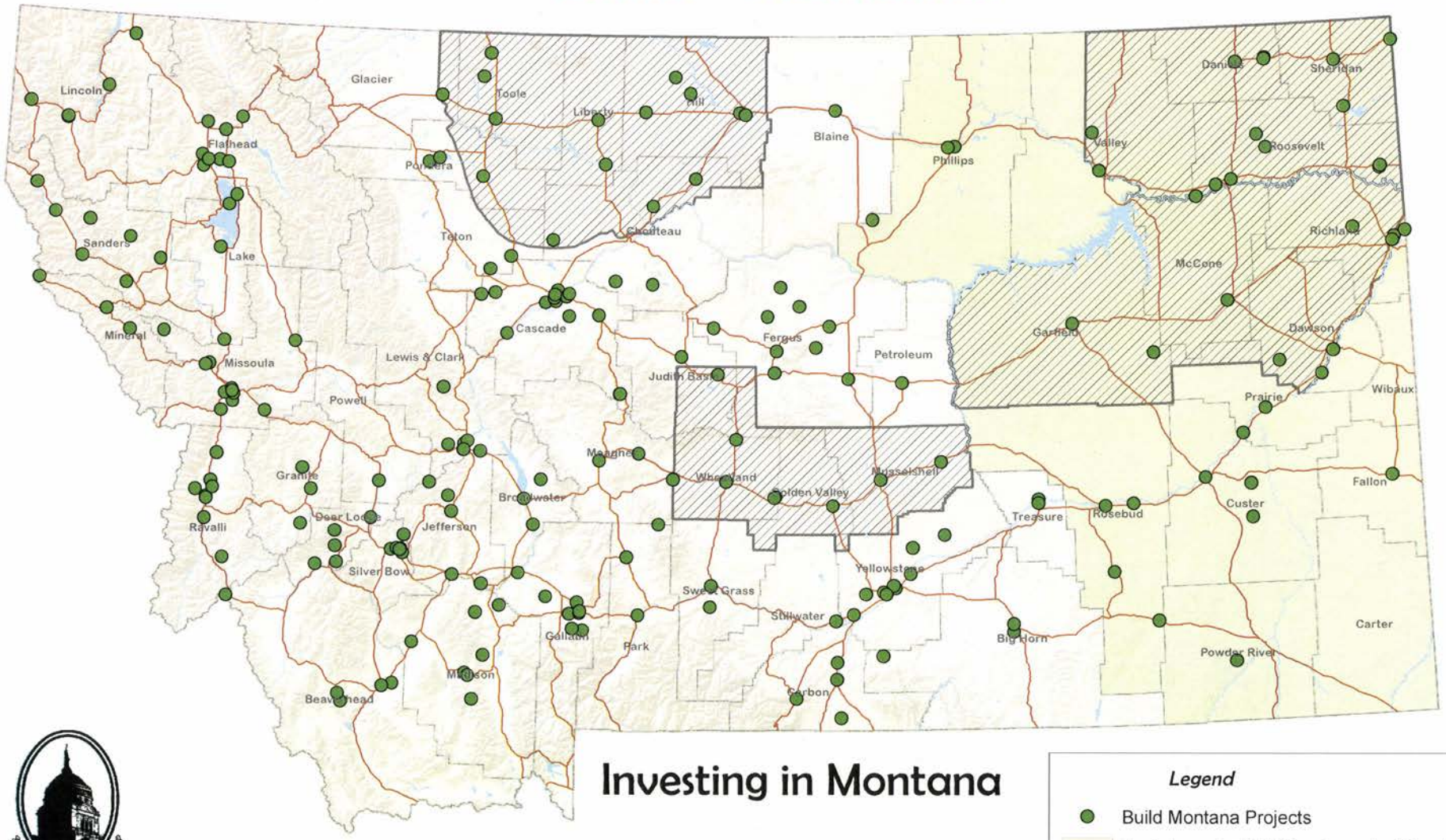
EXHIBIT 3
DATE Jan. 14, 2015
SB NA

Build Montana



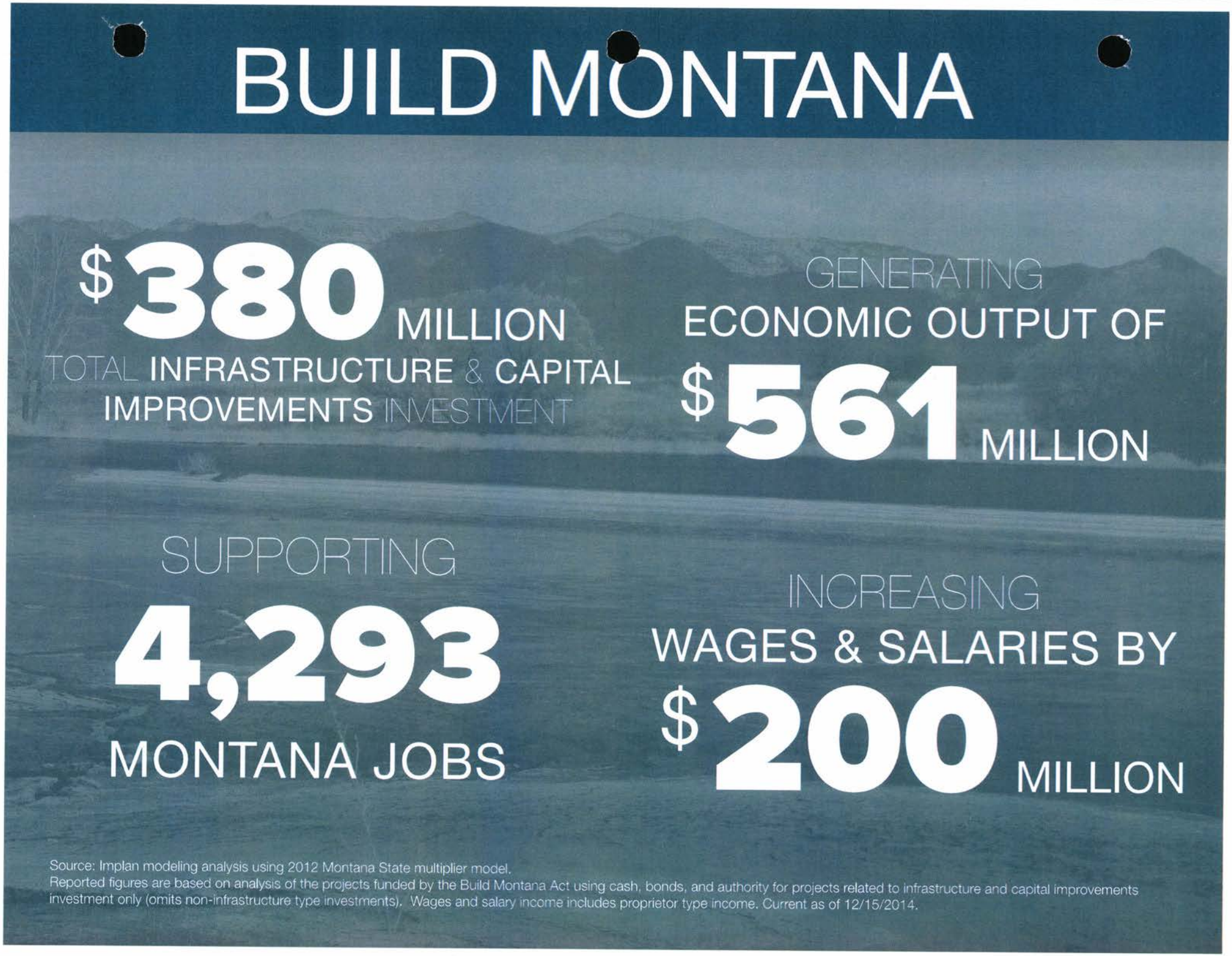
Investing in Montana

GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Legend

- Build Montana Projects
- Assistance to Oil & Gas Impacted Counties
- Regional Water Systems

BUILD MONTANA



$380 MILLION
TOTAL INFRASTRUCTURE & CAPITAL IMPROVEMENTS INVESTMENT

GENERATING
ECONOMIC OUTPUT OF
$561 MILLION

SUPPORTING
4,293
MONTANA JOBS

INCREASING
WAGES & SALARIES BY
$200 MILLION

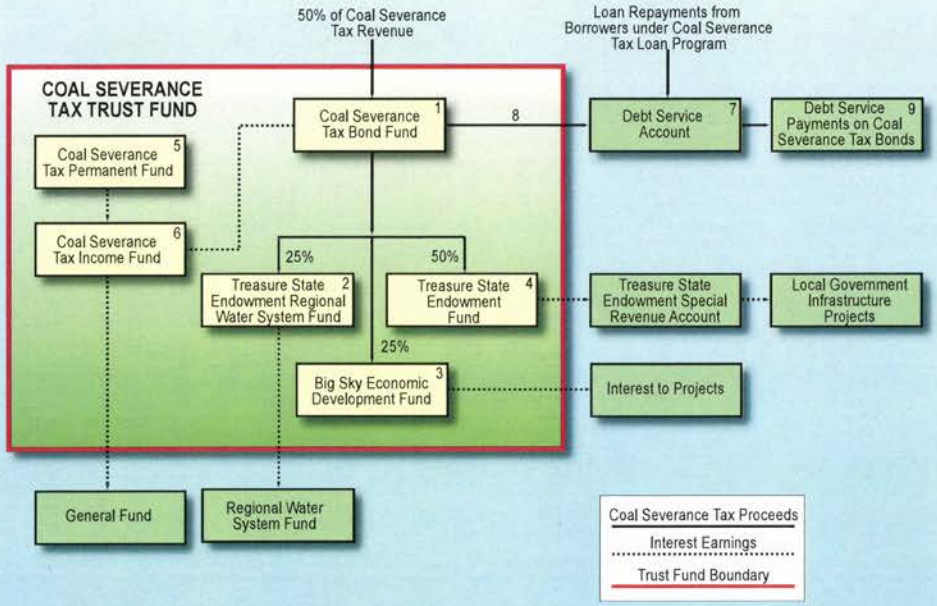
Source: Implan modeling analysis using 2012 Montana State multiplier model.
Reported figures are based on analysis of the projects funded by the Build Montana Act using cash, bonds, and authority for projects related to infrastructure and capital improvements investment only (omits non-infrastructure type investments). Wages and salary income includes proprietor type income. Current as of 12/15/2014.

