

1 HOUSE BILL NO. 11

2 INTRODUCED BY D. KASTEN, ANKNEY, ARNTZEN, BECK, BOGGIO, BUTCHER, CLARK, DUTTON,
3 HEINERT, INGRAHAM, L. JONES, W. JONES, KERNS, KLOCK, LAKE, LAMBERT, MALCOLM, MCNUTT,
4 MENDENHALL, MILBURN, MORGAN, O'HARA, OLSON, RICE, RIPLEY, ROSS, SMALL-EASTMAN,
5 STAHL, STOKER, TAYLOR, VINCENT, K. PETERSON

6 BY REQUEST OF THE DEPARTMENT OF COMMERCE, THE DEPARTMENT OF NATURAL RESOURCES
7 AND CONSERVATION, AND THE OFFICE OF BUDGET AND PROGRAM PLANNING

8
9 A BILL FOR AN ACT ENTITLED: "AN ACT APPROPRIATING MONEY TO THE DEPARTMENT OF
10 COMMERCE FOR FINANCIAL ASSISTANCE TO LOCAL GOVERNMENT INFRASTRUCTURE PROJECTS
11 THROUGH THE TREASURE STATE ENDOWMENT PROGRAM; AUTHORIZING GRANTS FROM THE
12 TREASURE STATE ENDOWMENT STATE SPECIAL REVENUE ACCOUNT; PLACING CONDITIONS UPON
13 GRANTS AND FUNDS; APPROPRIATING MONEY TO THE DEPARTMENT OF COMMERCE FOR
14 EMERGENCY GRANTS; APPROPRIATING MONEY TO THE DEPARTMENT OF COMMERCE FOR
15 PRELIMINARY ENGINEERING GRANTS; APPROPRIATING MONEY FROM THE TREASURE STATE
16 ENDOWMENT REGIONAL WATER SYSTEM STATE SPECIAL REVENUE ACCOUNT TO THE DEPARTMENT
17 OF NATURAL RESOURCES AND CONSERVATION FOR FINANCIAL ASSISTANCE TO REGIONAL WATER
18 AUTHORITIES FOR REGIONAL WATER PROJECTS; PROVIDING FOR A TRANSFER OF FUNDS FROM THE
19 STATE GENERAL FUND TO THE TREASURE STATE ENDOWMENT STATE SPECIAL REVENUE ACCOUNT;
20 TERMINATING A PRIOR TREASURE STATE ENDOWMENT GRANT; AMENDING SECTION 1, CHAPTER 435,
21 LAWS OF 2001; AND PROVIDING EFFECTIVE DATES."

22
23 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

24
25 NEW SECTION. **Section 1. Appropriations from treasure state endowment special revenue**
26 **account AND GENERAL FUND.** (1) There is appropriated to the department of commerce \$17,333,653 of the interest
27 earnings from the treasure state endowment special revenue account AND \$15.4 MILLION FROM THE TRANSFER IN
28 [SECTION 6] to finance grants authorized by this section.

29 (2) The funds appropriated in this section must be used by the department to make grants to the
30 governmental entities listed in subsection (3) for the described purposes and in amounts not to exceed the

1 amounts set out in subsection (3). The appropriations are subject to the conditions set forth in [sections 1 through
 2 3] and described in the treasure state endowment program 2009 biennium report to the 60th legislature. The
 3 legislature, pursuant to 90-6-710, authorizes the grants for the projects listed in subsection (3). The department
 4 shall commit funds to projects listed in subsection (3), up to the amounts authorized, based on the manner of
 5 disbursement set forth in [section 3] until interest earnings deposited into the treasure state endowment special
 6 revenue account during the 2009 biennium are expended.

7 (3) The following applicants and projects are authorized for grants in the order of their priority:

8 Applicant/Project	Grant Amount
9 1. Lewis and Clark County for the Woodlawn Addition (water)	\$596,420
10 2. Bainville, Town of (wastewater)	715,000
11 3. Madison County (bridge)	370,100
12 4. Sweet Grass County (bridge)	151,493
13 5. Powell County (bridge)	263,074
14 6. Circle, Town of (wastewater)	750,000
15 7. Harlem, City of (water)	750,000
16 8. Jordan, Town of (wastewater)	700,000
17 9. Thompson Falls, City of (water)	363,000
18 10. Twin Bridges, Town of (wastewater)	750,000
19 11. Seeley Lake-Missoula County Water District (water)	750,000
20 12. Fergus County (bridge)	238,362
21 13. Sunny Meadows-Missoula County Water and Sewer District (water)	325,000
22 14. Tri-County Water District (water)	313,500
23 15. Blaine County (bridge)	617,017
24 16. Loma County Water and Sewer District (water)	750,000
25 17. Ekalaka, Town of (water and wastewater)	706,369
26 18. Stillwater County (bridge)	407,500
27 19. Sheridan, Town of (wastewater)	750,000
28 20. Carter-Chouteau County Water and Sewer District (water)	750,000
29 21. Bigfork County Water and Sewer District (wastewater)	750,000
30 22. Dayton-Lake County Water and Sewer District (wastewater)	750,000

