [general fund FY 2010 and FY 2011]



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4. Page E-3, line 18.

**Strike:** "\$4,540 EACH YEAR OF THE BIENNIUM"

**Insert:** "\$37,716 in fiscal year 2010 and \$38,098 in fiscal year 2011"

5. Page E-4, line 9.

**Strike:** "3,515,682 3,504,253" [general fund FY 2010 and FY 2011]

**Insert:** "3,367,129 3,356,274" [general fund FY 2010 and FY 2011]

6. Page E-4, line 14.

**Strike:** "\$118,881 EACH YEAR OF THE BIENNIUM"

**Insert:** "\$267,434 in fiscal year 2010 and \$266,860 in fiscal year 2011"

7. Page E-4, line 19.

**Strike:** "458,925 456,702" [general fund FY 2010 and FY 2011]

**Insert:** "388,858 388,197" [general fund FY 2010 and FY 2011]

8. Page E-5, line 6.

**Strike:** "\$9,427 EACH YEAR OF THE BIENNIUM"

**Insert:** "\$79,494 in fiscal year 2010 and \$77,932 in fiscal year 2011"

9. Page E-5, line 11.

**Strike:** "2,496,928 2,711,111" [general fund FY 2010 and FY 2011]

**Insert:** "2,088,400 2,304,444" [general fund FY 2010 and FY 2011]

10. Page E-5, line 20.

**Strike:** "\$55,456 EACH YEAR OF THE BIENNIUM"

**Insert:** "\$463,984 in fiscal year 2010 and \$462,123 in fiscal year 2011"

11. Page E-6, line 7.

**Strike:** "1,087,870 1,103,458" [general fund FY 2010 and FY 2011]

**Insert:** "688,028 706,311" [general fund FY 2010 and FY 2011]

12. Page E-7, line 5.

**Strike:** "\$54,217 EACH YEAR OF THE BIENNIUM"

**Insert:** "\$454,059 in fiscal year 2010 and \$451,364 in fiscal year 2011"

13. Page E-8, line 6.

**Strike:** "128,382,795 130,694,418" [general fund FY 2010 and FY 2011]

**Insert:** "128,003,862 130,319,855" [general fund FY 2010 and FY 2011]

14. Page E-11, line 10.

**Strike:** "\$3,612,195 IN FISCAL YEAR 2010 AND \$3,612,194"

**Insert:** "\$3,991,128 in fiscal year 2010 and \$3,986,757"

Amendment **not** adopted as follows:

Yeas: Balyeat, Black, Esp, Essmann, Gebhardt, Hinkle, Jackson, Windy Boy.

Total 8

Nays: Bales, Barkus, Barrett, Branae, Brenden, R. Brown, T. Brown, Brueggeman, Cooney, Curtiss, Erickson,

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Gallus, Gillan, Hamlett, Hansen, Hawks, Jent, Juneau, Kaufmann, Keane, Laible, Larsen, Laslovich, Lewis, McGee, Moss, Murphy, Perry, Peterson, Ripley, Schmidt, Shockley, Squires, Steinbeisser, Stewart-Peregoy, J. Tropila, M. Tropila, Tutvedt, Wanzenried, Williams, Zinke, Mr. President.  
Total 42

Absent or not voting: None.  
Total 0

Excused: None.  
Total 0

**HB 2** - Senator Schmidt moved **HB 2**, second reading copy, be amended as follows:

1. Page E-8, line 13.

**Following:** "PLAN"

**Insert:** "(OTO)"

Amendment adopted as follows:

Yeas: Bales, Balyeat, Barkus, Barrett, Black, Branae, R. Brown, T. Brown, Brueggeman, Cooney, Curtiss, Erickson, Esp, Essmann, Gallus, Gebhardt, Gillan, Hamlett, Hansen, Hawks, Hinkle, Jackson, Jent, Juneau, Kaufmann, Keane, Laible, Larsen, Laslovich, Lewis, McGee, Moss, Murphy, Perry, Peterson, Ripley, Schmidt, Shockley, Squires, Steinbeisser, Stewart-Peregoy, J. Tropila, M. Tropila, Tutvedt, Wanzenried, Williams, Windy Boy, Zinke, Mr. President.  
Total 49

Nays: Brenden.  
Total 1

Absent or not voting: None.  
Total 0

Excused: None.  
Total 0

Senator Barrett moved to close Section E. Motion carried.

Yeas: Bales, Balyeat, Barkus, Barrett, Black, Brenden, R. Brown, T. Brown, Brueggeman, Curtiss, Esp, Essmann, Gallus, Gebhardt, Gillan, Hinkle, Jackson, Keane, Laible, Larsen, Lewis, McGee, Murphy, Perry, Peterson, Ripley, Schmidt, Shockley, Steinbeisser, Stewart-Peregoy, Tutvedt, Williams, Windy Boy, Zinke, Mr. President.  
Total 35

Nays: Branae, Cooney, Erickson, Hamlett, Hansen, Hawks, Jent, Juneau, Kaufmann, Laslovich, Moss, Squires, J. Tropila, M. Tropila, Wanzenried.  
Total 15

Absent or not voting: None.  
Total 0

Excused: None.  
Total 0

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**HB 2** - Senator Bales moved **HB 2**, as amended, be concurred in. Motion carried as follows:

Yeas: Bales, Barkus, Barrett, Black, Brenden, R. Brown, T. Brown, Brueggeman, Curtiss, Esp, Essmann, Gebhardt, Jackson, Laible, Lewis, McGee, Murphy, Perry, Peterson, Ripley, Shockley, Steinbeisser, Tutvedt, Windy Boy, Zinke, Mr. President.

Total 26

Nays: Balyeat, Branae, Cooney, Erickson, Gallus, Gillan, Hamlett, Hansen, Hawks, Hinkle, Jent, Juneau, Kaufmann, Keane, Larsen, Laslovich, Moss, Schmidt, Squires, Stewart-Peregoy, J. Tropila, M. Tropila, Wanzenried, Williams.

Total 24

Absent or not voting: None.

Total 0

Excused: None.

Total 0

Senator Peterson moved the committee rise and report. Motion carried. Committee arose. Senate resumed. President Story in the chair. Chairman J. Tropila moved the Committee of the Whole report be adopted. Report adopted unanimously.

**REPORTS OF STANDING COMMITTEES**

**FINANCE AND CLAIMS** (Bales, Chairman):

4/9/2009

**HB 128**, be amended as follows:

1. Page 2, line 24.

**Following:** "to the"

**Insert:** "legislative finance committee and to the"

And, as amended, be concurred in. Report adopted.

**HB 152**, be amended as follows:

1. Title, page 1, line 8.

**Strike:** "CRITERIA AND PRIORITIES"

**Insert:** "AN EQUITABLE FORMULA"

2. Page 2, line 2.

**Strike:** "; and"

**Insert:** "."

3. Page 2, line 3 through line 7.

**Strike:** line 3 through line 7 in their entirety

4. Page 2, line 11.

**Strike:** "9"

**Insert:** "8"

5. Page 2, line 14.

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**Strike:** "9"

**Insert:** "8"

6. Page 3, line 1.

**Strike:** "9"

**Insert:** "8"

7. Page 3, line 22.

**Strike:** "9"

**Insert:** "8"

8. Page 3, line 30 through page 4, line 1.

**Strike:** subsections (a) and (b) in their entirety

**Renumber:** subsequent subsections

9. Page 4, line 4 through line 6.

**Strike:** subsection (d) in its entirety

**Renumber:** subsequent subsections

10. Page 4, line 9.

**Following:** "grants" on line 9

**Strike:** ", "

11. Page 4, line 9 through line 11.

**Strike:** "rules adopted" on line 9 through "requirements of" on line 11

**Insert:** "the formula provided for in"

12. Page 4, line 17 through line 19.

**Strike:** subsection (2) in its entirety

**Renumber:** subsequent subsection

13. Page 4, line 20.

**Strike:** "(a)"

**Following:** "shall"

**Insert:** "ensure that the grants appropriated by the legislature satisfy the conditions described in [section 7]."

14. Page 4, line 20 through line 28.

**Strike:** ":" on line 20 through "." on line 28

15. Page 4, line 30 through page 5, line 26.

**Strike:** section 6 in its entirety

**Insert:** "NEW SECTION. Section 6. Formula for funding school facility projects. Every school district in the state of Montana must receive funding from the quality schools facility grant program for the 2011 biennium only. Based on the total money available to the program and on the total number of quality educators in public school districts statewide, a school district must receive quality schools facility grant funding prorated to the number of quality educators in the district."

16. Page 5, line 30 through page 6, line 3.

**Strike:** subsections (1) and (2) in their entirety

**Renumber:** subsequent subsections

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17. Page 6, line 11 through line 12.

**Strike:** subsection (6) in its entirety

18. Page 6, line 14 through line 22.

**Strike:** section 8 in its entirety

**Renumber:** subsequent sections

19. Page 6, line 25.

**Strike:** "9"

**Insert:** "8"

**Following:** "not limited to"

**Strike:** "rules regarding:"

**Insert:** "guidelines for using funds and for reporting on projects accomplished."

20. Page 6, line 26 through page 7, line 8.

**Strike:** subsections (1) through (6) in their entirety

21. Page 7, line 11.

**Following:** "only,"

**Strike:** "after receiving and evaluating proposals,"

22. Page 7, line 12.

**Strike:** "may"

**Insert:** "shall"

23. Page 7, line 15.

**Strike:** "8"

**Insert:** "7"

**Strike:** "9"

**Insert:** "8"

24. Page 9, line 22.

**Strike:** "and"

25. Page 9, line 23.

**Following:** "77-4-208"

**Insert:** "; and

(d) interest and income earned on money in the account"

26. Page 11, line 8.

**Strike:** "9"

**Insert:** "8"

27. Page 11, line 10.

**Strike:** "9"

**Insert:** "8"

28. Page 11, line 20.

**Strike:** "18"

**Insert:** "17"

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And, as amended, be concurred in. Report adopted.

**HB 645**, be amended as follows:

1. Title, line 10.

**Following:** "CYCLE;"

**Insert:** "CLARIFYING THE PAYMENT OF SCHOOL DISTRICT EMPLOYEE RETIREMENT COSTS FOR THE ENSUING BIENNIUM;"

2. Title, line 16.

**Following:** "PROGRAM;"

**Insert:** "PROVIDING FOR THE ALLOCATION AND AUTHORIZATION OF THE TYPES OF BONDS MADE AVAILABLE UNDER THE AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009; AUTHORIZING THE MONTANA FACILITY FINANCE AUTHORITY TO FINANCE CERTAIN PROJECTS FOR FOR-PROFIT OR NONPROFIT CORPORATIONS AND ORGANIZATIONS; PROVIDING FOR TAXATION OF THOSE PROJECTS; PROVIDING FOR THE DISTRIBUTION OF FUNDS FOR IMPROVEMENTS FOR SCHOOL FACILITIES; AUTHORIZING A PERMISSIVE SCHOOL LEVY FOR THE BASE BUDGET; AUTHORIZING A SCHOOL DISTRICT LEVY FOR THE OVER-BASE BUDGET; ESTABLISHING THE ENERGY DEVELOPMENT AND DEMONSTRATION GRANT PROGRAM;"

3. Title, line 17.

**Following:** "2-4-306,"

**Insert:** "7-7-2255, 7-7-2501, 7-7-4255, 7-7-4421, 7-7-4501, 7-12-2171, 7-15-4290, 7-15-4301, 7-15-4302,"

**Following:** "17-2-124,"

**Insert:** "17-5-504, 17-5-803, 17-5-922, 17-5-1506,"

**Following:** "17-7-502,"

**Insert:** "20-9-403, 20-9-433, 20-9-501, 20-25-402,"

4. Title, line 18.

**Strike:** "AND"

**Following:** "90-1-204,"

**Insert:** "90-5-101, 90-5-103, 90-7-102, AND 90-7-104,"

5. Page 3.

**Following:** line 15

**Insert:** "**Section 2.** Section 7-7-2255, MCA, is amended to read:

"**7-7-2255. Form and execution of bonds.** (1) At the time of the sale of the bonds or at a meeting held after the sale, the board of county commissioners shall adopt a resolution providing for the issuance of the bonds, prescribing the form of the bonds, whether amortization bonds or serial bonds, ~~and~~ providing the manner of execution of the bonds, and if applicable, specifying whether the bonds are tax credit bonds as provided in [section 43], recovery zone economic development bonds or recovery zone facility bonds as provided in [section 44], or qualified energy conservation bonds as provided in [section 45].

