

## 1 SENATE BILL NO. 416

2 INTRODUCED BY J. BRENDEN

3  
4 A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING FUNDING AND AUTHORIZATION FOR CAPITAL AND  
5 INFRASTRUCTURE PROJECTS STATEWIDE; CREATING LOCAL INFRASTRUCTURE GRANT AND LOAN  
6 ACCOUNTS; AUTHORIZING THE DEPARTMENT OF COMMERCE TO GRANT FUNDS FOR LOCAL  
7 INFRASTRUCTURE PROJECTS; ESTABLISHING CONDITIONS FOR GRANTS AND LOANS FOR  
8 INFRASTRUCTURE PROJECTS; REQUIRING LOCAL GOVERNMENTS TO PROVIDE MATCHING FUNDS  
9 FOR PROJECTS BASED ON A FORMULA; AUTHORIZING THE DEPARTMENT OF COMMERCE TO MAKE  
10 INTERCAP LOANS TO LOCAL GOVERNMENTS FOR MATCHING FUNDS FOR LOCAL INFRASTRUCTURE  
11 PROJECTS; AUTHORIZING THE CREATION OF STATE DEBT THROUGH THE ISSUANCE OF GENERAL  
12 OBLIGATION BONDS; PROVIDING FOR A GENERAL FUND TRANSFER; AMENDING SECTION 15-10-420,  
13 MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE AND A TERMINATION DATE."

14

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

16

17 NEW SECTION. **Section 1. Definitions.** For the purposes of [sections 1 through 11], unless otherwise  
18 provided, the following definitions apply:

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

21 (2) "Capital project" means the acquisition of land or improvements or the planning, capital construction,  
22 environmental cleanup, renovation, or major repair projects authorized in [sections 12 through 15].

23 (3) "Infrastructure projects" means:

24 (a) drinking water systems;

25 (b) wastewater treatment;

26 (c) sanitary sewer or storm sewer systems;

27 (d) solid waste disposal and separation systems, including site acquisition, preparation, and monitoring;

28 (e) local roads; or

29 (f) bridges.

30 (4) "Local government" means an incorporated city or town, a county, a consolidated local government,

1 a tribal government, a county or multicounty water, sewer, or solid waste district, or an authority as defined in  
2 75-6-304.

3 (5) "LRBP" means the long-range building program account provided for in 17-7-205.  
4

5 **NEW SECTION. Section 2. Local infrastructure accounts -- use.** (1) There is within the state special  
6 revenue fund provided for in 17-2-102 an account called the local infrastructure grant program account to provide  
7 grant funding to local governments for local infrastructure projects. The department of commerce shall administer  
8 the account.

9 (2) There is within the state special revenue fund provided for in 17-2-102 an account called the local  
10 infrastructure loan program account to provide intercap loans to local governments for matching funds. The  
11 department of commerce shall administer the account.  
12

13 **NEW SECTION. Section 3. Authorization for local infrastructure project grants -- matching funds**  
14 **requirement.** (1) The department of commerce is authorized to make grants to local governments for  
15 infrastructure projects. Counties and noncounty local governments must be awarded grants on an equitable basis.  
16 The grants authorized in this section are subject to the conditions set forth in [sections 7 and 8]. The department  
17 shall commit funds to projects until the funds deposited into the local infrastructure grant program account during  
18 the biennium beginning July 1, 2015, are expended.

19 (2) The department of commerce may grant up to 30% of all funds available in the local infrastructure  
20 grant program account in [section 2(1)] in the biennium beginning July 1, 2015, to local road projects.

21 (3) A grant recipient's entitlement to receive funds is dependent on the grant recipient's compliance with  
22 the conditions described in [sections 7 and 8] and on the availability of funds.

23 (4) A local government shall provide one-to-one matching funds up to the first \$750,000 of grant funding  
24 sought. For a grant request exceeding \$750,000, the relative participation ratio for the local government as  
25 calculated pursuant to [section 5] is applied to the amount of the grant exceeding \$750,000.

26 (5) For a local road grant under [section 6], the local government shall provide at least one-to-one  
27 matching funds. A local government may need to provide additional matching funds based on its relative  
28 participation rate as calculated pursuant to [section 5].