Coal Severance Tax Collections

50% 50%

Account	Allocation	2013	2014
Trust Fund	50%	$26,967	$28,838

Coal Severance Tax Trust Fund Flow of Funds Summary



Coal Severance Tax Spendable Allocation

Tax	Allocation	FY 2013 ($1,000)	FY 2014 ($1,000)
Coal Severance Tax Collections	100%	$ 53,934	$ 57,676
Coal Severance Tax Trust Fund	50.00%	26,967	28,838
General Fund *(23.8% FY13, 26.7% FY 14)*	*	12,638	15,203
Long-Range Building Program	12.00%	6,472	6,921
Program Funding	5.46%	2,944	3,149
Other			
Oil, Gas, and Coal Natural Resources	*	3,128	1,672
(5.8% FY13, 2.9% FY 14)			
Parks Acquisition and Management Trust	1.27%	684	732
Renewable Resource Loan Debt Service	0.95%	512	548
Cultural and Aesthetic Trust and Capitol Art	0.63%	339	363
Coal and Uranium Mine Permit & Reclamation	Payment	250	250

**Allocation % change in each year*

GOVERNOR'S OFFICE OF BUDGET AND PROGRAM PLANNING

updated 12/23/2014

BENEFITS OF INFRASTRUCTURE INVESTMENT – BUILD MONTANA ACT

The estimated impacts to Montana's economy from the public infrastructure investment funded by the proposed Build Montana Act include $561 million in total economic output, supporting a total of 4,293 jobs earning $200 million in labor income within the State[i]. The table below represents the estimated impacts to Montana's economy broken out by funding source.

Estimated Impacts to Montana's Economy From Public Infrastructure & Capital Improvements Investment Funded by the Building Montana Act - By Funding Source

	Jobs	Labor Income	Economic Output
Cash/Authority Only Expenditures			
Direct Impacts	1,001 jobs	$51 million	$142 million
Supported Indirect/Induced Impacts	880 jobs	$36 million	$104 million
Cash/Authority Only Impacts	**1,881 jobs**	**$87 million**	**$246 million**
Bond Proceed Expenditures			
Direct Impacts	1,287 jobs	$66 million	$182 million
Supported Indirect/Induced Impacts	1,125 jobs	$47 million	$133 million
Bond Only Impacts	**2,412 jobs**	**$113 million**	**$315 million**
Total Expenditures			
Direct Impacts	2,288 jobs	$117 million	$324 million
Supported Indirect/Induced Impacts	2,005 jobs	$83 million	$237 million
Total Impacts	**4,293 jobs**	**$200 million**	**$561 million**

Source: Implan analysis using 2012 Montana model.

Economic impacts estimated above are "one-time-only" impacts from the planning and construction phase of infrastructure investment with total project costs equal to what is currently funded in the Build Montana Act. Analysis assumes that half of the infrastructure investment occurs in calendar year 2015 and half in 2016 to account for inflationary pressure on the current value of money. All figures presented in this analysis are adjusted to 2015 dollars.

The effects presented here are not all inclusive of the total economic impacts the funding provided by the Build Montana Act may have on Montana's economy. Impacts from staffing and other increased growth and economic output from the utilization of the finished buildings, renovations, water & sewer infrastructure, etc. are not included in this analysis. Additional impacts created by funding in the Act dedicated to land acquisitions, wildlife habitat and programs, and other non-construction type projects throughout the State (totaling $11.5 million) are not included in the above analysis.

This analysis assumes that 75% of a project's total expenditures go to the construction of the infrastructure with the remaining 25% split equally between professional services (i.e. architectural and engineering firms) and wholesale trade businesses[ii].

The economic impact models used in this analysis estimate the ability for an industry to fulfill the demand within an area; this is known as the local purchasing percentage. In some cases, like construction, all of the demand can be fulfilled by in-area (i.e. Montana) businesses and firms. Other industries, however, may not have the capacity to fulfill total demand, and therefore it's assumed a portion of that industry spending goes out of Montana. This analysis uses the estimated local purchasing percentages built into the Implan multiplier model for Montana by industry.

BENEFITS OF BONDING – BUILD MONTANA ACT

The Build Montana Act is funded in two ways – 46 percent cash/authority and 54 percent bonds. The majority of the bonding revenue will be raised with general obligation bonds with the remainder from coal severance tax bonds (see table below).

Build Montana Act - Funding Detail

	Funding Source	Percent of Total
Long Range Building Program	$15,806,500	4.0%
State Special Revenue	$79,627,080	20.4%
Federal Special Revenue	$13,350,000	3.4%
Sub Total	**$108,783,580**	**27.8%**
Authority Only (MT University System)	$70,200,000	17.9%
Total "Cash"	**$178,983,580**	**45.8%**
General Obligation Bonds	$185,592,755	47.4%
Coal Severance Tax Bonds	$26,602,374	6.8%
Total Bonds	**$212,195,129**	**54.2%**
Total Funding	**$391,178,709**	**100%**

The general obligation bonds proposed to fund 48% of the Build Montana Act infrastructure investment will, on average, have a 4.2 percent interest rate with a 20 year term. The remaining bonds – coal severance tax bonds – are estimated to be 15-year bonds with a slightly higher interest rate of 4.6 percent, on average. Assuming half of the total bonds are sold at the beginning of fiscal year 2016 (July 1st, 2015) and the other half are sold in the beginning of fiscal year 2017, the State will pay a total of $103.2 million in interest over 21 total years of debt service (FY 2016 through 2036) using today's present value of money.

Interest rate theory suggests that a dollar today is not worth a dollar in the future. This is due to inflationary pressure on the future price of goods and services decreasing cash's purchasing power. For example, assuming only inflation affects purchasing power, a basket of goods that was worth $10.00 in 1993 would cost $16.43 today. If all other market conditions are static, the portion of proposed infrastructure investment funded with bonding today ($212 million) would cost $395 million 21 years from now; this assumes an annual average three percent rate of inflation.

Inversely, a fixed amount of interest paid on a debt obligation over time is "worth" less in the future than it is today. Adjusting for inflation, assuming the same three percent inflation over the 21-year period of debt service, the future value of debt obligated today ($103.2 million) in 21 years will be equal to only $82 million in today's money.

Analysis & Write-up By:
Joe Ramler
Senior Economist
MT Department of Commerce
Census & Economic Information Center

[i] Analysis was performed using the Implan 2012 Montana State multiplier model (a product of MIG, Inc.); this was the most current Montana Implan model at the time of analysis. Estimating impacts of investment spending using input/output modeling assumes constant returns per investment dollar – prices are not affected in the model and the economic structure within the model region remains unchanged. These conditions are necessary for this type of input/output model estimation.

[ii] Assumptions based on: *Special Multiplier Study for Wastewater Systems Infrastructure*. The Bureau of Business Research, University of Nebraska – Lincoln and Labor Market Information, Nebraska Department of Labor. September 15, 2010.

Build Montana Act Project Funding Detail by County

current as of 12/15/2014

	Cash Funding*		Bond Funding*		
	Amount	% of Total	Amount	% of Total	Total Funding
Total Funding	**$ 177,213,592**	**45.3%**	**$ 213,965,115**	**54.7%**	**$ 391,178,707**
Statewide Projects	$ 46,415,000	78.7%	$ 12,573,898	21.3%	$ 58,988,898
Eastern MT Program	$ -	0.0%	$ 45,000,000	100.0%	$ 45,000,000
Regional Water	$ 3,259,761	100.0%		0.0%	$ 3,259,761
Montana County					
Beaverhead	$ 625,000	25.8%	$ 1,800,000	74.2%	$ 2,425,000
Big Horn	$ 1,970,000	89.0%	$ 242,500	11.0%	$ 2,212,500
Blaine	$ 31,250	100.0%		0.0%	$ 31,250
Broadwater	$ -	0.0%	$ 694,439	100.0%	$ 694,439
Carbon	$ 875,000	51.7%	$ 818,000	48.3%	$ 1,693,000
Cascade	$ 2,624,654	46.9%	$ 2,970,155	53.1%	$ 5,594,809
Chouteau	$ 916,667	46.5%	$ 1,053,184	53.5%	$ 1,969,851
Custer	$ 1,444,877	59.9%	$ 967,397	40.1%	$ 2,412,274
Daniels	$ 1,000,000	88.9%	$ 125,000	11.1%	$ 1,125,000
Dawson	$ 157,500	100.0%		0.0%	$ 157,500
Deer Lodge	$ 4,385,000	89.8%	$ 500,000	10.2%	$ 4,885,000
Fallon	$ 905,000	100.0%		0.0%	$ 905,000
Fergus	$ 5,824,127	78.6%	$ 1,587,594	21.4%	$ 7,411,721
Flathead	$ 1,356,500	46.1%	$ 1,586,915	53.9%	$ 2,943,415
Gallatin	$ 63,357,650	68.8%	$ 28,705,997	31.2%	$ 92,063,647
Garfield	$ 11,364	1.4%	$ 775,000	98.6%	$ 786,364
Glacier	$ 125,000	100.0%		0.0%	$ 125,000
Golden Valley	$ 11,364	0.7%	$ 1,525,000	99.3%	$ 1,536,364
Granite	$ 625,000	53.4%	$ 545,000	46.6%	$ 1,170,000
Hill	$ 531,250	4.4%	$ 11,544,422	95.6%	$ 12,075,672
Jefferson	$ 625,000	20.0%	$ 2,500,000	80.0%	$ 3,125,000
Judith Basin	$ -	0.0%	$ 413,040	100.0%	$ 413,040
Lake	$ 3,337,981	98.2%	$ 62,500	1.8%	$ 3,400,481
Lewis & Clark	$ 9,186,850	17.9%	$ 42,125,000	82.1%	$ 51,311,850
Liberty	$ 125,000	16.7%	$ 625,000	83.3%	$ 750,000
Lincoln	$ 851,882	39.5%	$ 1,304,778	60.5%	$ 2,156,660
Madison	$ 200,000	11.8%	$ 1,499,828	88.2%	$ 1,699,828
Meagher	$ 886,364	100.0%		0.0%	$ 886,364
Mineral	$ 470,403	46.3%	$ 544,943	53.7%	$ 1,015,346
Missoula	$ 3,984,000	24.4%	$ 12,335,706	75.6%	$ 16,319,706
Musselshell	$ 898,740	97.3%	$ 25,000	2.7%	$ 923,740
Park	$ 801,364	40.0%	$ 1,203,311	60.0%	$ 2,004,675
Petroleum	$ 11,364	31.3%	$ 25,000	68.8%	$ 36,364
Phillips	$ 531,250	68.0%	$ 250,000	32.0%	$ 781,250
Pondera	$ 750,000	85.7%	$ 125,000	14.3%	$ 875,000
Powder River	$ 100,000	100.0%		0.0%	$ 100,000
Powell	$ -	0.0%	$ 244,789	100.0%	$ 244,789
Prairie	$ 875,000	100.0%		0.0%	$ 875,000
Ravalli	$ 4,575,000	49.1%	$ 4,738,935	50.9%	$ 9,313,935
Richland	$ 1,357,500	91.6%	$ 124,777	8.4%	$ 1,482,277
Roosevelt	$ 2,837,300	30.3%	$ 6,524,777	69.7%	$ 9,362,077
Rosebud	$ 1,198,664	54.4%	$ 1,005,410	45.6%	$ 2,204,074
Sanders	$ 1,779,600	78.2%	$ 495,248	21.8%	$ 2,274,848
Sheridan	$ 750,000	31.3%	$ 1,649,777	68.7%	$ 2,399,777
Silver Bow	$ 656,526	5.2%	$ 11,938,593	94.8%	$ 12,595,119
Stillwater	$ 573,760	100.0%		0.0%	$ 573,760
Sweet Grass	$ 136,364	31.0%	$ 303,898	69.0%	$ 440,262
Teton	$ 41,667	5.8%	$ 682,053	94.2%	$ 723,720
Toole	$ -	0.0%	$ 357,000	100.0%	$ 357,000
Treasure	$ 750,000	85.7%	$ 125,000	14.3%	$ 875,000
Valley	$ 531,250	40.8%	$ 770,038	59.2%	$ 1,301,288
Wheatland	$ 843,804	48.4%	$ 900,000	51.6%	$ 1,743,804
Yellowstone	$ 1,095,000	12.0%	$ 8,051,212	88.0%	$ 9,146,212