(2) Each county bond and each coupon attached to the bond must be signed by or bear the facsimile signatures of the presiding officer of the board of county commissioners and the county treasurer and must be attested by the county clerk, provided that one signature of a county official or the bond registrar must be a manual signature. Each bond may have the county seal or its facsimile imprinted on the bond."

**Insert:** "**Section 3.** Section 7-7-2501, MCA, is amended to read:

"**7-7-2501. Authority to issue revenue bonds -- refunding revenue bonds.** (1) A county may issue county revenue bonds in the same manner and with the same effect as provided in chapter 7, part 44, of this title for issuance

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of municipal revenue bonds. County revenue bonds may be issued to finance any project or activity enumerated in chapter 16, part 21, of this title or in Title 75, chapter 10, part 1. Revenue from the project for which the bonds are issued is the only revenue upon which a lien under the provisions of 7-7-4431 may apply. A lien may not attach to other revenue or other property within the county.

(2) A county may refund revenue bonds issued under the authority provided in subsection (1) by the method provided in either part 45 or part 46 of chapter 7.

(3) In construing, for purposes of this section, the provisions of parts 44, 45, or 46 of chapter 7, "municipal" is considered to refer to the county and "governing body" is considered to refer to the board of county commissioners whenever the board of county commissioners is acting pursuant to subsection (1).

(4) If applicable, the county shall specify whether the bonds are tax credit bonds as provided in [section 43], recovery zone economic development bonds or recovery zone facility bonds as provided in [section 44], or qualified energy conservation bonds as provided in [section 45]."

**Insert: "Section 4.** Section 7-7-4255, MCA, is amended to read:

**"7-7-4255. Form and execution of bonds.** (1) At the time of the sale of the bonds or at a meeting held after the sale, the city or town council shall adopt a resolution providing for the issuance of the bonds, prescribing the form of the bonds, whether amortization or serial bonds, ~~and~~ providing the manner of execution of the bonds, and if applicable, specifying whether the bonds are tax credit bonds as provided in [section 43], recovery zone economic development bonds or recovery zone facility bonds as provided in [section 44], or qualified energy conservation bonds as provided in [section 45].

(2) Each bond and each coupon attached to a bond must be signed by or bear the facsimile signatures of the mayor and the treasurer of the city or town and must be attested by the city or town clerk, provided that one signature of a city or town official or the bond registrar must be a manual signature. Each bond may have the city or town seal or its facsimile imprinted on the bond."

**Insert: "Section 5.** Section 7-7-4421, MCA, is amended to read:

**"7-7-4421. Authority to issue revenue bonds.** (1) In addition to the powers ~~which~~ that it may now have, any municipality ~~shall have~~ has power under this part to:

(~~1~~)**(a)** issue its bonds to finance in whole or in part the cost of the acquisition, purchase, construction, reconstruction, improvement, betterment, or extension of any undertaking;

(~~2~~)**(b)** pledge to the punctual payment of ~~said~~ the bonds issued under ~~this part or~~ part 45 or this part and interest ~~thereon on the bonds~~ an amount of the revenues revenue of such the undertaking, ~~(including improvements, betterments, or extensions thereto~~ thereafter constructed or acquired), or of any part of ~~such the~~ such the undertaking sufficient to pay ~~said~~ the bonds and interest as ~~the same shall become~~ they become due, with ~~such an~~ an amount consisting of all or any part or portion of ~~such the~~ such the revenue, and create and maintain reasonable reserves ~~therefor~~ for the bonds.

(2) If applicable, the municipality shall specify whether the bonds are tax credit bonds as provided in [section 43], recovery zone economic development bonds or recovery zone facility bonds as provided in [section 44], or qualified energy conservation bonds as provided in [section 45]."

**Insert: "Section 6.** Section 7-7-4501, MCA, is amended to read:

**"7-7-4501. Authority to issue refunding revenue bonds.** (1) In addition to the powers ~~which~~ that it ~~now~~ may have, any municipality ~~shall have~~ has the power under this part to refund bonds issued for any of the purposes listed in 7-7-4421(1)(a), whether issued under authority of part 45 or of any other applicable law.

(2) Refunding revenue bonds issued as authorized in this section ~~shall be~~ are governed by all of the provisions of part 44, except 7-7-4433 and 7-7-4434, as fully as bonds issued for the initial financing of any undertaking and by the further provisions of this part.

(3) Bonds may be issued to refund interest as well as principal actually due and payable if the ~~revenues~~ revenue pledged ~~therefor are~~ is not sufficient, but not to refund any bonds or interest due ~~which can~~ that may be paid from ~~revenues~~ revenue then on hand."

**Insert: "Section 7.** Section 7-12-2171, MCA, is amended to read:

**"7-12-2171. Details relating to rural improvement district bonds and warrants.** (1) (a) The bonds and warrants must be drawn against either the construction or maintenance fund created for the special improvement

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district and must bear interest from the date of registration until called for redemption or paid in full. Bonds or warrants sold at a private, negotiated sale may bear interest at a rate varying periodically at the time or times and on the terms determined by the board of county commissioners. The terms determined by the board of county commissioners may include the establishment of a maximum rate of interest or the convertibility to a fixed rate of interest.

(b) Variable rate bonds may be sold at a private negotiated sale if the principal amount of the bonds is \$500,000 or less and the board of county commissioners obtains separate written opinions from underwriters of Montana rural improvement district bonds stating the bonds are not marketable through a competitive bond sale. Bonds sold in principal amounts below \$250,000 do not require a marketability opinion.

(c) The interest must be payable annually or semiannually, at the discretion of the board of county commissioners, on the dates that the board prescribes. The warrants or bonds must bear the signatures of the presiding officer of the board and the county clerk and may bear the corporate seal of the county. The warrants or bonds must be registered in the office of the county clerk and the county treasurer, and if interest coupons are attached to the warrants or bonds, the interest coupons must also be registered and must bear the signatures of the presiding officer of the board and the county clerk. The coupons may bear the facsimile signatures of the officers in the discretion of the board.

(2) The bonds must be in denominations of \$100 or fractions or multiples of \$100, may be issued in installments, and may extend over a period not to exceed 30 years. However, if federal loans are available for improvements, repayment may extend over a period not to exceed 40 years. For the purposes of this subsection, the term of a bond issue commences on July 1 of the fiscal year in which the county first levies to pay principal and interest on the bonds.

(3) If applicable, the board of county commissioners shall specify whether the bonds are tax credit bonds as provided in [section 43], recovery zone economic development bonds or recovery zone facility bonds as provided in [section 44], or qualified energy conservation bonds as provided in [section 45]."

**Insert: "Section 8.** Section 7-15-4290, MCA, is amended to read:

**"7-15-4290. Use of property taxes and other revenue for payment of bonds.** (1) (a) The tax increment derived from an urban renewal area may be pledged for the payment of revenue bonds issued for urban renewal projects or of general obligation bonds, revenue bonds, or special assessment bonds issued to pay urban renewal costs described in 7-15-4288 and 7-15-4289.

(b) The tax increment derived from an industrial district may be pledged for the payment of revenue bonds issued for industrial infrastructure development projects or of general obligation bonds, revenue bonds, or special assessment bonds issued to pay industrial district costs described in 7-15-4288 and 7-15-4289.

(c) The tax increment derived from a technology district may be pledged for the payment of revenue bonds issued for technology infrastructure development projects or of general obligation bonds, revenue bonds, or special assessment bonds issued to pay technology district costs described in 7-15-4288 and 7-15-4289.

(2) A municipality issuing bonds pursuant to subsection (1) may, by resolution of its governing body, enter into a covenant for the security of the bondholders, detailing the calculation and adjustment of the tax increment and the taxable value on which it is based and, after a public hearing, pledging or appropriating other revenue of the municipality, except property taxes prohibited by subsection (3), to the payment of the bonds if collections of the tax increment are insufficient.

(3) Property taxes, except the tax increment derived from property within the area or district and tax collections used to pay for services provided to the municipality by a project, may not be applied to the payment of bonds issued pursuant to 7-15-4301 for which a tax increment has been pledged.

(4) If applicable, the municipality shall specify whether the bonds are tax credit bonds as provided in [section 43], recovery zone economic development bonds or recovery zone facility bonds as provided in [section 44], or qualified energy conservation bonds as provided in [section 45]."

**Insert: "Section 9.** Section 7-15-4301, MCA, is amended to read:

**"7-15-4301. Authorization to issue urban renewal bonds, industrial infrastructure development bonds, aerospace transportation and technology infrastructure development bonds, technology infrastructure development bonds, and refunding bonds.** (1) A municipality may:



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(a) issue bonds from time to time, in its discretion, to finance the undertaking of any urban renewal project, industrial infrastructure development project, aerospace transportation and technology infrastructure development project, or technology infrastructure development project under part 42 and this part, including, without limiting the generality of projects, the payment of principal and interest upon any advances for surveys and plans for the projects; and

(b) issue refunding bonds for the payment or retirement of bonds previously issued by it.

(2) The bonds may not pledge the general credit of the municipality and must be made payable, as to both principal and interest, solely from the income, proceeds, revenue, and funds of the municipality derived from or held in connection with its undertaking and carrying out of urban renewal projects, industrial infrastructure development projects, aerospace transportation and technology infrastructure development projects, or technology infrastructure development projects under part 42 and this part, including the tax increment received and pledged by the municipality pursuant to 7-15-4282 through 7-15-4292, and, if the income, proceeds, revenue, and funds of the municipality are insufficient for the payment, from other revenue of the municipality pledged to the payment. Payment of the bonds, both as to principal and interest, may be further secured by a pledge of any loan, grant, or contribution from the federal government or other source in aid of any urban renewal projects, industrial infrastructure development projects, aerospace transportation and technology infrastructure development projects, or technology infrastructure development projects of the municipality under part 42 and this part or by a mortgage on all or part of any projects.

(3) Bonds issued under this section must be authorized by resolution or ordinance of the local governing body.

(4) If applicable, the governing body of the municipality shall specify whether the bonds are tax credit bonds as provided in [section 43], recovery zone economic development bonds or recovery zone facility bonds as provided in [section 44], or qualified energy conservation bonds as provided in [section 45]."

**Insert: "Section 10.** Section 7-15-4302, MCA, is amended to read:

**"7-15-4302. Authorization to issue general obligation bonds.** (1) For the purpose of 7-15-4267 or for the purpose of aiding in the planning, undertaking, or carrying out of an urban renewal project or an industrial infrastructure development project of a municipality, the municipality, in addition to any authority to issue bonds pursuant to 7-15-4301, may issue and sell its general obligation bonds.

(2) Any bonds issued pursuant to this section ~~shall~~ must be issued in the manner and within the limitations prescribed by the laws of this state for the issuance and authorization of bonds by ~~such~~ the municipality for public purposes generally.

(3) Aiding in the planning, undertaking, or carrying out of an approved urban renewal project or an industrial infrastructure development project is considered a single purpose for the issuance of general obligation bonds, and the proceeds of the bonds authorized for any ~~such~~ project may be used to finance the exercise of any and all powers conferred upon the municipality by ~~this part and~~ part 42 ~~which and this part that~~ are necessary or proper to complete the project in accordance with the approved plan or industrial district ordinance and any modification ~~thereof of the plan~~ duly adopted by the local governing body.

(4) If applicable, the municipality shall specify whether the bonds are tax credit bonds as provided in [section 43], recovery zone economic development bonds or recovery zone facility bonds as provided in [section 44], or qualified energy conservation bonds as provided in [section 45]."

**Renumber:** subsequent sections

6. Page 6, line 1.

**Insert: "Section 14.** Section 17-5-504, MCA, is amended to read:

**"17-5-504. Forms, interest, and maturity.** ~~Such~~ General obligation highway bonds shall ~~must~~ be issued by the board, upon request of the department of administration, in ~~such~~ the denominations and form, whether payable to bearer or registered as to principal or both principal and interest, with ~~such~~ provisions for conversion or exchange and for the issuance of notes in anticipation of the execution and delivery of definitive bonds, bearing interest, maturing at ~~such~~ times not exceeding 20 years from the date of issue, subject to redemption at ~~such~~ earlier times and prices and upon ~~such~~ notice, and payable at the office of ~~such~~ the fiscal agent of the state, ~~as~~ that the board shall

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determine, subject to the limitations contained herein in this part. If applicable, the board shall specify whether the bonds are tax credit bonds as provided in [section 43].""

**Insert: "Section 15.** Section 17-5-803, MCA, is amended to read:

**"17-5-803. Form -- principal and interest -- fiscal agent -- bond registrar and transfer agent -- deposit of proceeds.** (1) Subject to the limitations contained in this part and in the bond act and in the furtherance of each bond act, bonds may be issued by the board upon request of the department. The bonds may be issued in the denominations and form, whether payable to bearer or registered as to principal or both principal and interest, with provisions for conversion or exchange, and for the issuance of temporary bonds bearing interest at a rate or rates, maturing at times not exceeding 30 years from date of issue, subject to redemption at earlier times and prices and on notice, and payable at the office of the fiscal agency of the state as the board determines.