29 (6) Funding for projects may be provided only as long as there are sufficient funds available from the  
30 amount that was deposited or transferred into the local infrastructure grant program account established in

1 [section 2(1)] during the biennium beginning July 1, 2015. Funding for these projects must be made available in  
 2 the order that the grant recipients satisfy the conditions described in [section 7(1)]. However, any of the projects  
 3 that have not completed the conditions described in [section 7(1)] by September 30, 2016, must be reviewed by  
 4 the next regular session of the legislature to determine if the authorized grant should be withdrawn.

5 (7) If a grant recipient does not complete all of the conditions described in [section 7(1)] by September  
 6 30, 2018, any obligation to the grant recipient will cease.

7  
 8 **NEW SECTION. Section 4. Eligibility -- submission deadline -- priority.** (1) Local governments may  
 9 apply to the department of commerce for local infrastructure grants under [section 3]. Local governments that  
 10 have submitted a grant request for a local infrastructure project to the department within the last 2 years and that  
 11 did not receive approval by the legislature may resubmit the grant request without resubmitting other grant  
 12 materials if there is no material change to the originally submitted grant request.

13 (2) Projects that were approved for funding from the treasure state endowment program by the 64th  
 14 legislature are not eligible for grants under [this act].

15 (3) For a project that was submitted for approval to the 64th legislature for funding from the treasure state  
 16 endowment program but did not receive legislative approval for funding from the program, the amount of a grant  
 17 for the project under [this act] may not exceed the amount of funding from the treasure state endowment program  
 18 submitted to the 64th legislature.

19 (4) Grant requests and materials must be submitted to the department by August 15, 2015, to be eligible  
 20 for funding under [section 3].

21 (5) By November 1, 2015, the department shall issue a prioritized list of local infrastructure projects to  
 22 receive grant funding and a second prioritized list of local road projects to receive grant funding. Both lists must  
 23 identify the amount of financial assistance to each local government.

24 **(6) INFRASTRUCTURE PROJECTS RELATED TO EXPLORATION OR NATURAL RESOURCE IMPACTS HAVE PRIORITY**  
 25 **OVER OTHER PROJECTS.**

26 ~~(6)~~(7) Infrastructure projects that satisfy the conditions described in [section 7(1)] and subsection (1) of  
 27 this section have priority over other projects.

28 ~~(7)~~(8) For projects having equal ranking, the department shall give higher consideration to projects that  
 29 present a higher percentage of matching funds.

30

1            NEW SECTION.    **Section 5. Formula for local government match rate based on relative**  
 2 **participation ratio.** (1) The match rate for a local government is calculated based on its relative participation  
 3 ratio.

4            (2) The relative participation ratio for a local government that is not a county is the number of its  
 5 city-reported mills divided by the median of the city-reported mills of all cities as reported in the most recent  
 6 biennial report of the department of revenue.

7            (3) The relative participation ratio for a county is the sum of its county mills divided by the median of  
 8 county mills of all counties as reported in the department of revenue's most recent biennial report. The sum of  
 9 county mills includes all mills other than the city mills as reported in the most recent biennial report of the  
 10 department of revenue, including state, county, countywide school, and local school average mills, fire district  
 11 average mills, and miscellaneous mills.

12            (4) The match rate for a local government is calculated by:

- 13            (a) subtracting the local government's relative participation ratio from 1;  
 14            (b) dividing the difference by 2; and  
 15            (c) multiplying the quotient by 100.

16  
 17            NEW SECTION.    **Section 6. Criteria for local road grants -- application requirements.** (1) Grants  
 18 for local road projects made pursuant to [section 3(2)] are available for:

- 19            (a) preventive maintenance;  
 20            (b) rehabilitation, including projects designed to extend the life of existing road surfaces by pothole filling,  
 21 crack sealing, chip sealing, graveling, asphaltting, and overlaying;  
 22            (c) restoration; AND  
 23            ~~(d) construction; and~~  
 24            ~~(e)(D)~~ reconstruction.

25            (2) Local roads must receive priority in the following order based on whether the local roads:

- 26            (a) have experienced or are expected to experience high use related to natural resource exploration or  
 27 development;  
 28            (b) have experienced or are expected to experience high use related to population growth that has  
 29 occurred or will occur due to business and employment growth associated with natural resource exploration or  
 30 development or their support services and the high use has impaired or will impair safe routes to schools; or

1 (c) are necessary to provide improved public safety and emergency services transportation connections  
2 within a community that has experienced population growth that has occurred or will occur due to business and  
3 employment growth associated with natural resource exploration or development or their support services.

