

1 _____ BILL NO. _____

2 INTRODUCED BY _____
3 (Primary Sponsor)

4 A BILL FOR AN ACT ENTITLED: "AN ACT APPROPRIATING \$250 MILLION FROM THE COAL SEVERANCE
5 TAX PERMANENT FUND TO THE DEPARTMENT OF COMMERCE TO BE USED FOR MATCHING FUNDS
6 FOR GRANTS TO LOCAL GOVERNMENTS FOR ROAD, WATER, AND SEWER PROJECTS; PROVIDING FOR
7 THE USE OF UP TO \$50 MILLION OF THE APPROPRIATION EACH YEAR; AND PROVIDING AN EFFECTIVE
8 DATE."

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

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12 NEW SECTION. **Section 1. Appropriation of coal trust permanent fund.** There is appropriated
13 \$250 million from the coal severance tax permanent fund to the department of commerce to be used as
14 provided in [section 2]. The proceeds of the appropriation must be placed in a state special revenue
15 account until projects are approved pursuant to [section 3].

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17 NEW SECTION. **Section 2. Special revenue account -- interest and income.** There is an account
18 in the state special revenue fund to be known as the 21st century account. The proceeds of the
19 appropriation contained in [section 1] must be placed in the 21st century account. Until a grant is made
20 pursuant to [section 3], the board of investments shall invest the 21st century account. The interest and
21 earnings on the 21st century account must be deposited in the state general fund.

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23 NEW SECTION. **Section 3. Matching grants for road, water, and sewer projects.** (1) The
24 department shall use up to \$50 million of the money in the 21st century account, provided for in [section
25 2], each year for matching funds for grants to local governments for road, water, and sewer projects. A
26 local government shall provide matching funds in an amount equal to the amount of a grant. A grant for
27 a specific project may not exceed \$1 million. Matching funds may include treasure state endowment
28 funds.

29 (2) A proposal for a grant must be submitted to the department as provided in 90-6-710. The
30 department shall review proposals and prioritize the proposed projects based on the criteria contained in



1 90-6-710(2). The department shall award grants based on the department's review and priority rankings
2 and make recommendations for grants to the legislature.

3 (3) The department may adopt rules to implement this section, including rules governing the form
4 of a proposal, timelines for submitting proposals, and the process for reviewing and prioritizing proposals.
5 The department shall base the rules on the existing rules for the treasure state endowment program to the
6 extent feasible. The department may adopt rules providing criteria for matching funds. The rules must
7 provide flexibility for local governments to meet matching fund requirements.

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9 NEW SECTION. **Section 4. Codification instruction.** [Sections 2 and 3] are intended to be codified
10 as an integral part of Title 90, chapter 6, part 7, and the provisions of Title 90, chapter 6, part 7, apply
11 to [sections 2 and 3].

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13 NEW SECTION. **Section 5. Three-fourths vote required.** Because [section 1] appropriates money
14 from the coal severance tax trust fund, Article IX, section 5, of the Montana constitution requires a vote
15 of three-fourths of the members of each house of the legislature for passage.

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17 NEW SECTION. **Section 6. Effective date.** [This act] is effective July 1, 2001.

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