(2) In all other respects, the board is authorized to prescribe the form and terms of the bonds and do whatever is lawful and necessary for their issuance and payment. Action taken by the board under this part must be by a majority vote of its members. The state treasurer shall keep a record of all bonds issued and sold.

(3) The board is authorized to employ a fiscal agent and a bond registrar and transfer agent to assist in the performance of its duties under this part.

(4) The board, in its discretion, is authorized to pay all costs of issuance of bonds, including without limitation rating agency fees, printing costs, legal fees, bank or trust company fees, costs to employ persons or firms to assist in the sale of the bonds, line of credit fees and charges, and all other amounts related to the costs of issuing the bonds from amounts available for these purposes in the general fund or from the proceeds of the bonds.

(5) All proceeds of bonds and notes issued under this part must be deposited in the capital projects account, except that any premiums and accrued interest received and the proceeds of refunding bonds or notes must be deposited in the debt service account.

(6) If applicable, the board shall specify whether the bonds are tax credit bonds as provided in [section 43].""

**Insert: "Section 16.** Section 17-5-922, MCA, is amended to read:

**"17-5-922. Form -- principal and interest -- fiscal agent -- bonds authorized.** (1) Each series of bonds may be issued by the board at public or private sale, in such the denominations and form, whether payable to bearer or registered as to principal or both principal and interest, with such provisions for the conversion or exchange, bearing interest at such the rate or rates or the method of determining such the rate or rates, maturing at such times, not more than 40 years from date of issue, subject to redemption at such earlier times and prices and upon such notice, and payable at the office of a fiscal agency of the state as that the board shall determine, subject to the limitations contained in this part. Any action taken by the board under this part must be approved by at least a majority vote of its members.

(2) In all other respects the board is authorized to prescribe the form and terms of the bonds and shall do whatever is lawful and necessary for their issuance and payment.

(3) Bonds and any interest coupons appurtenant thereto to the bonds must be signed by the members of the board, and the bonds must be issued under the great seal of the state of Montana. The bonds and coupons may be executed with facsimile signatures and seal in the manner and subject to the limitations prescribed by law. The state treasurer shall keep a record of all such bonds issued and sold.

(4) The board may employ a fiscal agent and a bond registrar and transfer agent to assist in the performance of its duties under this part.

(5) In connection with the issuance and sale of bonds, the board may arrange for lines of credit or letters of credit with any bank, firm, or person for the purpose of providing an additional source of repayment for bonds issued pursuant to this part. Amounts drawn on such lines of credit may be evidenced by negotiable or nonnegotiable notes or other evidences of indebtedness, containing such terms and conditions as that the board may authorize in the resolution approving the same notes or evidences of indebtedness.

(6) ~~No~~ Not more than \$150 million of bonds issued under this part may be outstanding at any time. ~~No additional~~ Additional bonds, other than refunding bonds, may not be issued until the pledge in favor of the highway revenue bonds is satisfied and discharged.

(7) If applicable, the board shall specify whether the bonds are tax credit bonds as provided in [section

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43]."

**Insert:** "Section 17. Section 17-5-1506, MCA, is amended to read:

**"17-5-1506. Bonds and notes for projects and major projects.** (1) The board may by resolution issue negotiable notes and bonds in a principal amount ~~as that~~ the board determines necessary to provide sufficient funds for achieving any of its purposes, including the payment of interest on notes and bonds of the board, establishment of reserves to secure the notes and bonds, including the reserve funds created under 17-5-1515, and all other expenditures of the board incident to and necessary or convenient to carry out this part.

(2) The board may by resolution, from time to time, issue notes to renew notes and bonds or to pay notes, including interest, and whenever it considers refunding expedient, refund any bonds by the issuance of new bonds, whether or not the bonds to be refunded have matured, or issue bonds partly to refund bonds outstanding and partly for any of its other purposes.

(3) Except as otherwise expressly provided by resolution of the board, every issue of its bonds is an obligation of the board payable out of any revenue, assets, or money of the board, subject only to agreements with the holders of particular notes or bonds pledging particular ~~revenues~~ revenue, assets, or money.

(4) The notes and bonds must be authorized by resolutions of the board, bear a date, and mature at the times the resolutions provide. A note may not mature more than 5 years from the date of its issue. A bond may not mature more than 40 years from the date of its issue. The bonds may be issued as serial bonds payable in annual installments, as term bonds, or as a combination ~~thereof~~ of serial and term bonds. The notes and bonds must bear interest at a stated rate or rates or at a rate or rate determination as stated, be in denominations, be in a form, either coupon or registered, carry registration privileges, be executed in a manner, be payable in a medium of payment, at places inside or outside the state, and be subject to terms of redemption as provided in resolutions. The notes and bonds of the board may be sold at public or private sale, at prices above or below par, as determined by the board, and in a manner ~~such~~ that interest on the bonds is either exempt from or subject to federal income tax. If applicable, the board shall specify whether the bonds are tax credit bonds as provided in [section 43].

(5) The bonds issued under this part are exempt from the Montana Securities Act, but copies of all prospectus and disclosure documents must be deposited with the state securities commissioner for public inspection.

(6) The total amount of bonds secured under 17-5-1515 outstanding at any one time, except bonds as to which the board's obligations have been satisfied and discharged by refunding or bonds for which reserves for payment or other means of payment have been provided, may not exceed \$100 million."

**Renumber:** subsequent sections

7. Page 6, line 17.

**Strike:** "51"

**Insert:** "81"

8. Page 7, line 14.

**Strike:** "51"

**Insert:** "81"

9. Page 12, line 11.

**Strike:** "23"

**Insert:** "52"

10. Page 13.

**Following:** line 5

**Insert:** "Section 21. Section 20-9-403, MCA, is amended to read:

**"20-9-403. Bond issues for certain purposes.** (1) The trustees of a school district may issue and negotiate general obligation bonds or impact aid bonds of the school district for the purpose of:

(a) building, altering, repairing, buying, furnishing, equipping, purchasing lands for, or obtaining a water supply for a school, teacherage, dormitory, gymnasium, other building, or combination of buildings for school

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purposes;

- (b) buying a school bus or buses;
  - (c) providing the necessary money to redeem matured bonds, maturing bonds, or coupons appurtenant to bonds when there is not sufficient money to redeem them;
  - (d) providing the necessary money to redeem optional or redeemable bonds when it is for the best interest of the school district to issue refunding bonds;
  - (e) funding a judgment against the district, including the repayment of tax protests lost by the district; or
  - (f) funding a debt service reserve account that may be required for impact aid revenue bonds.
- (2) Money realized from the sale of bonds issued on the credit of a high school district may not be used for any of the purposes listed in subsection (1) in an elementary school district, and the money may be used for any of the purposes listed in subsection (1) for a junior high school but only to the extent that the 9th grade of the high school is served.

(3) If applicable, the trustees shall specify whether the bonds are qualified school construction bonds as described in [section 42(1)] or tax credit bonds as provided in [section 43]."

**Insert: "Section 22.** Section 20-9-433, MCA, is amended to read:

**"20-9-433. Form and execution of school district bonds.** (1) At the time of the sale of the bonds or at a meeting held after the sale, the trustees shall adopt a resolution or indenture of trust providing for the issuance of the bonds, prescribing the form of the bonds, whether amortization or serial bonds, and prescribing the manner of execution of the bonds. If applicable, the trustees shall specify whether the bonds are qualified school construction bonds as described in [section 42(1)] or tax credit bonds as provided in [section 43]."

(2) Each bond and coupon attached to a bond must be signed by or bear the facsimile signatures of the presiding officer of the trustees and the school district clerk, provided that one signature of a school official or the bond registrar must be a manual signature."

**Insert: "Section 23.** Section 20-9-501, MCA, is amended to read:

**"20-9-501. Retirement costs and retirement fund.** (1) The trustees of a district or the management board of a cooperative employing personnel who are members of the teachers' retirement system or the public employees' retirement system, who are covered by unemployment insurance, or who are covered by any federal social security system requiring employer contributions shall establish a retirement fund for the purposes of budgeting and paying the employer's contributions to the systems as provided in subsection (2)(a). The district's or the cooperative's contribution for each employee who is a member of the teachers' retirement system must be calculated in accordance with Title 19, chapter 20, part 6. The district's or the cooperative's contribution for each employee who is a member of the public employees' retirement system must be calculated in accordance with 19-3-316. The district's or the cooperative's contributions for each employee covered by any federal social security system must be paid in accordance with federal law and regulation. The district's or the cooperative's contribution for each employee who is covered by unemployment insurance must be paid in accordance with Title 39, chapter 51, part 11.

(2) (a) The district or the cooperative shall pay the employer's contributions to the retirement, federal social security, and unemployment insurance systems from the retirement fund for the following:

(i) a district employee whose salary and health-related benefits, if any health-related benefits are provided to the employee, are paid from state or local funding sources;

(ii) a cooperative employee whose salary and health-related benefits, if any health-related benefits are provided to the employee, are paid from the cooperative's interlocal cooperative fund if the fund is supported solely from districts' general funds and state special education allowable cost payments, pursuant to 20-9-321, or are paid from the miscellaneous programs fund, provided for in 20-9-507, from money received from the medicaid program, pursuant to 53-6-101;

(iii) a district employee whose salary and health-related benefits, if any health-related benefits are provided to the employee, are paid from the district's school food services fund provided for in 20-10-204; ~~and~~

(iv) a district employee whose salary and health-related benefits, if any health-related benefits are provided to the employee, are paid from the district impact aid fund, pursuant to 20-9-514; and

(v) for the 2011 biennium only, a district employee whose salary and health-related benefits, if any health-related benefits are provided to the employee, are budgeted in the district general fund but are paid from state fiscal stabilization funds received pursuant the American Recovery and Reinvestment Act of 2009, Public Law 111-5.

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(b) For an employee whose benefits are not paid from the retirement fund, the district or the cooperative shall pay the employer's contributions to the retirement, federal social security, and unemployment insurance systems from the funding source that pays the employee's salary.

(3) The trustees of a district required to make a contribution to a system referred to in subsection (1) shall include in the retirement fund of the final budget the estimated amount of the employer's contribution. After the final retirement fund budget has been adopted, the trustees shall pay the employer contributions to the systems in accordance with the financial administration provisions of this title.

(4) When the final retirement fund budget has been adopted, the county superintendent shall establish the levy requirement by:

(a) determining the sum of the money available to reduce the retirement fund levy requirement by adding:

- (i) any anticipated money that may be realized in the retirement fund during the ensuing school fiscal year;
- (ii) oil and natural gas production taxes;
- (iii) coal gross proceeds taxes under 15-23-703;
- (iv) countywide school retirement block grants distributed under 20-9-631;
- (v) any fund balance available for reappropriation as determined by subtracting the amount of the end-of-the-year fund balance earmarked as the retirement fund operating reserve for the ensuing school fiscal year by the trustees from the end-of-the-year fund balance in the retirement fund. The retirement fund operating reserve may not be more than 35% of the final retirement fund budget for the ensuing school fiscal year and must be used for the purpose of paying retirement fund warrants issued by the district under the final retirement fund budget.

(vi) any other revenue anticipated that may be realized in the retirement fund during the ensuing school fiscal year, excluding any guaranteed tax base aid.

(b) notwithstanding the provisions of subsection (9), subtracting the money available for reduction of the levy requirement, as determined in subsection (4)(a), from the budgeted amount for expenditures in the final retirement fund budget.

(5) The county superintendent shall:

(a) total the net retirement fund levy requirements separately for all elementary school districts, all high school districts, and all community college districts of the county, including any prorated joint district or special education cooperative agreement levy requirements; and

(b) report each levy requirement to the county commissioners on the fourth Monday of August as the respective county levy requirements for elementary district, high school district, and community college district retirement funds.

(6) The county commissioners shall fix and set the county levy or district levy in accordance with 20-9-142.

(7) The net retirement fund levy requirement for a joint elementary district or a joint high school district must be prorated to each county in which a part of the district is located in the same proportion as the district ANB of the joint district is distributed by pupil residence in each county. The county superintendents of the counties affected shall jointly determine the net retirement fund levy requirement for each county as provided in 20-9-151.

(8) The net retirement fund levy requirement for districts that are members of special education cooperative agreements must be prorated to each county in which the district is located in the same proportion as the special education cooperative budget is prorated to the member school districts. The county superintendents of the counties affected shall jointly determine the net retirement fund levy requirement for each county in the same manner as provided in 20-9-151, and the county commissioners shall fix and levy the net retirement fund levy for each county in the same manner as provided in 20-9-152.