4 (3) A local road project for ~~construction~~ IMPROVEMENT of a gravel road should be designed in accordance  
5 with the Montana county gravel road standards established by the local technical assistance program at Montana  
6 state university as a minimum design standard.

7 (4) A local road project for ~~construction~~ IMPROVEMENT of a paved street or road should be designed in  
8 accordance with the American association of state highway and transportation officials if applicable.

9 (5) In addition to satisfying the conditions of [section 7(1)], applications for local road project grants made  
10 under [section 3(2)] must provide the following information:

11 (a) scope;

12 (b) schedule;

13 (c) budget, including amount and source of match requirement and strategy for administering and  
14 tracking;

15 (d) roles and responsibilities of the local government;

16 (e) maintenance commitment by the local government; and

17 (f) whether and to what extent the project is related to exploration or natural resource development as  
18 outlined under subsection (2).

19 (6) In-kind matching funds for local road projects may consist of no more than one-half of the total  
20 amount of required matching funds.

21 (7) Each county may submit no more than two applications for road projects for funding under [section  
22 3].

23 (8) All grant recipients for local road projects under [section 3] shall comply with the provisions of Title  
24 7, chapter 5, part 23, and Title 7, chapter 14, part 24.

25  
26 **NEW SECTION. Section 7. Conditions of grants -- disbursement of funds.** (1) The disbursement  
27 of grant funds for the projects chosen by the department pursuant to [section 3] is subject to completion of the  
28 following conditions:

29 (a) The grant recipient shall document that other matching funds required for completion of the project  
30 are firmly committed.

1 (b) The grant recipient must have a project management plan that is approved by the department of  
2 commerce.

3 (c) The grant recipient must be in compliance with the auditing and reporting requirements provided in  
4 2-7-503 and have established a financial accounting system that the department can reasonably ensure conforms  
5 to generally accepted accounting principles. Tribal governments shall comply with auditing and reporting  
6 requirements provided for in office of management and budget Circular A-133.

7 (d) The grant recipient shall execute a grant agreement with the department of commerce.

8 (2) With the exception of local roads and bridges, all projects must adhere to the design standards  
9 required by the department of environmental quality. Recipients of grants under [section 3] that are not subject  
10 to the department of environmental quality design standards shall adhere to generally accepted industry  
11 standards such as Recommended Standards for Wastewater Facilities or Recommended Standards for Water  
12 Works, published by the Great Lakes-Upper Mississippi River board of state and provincial public health and  
13 environmental managers, latest edition.

14 (3) When applicable, recipients of grants under [section 3] are subject to the requirements of the  
15 department of commerce as described in the most recent edition of the Treasure State Endowment Program  
16 Project Administration Manual adopted by the department by administrative rule.

17  
18 **NEW SECTION. Section 8. Other powers and duties of department.** (1) The department of  
19 commerce shall disburse grant funds on a reimbursement basis as grant recipients incur eligible project  
20 expenses.

21 (2) If actual project expenses are lower than the projected expense of the project, the department may,  
22 at its discretion:

23 (a) reduce the amount of grant funds to be provided to grant recipients in proportion to all other project  
24 funding sources;

25 (b) authorize the use of the remaining authorized grant amounts for the construction of additional  
26 infrastructure components directly related to the approved project that will further enhance the overall system;  
27 or

28 (c) reduce the amount of grant funds to be provided so that the grant recipient's projected average  
29 residential user rates do not become lower than the grant recipient's target rate as determined by the department.

30

1            NEW SECTION. **Section 9. Authorization to provide loans -- transfer.** (1) The department of  
2 commerce is authorized to make intercap loans to local governments from the local infrastructure loan program  
3 account in [section 2(2)] for matching funds required for a local infrastructure project to receive a grant under  
4 [section 3]. A loan to a local government may not exceed the amount of matching funds required.

5            (2) The amount of unencumbered funds in the local infrastructure loan program account on August 1,  
6 2016, may be transferred to the local infrastructure grant program account on or after August 15, 2016.

7  
8            NEW SECTION. **Section 10. Conditions of loans.** (1) Disbursement of loan proceeds for infrastructure  
9 projects under [section 9] to a local government is subject to the conditions set forth in [section 7].