1	23. Judith Basin County (bridge)	192,215
2	24. Pinesdale, Town of (water)	750,000
3	25. Power-Teton County Water and Sewer District (water)	604,286
4	26. Superior, Town of (water)	600,000
5	27. RAE Subdivision County Water and Sewer District No. 313 (water)	750,000
6	28. Jefferson County (bridge)	295,800
7	29. Fort Benton, City of (stormwater)	750,000
8	30. Laurel, City of (wastewater)	750,000
9	31. Yellowstone County (bridge)	97,079
10	32. Neihart, Town of (water)	223,000
11	33. Three Forks, City of (wastewater)	750,000
12	34. Manhattan, Town of (water)	750,000 600,000
13	<u>35. CUT BANK, CITY OF (WATER)</u>	<u>550,000</u>
14	<u>36. WHITEHALL, TOWN OF (WASTEWATER)</u>	<u>750,000</u>
15	<u>37. CROW TRIBE FOR CROW AGENCY (WASTEWATER)</u>	<u>750,000</u>
16	<u>38. BIG SANDY, TOWN OF (WASTEWATER)</u>	<u>750,000</u>
17	<u>39. FAIRFIELD, TOWN OF (WASTEWATER)</u>	<u>750,000</u>
18	<u>39. HAMILTON, CITY OF (WASTEWATER)</u>	<u>750,000</u>
19	<u>41. GALLATIN COUNTY FOR HEBGEN LAKE (WASTEWATER)</u>	<u>750,000</u>
20	<u>42. SHELBY, CITY OF (WATER)</u>	<u>750,000</u>
21	<u>42. WHITEFISH, CITY OF (WASTEWATER)</u>	<u>750,000</u>
22	<u>44. PANORAMIC HEIGHTS AND MOUNTAIN RIVER HEIGHTS COUNTY WATER DISTRICT (WATER)</u>	<u>191,500</u>
23	<u>45. CUSTER COUNTY (BRIDGE)</u>	<u>63,750</u>
24	<u>46. BRADY COUNTY WATER DISTRICT (WASTEWATER)</u>	<u>750,000</u>
25	<u>47. ELK MEADOWS RANCHETTES COUNTY WATER DISTRICT (WATER)</u>	<u>410,000</u>
26	<u>48. POLSON, CITY OF (WATER)</u>	<u>750,000</u>
27	<u>49. DARBY, TOWN OF (WATER)</u>	<u>750,000</u>
28	<u>50. GOODAN-KEIL COUNTY WATER DISTRICT (WATER)</u>	<u>532,250</u>
29	<u>51. BUTTE-SILVER BOW COUNTY (WATER)</u>	<u>750,000</u>
30	<u>52. COLUMBIA FALLS, CITY OF (WASTEWATER)</u>	<u>750,000</u>

1	<u>53. MINERAL COUNTY/SALTESE WATER AND SEWER DISTRICT (WASTEWATER)</u>	<u>390,000</u>
2	<u>53. NORTH VALLEY COUNTY WATER AND SEWER DISTRICT (WATER)</u>	<u>750,000</u>
3	<u>55. RED LODGE, CITY OF (WATER)</u>	<u>750,000</u>
4	<u>56. BLACK EAGLE CASCADE COUNTY WATER AND SEWER DISTRICT (WATER)</u>	<u>365,000</u>

5 (4) This section constitutes a valid obligation of funds to the grant recipients listed in subsection (3) for
6 purposes of encumbering the treasure state endowment special revenue account funds during the 2009 biennium
7 pursuant to 17-7-302. However, a grant recipient's entitlement to receive funds is dependent on the grant
8 recipient's compliance with the conditions described in [section 3(1)] and on the availability of funds.

