



AN ACT RELATING TO THE SOUTHWESTERN MONTANA VETERANS' HOME; EXTENDING CIGARETTE TAX REVENUE CONTRIBUTIONS TO AN ACCOUNT FOR USE IN CONSTRUCTION OF THE SOUTHWESTERN MONTANA VETERANS' HOME; ESTABLISHING THE SOUTHWESTERN MONTANA VETERANS' HOME CAPITAL PROJECT; APPROPRIATING MONEY FOR A CAPITAL PROJECT; PROVIDING FOR OTHER MATTERS RELATED TO THE APPROPRIATION; AUTHORIZING CONSTRUCTION; PROVIDING CONDITIONS FOR A TRANSFER OF MONEY TO THE GENERAL FUND; AMENDING SECTION 16-11-119, MCA; AND PROVIDING EFFECTIVE DATES.

WHEREAS, the 61st Legislature in section 1, Chapter 461, Laws of 2009, provided for the establishment of a southwestern Montana state veterans' home; and

WHEREAS, the 61st Legislature established a state special revenue account that is funded by a portion of cigarette tax collections for the construction of a state veterans' home in southwestern Montana; and

WHEREAS, a portion of cigarette tax collections has been historically used for the operation and maintenance of state veterans' nursing homes; and

WHEREAS, based on a recent cost estimate, additional cigarette tax collections are needed in the state special revenue account to construct the state veterans' home in southwestern Montana in the future.

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

**Section 1.** Section 16-11-119, MCA, is amended to read:

**"16-11-119. (Temporary) Disposition of taxes.** (1) Cigarette taxes collected under the provisions of 16-11-111 must, in accordance with the provisions of 17-2-124, be deposited as follows:

(a) 8.3% or \$2 million, whichever is greater, in an account in the state special revenue fund to the credit of the department of public health and human services for the operation and maintenance of state veterans' nursing homes. The department of public health and human services may not expend more money from the account than is appropriated by the legislature. Subject to subsection (2) of this section, the department may not

transfer funds in the account or expenditure authority related to the account pursuant to 17-7-139, 17-7-301, or 17-8-101.

(b) for fiscal years ~~ending June 30, 2010~~, beginning July 1, 2011, and ending June 30, 2011, 1.2% in the state special revenue fund to the credit of the account established in section 2, Chapter 461, Laws of 2009, for the construction of the state veterans' home in southwestern Montana;

(c) 2.6% in the long-range building program account provided for in 17-7-205;

(d) 44% in the health and medicaid initiatives account provided for in 53-6-1201; and

(e) the remainder to the state general fund.

(2) If money in the state special revenue account for the operation and maintenance of state veterans' nursing homes exceeds \$2 million at the end of the fiscal year, the excess must be transferred to the state general fund.

(3) The taxes collected on tobacco products, other than cigarettes, must in accordance with the provisions of 17-2-124 be deposited as follows:

(a) one-half in the state general fund; and

(b) one-half in the state special revenue fund account for health and medicaid initiatives provided for in 53-6-1201. (Terminates June 30, 2011--sec. 35(1), Ch. 486, L. 2009.)

**16-11-119. (Effective July 1, 2011) Disposition of taxes.** (1) Cigarette taxes collected under the provisions of 16-11-111 must, in accordance with the provisions of 17-2-124, be deposited as follows:

(a) 8.3% or \$2 million, whichever is greater, in the state special revenue fund to the credit of the department of public health and human services for the operation and maintenance of state veterans' nursing homes;

(b) for fiscal years ~~ending June 30, 2010~~, beginning July 1, 2011, and ending June 30, 2011, 1.2% in the state special revenue fund to the credit of the account established in section 2, Chapter 461, Laws of 2009, for the construction of the state veterans' home in southwestern Montana;

(c) 2.6% in the long-range building program account provided for in 17-7-205;

(d) 44% in the state special revenue fund to the credit of the health and medicaid initiatives account provided for in 53-6-1201; and

(e) the remainder to the state general fund.

(2) If money in the state special revenue fund for the operation and maintenance of state veterans'

nursing homes exceeds \$2 million at the end of the fiscal year, the excess must be transferred to the state general fund.