10            (2) The local government shall execute a loan agreement with the department of commerce prior to  
11 receiving loan proceeds.

12  
13            NEW SECTION. **Section 11. Maximum state funding available for infrastructure -- per project --**  
14 **per county.** (1) If the amount deposited into the local infrastructure grant program account established in [section  
15 (2)(1)] in the biennium beginning July 1, 2015, is \$50 million:

16            (a) the maximum amount of state funding under [this act], whether through grants or loans, may not  
17 exceed \$2.5 million per project; or

18            (b) the maximum amount of grant funding that may be received in a single county, including grant funding  
19 under [this act] and any grant funding awarded by the 64th legislature, may not exceed \$5 million.

20            (2) If the amount deposited into the local infrastructure grant program account established in [section  
21 2(1)] in the biennium beginning July 1, 2015, is \$75 million:

22            (a) the maximum amount of state funding under [this act], whether through grants or loans, may not  
23 exceed \$3.75 million per project; or

24            (b) the maximum amount of grant funding that may be received in a single county, including grant funding  
25 under [this act] and any grant funding awarded by the 64th legislature, may not exceed \$7.5 million.

26            (3) If the amount deposited into the local infrastructure grant program account established in [section  
27 2(1)] in the biennium beginning July 1, 2015, is \$100 million:

28            (a) the maximum amount of state funding under [this act], whether through grants or loans, may not  
29 exceed \$5 million per project; or

30            (b) the maximum amount of grant funding that may be received in a single county, including grant funding

1 under [this act] and any grant funding awarded by the 64th legislature, may not exceed \$10 million.

2

3 **NEW SECTION. Section 12. Authorization of projects.** (1) Upon passage and approval of [this act],

4 the following projects, pursuant to 18-2-102, are authorized and approved:

5 DEPARTMENT OF PUBLIC HEALTH AND HUMAN SERVICES

6 First Step - Mental Health

7 \$7,600,000 (LRBP)

8 MONTANA UNIVERSITY SYSTEM

9 Romney Hall - MSU Bozeman

10 \$20,000,000 (LRBP) \$8,000,000 (Authority only)

11 DEPARTMENT OF JUSTICE

12 Eastern Montana Crime Lab

13 \$5,800,000 (LRBP)

14 MONTANA UNIVERSITY SYSTEM

15 Library Renovation - MSU Billings

16 \$2,650,000 (LRBP)

17 Butte-MTECH - Renovate Engineering Facilities

18 \$6,000,000 (LRBP) \$4,000,000 (Authority only)

19 DEPARTMENT OF FISH, WILDLIFE, & PARKS

20 Lewis & Clark Caverns SP Electrical Upgrades

21 \$1,000,000 (LRBP) \$1,000,000 (Authority only)

22 Bannack State Park Fire Alarm System Upgrade

23 \$750,000 (LRBP) \$750,000 (Authority only)

24 MONTANA UNIVERSITY SYSTEM

25 Missoula-UM-Renovation Clapp Science Building

26 \$6,000,000 (LRBP) \$4,000,000 (Authority only)

27 (2) If the certified unaudited general fund revenue, INCLUDING TRANSFERS IN, received in fiscal year 2015

28 as determined on August 1, 2015, by the state treasurer exceeds \$2.14 billion by at least \$30 million but no more

29 than \$60 million, the following project, pursuant to 18-2-102, is also authorized and approved:

30 DEPARTMENT OF ADMINISTRATION





1 Montana Heritage Center

2 \$25,000,000 (LRBP) \$7,250,000 (Authority only)

3 (3) If the certified unaudited general fund revenue, INCLUDING TRANSFERS IN, received in fiscal year 2015  
4 as determined on August 1, 2015, by the state treasurer exceeds \$2.14 billion by at least \$60 million, the amount  
5 of LRBP funding a project receives is increased by the amount of authority only provided for the project in  
6 subsections (1) and (2).

7 (4) If the statewide accounting, budgeting, and human resource system general fund collections for fiscal  
8 year 2016, INCLUDING TRANSFERS IN, as of December 31, 2015, as determined by the state treasurer on January  
9 15, 2016, exceeds \$848 million by \$12 million or more, excluding the refund accrual reversal for individual income  
10 and corporation income tax, the project identified under subsection (2), pursuant to 18-2-102, is authorized and  
11 approved, as long as the project was not previously funded pursuant to subsection (2).