NOTE - Figures are based on project totals (expenditures) as line itemed in LC719 and not revenues (cash on hand).
Cash includes Long Range Building Program Revenue; State & Federal Special Revenue; and Authority Only spending
Bonds include General Obligation and Coal Severance Tax Bonds

Build Montana Act Project Funding Detail by County - Per Capita Investment

current as of 12/15/2014

	2013 Total Population	Cash Funding* Amount	Cash Funding* Per Capita	Bond Funding* Amount	Bond Funding* Per Capita	Total Funding Amount	Total Funding Per Capita
[redacted]tal Funding	**1,015,165**	**$ 177,213,592**	**$ 175**	**$ 213,965,115**	**$ 211**	**$ 391,178,707**	**$ 385**
Statewide Projects		$ 46,415,000		$ 12,573,898		**$ 58,988,898**	
Eastern MT Program		$ -		$ 45,000,000		**$ 45,000,000**	
Regional Water		$ 3,259,761				**$ 3,259,761**	
Montana County							
Beaverhead	9,341	$ 625,000	$ 67	$ 1,800,000	$ 193	**$ 2,425,000**	**$ 260**
Big Horn	13,042	$ 1,970,000	$ 151	$ 242,500	$ 19	**$ 2,212,500**	**$ 170**
Blaine	6,604	$ 31,250	$ 5		$ -	**$ 31,250**	**$ 5**
Broadwater	5,692	$ -	$ -	$ 694,439	$ 122	**$ 694,439**	**$ 122**
Carbon	10,340	$ 875,000	$ 85	$ 818,000	$ 79	**$ 1,693,000**	**$ 164**
Cascade	82,384	$ 2,624,654	$ 32	$ 2,970,155	$ 36	**$ 5,594,809**	**$ 68**
Chouteau	5,849	$ 916,667	$ 157	$ 1,053,184	$ 180	**$ 1,969,851**	**$ 337**
Custer	11,951	$ 1,444,877	$ 121	$ 967,397	$ 81	**$ 2,412,274**	**$ 202**
Daniels	1,791	$ 1,000,000	$ 558	$ 125,000	$ 70	**$ 1,125,000**	**$ 628**
Dawson	9,445	$ 157,500	$ 17		$ -	**$ 157,500**	**$ 17**
Deer Lodge	9,329	$ 4,385,000	$ 470	$ 500,000	$ 54	**$ 4,885,000**	**$ 524**
Fallon	3,079	$ 905,000	$ 294		$ -	**$ 905,000**	**$ 294**
Fergus	11,501	$ 5,824,127	$ 506	$ 1,587,594	$ 138	**$ 7,411,721**	**$ 644**
Flathead	93,068	$ 1,356,500	$ 15	$ 1,586,915	$ 17	**$ 2,943,415**	**$ 32**
Gallatin	94,720	$ 63,357,650	$ 669	$ 28,705,997	$ 303	**$ 92,063,647**	**$ 972**
Garfield	1,290	$ 11,364	$ 9	$ 775,000	$ 601	**$ 786,364**	**$ 610**
Glacier	13,739	$ 125,000	$ 9		$ -	**$ 125,000**	**$ 9**
Golden Valley	859	$ 11,364	$ 13	$ 1,525,000	$ 1,775	**$ 1,536,364**	**$ 1,789**
Granite	3,138	$ 625,000	$ 199	$ 545,000	$ 174	**$ 1,170,000**	**$ 373**
Hill	16,568	$ 531,250	$ 32	$ 11,544,422	$ 697	**$ 12,075,672**	**$ 729**
Jefferson	11,512	$ 625,000	$ 54	$ 2,500,000	$ 217	**$ 3,125,000**	**$ 271**
Judith Basin	2,016	$ -	$ -	$ 413,040	$ 205	**$ 413,040**	**$ 205**
[redacted]Lake	29,017	$ 3,337,981	$ 115	$ 62,500	$ 2	**$ 3,400,481**	**$ 117**
[redacted]Lewis & Clark	65,338	$ 9,186,850	$ 141	$ 42,125,000	$ 645	**$ 51,311,850**	**$ 785**
Liberty	2,369	$ 125,000	$ 53	$ 625,000	$ 264	**$ 750,000**	**$ 317**
Lincoln	19,460	$ 851,882	$ 44	$ 1,304,778	$ 67	**$ 2,156,660**	**$ 111**
Madison	7,712	$ 200,000	$ 26	$ 1,499,828	$ 194	**$ 1,699,828**	**$ 220**
Meagher	1,937	$ 886,364	$ 458		$ -	**$ 886,364**	**$ 458**
Mineral	4,275	$ 470,403	$ 110	$ 544,943	$ 127	**$ 1,015,346**	**$ 238**
Missoula	111,807	$ 3,984,000	$ 36	$ 12,335,706	$ 110	**$ 16,319,706**	**$ 146**
Musselshell	4,629	$ 898,740	$ 194	$ 25,000	$ 5	**$ 923,740**	**$ 200**
Park	15,682	$ 801,364	$ 51	$ 1,203,311	$ 77	**$ 2,004,675**	**$ 128**
Petroleum	506	$ 11,364	$ 22	$ 25,000	$ 49	**$ 36,364**	**$ 72**
Phillips	4,179	$ 531,250	$ 127	$ 250,000	$ 60	**$ 781,250**	**$ 187**
Pondera	6,211	$ 750,000	$ 121	$ 125,000	$ 20	**$ 875,000**	**$ 141**
Powder River	1,748	$ 100,000	$ 57		$ -	**$ 100,000**	**$ 57**
Powell	6,993	$ -	$ -	$ 244,789	$ 35	**$ 244,789**	**$ 35**
Prairie	1,179	$ 875,000	$ 742		$ -	**$ 875,000**	**$ 742**
Ravalli	40,823	$ 4,575,000	$ 112	$ 4,738,935	$ 116	**$ 9,313,935**	**$ 228**
Richland	11,214	$ 1,357,500	$ 121	$ 124,777	$ 11	**$ 1,482,277**	**$ 132**
Roosevelt	11,125	$ 2,837,300	$ 255	$ 6,524,777	$ 586	**$ 9,362,077**	**$ 842**
Rosebud	9,329	$ 1,198,664	$ 128	$ 1,005,410	$ 108	**$ 2,204,074**	**$ 236**
Sanders	11,363	$ 1,779,600	$ 157	$ 495,248	$ 44	**$ 2,274,848**	**$ 200**
Sheridan	3,668	$ 750,000	$ 204	$ 1,649,777	$ 450	**$ 2,399,777**	**$ 654**
Silver Bow	34,523	$ 656,526	$ 19	$ 11,938,593	$ 346	**$ 12,595,119**	**$ 365**
Stillwater	9,318	$ 573,760	$ 62		$ -	**$ 573,760**	**$ 62**
Sweet Grass	3,669	$ 136,364	$ 37	$ 303,898	$ 83	**$ 440,262**	**$ 120**
Teton	6,065	$ 41,667	$ 7	$ 682,053	$ 112	**$ 723,720**	**$ 119**
Toole	5,138	$ -	$ -	$ 357,000	$ 69	**$ 357,000**	**$ 69**
Treasure	700	$ 750,000	$ 1,071	$ 125,000	$ 179	**$ 875,000**	**$ 1,250**
Valley	7,630	$ 531,250	$ 70	$ 770,038	$ 101	**$ 1,301,288**	**$ 171**
[redacted]Wheatland	2,134	$ 843,804	$ 395	$ 900,000	$ 422	**$ 1,743,804**	**$ 817**
Yellowstone	154,162	$ 1,095,000	$ 7	$ 8,051,212	$ 52	**$ 9,146,212**	**$ 59**

NOTE - Figures are based on project totals (expenditures) as line itemed in LC719 and not revenues (cash on hand).
Cash includes Long Range Building Program Revenue; State & Federal Special Revenue; and Authority Only spending
Bonds include General Obligation and Coal Severance Tax Bonds