9 (5) Funding for projects numbered 1 through ~~34~~ 56 in subsection (3) will be provided only as long as
10 there are sufficient funds available from the amount that was deposited into the treasure state endowment special
11 revenue account during the biennium ending June 30, 2009. Funding for these projects will be made available
12 in the order that the grant recipients satisfy the conditions described in [section 3(1)]. Once funds deposited into
13 the treasure state endowment special revenue account during the biennium are totally committed to projects that
14 have satisfied the conditions described in [section 3(1)], the obligation to any remaining projects will cease.

15 ~~————(6) Projects numbered 32 through 34 listed in subsection (3) that have satisfied the conditions described~~
16 ~~in [section 3(1)] may receive grant funds only if one or more of the projects numbered 1 through 31 terminate their~~
17 ~~right to the awarded funds in writing prior to the end of the 2009 biennium.~~

18 ~~(7)(6)~~ In the event that any remaining funds deposited into the treasure state endowment special revenue
19 account during the 2009 biennium are insufficient to fully fund one of the grant recipients listed in subsection (3),
20 the department may make the remaining funds available to the first grant recipient that has satisfied the conditions
21 described in [section 3(1)] and that is able to firmly commit the balance of the amount necessary to fund the
22 project in its entirety.

23
24 **NEW SECTION. Section 2. Approval of grants -- completion of biennial appropriation.** (1) The
25 legislature, pursuant to 90-6-701, authorizes grants for the projects identified in [section 1(3)].

26 (2) The authorization of these grants completes a biennial appropriation from the treasure state
27 endowment special revenue account provided for in 17-5-703(4)(c).

28
29 **NEW SECTION. Section 3. Conditions and manner of disbursement of grant funds.** (1) The
30 disbursement of grant funds under [sections 1 through 3] for the projects specified in [section 1(3)] is subject to

1 completion of the following conditions:

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

3 (b) The scope of work and budget for the project as approved by the department in the grant agreement
4 must be consistent with the intent and circumstances under which the application was originally ranked by the
5 department and approved by the legislature. The department may not approve amendments to the scope of work
6 or budget affecting activities or improvements that would materially alter the intent and circumstances under
7 which the application was originally ranked by the department and approved by the legislature.

8 (c) The grant recipient shall document that other matching funds required for completion of the project
9 are firmly committed.

10 (d) The grant recipient must be in compliance with the auditing and reporting requirements provided for
11 in 2-7-503 and have established a financial accounting system that the department can reasonably ensure
12 conforms to generally accepted accounting principles. Tribal governments shall comply with auditing and
13 reporting requirements provided for in OMB Circular A-133.

14 (e) The grant recipient shall satisfactorily comply with any conditions described in the application (project)
15 summaries section of the treasure state endowment program 2009 biennium report to the 60th legislature.

16 (f) The grant recipient shall satisfy other specific requirements considered necessary by the department
17 to accomplish the purpose of the project as evidenced by the application to the department.

18 (2) The department shall commit grant funds to projects authorized in [section 1(3)] in the order that
19 projects have met the conditions in subsection (1) as treasure state endowment special revenue account interest
20 income becomes available during the 2009 biennium.

21 (3) The department shall disburse grant funds on a reimbursement basis as grant recipients incur eligible
22 project expenses.

23 (4) In the event that actual project expenses are lower than the projected expense of the project, the
24 department may, at its discretion, reduce the amount of treasure state endowment program grant funds to be
25 provided to grant recipients in proportion to all other project funding sources. In the alternative, the department
26 may authorize the use of the remaining authorized treasure state endowment program grant amount for the
27 construction of additional, directly related components that will further enhance the overall system.

28 (5) In the event that actual project expenses are lower than the projected expense of a project as
29 presented in the grant recipient's treasure state endowment program application, the department may, at its
30 discretion, reduce the amount of treasure state endowment program grant funds to be provided so that the grant

1 recipient's projected average residential user rates do not become lower than their target rate as determined by
2 the department.

3 (6) With the exception of bridges, all projects must adhere to the design standards required by the
4 department of environmental quality. Recipients of treasure state endowment program funds that are not subject
5 to the department of environmental quality design standards must adhere to generally accepted industry
6 standards, such as Recommended Standards for Wastewater Facilities or Recommended Standards for Water
7 Works, published by the Great Lakes-Upper Mississippi River Board of State and Provincial Public Health and
8 Environmental Managers, latest edition.

9 (7) Recipients of treasure state endowment program funds are subject to the requirements of the
10 department of commerce as described in the treasure state endowment program project administration manual,
11 adopted by the department through the administrative rulemaking process.