12 (5) If the project identified in subsection (2) was previously funded pursuant to subsection (2) and if the  
13 statewide accounting, budgeting, and human resource system general fund collections for fiscal year 2016,  
14 INCLUDING TRANSFERS IN, as of December 31, 2015, as determined by the state treasurer on January 15, 2016,  
15 exceed \$848 million by \$12 million or more, the project identified under subsection (3), pursuant to 18-2-102, is  
16 authorized and approved, as long as it was not previously funded pursuant to subsection (3).

17  
18 NEW SECTION. **Section 13. Planning and design.** The department of administration may proceed  
19 with the planning and design of capital projects prior to the receipt of other funding sources. The department may  
20 use interentity loans in accordance with 17-2-107 to pay planning and design costs incurred before the receipt  
21 of funding from another funding source.

22  
23 NEW SECTION. **Section 14. Capital projects -- contingent funds.** (1) Except as provided in  
24 subsection (2), if a capital project is financed in whole or in part with appropriations contingent on the receipt of  
25 funding from another funding source, the department of administration may not let the project for bid until the  
26 agency receiving funding has submitted a financial plan for approval by the director of the department of  
27 administration. A financial plan may not be approved by the director if:

28 (a) the level of funding provided under the financial plan deviates substantially from the funding level  
29 provided in [section 12] for that project; or

30 (b) the scope of the project is substantially altered or revised from the preliminary plans presented for that

1 project in the 2017 biennium long-range building program presented to the 64th legislature.

2 (2) Subject to the approval of the director of the department of administration, an agency receiving  
3 funding may redefine the scope of the project to align with the amount of LRBP funding provided in [section 12].

4  
5 **NEW SECTION. Section 15. Review by department of environmental quality.** The department of  
6 environmental quality shall review capital projects authorized in [section 12] for potential inclusion in the state  
7 building energy conservation program under Title 90, chapter 4, part 6. When a review shows that a capital  
8 project will result in energy improvements, the project must be submitted to the energy conservation program for  
9 funding consideration. Funding provided under the energy conservation program guidelines must be used to  
10 offset or add to the authorized funding for the project, with the amount dependent on the annual utility savings  
11 resulting from the facility improvement. Agencies must be notified of potential funding after the review.

12  
13 **NEW SECTION. Section 16. Authorization of bonds -- conditions.** (1) The board of examiners is  
14 authorized to issue and sell general obligation bonds in one or more series and from time to time for the purposes  
15 described in subsections (3) through (6) in addition to the amount of general obligation bonds outstanding on  
16 January 1, 2015.

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

20 (3) On [the effective date of this act], the board of examiners is authorized to issue and sell general  
21 obligation bonds and deposit the proceeds as follows:

22 (a) up to \$50 million of the proceeds from the bonds sold under this section must be deposited in the  
23 long-range building program account provided for in 17-7-205; and

24 (b) up to \$50 million of the proceeds from the bonds sold under this section must be deposited in the  
25 local infrastructure loan program account provided for in [section 2(2)].

26 (4) If the certified unaudited general fund revenue, INCLUDING TRANSFERS IN, received in fiscal year 2015  
27 as determined on August 1, 2015, by the state treasurer exceeds \$2.14 billion by at least \$30 million but no more  
28 than \$60 million, the board of examiners is authorized to issue and sell additional general obligation bonds and  
29 an additional \$25 million from the bonds sold under this section must be deposited in each of the accounts  
30 identified in subsections (3)(a) and (3)(b).

1 (5) If the certified unaudited general fund revenue, INCLUDING TRANSFERS IN, received in fiscal year 2015  
2 as determined on August 1, 2015, by the state treasurer exceeds \$2.14 billion by at least \$60 million, the board  
3 of examiners is authorized to issue and sell additional general obligation bonds and an additional \$50 million from  
4 the bonds sold under this section must be deposited in each of the accounts identified in subsections (3)(a) and  
5 (3)(b).

6 (6) If the statewide accounting, budgeting, and human resource system general fund collections for fiscal  
7 year 2016, INCLUDING TRANSFERS IN, as of December 31, 2015, as determined by the state treasurer on January  
8 15, 2016, exceed \$848 million by \$12 million or more, excluding the refund accrual reversal for individual income  
9 and corporation income tax, the board of examiners is authorized to issue and sell additional general obligations  
10 bonds and an additional \$25 million from the bonds sold under this section must be deposited in each of the  
11 accounts identified in subsections (3)(a) and (3)(b).