Build Montana Act Proj[illegible]unding Detail by Region

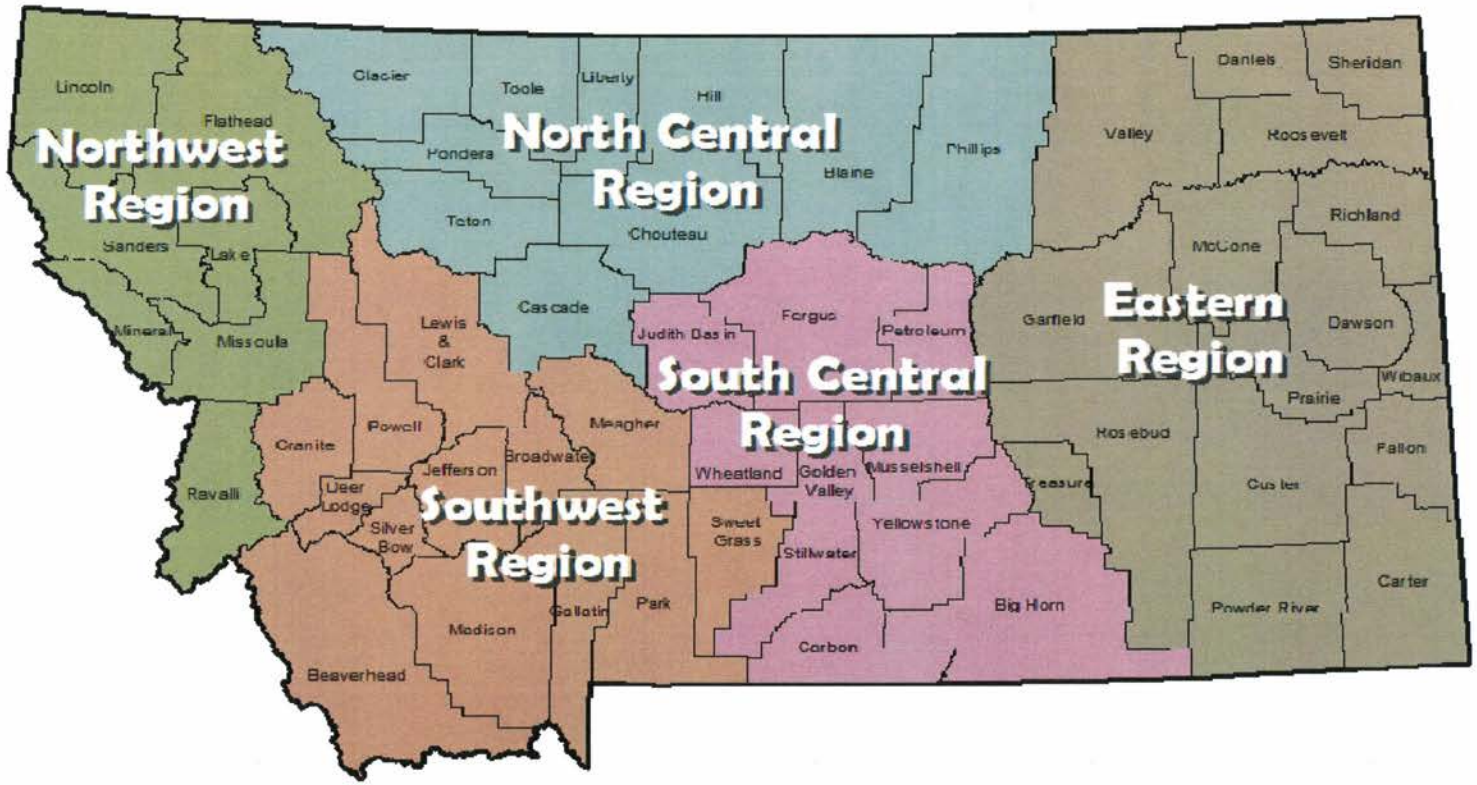
current as of 12/15/2014

	2013 Population*	Cash Funding (LRBP, SSR, FSR, Authority Only) Amount	% of Total	Per Capita	Bond Funding (GO & Coal Tax Severance) Amount	% of Total	Per Capita	Total Funding Amount	% of Total	Per Capita
Total County Roll Up		$ 127,538,831			$ 156,391,217			$ 283,930,048		
Southwest Region	269,586	$ 81,485,117	63.9%	$ 302	$ 92,060,855	58.9%	$ 341	$ 173,545,972	61.1%	$ 644
South Central Region	208,507	$ 12,103,157	9.5%	$ 58	$ 13,587,346	8.7%	$ 65	$ 25,690,503	9.0%	$ 123
North Central Region	149,106	$ 5,676,737	4.5%	$ 38	$ 17,606,814	11.3%	$ 118	$ 23,283,551	8.2%	$ 156
Northwest Region	309,813	$ 16,355,366	12.8%	$ 53	$ 21,069,025	13.5%	$ 68	$ 37,424,391	13.2%	$ 121
Eastern Region	74,149	$ 11,918,454	9.3%	$ 161	$ 12,067,177	7.7%	$ 163	$ 23,985,631	8.4%	$ 323
Eastern MT Program **	78,153	$ -	--	--	$ 45,000,000	--	$ 576	$ 45,000,000	--	$ 576
Eastern MT - Total ***	78,153	--	--	--	--	--	--	$ 68,985,631	--	$ 883

* 2013 data was the most currently available at the time of analysis; Counties with no allocated funding are omitted.

** The *Eastern Montana Program* total funding ($45 million) is not included in the *Total County Roll Up* because disbursement of funds is unknown; total Eastern Montana Region population used to estimate *Per Capita* spending in the region for the program.

*** *Per Capita* calculation for *Eastern MT - Total* uses the region's total population (78,153 people).



MT Regions are defined by the MT Department of Labor & Industry

Cash includes Long Range Building Program Revenue; State & Federal Special Revenue; and Authority Only spending

Bonds include General Obligation and Coal Severance Tax Bonds

HOUSE BILL NO. 5

INTRODUCED BY J. WELBORN

A BILL FOR AN ACT ENTITLED: "AN ACT CREATING THE BUILD MONTANA ACT; AUTHORIZING THE CREATION OF STATE DEBT THROUGH THE ISSUANCE OF GENERAL OBLIGATION BONDS AND COAL SEVERANCE TAX BONDS; APPROPRIATING THE PROCEEDS OF THE BONDS FOR STATE AND LOCAL PROJECTS AND IMPROVEMENTS; APPROPRIATING MONEY FOR AND AUTHORIZING CAPITAL PROJECTS FOR THE BIENNIUM ENDING JUNE 30, 2017; APPROPRIATING MONEY TO THE DEPARTMENTS OF COMMERCE AND NATURAL RESOURCES AND CONSERVATION FOR GRANTS AND LOANS TO STATE AND LOCAL ENTITIES AND REGIONAL WATER AUTHORITIES FOR PROJECTS AND IMPROVEMENTS; APPROPRIATING COAL SEVERANCE TAXES FOR DEBT SERVICE; PRIORITIZING PROJECT GRANTS AND AMOUNTS; AUTHORIZING PROJECT GRANTS AND LOANS AND AMOUNTS; REAUTHORIZING PROJECT GRANTS AND LOANS AUTHORIZED BY THE 63RD LEGISLATURE; ESTABLISHING CONDITIONS FOR GRANTS AND LOANS; EXPANDING RULEMAKING AUTHORITY; CREATING THE LOCAL GOVERNMENT PROJECTS AND IMPROVEMENTS BOND PROCEEDS ACCOUNT; PROVIDING FOR OTHER MATTERS RELATING TO THE APPROPRIATIONS; AMENDING SECTIONS 90-6-701 AND 90-6-710, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE AND TERMINATION DATES."

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

NEW SECTION. **Section 1. Definitions.** For the purposes of [sections 1 through 7], unless otherwise stated, the following definitions apply:

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

(2) "Bonds" means general obligation bond revenue provided for in [section 28(3)] that is deposited in the capital projects account provided for in 17-5-804.

(3) "Capital project" means the acquisition of land or improvements or the planning, capital construction, environmental cleanup, renovation, furnishing, or major repair projects authorized in [sections 1 through 7].

(4) "LRBP" means the long-range building program account in the capital projects fund type provided

for in 17-7-205.

(5) "SBECP funds" means funds from the state building energy conservation program account in the capital projects fund type.

NEW SECTION. **Section 2. Capital projects appropriations and authorizations**. The following money is appropriated to the department of administration for the indicated capital projects from the indicated sources. Funds not requiring legislative appropriation are included for the purpose of authorization. The department of administration is authorized to transfer the appropriations, authority, or both among the necessary fund types for these projects:

DEPARTMENT OF ADMINISTRATION

Capitol Complex Fire Protection Measures

300,000 (State Special Revenue) 300,000 (Total)

State special revenue funds consist of general services division internal service funds.

Elevator Modifications for Complex Buildings

700,000 (State Special Revenue) 700,000 (Total)

State special revenue funds consist of general services division internal service funds.

Flooring Replacement, Capitol Complex

500,000 (State Special Revenue) 500,000 (Total)

State special revenue funds consist of general services division internal service funds.

State Capitol Complex Infrastructure Repairs

2,000,000 (State Special Revenue) 2,000,000 (Total)

State special revenue funds consist of general services division internal service funds.

New Montana Heritage Center

39,500,000 (Bonds) 39,500,000 (Total)

Deferred Maintenance and Repairs, Old Governor's Mansion

200,000 (LRBP) 200,000 (Total)

Remodel 1100 North Last Chance Gulch

500,000 (State Special Revenue)

2,500,000 (Bonds) 3,000,000 (Total)

State special revenue funds consist of general services division internal service funds.