12

13 **NEW SECTION. Section 4. Appropriations from treasure state endowment special revenue**
14 **account for emergency grants.** There is appropriated to the department of commerce \$100,000 for the
15 biennium beginning July 1, 2007, from the interest earnings of the treasure state endowment special revenue
16 account for the purpose of providing local governments, as defined in 90-6-701, with emergency grants for
17 infrastructure projects, as defined in 90-6-701.

18

19 **NEW SECTION. Section 5. Appropriations from treasure state endowment special revenue**
20 **account for preliminary engineering grants.** There is appropriated to the department of commerce \$600,000
21 for the biennium beginning July 1, 2007, from the interest earnings of the treasure state endowment special
22 revenue account for the purpose of providing local governments, as defined in 90-6-701, with preliminary
23 engineering grants for infrastructure projects, as defined in 90-6-701.

24

25 **NEW SECTION. SECTION 6. FUND TRANSFER. AT THE BEGINNING OF FISCAL YEAR 2008, THE AMOUNT OF**
26 **\$15.4 MILLION IS TRANSFERRED FROM THE STATE GENERAL FUND TO THE TREASURE STATE ENDOWMENT STATE SPECIAL**
27 **REVENUE ACCOUNT ESTABLISHED IN 90-6-715 FOR THE PURPOSE OF MAKING GRANTS.**

28

29 **Section 7.** Section 1, Chapter 435, Laws of 2001, is amended to read:

30 **"Section 1. Appropriations from treasure state endowment special revenue account. (1) There is**

1 appropriated to the department of commerce the interest earnings of the treasure state endowment special
2 revenue account to finance grants authorized by this section.

3 (2) The funds appropriated in this section must be used by the department to make grants to the
4 governmental entities listed in subsection (3) for the described purposes and in amounts not to exceed the
5 amounts set out in subsection (3). The appropriations are subject to the conditions set forth in [sections 1 through
6 3] and described in the treasure state endowment program 2003 biennium report to the 57th legislature. The
7 legislature, pursuant to 90-6-710, authorizes the grants for the projects listed in subsection (3). The department
8 shall commit funds to projects listed in subsection (3), up to the amounts authorized, based on the manner of
9 disbursement set forth in [section 3] until interest earnings deposited into the treasure state endowment special
10 revenue account during the 2003 biennium are expended.

11 (3) The following applicants and projects are authorized for grants in the order of their priority:

12 Applicant/Project	Grant
13 1. Lewis and Clark County (bridge)	\$500,000
14 2. Alder Water and Sewer District, Madison County (wastewater)	500,000
15 3. Hot Springs, Town of (water)	500,000
16 4. Whitewater Water and Sewer District, Phillips County (wastewater)	500,000
17 5. Virginia City, Town of (wastewater)	500,000
18 6. Froid, Town of (wastewater)	390,600
19 7. Nashua, Town of (wastewater)	500,000
20 8. Richland County (bridge)	296,500
21 9. Lavina, Town of (wastewater)	483,000
22 10. Gardiner-Park County Water District, Park County (water)	398,500
23 11. Park City/County Water and Sewer District, Stillwater County (wastewater)	500,000
24 12. Stanford, Town of (wastewater)	500,000
25 13. Florence County Water and Sewer District, Ravalli County (wastewater)	500,000
26 14. Ashland County Water and Sewer District, Rosebud County (wastewater)	500,000
27 15. Geraldine, Town of (water)	167,460
28 16. Manhattan, Town of (wastewater)	500,000
29 17. Lambert County Water and Sewer District, Richland County (water)	403,000
30 18. Browning, Town of (water)	500,000

1	19. Kevin, Town of (wastewater)	385,000
2	20. Power-Teton Co. Water and Sewer District, Teton County (water)	425,000
3	21. Blackfeet Tribe (water)	500,000
4	22. Whitefish, City of (wastewater)	500,000
5	23. Choteau, City of (wastewater)	500,000
6	24. Lockwood Water and Sewer District, Yellowstone County (wastewater)	500,000
7	25. Eureka, Town of (water)	369,000
8	26. Shelby, City of (water)	500,000
9	27. Charlo Sewer District, Lake County (wastewater)	500,000
10	28. Essex Water and Sewer District, Flathead County (water)	225,000
11	29. Yellowstone County (bridge)	300,000
12	30. Hinsdale Water and Sewer District, Valley County (wastewater)	329,000
13	31. Havre, City of (water)	500,000
14	32. Helena, City of (storm drain)	500,000
15	33. Fairfield, Town of (wastewater)	500,000
16	34. Jordan, Town of (water/wastewater)	500,000

17 (4) If sufficient funds are available, this section constitutes a valid obligation of funds to the grant
18 recipients listed in subsection (3) for purposes of encumbering the treasure state endowment special revenue
19 account funds received during the 2003 biennium under 17-7-302. However, a grant recipient's entitlement to
20 receive funds is dependent on the grant recipient's compliance with the conditions described in [section 3(1)] and
21 on the availability of funds.