12 (7) If the provisions of subsection (4) apply, the provisions of subsection (5) do not apply.

13 (8) If the certified unaudited general fund revenue, INCLUDING TRANSFERS IN, received in fiscal year 2015  
14 as determined on August 1, 2015, by the state treasurer exceeds \$2.14 billion by at least \$60 million, the  
15 provisions of subsection (6) do not apply.

16

17 **Section 17.** Section 15-10-420, MCA, is amended to read:

18 **"15-10-420. Procedure for calculating levy.** (1) (a) Subject to the provisions of this section, a  
19 governmental entity that is authorized to impose mills may impose a mill levy sufficient to generate the amount  
20 of property taxes actually assessed in the prior year plus one-half of the average rate of inflation for the prior 3  
21 years. The maximum number of mills that a governmental entity may impose is established by calculating the  
22 number of mills required to generate the amount of property tax actually assessed in the governmental unit in  
23 the prior year based on the current year taxable value, less the current year's value of newly taxable property,  
24 plus one-half of the average rate of inflation for the prior 3 years.

25 (b) A governmental entity that does not impose the maximum number of mills authorized under  
26 subsection (1)(a) may carry forward the authority to impose the number of mills equal to the difference between  
27 the actual number of mills imposed and the maximum number of mills authorized to be imposed. The mill authority  
28 carried forward may be imposed in a subsequent tax year.

29 (c) For the purposes of subsection (1)(a), the department shall calculate one-half of the average rate of  
30 inflation for the prior 3 years by using the consumer price index, U.S. city average, all urban consumers, using

1 the 1982-84 base of 100, as published by the bureau of labor statistics of the United States department of labor.

2 (2) A governmental entity may apply the levy calculated pursuant to subsection (1)(a) plus any additional  
3 levies authorized by the voters, as provided in 15-10-425, to all property in the governmental unit, including newly  
4 taxable property.

5 (3) (a) For purposes of this section, newly taxable property includes:

6 (i) annexation of real property and improvements into a taxing unit;

7 (ii) construction, expansion, or remodeling of improvements;

8 (iii) transfer of property into a taxing unit;

9 (iv) subdivision of real property; and

10 (v) transfer of property from tax-exempt to taxable status.

11 (b) Newly taxable property does not include an increase in value that arises because of an increase in  
12 the incremental value within a tax increment financing district.

13 (4) (a) For the purposes of subsection (1), the taxable value of newly taxable property includes the  
14 release of taxable value from the incremental taxable value of a tax increment financing district because of:

15 (i) a change in the boundary of a tax increment financing district;

16 (ii) an increase in the base value of the tax increment financing district pursuant to 7-15-4287; or

17 (iii) the termination of a tax increment financing district.

18 (b) If a tax increment financing district terminates prior to the certification of taxable values as required  
19 in 15-10-202, the increment value is reported as newly taxable property in the year in which the tax increment  
20 financing district terminates. If a tax increment financing district terminates after the certification of taxable values  
21 as required in 15-10-202, the increment value is reported as newly taxable property in the following tax year.

22 (c) For the purpose of subsection (3)(a)(ii), the value of newly taxable class four property that was  
23 constructed, expanded, or remodeled property since the completion of the last reappraisal cycle is the current  
24 year market value of that property less the previous year market value of that property.

25 (d) For the purpose of subsection (3)(a)(iv), the subdivision of real property includes the first sale of real  
26 property that results in the property being taxable as class four property under 15-6-134 or as nonqualified  
27 agricultural land as described in 15-6-133(1)(c).

28 (5) Subject to subsection (8), subsection (1)(a) does not apply to:

29 (a) school district levies established in Title 20; or

30 (b) a mill levy imposed for a newly created regional resource authority.

1 (6) For purposes of subsection (1)(a), taxes imposed do not include net or gross proceeds taxes received  
2 under 15-6-131 and 15-6-132.

3 (7) In determining the maximum number of mills in subsection (1)(a), the governmental entity:

4 (a) may increase the number of mills to account for a decrease in reimbursements; and

5 (b) may not increase the number of mills to account for a loss of tax base because of legislative action  
6 that is reimbursed under the provisions of 15-1-121(7).