1	Statewide Life Safety & Deferred Maintenance	
2	2,300,000 (State Special Revenue)	
3	500,000 (Bonds)	2,800,000 (Total)
4	Life Safety, Deferred Maintenance, and Energy Improvements (MSP, MWP, YSD)	
5	2,000,000 (Bonds)	2,000,000 (Total)
6	Statewide Roof Repairs and Replacement	
7	1,950,000 (Bonds)	1,950,000 (Total)
8	SCHOOL FOR THE DEAF & BLIND	
9	Miscellaneous Improvements	
10	125,000 (LRBP)	125,000 (Total)
11	DEPARTMENT OF COMMERCE	
12	Historic Building Maintenance	
13	400,000 (LRBP)	400,000 (Total)
14	DEPARTMENT OF FISH, WILDLIFE & PARKS	
15	Lewis & Clark Caverns SP Electrical Upgrades	
16	2,000,000 (Bonds)	2,000,000 (Total)
17	Bannack State Park Fire Alarm System Upgrade	
18	1,500,000 (Bonds)	1,500,000 (Total)
19	DEPARTMENT OF MILITARY AFFAIRS	
20	Firing Range Cleanup	
21	250,000 (LRBP)	
22	250,000 (Federal Special Revenue)	500,000 (Total)
23	GFAFRC USAR Mechanical System Corrections	
24	450,000 (Federal Special Revenue)	450,000 (Total)
25	CSMS Sandblast Booth	
26	1,500,000 (Federal Special Revenue)	1,500,000 (Total)
27	VA Cemetery Improvements	
28	2,000,000 (Federal Special Revenue)	2,000,000 (Total)
29	DEPARTMENT OF PUBLIC HEALTH & HUMAN SERVICES	
30	Replace Boiler, MVH	

331,500 (LRBP)		331,500 (Total)
First Step - Mental Health		
7,600,000 (LRBP)		7,600,000 (Total)
DEPARTMENT OF TRANSPORTATION		
Equipment Storage Buildings		
4,300,000 (State Special Revenue)		4,300,000 (Total)
MONTANA UNIVERSITY SYSTEM		
Romney Hall - MSU Bozeman		
28,000,000 (Bonds)		28,000,000 (Total)
MT Ag Experiment Station Projects - Phase 1		
2,480,000 (Bonds)		2,480,000 (Total)
Missoula-UM - Renovation Clapp Science Building		
10,000,000 (Bonds)		10,000,000 (Total)
Library Renovation - MSU Billings		
2,650,000 (Bonds)		2,650,000 (Total)
Butte-MTECH - Renovate Engineering Facilities		
10,000,000 (Bonds)		10,000,000 (Total)
MUS Life Safety, Deferred Maintenance		
4,600,000 (LRBP)		4,600,000 (Total)
College Facility		
4,200,000 (Authority Only)		4,200,000 (Total)
New Building - MSU Bozeman		
60,000,000 (Authority Only)		60,000,000 (Total)

NEW SECTION. **Section 3. Capital improvements.** (1) The following money is appropriated to the department of fish, wildlife, and parks in the indicated amounts for the purpose of making capital improvements to statewide facilities. Funds not requiring legislative appropriation are included for the purpose of authorization:

Migratory Bird Program		
845,000 (State Special Revenue)		845,000 (Total)
Parks Program		

2,766,800 (State Special Revenue)		
1,300,000 (Federal Special Revenue)	4,066,800 (Total)	
Future Fisheries		
1,277,000 (State Special Revenue)	1,277,000 (Total)	
Hatchery Maintenance		
600,000 (State Special Revenue)	600,000 (Total)	
Sekokini Springs Hatchery Rearing Ponds		
400,000 (Federal Special Revenue)	400,000 (Total)	
FAS Site Protection		
847,200 (State Special Revenue)		
600,000 (Federal Special Revenue)	1,447,200 (Total)	
Upland Game Bird Program		
849,000 (State Special Revenue)	849,000 (Total)	
Grant Programs		
139,000 (State Special Revenue)		
3,750,000 (Federal Special Revenue)	3,889,000 (Total)	
Wildlife Habitat Maintenance		
1,234,000 (State Special Revenue)	1,234,000 (Total)	
Dam Maintenance		
50,000 (State Special Revenue)	50,000 (Total)	
Community Fishing Ponds		
50,000 (State Special Revenue)	50,000 (Total)	
Forest Management		
320,000 (State Special Revenue)	320,000 (Total)	

(2) Authority is being granted to the Montana university system in the amount of $6 million for the purpose of making capital improvements to campus facilities. Authority-only funds may include federal special revenue, donations, grants, and higher education funds. All costs for the operations and maintenance of any new improvements constructed under this authorization must be paid by the Montana university system from nonstate sources:

General Spending Authority MUS

6,000,000 (Authority Only) 6,000,000 (Total)

(3) The following money is appropriated to the department of military affairs in the indicated amount for the purpose of making capital improvements to statewide facilities. All costs for the operation and maintenance of any new improvements constructed with these funds must be paid by the department of military affairs from nonstate sources:

Federal Spending Authority

3,000,000 (Federal Special Revenue) 3,000,000 (Total)

(4) The following money is appropriated to the department of transportation in the indicated amount for the purpose of making capital improvements as indicated:

Statewide Maintenance, Repair, and Small Projects

2,500,000 (State Special Revenue) 2,500,000 (Total)

(5) The following money is appropriated for the indicated capital projects to the department of environmental quality from state building energy conservation funds:

Energy Improvements - Statewide

2,500,000 (State Special Revenue) 2,500,000 (Total)

State special revenue funds consist of SBECP funds.

NEW SECTION. **Section 4. Land acquisition appropriations.** The following money is appropriated to the department of fish, wildlife, and parks in the indicated amounts for purposes of land acquisition, land leasing, easement purchase, or development agreements:

Habitat Montana

10,668,000 (State Special Revenue) 10,668,000 (Total)

Bighorn Sheep Habitat

460,000 (State Special Revenue) 460,000 (Total)

FAS Acquisition

245,000 (State Special Revenue)

100,000 (Federal Special Revenue) 345,000 (Total)

NEW SECTION. **Section 5. Planning and design.** The department of administration may proceed with the planning and design of capital projects 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 funding from another funding source.

NEW SECTION. **Section 6. Capital projects -- contingent funds.** If a capital project is financed in whole or in part with appropriations contingent upon the receipt of funding from another funding source, the department of administration may not let the project for bid until the agency receiving funding 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:

(1) the level of funding provided under the financial plan deviates substantially from the funding level provided in [section 2] for that project; or

(2) the scope of the project is substantially altered or revised from the preliminary plans presented for that project in the 2017 biennium long-range building program presented to the 64th legislature.

NEW SECTION. **Section 7. Review by department of environmental quality**. The department of environmental quality shall review capital projects authorized in [section 2] for potential inclusion in the state building energy conservation program under Title 90, chapter 4, part 6. When a review shows that a capital project will result in energy improvements, that project must be submitted to the energy conservation program for funding consideration. Funding provided under the energy conservation program guidelines must be used to offset or add to the authorized funding for the project, and the amount will be dependent on the annual utility savings resulting from the facility improvement. Agencies must be notified of potential funding after the review.

NEW SECTION. **Section 8. Appropriations for renewable resource grants.** (1) For the biennium beginning July 1, 2015, there is appropriated from the natural resources projects state special revenue account established in 15-38-302 to the department of natural resources and conservation up to:

(a) $100,000 for emergency projects to be awarded by the department over the course of the biennium;

(b) $700,000 for planning grants to be awarded by the department over the course of the biennium;

(c) $200,000 for irrigation development grants to be awarded by the department over the course of the biennium;

(d) $300,000 for watershed grants to be awarded by the department over the course of the biennium; and

(e) $100,000 for septic loan grants to be awarded by the department over the course of the biennium.

(2) There is appropriated from the natural resources projects state special revenue account established in 15-38-302 to the department of natural resources and conservation $6,072,615 for grants to political subdivisions and local governments during the biennium beginning July 1, 2015. The funds referred to in this subsection must be awarded by the department to the named entities for the described purposes and in the grant amounts listed in subsection (4), subject to the conditions set forth in [sections 10 and 11] and the contingencies described in the renewable resource grant and loan program January 2015 report to the 64th legislature.

(3) Funds must be awarded up to the amounts approved in subsection (4) in the following order of priority. Funds not accepted or used by these projects may be provided for any renewable resource programs authorized under this section. If at any time a grant sponsor determines that a project will not begin before June 30, 2017, the sponsor shall notify the department of natural resources and conservation.

(4) The following are the prioritized grant projects:

RENEWABLE RESOURCE GRANT AND LOAN PROGRAM

Applicant/Project	Amount
Conservation District	
(Supply Diversion Improvement Project)	$125,000
Whitefish, City of	
(I & I Mitigation Project)	$125,000
White Sulphur Springs, City of	
(Wastewater Improvements Project - Phase 2)	$125,000
Polson, City of	
(Wastewater System Improvements)	$125,000
Livingston, City of	
(Wastewater Treatment Plant Upgrades)	$125,000
Cascade, Town of	
(Missouri River Reclamation)	$125,000
Bitter Root Irrigation District	
(Siphon 1 - Phase 3 Improvements Project)	$125,000
Westby, Town of	
(Wastewater System Improvements)	$125,000

Bainville, Town of		
	(Wastewater System Improvements)	$125,000
Fallon County Water and Sewer District		
	(Wastewater Collection System)	$125,000
Sidney, City of		
	(Wastewater Improvements Project Phase II)	$125,000
Terry, Town of		
	(Wastewater Treatment Upgrades)	$125,000
Department of Natural Resources and Conservation-Water Resources Division		
	(Musselshell Basin Instrumentation Project)	$125,000
Pondera County Conservation District		
	(Wasteway Rehabilitation and Water Quality Improvements Project)	$125,000
Upper and Lower River Road Water and Sewer District		
	(Phase 5 Water and Sewer Improvements)	$125,000
Missoula County		
	(Mill Creek Restoration Project)	$125,000
Flaxville, Town of		
	(Wastewater System Improvements)	$125,000
Milk River Joint Board of Control		
	(Hydrometric Gauging Station Expansion and Upgrade Project)	$125,000
Missoula, City of		
	(Caras Park Outfall Stormwater Treatment Retrofit, Phase 1)	$125,000
Chester, Town of		
	(Wastewater Improvements)	$125,000
Hysham, Town of		
	(Water System Improvements)	$125,000
Simms County Sewer District		