(3) The taxes collected on tobacco products, other than cigarettes, must in accordance with the provisions of 17-2-124 be deposited as follows:

(a) one-half in the state general fund; and

(b) one-half in the state special revenue fund account for health and medicaid initiatives provided for in 53-6-1201."

**Section 2. Definitions.** For the purposes of [sections 2 through 6], unless otherwise stated, the following definitions apply:

(1) "Capital project" means the acquisition of land or improvements or the planning, capital construction, and furnishing of the project authorized in [sections 3 through 6].

(2) "Southwestern Montana veterans' home project" means the capital project in Silver Bow County for the purpose of a state veterans' nursing home authorized in [sections 3 through 6]. The project is administered by the department of public health and human services pursuant to 53-1-602.

**Section 3. Planning and design.** The department of administration may proceed with the planning and design of the southwestern Montana veterans' home project prior to the receipt of other funding sources. The department of administration may use interentity loans in accordance with 17-2-107 to pay planning and design costs incurred before the receipt of other funding sources.

**Section 4. Capital project -- contingent funds.** If the southwestern Montana veterans' home project is financed, in whole or in part, with appropriations contingent upon the receipt of other funding sources, the department of administration may not let the project for bid until the department of public health and human services has submitted a financial plan for approval by the director of the department of administration. A financial plan may not be approved by the director if the level of funding provided under the financial plan deviates substantially from the funding level provided in [section 5] for the project.

**Section 5. Capital project appropriations.** (1) There is appropriated \$4,812,500 from state special

revenue account established in section 2, Chapter 461, Laws of 2009, to the department of administration for the southwestern Montana veterans' home project.

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

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

**Section 6. Legislative consent and intent.** The appropriations authorized in [section 5] constitute legislative consent for the southwestern Montana veterans' home project within the meaning of 18-2-102. The legislature intends for the project to be part of the long-range building program.

**Section 7. Contingency -- termination and transfer to the general fund.** If House Bill No. 439 is passed and approved in a form that appropriates at least \$5 million from the capital projects fund for the construction of the southwestern Montana veterans' home and [sections 2 through 7 of House Bill No. 439] become effective pursuant to the contingency contained in [section 10 of House Bill No. 439], then:

(1) [sections 1 through 6 of this act] terminate on the date on which [sections 2 through 7 of House Bill No. 439] become effective;

(2) the state treasurer shall transfer the remaining fund balance in the state special revenue fund established in section 2, Chapter 461, Laws of 2009, for the construction of the state veterans' home in southwestern Montana to the general fund; and

(3) the department of administration shall notify the code commissioner of the occurrence of any determination made pursuant to this section and the date of the occurrence.

**Section 8. Coordination instruction.** If both Senate Bill No. 31 and [this act] are passed and approved, then [section 12 of Senate Bill No. 31], amending 16-11-119, is void.

**Section 9. Effective date.** (1) Except as provided in subsection (2), [this act] is effective on passage and approval.

(2) [Sections 1, 5, and 6] are effective July 1, 2011.

- END -

I hereby certify that the within bill,  
HB 0296, originated in the House.

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Chief Clerk of the House

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Speaker of the House

Signed this \_\_\_\_\_ day  
of \_\_\_\_\_, 2011.

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President of the Senate

Signed this \_\_\_\_\_ day  
of \_\_\_\_\_, 2011.

HOUSE BILL NO. 296

INTRODUCED BY J. SESSO, HOLLENBAUGH, GILLAN, GALLUS , WILMER, SWANSON, MCCHESENEY,  
REINHART, MACDONALD, O'HARA, HANDS, SANDS, BELCOURT, YATES, BROWN, DRISCOLL,  
MEHLHOFF, WINDY BOY, BLEWETT, MCCLAFFERTY, NOONAN, F. SMITH, WAGNER, VUCKOVICH,  
JONES, KEANE, ARTHUN, FUREY, STAHL, WELBORN, SCHMIDT, ZINKE, AUGARE, CAFERRO, HINER,  
SQUIRES, ANKNEY, C. WILLIAMS, MURPHY

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