(9) The county superintendent shall calculate the number of mills to be levied on the taxable property in the county to finance the retirement fund net levy requirement by dividing the amount determined in subsection (5)(a) by the sum of:

(a) the amount of guaranteed tax base aid that the county will receive for each mill levied, as certified by the superintendent of public instruction; and

(b) the taxable valuation of the district divided by 1,000.

(10) The levy for a community college district may be applied only to property within the district.

(11) The county superintendent of each county shall submit a report of the revenue amounts used to establish the levy requirements for county school funds supporting elementary and high school district retirement obligations

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to the superintendent of public instruction not later than the second Monday in September. The report must be completed on forms supplied by the superintendent of public instruction."

**Insert: "NEW SECTION. Section 24. Permissive levy.** If an appropriation for a 3% increase in the basic entitlement and per-ANB entitlement in each fiscal year is contained in [section 81], then a school district may impose a permissive levy, calculated in accordance with 20-9-141, to fund the local share of the BASE budget."

**"NEW SECTION. Section 25. Over-BASE budget levy.** If an appropriation for a 3% increase in the basic entitlement and per-ANB entitlement in each fiscal year is contained in [section 81], then a district may impose an over-BASE budget levy, calculated in accordance with 20-9-141, to fund the over-BASE budget. Districts shall comply with voting requirements as provided in 20-9-353.

**Insert: "Section 26.** Section 20-25-402, MCA, is amended to read:

**"20-25-402. Borrowing by regents. (1)** In carrying out the powers provided in 20-25-107, 20-25-301, and 20-25-302, the regents may:

(1)(a) borrow money for any purpose or purposes stated in parts 3 and 4 of this chapter, including, if considered desirable by the regents, the payment of interest on the money borrowed for a facility during the construction thereof of the facility and for 1 year thereafter after construction and the creation of a reserve for the payment of bond principal and interest;

(2)(b) make purchases on a time or installment basis;

(3)(c) issue bonds, notes, and other securities, negotiable or otherwise, secured as provided in this section, including bearer bonds with appurtenant interest coupons, which shall must be fully negotiable notwithstanding any limitation on the source of payment thereof of the bonds, notes, or securities, or fully registered bonds or bonds registered as to ownership of principal only;

(4)(d) pledge for the payment of the purchase price of any facility or of the principal and interest on bonds, notes, or other securities authorized in this chapter or otherwise obligate:

(a)(i) the net income received from rents, board, or both in housing, food service, and other facilities;

(b)(ii) receipts from student building, activity, union, and other special fees prescribed by the regents for all students; and

(c)(iii) (A) other income in the form of gifts, bequests, contributions, or federal grants of funds, including the proceeds or income from grants of lands or other real or personal property;

(B) receipts from athletic and other contests, exhibitions, and performances; and

(C) collections of admissions and other charges for the use of facilities, including all use by other persons, firms, and corporations for athletic and other contests, exhibitions, and performances and for the conduct of their business, educational, or governmental functions;

(5)(e) make payments on loans or purchases from any other available income not obligated for those purposes, including receipts from sale of materials, equipment, and fixtures of the facilities or from sales of the facilities themselves, other than land;

(6)(f) secure any bonds authorized hereunder under this section by a trust indenture between the regents and any bank or trust company within or without outside of the state of Montana or by a resolution establishing covenants of the regents with the holders of such the bonds relating to:

(a)(i) the construction, operation, use, and insurance of the facilities;

(b)(ii) the segregation, expenditure, and audit of accounts of the bond proceeds and of the income pledged;

(c)(iii) the establishment and collection of rents, charges, admissions, and fees sufficient to provide net income adequate for prompt payment of principal and interest on bonds and creation and maintenance of reserves for that purpose; and

(d)(iv) such other matters as that the regents may determine to be necessary or desirable for the security and marketability of the bonds;

(7)(g) subject to the following provisions, issue and sell or exchange bonds, secured as provided in this section, for the refunding of any outstanding bonds or other obligations issued by the regents before or after January 29, 1971, subject to the following provisions:

(a)(i) refunding bonds may, with the consent of the holders of the bonds to be refunded thereby, be exchanged at par plus accrued interest for all or part of such the bonds or may be sold at a price not less than par plus accrued interest. They may be secured by a pledge of the same revenue as the bonds refunded or by a pledge

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of different or additional revenues received at the same unit of the university. ~~Nothing herein shall~~ This subsection (1)(g) may not require the holder of any outstanding bond to accept payment ~~thereof of the bond~~ or the delivery of a refunding bond in exchange ~~therefor for the bond~~, except in accordance with the terms of the outstanding bond. Bonds may be issued to refund interest as well as principal actually due and payable if the ~~revenues~~ revenue pledged ~~therefor for the bonds~~ are not sufficient, but not to refund any bonds or interest due ~~which that~~ can be paid from ~~revenues~~ revenue then on hand.

~~(b)(ii)~~ (b)(ii) refunding bonds may bear interest at a rate lower or higher than the bonds refunded ~~thereby by the~~ refunding bonds if they are issued to refund matured principal or interest for the payment of which ~~revenues~~ revenue on hand ~~are is~~ not sufficient ~~or if they are issued to refund before maturity bonds issued before January 1, 1965~~, for the purpose of releasing ~~revenues~~ revenue required for payment of the outstanding bonds permitting the pledge ~~thereof of the revenue~~ for the security of other bonds as well as the refunding bonds, subject to the rights of the holders of the outstanding bonds until those bonds are fully paid and redeemed. Except as authorized in the preceding sentence, refunding bonds ~~shall may~~ not be issued unless their average annual interest rate, computed to their stated maturity dates and excluding any premium from ~~such the~~ such the computation, is at least 3/8 of 1% less than the average annual interest rate on the bonds refunded ~~thereby~~, computed to their respective stated maturity dates.

~~(c)(iii)~~ (c)(iii) in any case ~~where in which~~ where in which refunding bonds are issued and sold 6 months or more before the earliest date on which all bonds refunded ~~thereby by the~~ refunding bonds mature or are prepayable in accordance with their terms, the proceeds of the refunding bonds, including any premium and accrued interest, ~~shall must~~ be deposited in escrow with a suitable bank or trust company having its principal place of business within or ~~without~~ without outside of the state, which is a member of the federal reserve system and has a combined capital and surplus ~~of~~ not less than \$1 million, and ~~shall must~~ be invested in the amount and in securities maturing on the dates and bearing interest at the rates ~~which that~~ will be required to provide funds sufficient to pay when due the interest to accrue on each bond refunded to its maturity or, if it is prepayable, to the earliest prior date upon which the bond may be called for redemption from the proceeds of the refunding bonds and to pay and redeem the principal amount of each bond at maturity or, if prepayable, on that redemption date and any premium required for redemption on that date. The resolution or indenture authorizing the refunding bonds ~~shall must~~ irrevocably appropriate for these purposes the escrow fund and all income ~~therefrom from the escrow fund~~ and ~~shall must~~ provide for the call of all prepayable bonds in accordance with their terms. The securities to be purchased with ~~such the~~ such the escrow funds ~~shall must~~ be limited to general obligations of the United States, securities ~~whose for which~~ whose for which principal and interest payments are guaranteed by the United States, and securities issued by the following United States government agencies: ~~including only~~ banks for cooperatives, federal home loan banks, federal intermediate credit banks, federal land banks, and the federal national mortgage association. The securities ~~shall must~~ be purchased simultaneously with the delivery of the refunding bonds.

~~(d)(iv)~~ (d)(iv) ~~revenues~~ revenue or other funds on hand; in excess of the amount pledged by resolutions or indentures authorizing outstanding bonds for the payment of principal and interest currently due ~~thereon on the~~ outstanding bonds and reserves securing ~~such the~~ such the payment; may be used to pay the expenses incurred by the regents for the purpose of refunding, including but without limitation the cost of advertising and printing refunding bonds, legal and financial advice and assistance in connection ~~therewith with~~ with refunding the bonds, and the reasonable and customary charges of escrow agents and paying agents. ~~Revenues~~ Revenue and other funds on hand, including reserves pledged for the payment and security of outstanding revenue bonds, may be deposited in an escrow fund created for the retirement of those bonds and may be invested and disbursed as provided in subsection ~~(7)(c) hereof~~ (1)(g)(iii) to the extent consistent with the resolutions or indentures authorizing ~~such the~~ such the outstanding bonds.

~~(8)(h)~~ (8)(h) sell bonds and sell or exchange refunding bonds issued ~~hereunder under~~ hereunder under this section in the manner and upon the terms as to maturities, interest rates, and redemption privileges and for the price that the regents determine with the approval of the department of administration.

(2) If applicable, the regents shall specify whether the bonds issued under this section are tax credit bonds as provided in [section 43]."

**Renumber:** subsequent sections

11. Page 30, line 19.

**Strike:** "specifically authorized"

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**Insert:** "funded"

12. Page 30, line 21.

**Strike:** "specifically authorized"

**Insert:** "funded"

13. Page 31, line 2.

**Strike:** "specifically authorized"

**Insert:** "funded"

14. Page 31, line 4.

**Strike:** "specifically authorized"

**Insert:** "funded"

15. Page 31, line 6.

**Strike:** "specifically authorized"

**Insert:** "funded"

16. Page 31, line 8.

**Strike:** "specifically authorized"

**Insert:** "funded"

17. Page 31.

**Following:** line 9

**Insert:** "NEW SECTION. Section 42. Allocation of bonding limits -- American Recovery and Reinvestment Act of 2009. Unless the regulations adopted by the United States secretary of the treasury specify otherwise:

(1) the office of public instruction is responsible for allocating the state's share of qualified school construction bonds as authorized in section 1521 of the American Recovery and Reinvestment Act of 2009, Public Law 111-5, and the state's allocated share of qualified zone academy bonds as authorized in section 54E of the Internal Revenue Code, 26 U.S.C. 54E;

(2) the department of administration is responsible for allocating the state's share of qualified energy conservation bonds as authorized in section 54D of the Internal Revenue Code 26 U.S.C. 54D, as amended by section 1112 of the American Recovery and Reinvestment Act of 2009, Public Law 111-5; and

(3) the department of administration, in consultation with the department of commerce, is responsible for allocating the state's share of recovery zone economic development bonds and recovery zone facility bonds, as authorized in section

1401 of the American Recovery and Reinvestment Act of 2009, Public Law 111-5."

**Insert:** "NEW SECTION. Section 43. Tax credit bonds. (1) As used in this section, "tax credit bond" means any general obligation bond, impact aid revenue bond, special improvement district bond, revenue bond, industrial development bond, tax

increment bond, or any other bond of the state or a political subdivision that has been duly authorized and is eligible for designation as and has been designated as a qualified tax credit bond under section 54A, section 54D, section 54E, section 54F, or section 54AA of the Internal Revenue Code, 26 U.S.C. 54A, 54D, 54E, 54F, or 54AA.

(2) Any bond issued as a tax credit bond may be issued and sold at public or private sale, may be payable and mature as to principal and interest, if any, on any date or dates, may be subject to redemption in whole or in part as determined by the governing body of the issuer, and may have other terms and conditions that the issuer considers to be necessary and appropriate.

(3) The governing body of the issuer of any tax credit bond is authorized to enter into agreements and make



covenants that may be necessary to provide for the sale and security of the bond, including investment of funds and accounts to repay the bond."

**Insert: "NEW SECTION. Section 44. Recovery zone economic development bonds and recovery zone facility bonds.** (1) Subject to the conditions and provisions contained in the American Recovery and Reinvestment Act of 2009, Public Law 111-5, and the availability of allocation as determined in [section 42], cities and counties are authorized to designate economic recovery zones and issue recovery zone economic development bonds and recovery zone facility bonds to finance the costs of recovery zone projects and facilities eligible under the American Recovery and Reinvestment Act of 2009, Public Law 111-5.

(2) The bonds must be authorized by the governing body of the city or county in accordance with the applicable provisions of Montana law, unless otherwise provided in [section 43]. The governing body is authorized to enter into agreements and make covenants that may be necessary to provide for the sale and security of the bonds, subject to the following limitations:

(a) if the bonds that are issued under this section pledge the city's or county's credit or taxing power, they must be authorized in accordance with the provisions of Title 7, chapter 7, part 22 or 42, as appropriate;

(b) if the bonds are payable from and secured solely by the revenue from a governmentally owned and operated facility or undertaking, they must be authorized in accordance with the provisions of Title 7, chapter 7, part 44;

(c) if the bonds are payable from special assessments levied against benefitted property, the project must be eligible for special assessment financing and must be authorized in accordance with the provisions of Title 7, chapter 12, part 21 or parts 41 and 42, as appropriate;

(d) if the bonds are payable from tax increment revenue, the project to be financed must be eligible for tax increment financing and the project must be approved and the bonds must be authorized in accordance with the provisions of Title 7, chapter 15, parts 42 and 43;

(e) if the bonds are industrial development revenue bonds of the issuer, the bonds must be authorized in accordance with the provisions of Title 90, chapter 5, part 1."