	(Wastewater System Improvements)	$125,000
Ten Mile/Pleasant Valley Sewer District		
	(Wastewater System Improvements Phase 3)	$125,000
Laurel, City of		
	(Water System Improvements)	$125,000
Pondera County Conservation District		
	(C-5 Canal Conversion Project)	$125,000
Fromberg, Town of		
	(Wastewater System Improvements)	$125,000
Jefferson County		
	(Whitehall Sugar Beet Row Wastewater System Improvements)	$125,000
Sweet Grass County Conservation District		
	(Electric Light Ditch Irrigation Diversion Rehabilitation Project)	$125,000
Butte-Silver Bow Consolidated City-County		
	(Moulton Reservoir - Reclamation & Protection Project)	$125,000
Rocker, Montana County Water and Sewer District		
	(Sewer Connection to TIFID Wastewater Pipeline)	$125,000
Tri-County Water District		
	(Water System Improvement)	$125,000
Neihart, Town of		
	(Water System Improvements)	$125,000
Cut Bank, City of		
	(Wastewater Treatment Project)	$125,000
Missoula County		
	(Buena Vista Trailer Community Wastewater Improvements Phase 1)	$125,000
Denton, Town of		

1	(Water System)	$125,000
2	Buffalo Rapids Irrigation Project District 1	
3	(Lateral 19.3 Pipeline Conversion	
4	Project Phase 1)	$125,000
5	Winifred, Town of	
6	(Water System Improvements)	$125,000
7	Highwood County Water and Sewer District	
8	(Wastewater System Improvements)	$125,000
9	Lower Yellowstone Irrigation Project	
10	(Wasteway Project)	$65,000
11	Department of Natural Resources and Conservation-Water Resources Division	
12	(East Fork Rock Creek Main Canal	
13	Lining Project)	$125,000
14	Riverside Water and Sewer District	
15	(Wastewater Facility Plan)	$125,000
16	Lewistown, City Of	
17	(Riverdale Subdivision Wastewater Collection System)	$125,000
18	East Clark Street Water and Sewer District	
19	(Wastewater Collection System)	$125,000
20	Daly Ditches Irrigation District	
21	(Preservation and Conservation of Resources)	$125,000
22	Buffalo Rapids Irrigation Project District 2	
23	(Main Canal Rehabilitation)	$125,000
24	Sidney Water Users Irrigation District	
25	(High Canal Phase 5 Project)	$125,000
26	Lower Musselshell County Conservation District	
27	(DMWUA South Canal Pre-Tunnel	
28	Lining Project)	$125,000
29	Clinton Irrigation District	
30	(Canal Wasteway Rehabilitation)	$125,000

Roundup, City of		
	(Water System Improvements)	$125,000
Missoula County Weed District		
	(Montana Biological Weed Control	
	Coordination Project)	$100,500
Jordan, Town of		
	(Wastewater System Improvements)	$125,000
Crow Tribe of Indians		
	(Wastewater Collection System	
	Improvement Project)	$125,000
Helena Valley Irrigation District		
	(Irrigation Efficiency and Water	
	Conservation Project)	$125,000
Fort Shaw Irrigation District		
	(Reduce Waste Project)	$125,000
Hysham Irrigation District		
	(Re-Lift Canal Improvement Project)	$125,000
South Wind Water and Sewer District		
	(Water Distribution and Wastewater	
	Collection Study)	$125,000
Bainville, Town of		
	(Water System Improvements)	$125,000
Black Eagle-Cascade County Water & Sewer District		
	(Wastewater Collection System	
	Rehabilitation Phase 2)	$125,000
Yellowstone Boys and Girls Ranch		
	(Wastewater Improvements Project)	$125,000
Fort Peck Tribes		
	(Lateral L-42M Rehabilitation Project,	
	Phase 1)	$125,000

Toston Irrigation District		
	(Toston Canal Rehabilitation Project)	$125,000
Hot Springs, Town of		
	(Wastewater Improvements Project)	$125,000
Lockwood Irrigation District		
	(Pump Station Rehabilitation)	$125,000
Missoula, City of		
	(Buckhouse Bridge Outfall - Stormwater Treatment Retrofit)	$125,000
Harlowton, City of		
	(Phase 3 Water System Improvements)	$125,000
Greenfields Irrigation District		
	(J-Lake Rehabilitation and Water Quality Improvement)	$125,000
Malta Irrigation District		
	(Exeter Siphon Replacement Project)	$125,000
Garfield County Conservation District		
	(Little Dry Water User's Association-Infrastructure Improvements)	$125,000
Gallatin County		
	(Septic System Repair Assistance Program)	$125,000
Flaxville, Town of		
	(Water System Improvements)	$125,000
Glasgow, City of		
	(Water System Improvements)	$125,000
Conrad, City of		
	(Conrad Water System Improvements)	$125,000
Missoula Irrigation District		
	(Water Conservation Project)	$125,000
Malta Irrigation District		

(Peoples Creek Diversion Dike Rehabilitation Project)	$125,000
East Bench Irrigation District (Main Canal Gate Automation)	$125,000
Dillon, City of (Water System Improvements)	$125,000
Medicine Lake, Town of (Wastewater Improvements)	$125,000
Kevin, Town of (Wastewater Improvement Project - 2014)	$125,000
Department of Environmental Quality (Montana Time of Travel - Interactive Web Map Application for Montana)	$125,000
Liberty County Conservation District (Marias River Bank Stabilization Project - Phase 2)	$125,000
Foys Lakeside County Water and Sewer District (Water System Improvements)	$125,000
Ruby Valley Conservation District (Smith Slough/Smith Ditch Fisheries Enhancement Project)	$125,000
Green Mountain Conservation District (Improving Water Quality and Fish Habitat in the Vermilion River Watershed)	$120,248
Glen Lake Irrigation District (Costich Drop Rehabilitation Project)	$125,000
Lincoln County (Measuring and Modeling the Effects of Mining and Associated Reclamation Activities on Selenium and Nitrate Inputs to Lake Koocanusa)	$110,500

Petroleum County Conservation District		
	(Musselshell Watershed Prioritized	
	Projects Initiative)	$125,000
Big Sandy, Town of		
	(Water System Improvements)	$125,000
RAE Subdivision County Water and Sewer District No. 313		
	(Woodland Park Well)	$125,000
Judith Gap, Town of		
	(Phase Sewer Improvements)	$125,000
Gore Hill County Water District		
	(Water System Improvements)	$125,000
Department of Natural Resources and Conservation-Flathead Basin Commission		
	(Flathead Basin Watershed Plan)	$125,000
Huntley Project Irrigation District		
	(Feasibility Study)	$125,000
Crow Tribe of Indians		
	(Crow Agency Renewable Energy Technology	
	Wastewater Treatment Facility)	$117,500
Park County Conservation District		
	(Upper Shields River Fish Barrier and	
	Road Improvements)	$120,000
Bozeman, City of		
	(Sourdough Canyon Natural Water	
	Storage Assessment)	$125,000
Department of Natural Resources and Conservation-Water Resources Division		
	(Willow Creek Access Road	
	Rehabilitation Project)	$125,000
Sanders County		
	(Middle Clark Fork River, Plains Reach -	
	Channel Stabilization)	$125,000

Thompson Falls, City of	
(Water System Improvements)	$125,000
Shelby, City of	
(Stormwater System Improvements)	$125,000
Mile High Conservation District	
(Blacktail Creek Non Point Nutrient	
Management Project)	$125,000

NEW SECTION. **Section 9. Appropriations for reclamation and development grants.** (1) There is appropriated to the department of natural resources and conservation from the natural resources projects state special revenue account established in 15-38-302 up to:

(a) $800,000 for planning reclamation and development projects to be awarded by the department over the course of the biennium;

(b) $500,000 to implement measures to control invasive aquatic species in state waters; and

(c) $214,000 for the Montana Salinity Control Association.

(2) The amount of $4,781,215 is appropriated to the department of natural resources and conservation from the natural resources projects state special revenue account for grants to political subdivisions and local governments during the biennium ending June 30, 2017. The funds in this subsection must be awarded by the department to the named entities for the described purposes and in the grant amounts set out in subsection (4) subject to the conditions set forth in [sections 10 and 11] and the contingencies described in the reclamation and development grant program January 2015 report to the 64th legislature.

(3) Funds must be awarded up to the amounts approved in this section in the order of priority listed in subsection (4). Funds not accepted or used by these projects may be provided for grants awarded under subsection (1) or under the renewable resource grant and loan program projects authorized by the 64th legislature in [section 8].

(4) The following are the prioritized grant projects:

Applicant/Project	Amount
Montana Board of Oil & Gas Conservation	
(2015 Southern District)	$300,000
Montana Board of Oil & Gas Conservation	

1	(2015 Northeast District)	$300,000
2	Montana Department of Environmental Quality	
3	(Belt Water Treatment Project)	$500,000
4	Montana Department of Environmental Quality	
5	(Black Pine Mine - South Fork Lower Willow Creek	
6	Fluvially Deposited Mill Tailings)	$500,000
7	Missoula County	
8	(Martina Creek & Ninemile Creek Reclamation)	$484,000
9	City-County Board of Health Lincoln County	
10	(Protocols Public Health Protection & Commercial Use	
11	of Wood Products Impacted by Vermiculite Mining)	$430,595
12	Deer Lodge Conservation District	
13	(French Gulch Placer Mining Restoration)	$500,000
14	Montana Department of Environmental Quality	
15	(Landusky Bioreactor Rehabilitation)	$500,000
16	Montana Department of Environmental Quality	
17	(Basin Creek Mine - Site Stability Project)	$500,000
18	Montana Department of Environmental Quality	
19	(Sand Coulee Acid Mine Drainage Source Control)	$332,443
20	Deer Lodge Conservation District	
21	(Moose-French Creek Placer Mining Restoration)	$85,000
22	Montana Department of Environmental Quality	
23	(Mitigation of Threat to Harlowton	
24	Public Drinking Water)	$82,440
25	Madison County	
26	(North Willow Creek Reclamation)	$499,828
27	Cascade County	
28	(Identifying the Fate of Acid Mine Drainage and	
29	Potential Impacts to Madison Aquifer)	$327,322
30	Montana Bureau of Mines & Geology	

(Enhance Monitoring Fox Hills - Hell Creek Aquifer)	$499,109
Montana Bureau of Mines & Geology	
(Enhance Montana's Manufacturing Growth Through Production of Commodities from Remediation)	$498,171
Roosevelt County	
(Kenco Refinery Highest Priority Cleanup)	$150,000

NEW SECTION. **Section 10. Coordination of fund sources for grants to political subdivisions and local governments**. A project sponsor listed under [sections 8(4) and 9(4)] may not receive funds from both the reclamation and development grants program and the renewable resource grant and loan program for the same project during the same biennium.

