

1 HOUSE BILL NO. 817  
2 INTRODUCED BY J. FITZPATRICK  
3 BY REQUEST OF THE (H) APPROPRIATIONS  
4

5 A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING FOR CAPITAL PROJECTS; PROVIDING FUNDING  
6 FOR WORKFORCE HOUSING AND WORKFORCE INFRASTRUCTURE; PROVIDING FOR CONTINGENT  
7 VOIDNESS; PROVIDING APPROPRIATIONS; PROVIDING DEFINITIONS; AND PROVIDING AN IMMEDIATE  
8 EFFECTIVE DATE."

9  
10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:  
11

12 NEW SECTION. Section 1. Definitions. As used in [sections 1 through 5], unless the context clearly  
13 indicates otherwise, the following definitions apply:

14 (1) "Authority only" means approval provided by the legislature to expend money that does not  
15 require an appropriation, including grants, donations, auxiliary funds, proprietary funds, nonstate funds, and  
16 university funds.

17 (2) "Capital development" means capital projects provided for in 17-7-201(2).

18 (3) "Capital project" means the planning, design, renovation, construction, alteration, replacement,  
19 furnishing, repair, improvement, site, utility, or land acquisition project provided for in [sections 1 through 5].

20 (4) "LRBP capital development" or "LRBP CD" means the long-range building program capital  
21 developments account in the capital projects fund type provided for in 17-7-209.

22 (5) "LRBP major repair" or "LRBP MR" means the long-range building program major repair  
23 account in the capital projects fund type provided for in 17-7-221.

24 (6) "Major repair" means capital projects provided for in 17-7-201(7).

25 (7) "Other funding sources" means money other than LRBP money, state special revenue, or  
26 federal special revenue that accrues to an agency under the provisions of law.  
27

28 NEW SECTION. Section 2. Appropriations and project prioritization. (1) (a) For the biennium

**Amendment - 1st Reading/2nd House-blue - Requested by: (S) Finance and Claims**

- 2023

68th Legislature 2023

Drafter: Julie Johnson, 406-444-4024

HB0817.002.006

1 beginning July 1, 2023, the following money is appropriated to the department of administration for the  
2 indicated major repair projects from the indicated sources. Funds not requiring legislative appropriation are  
3 included for the purpose of authorization. The department of administration is authorized to transfer the  
4 appropriations, authority, or both among the necessary fund types for these projects:

Agency/Project	LRBP	State	Federal	Authority	Total
	MR	Special	Special	Only	
	Fund	Revenue	Revenue	Sources	

8	DOC MSP Perimeter Fence Enhance <u>ENHANCEMENT</u>				
9	1,500,000				1,500,000

10	DOC MSP Red/Light Emergency Notifications <u>NOTIFICATION</u> System				
11	1,000,000				1,000,000

12 (b) For the biennium beginning July 1, 2023, the following money is appropriated to the  
13 department of administration for the indicated capital development projects from the indicated sources. Funds  
14 not requiring legislative appropriation are included for the purpose of authorization. The department of  
15 administration is authorized to transfer the appropriations, authority, or both among the necessary fund types  
16 for these projects:

Agency/Project	LRBP	State	Federal	Authority	Total
	CD	Special	Special	Only	
	Fund	Revenue	Revenue	Sources	
20	DOC MSP Replace Low-Side Housing				
21	156,000,000				156,000,000
22	DOC MSP Water Line Replacement				
23	3,000,000				3,000,000
24	DOC MSP Unit F Water Line <u>SUPPLY</u> Upgrade				
25	600,000				600,000
26	<u>DOC MSP UNIT D RENOVATION</u>				
27	<u>18,840,831</u>				<u>18,840,831</u>

28 (c) The department of administration shall prioritize the following projects IN THIS SECTION at the

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1 Montana state prison as first TO PRIORITY and shall move at all deliberate speed to have each project under  
2 contract by September 30, 2023.

3 (D) THE DEPARTMENT OF ADMINISTRATION MAY ADJUST THE FUNDING AMONG THESE PROJECTS WITHIN  
4 THE LEGISLATIVE INTENT ON APPROVAL OF THE OFFICE OF BUDGET AND PROGRAM PLANNING.

5 (2) To expedite construction of new low-side housing units at the Montana state prison, the  
6 department of administration, in consultation with the department of corrections, is authorized to purchase plans  
7 for prison housing that was constructed in another state, provided the plans can be made to comply with the  
8 professional services requirements of Title 18, chapter 2, and Title 37, chapters 65 and 67.

9 (3) (a) Pursuant to 17-7-210, if construction of a new facility requires an immediate or future  
10 increase in state funding for program expansion or operations and maintenance, the legislature may not  
11 authorize the new facility unless it also appropriates funds for the increase in state funding for program  
12 expansion and operations and maintenance. To the extent allowed by law, at the end of each fiscal year  
13 following approval of a new facility but prior to receipt of its certificate of occupancy, the appropriation made in  
14 this subsection (3) reverts to its originating fund. The appropriation is not subject to the provisions of 17-7-304.

15 (b) It is the legislature's intent that the appropriations in this subsection (3) become part of the  
16 respective agency's base budget for the biennium beginning July 1, 2025.

17 (c) The following money is appropriated for the biennium beginning July 1, 2023, to the  
18 department of corrections from the indicated sources for program expansion or operations and maintenance for  
19 the indicated new facility:

Agency/Project	General Fund	State Special Revenue	Federal Special Revenue	Authority Only Sources	Total
DOC MSP Replace Low-Side Housing	176,560				176,560

26 NEW SECTION. Section 3. Planning and design. The department of administration may proceed  
27 with the planning and design of capital projects in [section 2] prior to the receipt of other funding sources. The  
28 department may use interentity loans in accordance with 17-2-107 to pay planning and design costs incurred

1 before the receipt of other funding sources.