**"NEW SECTION. Section 45. Qualified energy conservation bonds.** (1) Subject to the conditions and provisions contained in section 54D of the Internal Revenue Code, 26 U.S.C. 54D, as amended by the American Recovery and Reinvestment Act of 2009, Public Law 111-5, and the availability of an allocation, cities and counties are authorized to issue qualified energy conservation bonds to finance projects for qualified energy conservation purposes and are authorized to undertake the qualified energy conservation purposes and programs within the meaning of the section 54D of the Internal Revenue Code, 26 U.S.C. 54D, as amended by the American Recovery and Reinvestment Act of 2009, Public Law 111-5.

(2) The bonds must be authorized by the governing body of the city or county in accordance with the provisions of applicable Montana law, except as otherwise provided in [section 43]. The governing body is authorized to enter into agreements and make covenants that may be necessary to provide for the sale and security of the bonds, subject to the following limitations:

(a) if the bonds that are to be issued under this section pledge the city's or county's credit or taxing power, they must be authorized in accordance with the provisions of Title 7, chapter 7, part 22 or 42, as appropriate;

(b) if the bonds to be issued under this section are payable from and secured solely by the revenue derived or generated from a qualified energy conservation program or project, they must be authorized in accordance with the provisions of Title 7, chapter 7, part 44;

(c) if the bonds are payable from special assessments levied against benefitted property, the project must be eligible for special assessment financing and must be authorized in accordance with the provisions of Title 7, chapter 12, part 21 or parts 41 and 42, as appropriate;

(d) if the bonds are payable from tax increment revenue, the project to be financed must be eligible for tax increment financing and the project must be approved and the bonds must be authorized in accordance with the provisions of Title 7, chapter 15, parts 42 and 43;

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(e) if the bonds are industrial development revenue bonds of the issuer, the bonds must be authorized in accordance with the provisions of Title 90, chapter 5, part 1.

**Insert: "Section 46.** Section 90-5-101, MCA, is amended to read:

**"90-5-101. Definitions.** As used in this part, unless the context otherwise requires, the following definitions apply:

(1) "Agricultural enterprises" includes but is not limited to producing, warehousing, storing, fattening, treating, handling, distributing, or selling farm products or livestock.

(2) "Bonds" means bonds, refunding bonds, notes, or other obligations issued by a municipality or county under the authority of this part, including without limitation short-term bonds or notes issued in anticipation of the issuance of long-term bonds or notes.

(3) "Electric energy generation facility" means any combination of a physically connected generator or generators, associated prime movers, and other associated property and transmission facilities and upgrades and improvements of transmission facilities, including appurtenant land and improvements and personal property, that are normally operated together to produce and transfer electric power. The term includes but is not limited to generating facilities that produce and transfer electricity from coal-fired steam turbines, oil or gas turbines, wind turbines, solar power sources, fuel cells, or turbine generators that are driven by falling water.

(4) "Family services provider" means organizations, including nonprofit corporations, that provide human services for children and adults, including but not limited to early care services for children, youth services, health services, social services, habilitative services, rehabilitative services, preventive care, and supportive services, and training, educational, and referral activities in support of human services.

(5) "Governing body" means the board or body in which the general legislative powers of the municipality or county are vested.

(6) "Higher education facilities" means any real or personal properties required or useful for the operation of an institution of higher education.

(7) "Institution of higher education" means any private, nonprofit corporation or institution within the state of Montana:

- (a) authorized to provide or operate educational facilities; and
- (b) providing a program of education beyond the high school level.
- (8) "Mortgage" means a mortgage or deed of trust or other security device.
- (9) "Municipality" means any incorporated city or town in the state.
- (10) "Project" means:

(a) any land; any building or other improvement; and any other real or personal ~~properties~~ property considered necessary in connection with the improvement, whether or not now in existence, that must be suitable for use for commercial, manufacturing, agricultural, or industrial enterprises;

(b) recreation or tourist facilities;

(c) local, state, and federal governmental facilities; (d) multifamily housing, hospitals, long-term care facilities, community-based facilities for individuals who are persons with developmental disabilities as defined in 53-20-102, or medical facilities;

(e) higher education facilities;

(f) electric energy generation facilities;

(g) family services provider facilities;

(h) any facilities that are used or considered necessary to create or produce any intangible item, as defined in section 197(d)(1)(C)(iii) of the Internal Revenue Code, 26 U.S.C. 197(d)(1)(C)(iii), including any patent, copyright, formula, process, design, pattern, knowledge, format, or other similar intangible item;

(i) the production of energy using an alternative renewable energy source as defined in 15-6-225; and

(j) any combination of these projects in subsections (10)(a) through (10)(i)."

**Insert: "Section 47.** Section 90-5-103, MCA, is amended to read:

**"90-5-103. Limited obligation bonds -- form and contents -- sale -- negotiability -- filing.** (1) All bonds issued by a municipality or county under the authority of this part must be limited obligations of the municipality or county. Bonds and interest coupons issued under the authority of this part may not constitute or give rise to a pecuniary liability of the municipality or county or a charge against its general credit or taxing powers. This

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limitation must be plainly stated upon the face of each of the bonds.

(2) The bonds referred to in subsection (1) may be executed and delivered at any time and from time to time, be in form and denominations, be of tenor, be in registered or bearer form either as to principal or interest, or both, be payable in installments and at a time or times not exceeding 40 years from the bonds date, be payable at a place or places, bear interest at a rate or rates, be evidenced in a manner, be redeemable prior to maturity, with or without premium, and contain provisions not inconsistent with this part as considered in the best interest of the municipality or county and provided for in the proceedings of the governing body under whose authority the bonds must be authorized to be issued.

(3) Any bonds issued under the authority of this part may be sold at public or private sale in a manner, at a time or times, and at a price above or below par as may be agreed upon by the lessee of the project or the borrower of the funds. The municipality or county may pay all expenses, premiums, and commissions that the governing body may consider necessary or advantageous in connection with the authorization, sale, and issuance of the bonds from the proceeds of the sale of the bonds or from the revenue of the projects.

(4) All bonds issued under the authority of this part and all interest coupons applicable to the bonds must be construed to be negotiable instruments despite the fact that they are payable solely from a specified source.

(5) All bonds issued under the authority of this part must be filed with the securities commissioner within 10 days of the date of their issue. The filing must include the name of the issuing authority, the name and address of the person or entity on whose behalf the bonds are issued, the amount of the bond issue, the date of the bond issue, and any other information that the securities commissioner may request. Failure to comply with this section does not affect the validity of the bond issue.

(6) If applicable, the governing body of the municipality or county shall specify whether the bonds are tax credit bonds as provided in [section 43], recovery zone economic development bonds or recovery zone facility bonds as provided in [section 44], or qualified energy conservation bonds as provided in [section 45]."

**Insert: "Section 48.** Section 90-7-102, MCA, is amended to read:

**"90-7-102. Definitions.** As used in this chapter, unless the context requires otherwise, the following definitions apply:

(1) "Authority" means the Montana facility finance authority created in 2-15-1815.

(2) "Capital reserve account" means the account established in 90-7-317.

(3) "Costs" means costs allowed under 90-7-103.

(4) "Eligible facility" means any eligible facility as defined in 90-7-104.

(5) (a) "Institution" means any public or private:

(i) nonprofit hospital, corporation, or other organization authorized to provide or operate an eligible facility in this state; ~~or~~

(ii) nonprofit prerelease center, corporation, or other organization authorized to operate a prerelease center in this state; ~~or~~

(iii) for-profit or nonprofit corporation or other organization authorized to provide for or to operate a project or a facility with qualified small issue bond financing pursuant to section 144(a) of the Internal Revenue Code, 26 U.S.C. 144(a).

(b) The term also includes the following, provided that the entity is a nonprofit entity or is controlled by one or more nonprofit entities:

(i) a network of health care providers, regardless of how it is organized;

(ii) an integrated health care delivery system;

(iii) a joint venture or partnership between or among health care providers;

(iv) a purchasing alliance composed of health care providers;

(v) any health insurers and third-party administrators that are participants in a system, network, joint venture, or partnership that provides health services through one or more health facilities.

(6) "Participating institution" means an institution that undertakes the financing, refunding, or refinancing of obligations on the construction or acquisition of an eligible facility pursuant to the provisions of this chapter.

(7) "Revenue" means, with respect to eligible facilities, the rents, fees, charges, interest, principal repayments, and other income received or to be received by the authority from any source on account of the eligible facilities."

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**Insert: "Section 49.** Section 90-7-104, MCA, is amended to read:

**"90-7-104. Eligible facility.** (1) The term "eligible facility" means any structure or building suitable for use as:

- (a) a hospital, clinic, nursing home, or other health care facility as defined in 50-5-101;
- (b) a public health center, as defined in 7-34-2102;
- (c) a facility for persons with disabilities;
- (d) a chemical dependency treatment facility;
- (e) a nursing school;
- (f) a medical teaching facility;
- (g) a laboratory;
- (h) a dental care facility;
- (i) a prerelease center;
- (j) a diagnostic, treatment, or surgical center;
- (k) a facility providing services for the elderly; ~~or~~

(l) applicable to a project or a facility with qualified small issue bond financing pursuant to section 144(a) of the Internal Revenue Code, 26 U.S.C. 144(a); or

~~(m)~~ (m) a structure or facility related to any of the uses enumerated in subsections (1)(a) through ~~(1)(k)~~ (1)(l) or required or useful for the operation of an eligible facility. These related facilities include supporting service structures and all necessary, useful, and related equipment, furnishings, and appurtenances and include without limitation the acquisition, preparation, and development of all lands and real and personal property necessary or convenient as a site for any of the uses enumerated in subsections (1)(a) through ~~(1)(k)~~ (1)(l).

(2) An eligible facility does not include:

- (a) items such as food, fuel, supplies, or other items that are customarily considered as current operating expenses; and
- (b) a structure used or to be used primarily for sectarian instruction or study or as a place for devotional activities or religious worship."

**Insert: "NEW SECTION. Section 50. Taxation of projects.** (1) Regardless of whether the title to a project is held by the authority or a trustee acting for the authority, if the project is being financed by the authority on behalf of a for-profit corporation or other organization, the project is subject to taxation to the same extent, in the same manner, and under the same procedures as privately owned property in similar circumstances if the project is leased to or held by private interests on both the assessment date and the date the county commissioners set the mill levies in any year. The project is not subject to taxation in any year during which it is not leased to or held by private interests on both the assessment date and the date the county commissioners set the mill levy.

(2) When personal property owned by the authority or a trustee acting for the authority is taxed under this section and the personal property taxes on the personal property are delinquent, levy by warrant for distraint for collection of the delinquent taxes may be made only on the personal property against which the taxes were levied."

**"NEW SECTION. Section 51. Procedure prior to financing certain projects.** (1) In addition to meeting the other requirements contained in this chapter or in state or federal law, the requirements of subsections (2) through (4) must be met before financing is provided for a project described in 90-7-104(1)(l).

(2) The authority shall find that the financing is in the public interest. In order to determine whether or not the financing is in the public interest, a public hearing must be conducted in the following manner:

(a) the city or county in which the project will be located must be notified, and the city and county shall, within 14 days after receipt of the notice, notify the board if it elects to conduct the hearing; or

(b) if a request for a local hearing is not received by the authority within 14 days after the notification in subsection (2)(a), the authority may hold the hearing at a time and place it determines.

(3) Notice of the hearing must be published at least once a week for 2 weeks prior to the date set for the hearing by publication in a newspaper of general circulation in the city or county where the hearing will be held and the project will be located. The notice must include the time and place of the hearing, a general description of the nature and location of the project, the name of the lessee, borrower, or user of the project and the maximum principal amount of the financing to be provided by the authority.

(4) If the hearing required by subsection (2) is conducted by a local government, the governing body of

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the local government shall notify the authority of its determination of whether the financing is in the public interest within 14 days after the completion of the public hearing.