NEW SECTION. **Section 11. Condition of grants.** Disbursement of funds under [sections 8 and 9] is subject to the following conditions that must be met by the project sponsor:

(1) A scope of work and budget for the project must be approved by the department of natural resources and conservation. Any changes in scope of work or budget subsequent to legislative approval may not change project goals and objectives. Changes in activities that would reduce the public or natural resource benefits as presented in department of natural resources and conservation reports and applicant testimony to the 64th legislature may result in a proportional reduction in the grant amount.

(2) The project sponsor shall show satisfactory completion of conditions described in the recommendation section of the project narrative of the program report to the legislature for the biennium ending June 30, 2017, or, in the case of planning grants issued under [sections 8(1) and 9(1)], completion of conditions specified at the time of written notification of approved grant authority.

(3) The project sponsor must have a fully executed grant agreement with the department.

(4) Any other specific requirements considered necessary by the department must be met to accomplish the purpose of the grant as evidenced from the application to the department or from the proposal as presented to the legislature.

NEW SECTION. **Section 12. Other appropriations.** There is appropriated to any entity of state government that receives a grant under [sections 8 through 11] the amount of the grant upon award of the grant

by the department of natural resources and conservation. Grants to entities from prior biennia are reauthorized for completion of contract work.

NEW SECTION. **Section 13. Authorization to provide loans.** (1) The department of natural resources and conservation is authorized to make loans to the political subdivisions of state government and local governments listed in subsections (2) through (4) in amounts not to exceed the loan amounts listed for each project from the proceeds of the bonds authorized in [section 15].

(2) The interest rate for the project in this group is 3.0% or the rate at which the state bonds are sold, whichever is lower, for up to 20 years:

Loan	Amount
Department of Natural Resources and Conservation - Conservation and Resource Development Division	
(Refinance Existing Debt or Rehabilitation of Water and Sewer Facilities)	$5,000,000

(3) The interest rate for the projects in this group is 4% or the rate at which the state bonds are sold, whichever is lower, for up to 20 years:

Loan	Amount
Department of Natural Resources and Conservation (Deadman's Basin)	$500,000
Highwood Water/Sewer District	$60,000
Yellowstone Boys and Girls Ranch, WSD	$800,000
City of Dillon	$50,000

(4) The interest rate for the project in this group is 4.0% or the rate at which the state bonds are sold, whichever is lower, for up to 30 years:

Loan	Amount
Bitter Root Irrigation District	$1,773,976

NEW SECTION. **Section 14. Projects not completing requirements -- projects reauthorized.** (1) The legislature finds that the following renewable resource projects that were approved by the 63rd legislature in Chapter 365, Laws of 2013, may not complete the requirements necessary to obtain the loan funds prior to June 30, 2015. The projects described in this section are reauthorized. The department of natural resources and

conservation is authorized to make loans to the political subdivisions of state government and local governments listed in subsection (2) in amounts not to exceed the loan amounts listed for each project from the proceeds of the bonds authorized in [section 15].

(2) The interest rate for the projects in this group is 4.0% or the rate at which the state bonds are sold, whichever is lower, for up to 30 years.

Loan	Amount
Dry Prairie Regional Water Authority	
(Local Match for Dry Prairie Projects)	$6,000,000
North Central Regional Water Authority	
(Local Match for North Central Projects)	$10,000,000

NEW SECTION. **Section 15. Coal severance tax bonds authorized**. (1) The legislature finds that Title 17, chapter 5, part 7, provides for the issuance of coal severance tax bonds for financing specific approved renewable resource projects as part of the state renewable resource grant and loan program. Available funds from previous sales of coal severance tax bonds, plus any additional principal amount on bonds as may be necessary, pursuant to the conditions in 85-1-605, to fund emergency loans, as authorized and approved in accordance with 85-1-605(4), may also be used for the projects approved in [sections 13 and 14]. The board of examiners is authorized to issue coal severance tax bonds in an amount not to exceed $26,602,374 in the biennium beginning July 1, 2015, of which up to $2,418,398 is to be used to establish a reserve for the bonds. Proceeds of the bonds are appropriated to the department of natural resources and conservation for financing the projects identified in [sections 13 and 14] and may be used as authorized in 85-1-605(4). Loans made under 85-1-605(4) must bear interest at the rate borne by the state bonds unless the legislature in a subsequent session provides for a lower interest rate, in which case the rate must be reduced to the rate specified by the legislature.

(2) In connection with the issuance of coal severance tax bonds, the board of examiners may pay the principal and interest on the bonds when due from the debt service account and in all other respects manage and use the funds within each special bond account for the benefit of the bonds. The board of examiners shall exercise its discretion to enhance the marketability of the bonds and to secure the most advantageous financial arrangements for the state.

(3) Earnings on bond proceeds prior to the completion of any loan must be allocated to the debt service account to pay the debt service on the bonds during this period. Earnings in excess of debt service, if any, must

be allocated to the natural resources projects state special revenue account established in 15-38-302.

(4) Loan repayments from loans financed with coal severance tax bonds are pledged, dedicated, and appropriated to the debt service account in the state treasury for the benefit of bonds approved for loans under this section.

NEW SECTION. **Section 16. Condition of loans.** (1) Disbursement of funds under [sections 13 and 14] for loans is subject to the following conditions that must be met by project sponsors:

(a) approval of a scope of work and budget for the project by the department of natural resources and conservation. Reductions in a scope of work or budget may not affect priority activities or improvements.

(b) documented commitment of other funds required for project completion;

(c) satisfactory completion of conditions described in the recommendations section of the project narrative in the renewable resource grant and loan program project evaluations and recommendations report;

(d) execution of a loan agreement with the department of natural resources and conservation; and

(e) accomplishment of other specific requirements considered necessary by the department of natural resources and conservation to accomplish the purpose of the loan as evidenced from the application to the department or from the proposal to the legislature.

(2) Each sponsor authorized for a loan from coal severance tax bond proceeds may be required to pay to the department of natural resources and conservation a pro rata share of the bond issuance costs and the administrative costs incurred by the department to complete the loan transaction.

NEW SECTION. **Section 17. Private and discount purchase of loans.** Loans to political subdivisions and local government entities pursuant to [sections 13 and 14] and bonds, warrants, and notes issued in evidence of those loans may be made, purchased by, and sold to the department of natural resources and conservation at a discount and at a private negotiated sale, notwithstanding the provisions of any other law applicable to political subdivisions or local government entities.

NEW SECTION. **Section 18. Appropriations established**. For any entity of state government that receives a loan under [section 13 or 14], an appropriation is established for the amount of the loan upon award of the loan by the department of natural resources and conservation.

NEW SECTION. **Section 19. Appropriations from treasure state endowment state special revenue account**. (1) There is appropriated to the department of commerce from the treasure state endowment state special revenue account established in 17-5-703 up to:

(a) $900,000 for infrastructure planning projects to be awarded by the department over the course of the biennium beginning July 1, 2015; and

(b) $100,000 for emergency projects to be awarded by the department over the course of the biennium beginning July 1, 2015.

(2) There is appropriated to the department of commerce $15,787,510 for the biennium beginning July 1, 2015, from the treasure state endowment state special revenue account to finance grants authorized by this section.

(3) The funds appropriated in subsection (2) must be used by the department to make grants to the governmental entities listed in subsection (4) for the described purposes and in amounts not to exceed the amounts set out in subsection (4). The grants authorized in this section are subject to the conditions set forth in [section 20] and described in the treasure state endowment program 2017 biennium report to the 64th legislature. The department shall commit funds to projects listed in subsection (4), up to the amounts authorized, based on the manner of disbursement set forth in [section 20] until the funds deposited into the treasure state endowment state special revenue account during the biennium beginning July 1, 2015, are expended.

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

Other Infrastructure Applicant (project type)	Grant Amount
1. Fallon County Water and Sewer District (wastewater)	$680,000
2. Polson, City of (wastewater)	$750,000
3. Harlowton, City of (water)	$750,000
4. Havre, City of (stormwater)	$500,000
5. Bainville, Town of (water)	$625,000
6. Crow Tribe of Indians (wastewater)	$750,000
7. East Clark Street Water and Sewer District (wastewater)	$536,850
8. Whitefish, Town of (wastewater)	$500,000
9. Hysham, Town of (water)	$625,000
10. Big Sandy, Town of (water)	$750,000
11. Roundup, City of (water)	$500,000

12. Laurel, City of (water)	$500,000
13. Terry, Town of (wastewater)	$750,000
14. Fromberg, Town of (wastewater)	$750,000
15. Upper/Lower River Road Water and Sewer District (water & wastewater)	$340,000
16. Westby, Town of (wastewater)	$625,000
17. Hot Springs, Town of (wastewater)	$103,000
18. Glasgow, City of (water)	$500,000
19. White Sulphur Springs, City of (wastewater)	$750,000
20. Lewistown, City of (wastewater)	$500,000
21. Greater Woods Bay Sewer District (wastewater)	$750,000
22. Ten Mile Creek Estates/Pleasant Valley Sewer District (wastewater)	$500,000
23. Thompson Falls, City of (water)	$499,000
24. Butte-Silver Bow City/County (wastewater)	$406,526
25. Flaxville, Town of (wastewater)	$625,000
26. Conrad, City of (water)	$500,000
27. Dillon, City of (water)	$625,000
28. Medicine Lake, Town of (wastewater)	$500,000
29. Denton, Town of (water)	$625,000
30. Neihart, Town of (water)	$500,000
31. Tri-County Water District (water)	$661,000
32. Winifred, Town of (water)	$625,000
33. Livingston, City of (wastewater)	$625,000
34. Simms County Sewer District (wastewater)	$500,000
35. Sunburst, Town of (wastewater)	$107,000
36. Judith Gap, Town of (wastewater)	$125,000
37. Chester, Town of (wastewater)	$500,000
38. Jordan, Town of (wastewater)	$500,000
39. Foys Lakeside Estates Water and Sewer District (water)	$157,150
40. Philipsburg, Town of (wastewater)	$545,000
Bridge Applicant	Grant Amount

1.	Hill County	$291,997
2.	Custer County	$467,397
3.	Sweet Grass County	$303,898
4.	Yellowstone County	$648,476
5.	Valley County	$494,108
6.	Madison County	$750,000
7.	Carbon County	$500,000
8.	Fergus County	$337,594
9.	Chouteau County	$207,184
10.	Ravalli County	$195,798
11.	Broadwater County	$338,100

(5) A grant recipient's entitlement to receive funds is dependent on the grant recipient's compliance with the conditions described in [section 20(1)] and on the availability of funds.