22 (5) If funds deposited into the treasure state endowment special revenue account during the biennium
23 ending June 30, 2003, are insufficient to fully fund the projects numbered 1 through 31 in subsection (3) that have
24 satisfied the conditions described in [section 3(1)] by June 30, 2003, these projects will be funded from deposits
25 into the treasure state endowment special revenue account made during the 2005 biennium, before projects
26 authorized by the 58th legislature receive funding from the account. However, any of the projects numbered 1
27 through 31 listed in subsection (3) that have not completed the conditions described in [section 3(1)] by January
28 1, 2003, must be reviewed by the next regular session of the legislature to determine if the authorized grant
29 should be withdrawn.

30 (6) Projects numbered 32 through 34 listed in subsection (3) that have satisfied the conditions described

1 in [section 3(1)] may not receive grant funds unless sufficient funds have been deposited into the treasure state
 2 endowment special revenue account to fully fund the projects numbered 1 through 31 in subsection (3). However,
 3 if a subsequent legislature withdraws funding for any of the projects numbered 1 through 31 listed in subsection
 4 (3), those funds could be made available to projects numbered 32 through 34 listed in subsection (3) that have
 5 completed the conditions described in [section 3(1)].

6 (7) In the event that any remaining funds deposited into the treasure state endowment special revenue
 7 account are insufficient to fully fund one of the grant recipients listed in subsection (3), the department may make
 8 the remaining funds from the treasure state endowment special revenue account available to the grant recipient
 9 on condition that the grant recipient is able to firmly commit the balance of the amount necessary to fund the
 10 project in its entirety."

11
 12 **NEW SECTION. Section 8. Appropriation from treasure state endowment regional water system**
 13 **special revenue account.** (1) There is appropriated to the department of natural resources and conservation
 14 the interest earnings of the treasure state endowment regional water system special revenue account to finance
 15 the state's share of regional water system projects authorized by this section and as set forth in 90-6-715.

16 (2) The dry prairie rural water authority and the north central Montana regional water authority are
 17 authorized to receive funds.

18 (3) Up to ~~\$6,986,000~~ \$6,686,000 is authorized for the ~~2009~~ biennium to provide the state's share for
 19 regional water system projects.

20 (4) A regional water authority's receipt of funds is dependent on the authority's compliance with the
 21 conditions described in [section ~~9(4)~~ 10(1)].

22 (5) This section constitutes a valid obligation of funds to the regional water authorities listed in subsection
 23 (2) for purposes of encumbering the treasure state endowment regional water system special revenue account
 24 funds received during the 2009 biennium under 17-7-302.

25
 26 **NEW SECTION. Section 9. Approval of funds -- completion of appropriation.** (1) The legislature,
 27 pursuant to 90-6-715, authorizes funds for the regional water authorities identified in [section ~~7(2)~~ 8(2)].

28 (2) The authorization of these funds completes an appropriation from the treasure state endowment
 29 regional water system special revenue account provided for in 17-5-703(4)(d).

30

1 NEW SECTION. Section 10. Conditions -- manner of disbursement of funds. (1) The disbursement
2 of funds under [sections ~~7 through 9~~ 8 THROUGH 10] is subject to completion of the following conditions:

3 (a) The regional water authority shall execute an agreement with the department of natural resources
4 and conservation.

5 (b) The regional water authority must have a project management plan that is approved by the
6 department.

7 (c) The regional water authority shall establish a financial accounting system that the department can
8 reasonably ensure conforms to generally accepted accounting principles.

9 (d) The regional water authority shall provide the department with a detailed preliminary engineering
10 report.

11 (2) The department shall disburse funds on a reimbursement basis as the regional water authority incurs
12 eligible project expenses.

13

14 NEW SECTION. Section 11. Notification to tribal governments. The secretary of state shall send
15 a copy of [this act] to each tribal government located on the seven Montana reservations and to the Little Shell
16 band of Chippewa.

17

18 NEW SECTION. Section 12. Effective dates. (1) [Sections ~~7 8~~ through ~~9 10~~ and this section] are
19 effective on passage and approval.

20 (2) [Sections 1 through ~~6 7~~ and ~~10 11~~] are effective July 1, 2007.

21

- END -