**Renumber:** subsequent sections

18. Page 33, line 5 through page 43, line 1.

**Strike:** sections 27 and 28 in their entirety

**Insert:** "NEW SECTION. Section 56. Distribution of local government, tribal government, and school funds.

(1) Of the \$45 million appropriated to the department of commerce for distribution to local governments, tribal governments, and school districts in [section 81], \$10 million must be allocated to Montana counties, \$10 million must be allocated to Montana cities and towns, and \$5 million must be allocated to tribal governments. The department may retain 1.25% of the amount of the grants to counties, cities, towns, tribal governments, and school districts for administrative purposes. The distributions to tribal governments must be made available through the state-tribal economic development commission as provided in 90-1-130 through 90-1-135. The commission shall provide funding for projects that are available for immediate commencement to improve infrastructure or improve energy efficiency. The funds are intended to be allocated to complete priority projects as determined by the appropriate tribal government, but each tribe must be allocated at least \$200,000. The funds appropriated to the department of commerce for local governments must be distributed pursuant to Title 90, chapter 1, part 2. The funds allocated to local governments must be distributed as follows:

(a) each county must receive \$100,000 plus the proportional share of the funds remaining from the \$10 million based upon a blending of the distribution formulas contained in 15-70-101(2)(b) and (3); and

(b) each city and town must receive \$5,000 plus the proportional share of the funds remaining from the \$10 million based upon the distribution formula in 15-70-101(2)(c).

(2) Funds received by a county, city, or town pursuant to subsection (1) may be used for projects approved by the department of commerce for the following purposes:

(a) designing, erecting, repairing, and remodeling public buildings or making energy efficiency improvements to public buildings;

(b) designing, constructing, and repairing sewers, storm sewers, sewage treatment and disposal plants, waterworks, and reservoirs;

(c) designing, constructing, and repairing bridges, docks, wharves, breakwaters, and piers;

(d) designing, constructing, reconstructing, improving, maintaining, and repairing roads;

(e) acquiring, opening, or widening any street and improving the street by designing, constructing, reconstructing, and repairing pavement, gutters, sidewalks, curbs, and vehicle parking strips;

(f) designing, building, renovating, and equipping parks and other recreation facilities; and

(g) installing street lighting.

(3) The department of commerce shall distribute \$20 million of the appropriation for Distribution to School Districts and Local and Tribal Governments contained in [section 81] to school districts based upon the formula for distributing the quality educator payment provided for in 20-9-327. A school district shall use the funds received pursuant to this section for deferred maintenance and for making energy efficiency improvements."

**Renumber:** subsequent sections

19. Page 43, line 12.

**Following:** "BUILDING."

**Insert:** "The department shall give priority to schools operating out of temporary facilities because of a calamitous event."

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20. Page 43, line 15.

**Strike:** "51"

**Insert:** "81"

**Strike:** "\$35"

**Insert:** "\$15"

21. Page 43, line 18.

**Strike:** "51"

**Insert:** "81"

22. Page 44.

**Following:** line 3

**Insert:** "NEW SECTION. Section 58. Energy development and demonstration grant program. (1) There is an energy development and demonstration grant program within the department of environmental quality to fund technology development and demonstration:

(a) advancing the development and utilization of energy storage systems, including but not limited to mediums, such as accumulators, fuel cells, and batteries, that store energy that may be drawn upon at a later date for use;

(b) developing storage systems specifically designed to store energy generated from eligible renewable resources as defined in 69-3-2003, including but not limited to compressed air energy storage systems;

(c) promoting the efficiency, environmental performance, and cost-competitiveness of energy storage systems beyond the current level of technology; and

(d) advancing the development of alternative energy systems as defined in 15-32-102.

(2) Entities that may be eligible for grants include but are not limited to units of the Montana university system, agricultural research centers, or private entities or research centers.

(3) Money appropriated to the department of environmental quality for the purpose of the energy development and demonstration grant program may be used by the department for providing individual grants in amounts up to \$500,000 and for administrative costs of 1% of the grant award.

(4) The grant application may include:

(a) a project plan sufficient to allow a reasonable determination regarding the potential feasibility of advancing energy storage or alternative energy systems;

(b) a business plan to allow a reasonable determination regarding the financial feasibility of the project; and

(c) a reporting process to ensure progress toward project goals."

**Insert:** "NEW SECTION. Section 59. Mortgage loan assistance program. The department of commerce shall develop a mortgage loan program to assist first-time home buyers with down payment and closing costs. The program must provide for lending institutions to make short-term loans of \$5,000 to qualified first-time home buyers. The loans must be paid by June 30, 2010. The department may require the home buyer to pledge federal tax credits to the loan repayment."

**Insert:** "NEW SECTION. Section 60. Contingent loan acquisition account -- fund transfer. (1) There is a contingent loan acquisition account in the state special revenue fund. The amount of \$2 million is transferred from the state general fund to the account.

(2) The board of housing may use money in the account to purchase loans made under [section 59] that are not paid by June 30, 2010. Money remaining in the account on August 1, 2010, must revert to the general fund."

**Renumber:** subsequent sections

23. Page 45, lines 10 through 14.

**Strike:** section 37 in its entirety

**Renumber:** subsequent sections

24. Page 48, lines 2 and 3.

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**Strike:** subsection (c) in its entirety

25. Page 48, lines 6 through 8.

**Strike:** subsection (d) in its entirety

**Insert:** "(c) to the office of public instruction for BASE aid, then the general fund appropriation for that purpose in House Bill No. 2 is reduced by \$12,763,569 in FY 2010 and \$13,216,482 in FY 2011; and

(d) to the office of the commissioner of higher education for appropriation distribution transfers, then the general fund appropriation for that purpose in House Bill No. 2 is reduced by \$31,605,482 in FY 2010 and \$31,605,482 in FY 2011."

26. Page 48, line 11.

**Strike:** "51"

**Insert:** "81"

27. Page 48, line 13.

**Strike:** "(3)"

**Insert:** "(4)"

28. Page 48, line 21 through page 49, line 2.

**Following:** "void" on line 21

**Strike:** remainder of line 21 through "void" on page 49, line 2

29. Page 49, lines 7 and 8.

**Following:** "item" on line 7

**Strike:** remainder of line 7 through "funds" on line 8

**Insert:** "general fund transfers"

**Following:** "No."

**Strike:** "5"

**Insert:** "645"

**Following:** the first "million"

**Insert:** "or more"

30. Page 49, line 13.

**Strike:** "51"

**Insert:** "81"

31. Page 49.

**Following:** line 13

**Insert:** "(4) If House Bill No. 5 is passed and approved and if [this act] does not contain an appropriation for Access Montana in the department of fish, wildlife, and parks, then the appropriation for that purpose in House Bill No. 5 is void."

32. Page 50, line 9.

**Strike:** "51"

**Insert:** "81"

33. Page 50, line 20.

**Strike:** "51"

**Insert:** "81"

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34. Page 51, line 6.

**Strike:** "51"

**Insert:** "81"

35. Page 51, line 13.

**Strike:** "51"

**Insert:** "81"

36. Page 51, line 15.

**Strike:** "10"

**Insert:** "29"

**Strike:** "11"

**Insert:** "30"

37. Page 51, line 16.

**Strike:** "10"

**Insert:** "29"

**Strike:** "11"

**Insert:** "30"

38. Page 51, line 17.

**Strike:** "14"

**Insert:** "33"

39. Page 51, line 18.

**Strike:** "14"

**Insert:** "33"

40. Page 51, line 19.

**Strike:** "23"

**Insert:** "52"

41. Page 51, line 20.

**Strike:** "23"

**Insert:** "52"

42. Page 51, line 21.

**Strike:** "25 AND 26"

**Insert:** "54 and 55"

43. Page 52, line 1.

**Strike:** "25 AND 26"

**Insert:** "54 and 55"

44. Page 52.

**Following:** line 1

**Insert:** "(5) [Sections 42 and 43] are intended to be codified as an integral part of Title 17, chapter 5, part 1, and the provisions of Title 17, chapter 5, part 1, apply to [section 42 and 43].

(6) [Sections 44 and 45] are intended to be codified as an integral part of Title 7, chapter 7, part 1, and the provisions of Title 7, chapter 7, part 1, apply to [sections 44 and 45].



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(7) [Sections 50 and 51] are intended to be codified as an integral part of Title 90, chapter 7, and the provisions of Title 90, chapter 7, apply to [sections 50 and 51]."

45. Page 52, line 4.

**Strike:** "2" in both places

**Insert:** "11" in both places

46. Page 52, line 10.

**Strike:** "16 AND 18"

**Insert:** "35 and 37"

47. Page 52, line 13.

**Following:** "1"

**Insert:** ", 11"

**Following:** "through"

**Insert:** "13,"

**Strike:** "6" through "29"

**Insert:** "18, 19, 27, 28, 31, 32, 34 through 41, and 56, 57, 59, and 60"

48. Page 52, line 16.

**Strike:** "51"

**Insert:** "81"

49. Page A-2, line 13 through line 14.

**Strike:** line 13 through line 14 in their entirety

**Renumber:** subsequent subsections

50. Page A-2, line 16.

**Strike:** "798,496 798,496" [federal special fund FY10 and FY11]

**Insert:** "798,496 798,496" [general fund FY10 and FY11]

51. Page A-3, line 5 through line 6.

**Strike:** line 5 through line 6 in their entirety

**Insert:** "e. Community Service Planning Grant 25,000 " [general fund FY10]

f. Biomass Energy Study 475,000" [general fund FY 10]

g. Montana Agro-Energy Industrial Park (Restricted) 150,000 150,000" [general fund FY 10 and FY 11]

52. Page A-3, line 9.

**Strike:** "455,000 455,000" [General fund FY 10 and FY 11]

**Insert:** "255,000 255,000" [General fund FY 10 and FY 11]

53. Page A-3, line 10 through line 11.

**Strike:** line 10 through line 11 in their entirety

54. Page A-3, line 15 through page A-4, line 4.

**Strike:** line 15 through line 4 in their entirety

**Insert:** "b. Distribution to School Districts and Local and Tribal Governments 23,000,000 22,000,000"  
[General fund and State special Revenue FY 10]

**Insert:** "c. Community and Coal Board Grants 6,500,000" [General fund FY 10]

**Insert:** "d. Other Grants 1,285,000 3,966,000" [General fund and State Special Revenue FY 10]

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**Insert:** "e. Historic Preservation Competitive Grants 1,500,000 1,500,000 [general fund FY10 and FY11]"

55. Page A-4.

**Following:** line 9

**Insert:** "c. Welcome Home Loan Program 2,000,000" [state special fund FY 10]

56. Page A-4, line 11.

**Strike:** "Matching Grants"

**Insert:** "Mapping"

57. Page A-4, line 12.

**Strike:** "2,500,871 2,499,129" [General fund FY 10 and FY 11]

**Insert:** "300,000" [General fund FY 10]

58. Page A-4, line 14.

**Strike:** "21,497,200" [State special FY 11]

**Insert:** "11,497,200" [State special FY 11]

59. Page A-4, line 15.

**Strike:** "13,536,800"

**Insert:** "3,536,800"

60. Page A-4, line 16 through page A-5, line 15.

**Strike:** page A-4, line 16 through page A-5, line 15 in their entirety

61. Page A-6, line 4 through line 8.

**Strike:** line 4 through line 8 in their entirety

**Insert:** "The line item for Biomass Energy Study may be used to fund biomass project feasibility studies, installation of biomass energy boilers, or biomass program staff within the department of natural resources and conservation in order to increase biomass utilization accomplishments.

Community and Coal Board Grants includes \$2,000,000 restricted to the provision of additional community development block grants to be allocated under the existing allocation formula and \$4,500,000 restricted to the provision of grants by the coal board established in 2-15-1821."

62. Page A-6, line 9.

**Following:** "Broadband"

**Strike:** "Matching Grants"

**Insert:** "Mapping"

63. Page A-6, line 9 through line 14.

**Following:** "statewide" on line 9

**Strike:** remainder of line 9 through line 14

**Insert:** "broadband inventory map pursuant to the provisions of Title VI of the American Recovery and Reinvestment Act of 2009, Public Law 111-5."

64. Page A-6, line 15.

**Strike:** "The"

**Insert:** "Except as provided in [sections 56 and 57], the"

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65. Page A-7.

**Following:** line 11

**Insert:** "The amount of 2.71% of the appropriation for the line item for Historic Preservation Competitive Grants may be used for administrative expenses to implement the program."

66. Page A-7, line 12 through page A-8, line 1.

**Strike:** line 12 through line 1 in their entirety

67. Page A-10.

**Following:** line 16

**Insert:** "g. Military Museum and IED -- Fort Harrison 1,000,000" [general fund FY 10]

68. Page A-11.

**Following:** line 11

**Insert:** "Military Museum and IED -- Fort Harrison consists of \$250,000 for a military museum and \$750,000 for IED training."