7 (8) The department shall calculate, on a statewide basis, the number of mills to be imposed for purposes  
8 of 15-10-108, 20-9-331, 20-9-333, 20-9-360, and 20-25-439. However, the number of mills calculated by the  
9 department may not exceed the mill levy limits established in those sections. The mill calculation must be  
10 established in tenths of mills. If the mill levy calculation does not result in an even tenth of a mill, then the  
11 calculation must be rounded up to the nearest tenth of a mill.

12 (9) (a) The provisions of subsection (1) do not prevent or restrict:

13 (i) a judgment levy under 2-9-316, 7-6-4015, or 7-7-2202;

14 (ii) a levy to repay taxes paid under protest as provided in 15-1-402;

15 (iii) an emergency levy authorized under 10-3-405, 20-9-168, or 20-15-326;

16 (iv) a levy for the support of a study commission under 7-3-184;

17 (v) a levy for the support of a newly established regional resource authority;

18 (vi) the portion that is the amount in excess of the base contribution of a governmental entity's property  
19 tax levy for contributions for group benefits excluded under 2-9-212 or 2-18-703; ~~or~~

20 (vii) a levy for reimbursing a county for costs incurred in transferring property records to an adjoining  
21 county under 7-2-2807 upon relocation of a county boundary; or

22 (viii) a levy for the purpose of repaying a loan to finance matching funds for infrastructure projects in order  
23 to be eligible to receive a grant under [section 3].

24 (b) A levy authorized under subsection (9)(a) may not be included in the amount of property taxes  
25 actually assessed in a subsequent year.

26 (10) A governmental entity may levy mills for the support of airports as authorized in 67-10-402,  
27 67-11-301, or 67-11-302 even though the governmental entity has not imposed a levy for the airport or the airport  
28 authority in either of the previous 2 years and the airport or airport authority has not been appropriated operating  
29 funds by a county or municipality during that time.

30 (11) The department may adopt rules to implement this section. The rules may include a method for

1 calculating the percentage of change in valuation for purposes of determining the elimination of property, new  
2 improvements, or newly taxable property in a governmental unit."

3  
4 **NEW SECTION. Section 18. General fund transfer.** (1) For the biennium beginning July 1, 2015,  
5 there is transferred \$50 million from the general fund to the local infrastructure grant program account provided  
6 for in [section 2(1)].

7 (2) If the certified unaudited general fund revenue, INCLUDING TRANSFERS IN, received in fiscal year 2015  
8 as determined on August 1, 2015, by the state treasurer exceeds \$2.14 billion by at least \$30 million but no more  
9 than \$60 million, there is transferred an additional \$25 million from the general fund to the local infrastructure  
10 grant program account provided for in [section 2(1)].

11 (3) If the certified unaudited general fund revenue, INCLUDING TRANSFERS IN, received in fiscal year 2015  
12 as determined on August 1, 2015, by the state treasurer exceeds \$2.14 billion by at least \$60 million, there is  
13 transferred an additional \$50 million from the general fund to the local infrastructure grant program account  
14 provided for in [section 2(1)].

15 (4) If the statewide accounting, budgeting, and human resource system general fund collections for fiscal  
16 year 2016, INCLUDING TRANSFERS IN, as of December 31, 2015, as determined by the state treasurer on January  
17 15, 2016, exceeds \$848 million by \$12 million or more, excluding the refund accrual reversal for individual income  
18 and corporate income tax, there is transferred an additional \$25 million from the general fund to the local  
19 infrastructure grant program account provided for in [section 2(1)].

20 (5) If the certified unaudited general fund revenue, INCLUDING TRANSFERS IN, received in fiscal year 2015  
21 as determined on August 1, 2015, by the state treasurer exceeds \$2.14 billion by at least \$60 million, the  
22 provisions of subsection (4) do not apply.

23  
24 **NEW SECTION. Section 19. Notification to tribal governments.** The secretary of state shall send  
25 a copy of [this act] to each tribal government located on the seven Montana reservations and to the Little Shell  
26 Chippewa tribe.

27  
28 **NEW SECTION. Section 20. Codification instruction.** [Sections 1 through 11] are intended to be  
29 codified as an integral part of Title 90, chapter 6, and the provisions of Title 90, chapter 6, apply to [sections 1  
30 through 11].