2

3 **NEW SECTION. Section 4. Capital projects -- contingent funds.** (1) If a capital project is financed  
4 in whole or in part with appropriations contingent on the receipt of other funding sources, the department of  
5 administration may not let the project for bid until a financial plan and agreement with the agency has been  
6 approved by the director of the department of administration. A financial plan and agreement may not be  
7 approved by the director if:

8 (a) the level of funding and authorization provided under the financial plan and agreement deviates  
9 substantially from the funding level provided in ~~either or both [sections 2 and 3]~~ **[SECTION 2]** for that project; or

10 (b) the scope of the project is substantially altered or revised from the concept and intent for that  
11 project as presented to the 68th legislature.

12 (2) This section does not limit or restrict 17-7-211.

13  
14 **NEW SECTION. Section 5. Review by department of environmental quality.** The department of  
15 environmental quality shall review capital projects authorized in [section 2] for potential inclusion in the state  
16 building energy conservation program under Title 90, chapter 4, part 6. When a review shows that a capital  
17 project will result in energy or utility savings and improvements, that project must be submitted to the energy  
18 conservation program for funding consideration by the state building energy conservation program. Funding  
19 provided under the energy conservation program guidelines must be used to offset or add to the authorized  
20 funding for the project, and the amount must be dependent on the annual utility savings resulting from the  
21 capital project. Agencies must be notified of potential funding after the review and are obligated to utilize the  
22 state building energy conservation program funding, if available.

23

24 **NEW SECTION. Section 6. Legislative consent.** The appropriations authorized in [sections 1  
25 through 5] constitute legislative consent for the capital projects contained in [sections 1 through 5] within the  
26 meaning of 18-2-102.

27

28 **NEW SECTION. Section 7. Workforce housing appropriations -- eligible uses of funds.** There is

1 appropriated \$13 million from the general fund to the board of investments for the biennium beginning July 1,  
2 2023. The purpose of the funds is to advance the construction of workforce housing of employees who work at  
3 facilities that house state inmates or behavioral health patients.

4 (2) Funds must be distributed to those living in counties that have a population of less than 15,000  
5 inhabitants that are located within a 30-mile radius of a state-owned facility that, on an annual average, houses  
6 at least 100 state inmates or behavioral health patients, and the facility is located in a county that has a  
7 population that does not exceed 15,000 inhabitants. The distribution must be made pro rata based on the  
8 annual average facility population for the fiscal year beginning July 1, 2021, and the number of workers residing  
9 in each eligible county.

10 (3) Eligible uses of the funds include:

11 (a) buying down construction interest on employee housing; or

12 (b) providing funds to discount housing costs to employees who work in facilities that house, on an  
13 annual average, at least 100 state inmates or behavioral health patients, and the facility is located in a county  
14 that has a population that does not exceed 15,000 inhabitants.

15  
16 **NEW SECTION. Section 8. Workforce housing appropriations for infrastructure.** (1) There is  
17 appropriated \$12 million from the general fund to the board of investments for the biennium beginning July 1,  
18 2023. The purpose of the funds is to make loans or other financial arrangements for the construction of  
19 infrastructure for workforce housing of employees who work at state-owned facilities that house state inmates  
20 or behavioral health patients.

21 (2) The board of investments may make loans from the appropriations to an eligible government  
22 unit as defined in 17-5-1604 or an applicant for residential development located within an area that meets the  
23 criteria of subsection (4) to cover the costs of demolition or expanding or extending water, wastewater, storm  
24 water, street, road, curb, gutter, and sidewalk infrastructure to serve new or rehabilitated residential  
25 development.

26 (3) For the costs of an infrastructure project to be eligible to be paid by the proceeds of a loan or  
27 bonds or other securities of an eligible government unit as defined in 17-5-1604, the infrastructure project must  
28 provide for residential development at a minimum gross density of 10 units for each acre.

1 (4) Funds must be loaned to those living in counties that have a population of less than 15,000  
2 inhabitants that are located within a 30-mile radius of a state-owned facility that, on an annual average, houses  
3 at least 100 state inmates or behavioral health patients, and the facility is located in a county that has a  
4 population that does not exceed 15,000 inhabitants.

5  
6 **NEW SECTION. Section 9. Appropriations.** There is appropriated \$3,942,000 from the general fund  
7 to the department of corrections in each fiscal year of the biennium beginning July 1, 2023, to contract for 120  
8 prison beds.

9  
10 **COORDINATION SECTION. Section 10. Coordination instruction.** (1) If both House Bill No. 5 and  
11 [this act] are passed and approved and any project in [this act] is also fully funded by an appropriation in House  
12 Bill No. 5, then the appropriation for the project in House Bill No. 5 is void.

13 (2) If both House Bill No. 819 and [this act] are passed and approved and House Bill No. 819  
14 contains at least \$25 million targeted to workforce housing, then [sections 7 and 8 of this act] are void.

15  
16 **NEW SECTION. Section 11. Severability.** If a part of [this act] is invalid, all valid parts that are  
17 severable from the invalid part remain in effect. If a part of [this act] is invalid in one or more of its applications,  
18 the part remains in effect in all valid applications that are severable from the invalid applications.

19  
20 **NEW SECTION. Section 12. Contingent voidness.** If both [this act] and Senate Bill No. 95 are  
21 passed and approved and [this act] does not provide for an appropriation of at least \$3,942,000 from the  
22 general fund in each fiscal year of the biennium beginning July 1, 2023, to the department of corrections to  
23 contract for 120 prison beds, then Senate Bill No. 95 is void.

24  
25 **NEW SECTION. Section 13. Effective date.** [This act] is effective on passage and approval.

26 - END -