69. Page B-3, line 12.

**Strike:** "2,000,000 2,000,000" [general fund FY10 and FY11]

**Insert:** "4,650,830 10,333,165" [general fund FY10 and FY11]

**Strike:** "8,527 7,980" [state special fund FY10 and FY11]

**Insert:** "19,829 41,231" state special fund FY10 and FY11].

**Strike:** "3,588,062 3,118,487" [federal special fund FY10 and FY11]

**Insert:** "8,343,733 16,111,921" [federal special fund FY10 and FY11]

70. Page B-4, line 6.

**Strike:** "1,000,000 1,000,000" [federal special fund FY10 and FY11]

**Insert:** "1,000,000 1,000,000" [general fund FY10 and FY11]

71. Page B-5, line 1.

**Strike:** "1,265,733 949,981" [federal special funds FY 10 and FY 11]

**Insert:** "1,315,737 1,000,000"[federal special funds FY 10 and FY 11]

72. Page B-5, lines 2 & 3.

**Strike:** line 2 through line 3 in their entirety

73. Page B-5, line 12.

**Strike:** "25,000,000 35,000,000" [general fund FY10 and FY11]

**Insert:** "18,433,433 22,219,989" [general fund FY10 and FY11]

**Strike:** "84,361,329 118,105,861" [federal special fund FY10 and FY11]

**Insert:** "62,456,789 96,218,637" [federal special fund FY10 and FY11]

74. Page B-6, following line 7.

**Following:** "c. Direct Care Worker Wage Increase -- SLTC Services (Restricted)

1,915,738 2,446,846" [general fund FY10 and FY11]

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" 6,210,553 5,775,301" [federal special fund FY10 and FY11]

75. Page B-6, line 10.

**Strike:** "2,000,000 2,000,000" [General fund FY 10 and FY 11]

**Insert:** "250,000 250,000" [General fund FY 10 and FY 11]

76. Page B-7, line 3.

**Following:** "SECTION"

**Strike:** "5"

**Insert:** "18"

77. Page B-7, line 4.

**Following:** "SECTION"

**Strike:** "5"

**Insert:** "18"

78. Page B-7, line 11.

**Following:** "INCREASE."

**Insert:** "Provider Rate Increase may not be used to raise rates paid to providers pursuant to 53-6-125."

79. Page B-7, line 14.

**Following:** "SECTION"

**Strike:** "5"

**Insert:** "18"

80. Page B-7, line 15.

**Following:** "SECTION"

**Strike:** "5"

**Insert:** "18"

81. Page B-7, line 16.

**Strike:** line 16 in its entirety

82. Page B-8, line 4.

**Following:** "SECTION" in 2 places

**Strike:** "5" in both places

**Insert:** "18" in both places

83. Page B-8.

**Strike:** lines 7 through 8 in their entirety

84. Page B-8, line 9.

**Following:** "FY2010-11"

**Insert:** ": (1) may be used only to transfer funds eligible for reserve under the American Recovery and Reinvestment Act of 2009, Public Law 111-5, Title V, section 5001, to a state special revenue account; (2)"

**Following:** "PROGRAM"

**Strike:** "."

**Insert:** "; and"

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85. Page B-8, line 10.

**Strike:** "UP"

**Insert:** "(3) includes an appropriation of up"

**Following:** "FUNDS"

**Strike:** "MAY BE USED"

86. Page B-8, following line 11.

**Insert:** "Direct Care Worker Wage Increase -- SLTC Services must be used to raise provider rates for medicaid services to allow for wage increases or lump-sum payments to workers who provide direct care and ancillary services."

87. Page C-1.

**Following:** line 15

**Insert:** "g. Energy Storage Grant Program 1,000,000 [federal special revenue FY10]

h. Energy Storage Grant Program Additional Funding (Restricted) 1,000,000 [federal special revenue FY11]"

88. Page C-2.

**Following:** line 15

**Insert:** "Energy Storage Grant Program Additional Funding is appropriated only if the federal allocation for the state energy program exceeds \$25.8 million and the excess funding is not restricted to another purpose."

89. Page C-4, line 5 through line 6.

**Strike:** line 5 through line 6 in their entirety

90. Page D-1, line 5.

**Strike:** "247,500 247,500" [General fund FY 10 and FY 11]

**Insert:** "125,000 125,000" [General fund FY 10 and FY 11]

91. Page D-2.

**Following:** line 15

**Insert:** "a. Meth Watch  
500,000" [General fund FY 10]

**Renumber:** subsequent subsection

92. Page E-1.

**Strike:** line 4 through line 5 in their entirety

**Renumber:** subsequent subsections

93. Page E-1.

**Following:** line 9

**Insert:** "c. Title I-A -- FY 2009  
415,800 [federal special revenue FY10]

d. McKinney-Vento (Homeless Assistance) -- FY 2010-11  
22,400 [federal special revenue FY10]"

94. Page E-1, line 14.

**Strike:** "34,650,000 [federal special revenue FY10]"

**Insert:** "34,234,200 [federal special revenue FY10]"

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95. Page E-1, line 16.

**Strike:** "35,472,241 [federal special revenue FY10]"

**Insert:** "36,708,056 [federal special revenue FY10]"

96. Page E-2, line 8.

**Strike:** "224,000 [federal special revenue FY10]"

**Insert:** "201,600 [federal special revenue FY10]"

97. Page E-2, line 11 through line 12.

**Strike:** line 11 through line 12 in their entirety

98. Page E-2.

**Following:** line 12

**Insert:** "i. Stabilization Funding for K-12 Education 12,763,509 13,216,482" [federal special fund FY10 and FY11]

"j. Increase State Support for Schools With Education Stabilization Funds  
10,724,262 21,713,034" [federal special fund FY10 and FY11]

99. Page E-3, line 1 through line 3.

**Strike:** line 1 through line 3 in their entirety

**Insert:** "For the 2011 biennium, the first source of funding of the school district guaranteed tax base aid and direct state aid is the federal appropriation for Stabilization Funding for K-12 Education."

100. Page E-4, line 4.

**Strike:** "1,000,000 1,000,000" [federal special fund FY10 and FY11]

**Insert:** "1,000,000 1,000,000" [general fund FY10 and FY11]

101. Page E-4.

**Following:** line 4

**Insert:** "b. Virtual Academy  
1,000,000 1,000,000" [general fund FY10 FY11]

102. Page E-4, line 6.

**Following:** "Assistance"

**Insert:** " -- Restore to Governor's December 15 Budget"

103. Page E-4, line 7.

**Strike:** "606,189 671,586" [federal special fund FY10 and FY11]

104. Page E-4, line 8.

**Strike:** "700,000 700,000" [general fund FY10 and FY11]

**Insert:** "606,189 671,586" [general fund FY10 and FY11]

105. Page E-4.

**Following:** line 8

**Insert:** "b. Community College Assistance  
137,944 113,299" [general fund FY10 and FY11]

"762,056 786,701" [federal special fund FY10 and FY11]

**Renumber:** subsequent subsections

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106. Page E-4, line 10.

**Strike:** "776,851 824,024" [general fund FY10 and FY11]

**Insert:** "776,851 824,024" [federal special fund FY10 and FY11]

107. Page E-4, line 12.

**Following:** "Resident Students"

**Insert:** "Funded With Education General Funds"

108. Page E-4, line 13.

**Strike:** "5,000,000 5,000,000" [federal special fund FY10 and FY11]

**Insert:** "3,154,033 2,506,230" [general fund FY10 and FY11]

109. Page E-4, line 15.

**Strike:** "44,076,457 45,074,019" [federal special fund FY10 and FY11]

**Insert:** "31,605,482 31,605,482" [federal special fund FY10 and FY11]

110. Page E-4, line 16.

**Following:** "RESIDENT STUDENTS"

**Insert:** "Funded With General Government State Fiscal Stabilization Funds"

111. Page E-5, line 1.

**Strike:** "4,103,549 4,103,549" [general fund FY10 and FY11]

**Insert:** "5,966,490 6,580,345" [federal special fund FY10 and FY11]

112. Page E-5, line 4.

**Following:** "STATION"

**Strike:** remainder of line 4

**Insert:** "-- Sawfly Research (Restricted)"

113. Page E-5, line 5.

**Strike:** "300,000 300,000" [general fund FY10 and FY11]

**Insert:** "250,000 250,000" [general fund FY10 and FY11]

114. Page E-5.

**Strike:** line 6 through line 7 in their entirety

**Insert:** "f. Agricultural Experiment Station -- Equipment and Infrastructure  
1,000,000 1,000,000" [general fund FY10 & FY11]

g. Montana Extension Service -- Local Government Centers (Restricted) 150,000 150,000" [general fund FY10 and FY11]

h. Replace 6-Mill Levy Revenue Shortfall With Federal General Stabilization Funds  
1,447,296 1,046,625" [federal special fund FY10 and FY11]

115. Page E-5, line 10.

**Strike:** "450,000 450,000" [federal special fund FY10 and FY11]

**Insert:** "450,000 450,000" [general fund FY10 and FY11]

116. Page E-6, line 9 through line 10.

**Following:** "AMOUNT OF" on line 9

**Strike:** remainder of line 9 through line 10

**Insert:** "\$1,800,000 total funds over the biennium for Community College Assistance will be allocated as follows:

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\$900,000 to Flathead Valley community college, \$450,000 to Miles community college, and \$450,000 to Dawson community college."

117. Page E-6.

**Strike:** line 11 through line 12 in their entirety

118. Page E-6.

**Following:** line 12

**Insert:** "For OCHE--Appropriation Distribution Transfers, the House Bill No. 2 base state special revenue fund appropriations for transfers are reduced by \$1,447,296 in FY 2010 and \$1,046,625 in FY 2011."

119. Page E-6, line 14.

**Following:** "SECTION"

**Strike:** "5"

**Insert:** "18"

120. Page E-6, line 15.

**Following:** "SECTION"

**Strike:** "5"

**Insert:** "18"

121. Page E-6.

**Following:** line 15

**Insert:** "The line item appropriation for Agricultural Experiment Station -- Sawfly Research is restricted to sawfly research.

The line item appropriation for Agricultural Experiment Station -- Equipment and Infrastructure is restricted to purchases for infrastructure and equipment for agricultural experiment stations.

The line item appropriation for Montana Extension Service -- Local Government Centers is restricted to expenditures for the local government center program in the Montana extension service.

Any local education agency or institution of higher education that receives funding under this program shall ensure that the agency or institution will meet the intentions and legal requirements of the American Recovery and Reinvestment Act of 2009, Public Law 111-5."

122. Page F-1, line 4.

**Following:** "Program"

**Insert:** "Transfer"

123. Page F-1, line 6.

**Strike:** "6,744,914 6,744,914 [federal funds FY10 and FY11]"

**Insert:** "7,248,486 6,544,914 [general fund FY10 and FY11]"

124. Page F-1, line 7.

**Following:** line 6

**Insert:** "b. Long-Range Building Program Allocation  
638,216 638,216 [FY 2010 & FY 2011 Federal Fund]"

**Renumber:** subsequent subsections

125. Page F-1, line 10.

**Strike:** "Long-Range Building Program"

**Insert:** "State"



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**Following:** "Conservation"  
**Strike:** "Improvements"  
**Insert:** "Repayment Account"

126. Page F-1, line 15.  
**Following:** "Improvements"  
**Insert:** "Transfer"

127. Page F-1, line 16.  
**Strike:** "11,000,000 11,000,000" [federal special fund FY10 and FY11]  
**Insert:** "6,150,000 6,150,000" [general fund FY10 and FY11]  
**Insert:** "3,850,000 4,850,000" [federal special fund FY10 and FY11]

128. Page F-1.  
**Following:** line 16  
**Insert:** "g. MUS Energy Conservation Additional Funds (Restricted) 1,000,000 " [federal special revenue FY11]

129. Page F-2, line 1.  
**Following:** "Hall"  
**Insert:** "Transfer"

130. Page F-2, line 2.  
**Strike:** "3,000,000 3,000,000" [federal special fund FY10 and FY11]  
**Insert:** "3,000,000 3,000,000" [general fund FY10 and FY11]

131. Page F-2, line 3 through line 5.  
**Strike:** line 3 through line 5 in their entirety  
**Renumber:** subsequent subsection

132. Page F-2, line 9.  
**Following:** "h."  
**Insert:** "State"  
**Following:** "Energy"  
**Strike:** "Project Administration"  
**Insert:** "Conservation Capital Projects Account"

133. Page F-2, line 12.  
**Strike:** "ESSC"  
**Insert:** "Enterprise System Services Center"  
**Following:** "Equipment"  
**Strike:** "and Moving Expenses"  
**Insert:** "(Department of Administration)"

134. Page F-2, line 13.  
**Strike:** "1,750,000 1,750,000" [General fund FY 10 and FY 11]  
**Insert:** "1,250,000 1,250,000" [General fund FY 10 and FY 11]

135. Page F-5, line 6.  
**Strike:** line 6 in its entirety

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136. Page F-5.

