



AN ACT PROVIDING FUNDING FOR ADDITIONAL CORRECTIONAL CAPACITY; ESTABLISHING THE FUTURE OF CORRECTIONS FUND; PROVIDING LEGISLATIVE CONSENT TO CONSTRUCT CORRECTIONAL FACILITIES; AUTHORIZING AGREEMENTS TO SECURE ADDITIONAL CORRECTIONAL CAPACITY; ESTABLISHING REPORTING REQUIREMENTS; PROVIDING FOR A TRANSFER OF FUNDS; PROVIDING APPROPRIATIONS; AUTHORIZING AN OPTIONAL LEASE-TO-OWN AGREEMENT; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE.

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

**Section 1. Future of corrections fund.** (1) There is an account in the state special revenue fund established in 17-2-102 to be known as the future of corrections fund. The department of corrections shall administer the fund.

(2) Eligible uses of the fund include:

(a) securing an additional correctional facility, which may include build-to-lease or lease-to-own agreements; and

(b) securing additional correctional capacity through agreements with private correctional facilities as provided for in 53-30-601.

(3) Use of the funds for the purposes identified in subsection (2) are exempt from the provisions of 2-17-101(5).

(4) The administrative rules adopted by the department of corrections pursuant to 53-30-604 apply to this section.

**Section 2. Appropriation.** There is appropriated \$4 million from the general fund to the department of corrections on passage and approval of [this act] through the biennium beginning July 1, 2025, to pay for the

following eligible uses:

- (1) assessment of the current prison system;
- (2) transitional costs;
- (3) planning, operation, construction, or other contract expenses associated with managing the prison population;
- (4) security related technology; and
- (5) studying and planning of the development of a comprehensive correction system.

**Section 3. Transfer of funds.** No later than June 30, 2027, the state treasurer shall transfer \$246 million from the general fund to the capital developments long-range building program account provided for in 17-7-209.

**Section 4. Appropriation for capital projects -- appropriation for operations and maintenance.**

(1) On [the effective date of this act], there is appropriated \$246 million to the department of administration from the capital developments long-range building program account in the capital projects fund type provided for in 17-7-209 for construction of additional state correctional facilities, for renovation of existing state facilities, and for an option to purchase a building to renovate for correctional capacity.

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

(3) (a) The amount of \$3.5 million is appropriated for the biennium beginning July 1, 2025, from the general fund to the department of corrections for program expansion or operations and maintenance for the indicated new setting.

(b) It is the intent of the legislature that the appropriation in this subsection (3) become part of the base budget for the department of corrections for the biennium beginning July 1, 2027.

**Section 5. Contingent transfer and appropriation.** (1) (a) If the budget director concludes that state construction of additional state correctional facilities, renovation of existing state facilities, or an option to purchase and renovate is not in the state's best interests, the director shall authorize the state treasurer to transfer \$246 million from the capital developments long-range building program account provided for in 17-7-209 to the fund provided for in [section 1].

(b) In determining the state's best interests, the budget director shall consider whether the location has the appropriate workforce required to maintain the programming necessary for inmate rehabilitation and re-entry.

(2) If the budget director transfers funds from the capital developments long-range building program account provided for in 17-7-209 to the fund provided for in [section 1], then:

- (a) the amount transferred of the appropriation in [section 4] is void; and
- (b) the amount transferred is appropriated from the fund provided for in [section 1] to the department of corrections on [the effective date of the act], for the purposes set forth in [section 1]. This appropriation is authorized to continue until the construction of a correctional facility is completed as determined by the budget director and all leases, if any, have terminated. Any unexpended or unobligated funds must revert to the general fund.

**Section 6. Planning and design.** The department of administration may proceed with the planning and design of capital projects using existing contracts in [section 4] prior to the receipt of other funding sources. The department 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 7. Reporting.** (1) A report containing the expenditures and obligations related to securing or constructing correctional facilities as provided in [sections 1 and 4] must be submitted by the department of corrections at each quarterly meeting of:

- (a) the legislative finance committee established by 5-12-201;
- (b) the judicial branch, law enforcement, and justice interim budget committee established by 5-12-

501; and

(c) the long-range planning interim budget committee established by 5-12-501.

(2) This requirement to report terminates when the construction of correctional facilities is completed and the department of corrections notifies the committees of its completion.

**Section 8. Legislative intent.** The appropriation authorized in [section 4] constitutes legislative consent for the capital projects contained in [section 4] within the meaning of 17-7-201 and 18-2-102.

**Section 9. Coordination instruction.** If [this act] is passed and approved without a vote of two-thirds of the members of each house of the legislature, [section 1] must read as follows:

**"Section 1. Future of corrections fund.** (1) There is an account in the state special revenue fund established in 17-2-102 to be known as the future of corrections fund. The department of corrections shall administer the fund.

(2) Eligible uses of the fund include:

(a) securing an additional correctional facility, which may include build-to-lease agreements; and

(b) securing additional correctional facilities through agreements with private correctional facilities as provided for in 53-30-601.

(3) Use of the funds for the purposes identified in subsection (2) are exempt from the provisions of 2-17-101(5).

(4) The administrative rules adopted by the department of corrections pursuant to 53-30-604 apply to this section."

**Section 10. Two-thirds vote required.** Because [section 1] authorizes a lease-to-own agreement, 18-3-101 requires a vote of two-thirds of the members of each house of the legislature for passage.

**Section 11. Effective date.** [This act] is effective on passage and approval.

- END -

I hereby certify that the within bill,  
HB 833, 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 \_\_\_\_\_, 2025.

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President of the Senate

Signed this \_\_\_\_\_ day  
of \_\_\_\_\_, 2025.

HOUSE BILL NO. 833

INTRODUCED BY J. FITZPATRICK

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