**Following:** line 7

**Insert:** MUS Energy Conservation Additional Funds is appropriated only if the federal allocation for the state energy program in the department of environmental quality exceeds \$25.8 million and the excess funding is not restricted to another purpose."

And, as amended, be concurred in. Report adopted.

**PUBLIC HEALTH, WELFARE AND SAFETY** (Brown, Chairman):

4/8/2009

**SJR 38**, do pass. Report adopted.

**HB 662**, be amended as follows:

1. Page 1, line 11.

**Strike:** "10"

**Insert:** "9"

2. Page 1, line 17.

**Strike:** "10"

**Insert:** "9"

3. Page 1, line 18.

**Strike:** "10"

**Insert:** "9"

4. Page 1, line 21.

**Strike:** "10"

**Insert:** "9"

5. Page 1, line 23.

**Strike:** "11"

**Insert:** "10"

6. Page 1, line 28.

**Strike:** "10"

**Insert:** "9"

7. Page 2, line 1.

**Following:** "stretching"

**Insert:** "or movement"

8. Page 2, line 2.

**Following:** "range of"

**Strike:** "movement"

**Insert:** "motion"

9. Page 2, line 11.

**Following:** "SCOPE OF"

**Strike:** "THE"

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10. Page 2, line 13.

**Following:** "tape"

**Insert:** "when applied to restrict joint movement"

11. Page 2, line 17.

**Strike:** "10"

**Insert:** "9"

12. Page 2, line 22 through line 23.

**Strike:** "Massage" on line 22 through "Montana." on line 23

13. Page 2, line 27.

**Strike:** "10"

**Insert:** "9"

14. Page 2, line 29.

**Strike:** "10"

**Insert:** "9"

15. Page 3, line 9.

**Following:** "integration"

**Strike:** "or"

**Insert:** ", "

**Following:** "Rolfing"

**Insert:** ", "

16. Page 3, line 20.

**Strike:** "10"

**Insert:** "9"

17. Page 3, line 21 through line 22.

**Strike:** subsection (2) in its entirety

**Renumber:** subsequent subsections

18. Page 3, line 25 through line 26.

**Strike:** subsection (4) in its entirety

**Renumber:** subsequent subsections

19. Page 3, line 30.

**Following:** "public"

**Insert:** "as provided for in Title 37, chapter 1"

20. Page 4, line 2 through line 20.

**Strike:** Section 6 in its entirety

**Renumber:** subsequent sections

21. Page 4, line 23.

**Strike:** "9"

**Insert:** "8"

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22. Page 4, line 25.

**Strike:** "8"

**Insert:** "7"

23. Page 4, line 26.

**Strike:** "9"

**Insert:** "8"

24. Page 5, line 1.

**Strike:** "10"

**Insert:** "9"

25. Page 5, line 4.

**Strike:** "7"

**Insert:** "6"

26. Page 5, following line 7.

**Insert:** "(c) must possess a high school diploma or its equivalent;"

**Renumber:** subsequent subsections

27. Page 5, line 10.

**Following:** "required to"

**Insert:** ": (a)"

28. Page 5, line 11.

**Following:** "meets"

**Insert:** "or exceeds"

29. Page 5, line 11 through line 13.

**Strike:** "criteria" on line 11 through "(a)" on line 13

**Insert:** "curriculum guidelines established by any program or organization accredited by the national commission for certifying agencies or its equivalent or successor and"

30. Page 5, line 18.

**Strike:** "may"

**Insert:** "shall"

31. Page 5, line 21.

**Following:** "SECTION"

**Insert:** "and that the applicant meets the requirements of [section 7(1)(a), (1)(b), (1)(d), and (1)(e)]"

32. Page 5, line 29.

**Strike:** "8"

**Insert:** "7"

33. Page 5, line 30.

**Strike:** "8"

**Insert:** "7"

34. Page 6, line 4.

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**Strike:** "10"  
**Insert:** "9"

35. Page 6, line 10.  
**Following:** "practitioner"  
**Insert:** "or an owner of a school that educates massage therapists"

36. Page 6, line 12 through line 13.  
**Strike:** "Montana" on line 12 through "physician" on line 13  
**Insert:** "licensed health care provider in good standing in Montana"

37. Page 6, line 16.  
**Following:** "board."  
**Insert:** "None of the three massage therapists may belong to the same national professional association."

38. Page 6, line 17.  
**Strike:** "10"  
**Insert:** "9"

39. Page 6, line 28.  
**Strike:** "10"  
**Insert:** "9"

40. Page 6, line 29.  
**Strike:** "10"  
**Insert:** "9"

41. Page 6, line 30.  
**Strike:** "11"  
**Insert:** "10"

42. Page 7, line 1.  
**Strike:** "11"  
**Insert:** "10"

And, as amended, be concurred in. Report adopted.

**TAXATION** (Essmann, Chairman):

4/9/2009

**SJR 37**, do pass. Report adopted.

**HB 262**, be concurred in. Report adopted.

**HB 312**, be concurred in. Report adopted.

**HB 315**, be amended as follows:

1. Title, line 5.

**Strike:** "; REDUCING" through "FORMULA"

**Insert:** "BY PROVIDING FOR INFLATION ADJUSTMENTS TO THE EXCLUSION AMOUNT AND THE INCOME CAP"

2. Page 2, line 12.

**Strike:** "\$4,000"

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**Insert:** "\$3,600"

3. Page 2, line 16.

**Strike:** "\$1"

**Insert:** "\$2"

4. Page 2, line 20.

**Strike:** "\$1"

**Insert:** "\$2"

5. Page 6, line 7.

**Following:** "professional."

**Insert:** "(13) By November 1 of each year, the department shall multiply the amount of pension and annuity income contained in subsection (2)(c)(i) and the federal adjusted gross income amounts in subsection (2)(c)(ii) by the inflation factor for that tax year, but using the year 2009 consumer price index, and rounding the results to the nearest \$10. The resulting amounts are effective for that tax year and must be used as the basis for the exemption determined under subsection (2)(c)."

6. Page 6, line 16.

**Strike:** "\$4,000 or adjusted by an"

**Insert:** "the"

7. Page 6, line 17.

**Following:** "15-30-111(2)(c)"

**Strike:** "(ii)"

8. Page 6, line 23.

**Strike:** "first" through "or the"

9. Page 6, line 24.

**Following:** "15-30-111(2)(c)"

**Strike:** "(ii)"

10. Page 7, line 6.

**Strike:** "first" through "or the"

**Following:** "15-30-111(2)(c)"

**Strike:** "(ii)"

11. Page 7, line 15.

**Strike:** "first" through "or the"

**Following:** "15-30-111(2)(c)"

**Strike:** "(ii)"

12. Page 7, line 24.

**Strike:** "\$4,000 or adjusted by an"

**Insert:** "the"

13. Page 7, line 25.

**Following:** "15-30-111(2)(c)"

**Strike:** "(ii)"

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14. Page 8, line 7.

**Strike:** "\$4,000 or adjusted by an"

**Insert:** "the"

15. Page 8, line 8.

**Following:** "15-30-111(2)(c)"

**Strike:** "(ii)"

And, as amended, be concurred in. Report adopted.

**HB 636**, be amended as follows:

1. Page 1, line 12.

**Following:** "The"

**Insert:** "following"

2. Page 1, line 15.

**Following:** "31"

**Strike:** "."

**Insert:** ":"

(a) 100% of the recognized gain for a mobile home park with 50 or fewer lots; or

(b) 50% of the recognized gain for a mobile home park with more than 50 lots.

(2)"

**Renumber:** subsequent subsections

3. Page 1.

**Following:** line 30

**Insert:** "(5) Qualifying for an income or corporate tax exclusion pursuant to this section does not exempt the mobile home park from property taxation."

And, as amended, be concurred in. Report adopted.

**HB 657**, be concurred in. Report adopted.

**REPORTS OF SELECT COMMITTEES**

CONFERENCE COMMITTEE  
on House Amendments to **Senate Bill 305**  
Report No. 1, April 8, 2009

Mr. President and Mr. Speaker:

We, your Conference Committee met and considered House amendments to **Senate Bill 305** (reference copy -- salmon) and recommend this Conference Committee report be adopted.

And, recommend that **Senate Bill 305** (reference copy -- salmon) be amended as follows:

1. Page 3, line 6.

**Strike:** "120"

**Insert:** "80"

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For the Senate:

Tutvedt, Chairman  
Esp  
Laslovich

For the House:

Reinhart, Vice Chair  
Berry  
Ebinger  
Stahl

CONFERENCE COMMITTEE  
on House Amendments to **Senate Bill 404**  
Report No. 0, April 9, 2009

Mr. President and Mr. Speaker:

We, your Conference Committee met and considered House amendments to **Senate Bill 404** (reference copy -- salmon) and recommend this Conference Committee report be adopted.

And, recommend that **Senate Bill 404** (reference copy -- salmon) be amended as follows:

1. Page 1, line 13.

**Strike:** "1,280"

**Insert:** "1,920"

2. Page 1, line 14.

**Following:** "acres"

**Strike:** " 2 "

**Strike:** "MAY NOT"

**Insert:** "and must"

3. Page 1, line 15.

**Strike:** "WITHIN 2 MILES OF ANOTHER PRESERVE, AND MAY"

**Insert:** "in areas that will"

For the Senate:

Brueggeman, Chairman  
Barkus  
Jent

For the House:

Van Dyk, Vice Chair  
Hendrick  
Milburn

April 9, 2009

The Honorable Robert Story  
President, Montana State Senate  
Capitol Station  
Helena, Montana 59620

Dear President Story:

Attached is an additional appointment requiring confirmation by the Montana State Senate. We have supplied the following information:

Reference to statute, and a brief description of the statute



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Name, address, and phone number for the appointee  
Appointee qualifications and term of appointment  
Brief biography

Additional information, including a complete list of gubernatorial appointees, is available online at: <http://boards.mt.gov/>. Meanwhile, please don't hesitate to contact our office if my staff or I can be of assistance to you.

Sincerely yours,

*Board of Public Education -- 2-15-1508, Montana Code Annotated*

**John Edwards, P.O. Box 20039, Billings, MT 59104 (Member)**

BRIAN SCHWEITZER  
Governor

**THIRD READING OF BILLS**

The following bills having been read three several times, title and history agreed to, were disposed of in the following manner:

**HB 622** concurred in as follows:

Yeas: Bales, Balyeat, Barkus, Barrett, Black, Branae, R. Brown, T. Brown, Brueggeman, Cooney, Curtiss, Erickson, Essmann, Gallus, Gillan, Hamlett, Hansen, Hawks, Hinkle, Jackson, Jent, Juneau, Kaufmann, Keane, Laible, Larsen, Laslovich, Lewis, McGee, Moss, Murphy, Perry, Peterson, Ripley, Schmidt, Shockley, Squires, Steinbeisser, Stewart-Peregoy, J. Tropila, M. Tropila, Tutvedt, Wanzenried, Williams, Windy Boy, Zinke, Mr. President.  
Total 47

Nays: Brenden, Esp, Gebhardt.  
Total 3

Absent or not voting: None.  
Total 0

Excused: None.  
Total 0

**HB 634** concurred in as follows:

Yeas: Balyeat, Barrett, Black, Branae, T. Brown, Brueggeman, Cooney, Curtiss, Erickson, Essmann, Gallus, Gillan, Hamlett, Hansen, Hawks, Hinkle, Jackson, Jent, Juneau, Kaufmann, Keane, Laible, Larsen, Laslovich, Lewis, McGee, Moss, Murphy, Perry, Peterson, Schmidt, Shockley, Squires, Stewart-Peregoy, J. Tropila, M. Tropila, Tutvedt, Wanzenried, Williams, Windy Boy, Mr. President.  
Total 41

Nays: Bales, Barkus, Brenden, R. Brown, Esp, Gebhardt, Ripley, Steinbeisser, Zinke.  
Total 9

Absent or not voting: None.

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Total 0

Excused: None.

Total 0

**ANNOUNCEMENTS**

Committee meetings were announced by the committee chairs.

Majority Leader Peterson moved that the Senate adjourn until 8:30 a.m., Tuesday, April 14, 2009. Motion carried.

Senate adjourned at 4:26 p.m.

MARILYN MILLER  
Secretary of the Senate

ROBERT STORY  
President of the Senate