(6) Funding for projects in subsection (4) will be provided only as long as there are sufficient funds available from the amount that was deposited into the treasure state endowment state special revenue account during the biennium beginning July 1, 2015. Funding for these projects will be made available in the order that the grant recipients satisfy the conditions described in [section 20(1)]. However, any of the projects listed in subsection (4) that have not completed the conditions described in [section 20(1)] by September 30, 2016, must be reviewed by the next regular session of the legislature to determine if the authorized grant should be withdrawn.

(7) Grant recipients shall complete all of the conditions described in [section 20(1)] by September 30, 2018, or any obligation to the grant recipient will cease.

NEW SECTION. **Section 20. Condition of grants -- disbursements of funds.** (1) The disbursement of grant funds for the projects specified in [section 19(4)] is subject to completion of the following conditions:

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

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

(c) The grant recipient must be in compliance with the auditing and reporting requirements provided for

in 2-7-503 and have established a financial accounting system that the department can reasonably ensure conforms to generally accepted accounting principles. Tribal governments shall comply with auditing and reporting requirements provided for in OMB Circular A-133.

(d) The grant recipient shall satisfactorily comply with any conditions described in the application (project) summaries section of the treasure state endowment program 2017 biennium report to the 64th legislature.

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

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

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

(3) Recipients of treasure state endowment program funds are subject to the requirements of the department of commerce as described in the most recent edition of the Treasure State Endowment Program Project Administration Manual adopted by the department through the administrative rulemaking process.

NEW SECTION. **Section 21. Other powers and duties of department**. (1) The department of commerce shall disburse grant funds on a reimbursement basis as grant recipients incur eligible project expenses.

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

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

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

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

(3) If the grant recipient obtains a greater amount of grant funds than was contained in the treasure state endowment program application, the department may reduce the amount of the treasure state endowment program grant funds to be provided to ensure that the grant recipient continues to meet the threshold requirements contained in program guidelines for receiving the larger treasure state endowment program grant.

Section 22. Section 90-6-701, MCA, is amended to read:

"90-6-701. Treasure state endowment program created -- definitions. (1) (a) There is a treasure state endowment program that consists of:

(i) the treasure state endowment fund established in 17-5-703;

(ii) the infrastructure portion of the coal severance tax bond program provided for in 17-5-701(2).

(b) The treasure state endowment program may borrow from the board of investments to provide additional financial assistance for local government infrastructure projects under this part, provided that no part of the loan may be made from retirement funds.

(2) Interest from the treasure state endowment fund and from proceeds of the sale of bonds under 17-5-701(2) may be used to provide financial assistance for local government infrastructure projects under this part, to provide funding to the department of commerce for the administrative costs of the treasure state endowment program, and to repay loans from the board of investments.

(3) As used in this part, the following definitions apply:

(a) "Infrastructure projects" means:

(i) drinking water systems;

(ii) wastewater treatment;

(iii) sanitary sewer or storm sewer systems;

(iv) solid waste disposal and separation systems, including site acquisition, preparation, or monitoring; ~~or~~

(v) public safety infrastructure related to law enforcement, fire protection, or emergency services; or

~~(v)~~(vi) bridges.

(b) "Local government" means an incorporated city or town, a county, a consolidated local government, a tribal government, a county or multicounty water, sewer, or solid waste district, or an authority as defined in 75-6-304.

(c) "Treasure state endowment fund" means the coal severance tax infrastructure endowment fund

established in 17-5-703(1)(b).

(d) "Treasure state endowment program" means the local government infrastructure investment program established in subsection (1).

(e) "Tribal government" means a federally recognized Indian tribe within the state of Montana."

Section 23. Section 90-6-710, MCA, is amended to read:

"90-6-710. Priorities for projects -- procedure -- rulemaking. (1) The department of commerce must receive proposals for infrastructure projects from local governments on a continual basis. The department shall work with a local government in preparing cost estimates for a project. In reviewing project proposals, the department may consult with other state agencies with expertise pertinent to the proposal. For the projects under 90-6-703(1)(a), the department shall prepare and submit two lists containing the recommended projects and the recommended form and amount of financial assistance for each project to the governor, prioritized pursuant to subsection (2) and this subsection. One list must contain the ranked and recommended bridge projects, and the other list must contain the remaining ranked and recommended infrastructure projects referred to in 90-6-701(3)(a). Each list must be prioritized pursuant to subsection (2) of this section, but the department may recommend up to 20% of the interest earnings anticipated to be deposited into the treasure state endowment fund established in 17-5-703 during the following biennium for bridge projects. Before making recommendations to the governor, the department may adjust the ranking of projects by giving priority to urgent and serious public health or safety problems. The governor shall review the projects recommended by the department and shall submit the lists of recommended projects and the recommended financial assistance to the legislature.

(2) In preparing recommendations under subsection (1), preference must be given to infrastructure projects based on the following order of priority:

(a) projects that solve urgent and serious public health or safety problems or that enable local governments to meet state or federal health or safety standards;

(b) projects that reflect greater need for financial assistance than other projects;

(c) projects that incorporate appropriate, cost-effective technical design and that provide thorough, long-term solutions to community public facility needs;

(d) projects that reflect substantial past efforts to ensure sound, effective, long-term planning and management of public facilities and that attempt to resolve the infrastructure problem with local resources;

(e) projects that enable local governments to obtain funds from sources other than the funds provided

under this part;

(f) projects that provide long-term, full-time job opportunities for Montanans, that provide public facilities necessary for the expansion of a business that has a high potential for financial success, or that maintain the tax base or that encourage expansion of the tax base; and

(g) projects that are high local priorities and have strong community support.

(3) After the review required by subsection (1), the projects must be approved by the legislature.

(4) The department shall adopt rules necessary to implement the treasure state endowment program.

(5) The department shall report to each regular session of the legislature the status of all projects that have not been completed in order for the legislature to review each project's status and determine whether the authorized grant should be withdrawn.

(6) Beginning June 1, 2015, the department must receive proposals from local or tribal governments impacted by growth associated with oil and gas development for community planning and for drinking water, wastewater treatment, or public safety infrastructure projects for an existing or future population. The department shall award grants from June 1, 2015, until April 30, 2016, and distribute the funds appropriated in [section 27(2)(d)] on a reimbursement basis from June 1, 2015, until June 29, 2019. Any funds appropriated in [section (27)(2)(d)] and not obligated under this subsection to a local or tribal government by June 30, 2016, must revert to the general fund."

NEW SECTION. **Section 24. Appropriation from treasure state endowment regional water system special revenue account.** (1) There is appropriated $3,259,761 to the department of natural resources and conservation for the biennium beginning July 1, 2015, from the treasure state endowment regional water system special revenue account to finance the state's share of regional water system projects authorized in subsection (2) and as set forth in 90-6-715.

(2) Montana's four regional water authorities are authorized to receive the funds appropriated in subsection (1) as long as there are sufficient funds available from the amount that was deposited into the treasure state endowment regional water system special revenue account during the biennium beginning July 1, 2015.

(3) A regional water authority's receipt of funds is dependent on the authority's compliance with the conditions described in [section 25(1)].

NEW SECTION. **Section 25. Conditions -- manner of disbursements of funds**. (1) The disbursement

of funds under [section 24] is subject to completion of the following conditions:

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

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

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

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

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

NEW SECTION. **Section 26. Appropriations from school facility and technology state special revenue account.** (1) There is appropriated to the department of commerce from the school facility and technology state special revenue account up to:

(a) $900,000 for matching school facility planning grants to be awarded by the department over the course of the biennium;

(b) $100,000 for emergency grants to be awarded by the department over the course of the biennium.

(2) There is appropriated to the department of commerce $11,160,979 from the school facility and technology state special revenue account to be used to finance grants authorized by this section.

(3) The funds appropriated in subsection (2) must be used by the department to make grants to the public school districts listed in subsection (4) for the described purposes and in amounts not to exceed the amounts set out in subsection (4). The appropriation is subject to the conditions set forth in 90-6-812 and described in the quality schools facility grant program 2017 biennium report to the 63rd legislature. The department shall commit funds to projects listed in subsection (4), up to the amounts authorized, based on the manner of disbursement set forth in subsections (5) through (7), until the funds appropriated in subsection (2) are expended.

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

Applicant/Project	Grant Amount
1. Miles City ELE (Fire system upgrades)	$359,623

2.	Custer County HS (Drainage and roof upgrades)	$960,254
3.	Yellowstone Academy ELE (wastewater)	$470,000
4.	Pryor ELE (Replace unsafe school)	$1,220,000
5.	Wolf Point ELE (Drainage and roof upgrades)	$862,300
6.	Arlee ELE (Replace boiler)	$375,000
7.	Livingston ELE (HVAC upgrades)	$665,000
8.	Polson ELE (replace boiler and system)	$1,337,981
9.	Rosebud K-12 (water quality upgrades)	$174,300
10.	Ashland ELE (roof replacement)	$1,013,000
11.	Grass Range HS (roof replacement)	$62,763
12.	Park City ELE (roof replacement)	$562,396
13.	Troy ELE (boiler replacement)	$125,400
14.	Amsterdam ELE (fire system upgrades)	$232,650
15.	Roundup HS (fire system upgrades)	$137,376
16.	Troy HS (energy efficiency upgrades)	$295,887
17.	Trout Creek ELE (asbestos abatement)	$102,600
18.	Cascade ELE (HVAC upgrades)	$335,544
19.	Superior K-12 (HVAC upgrades)	$470,403
20.	Lavina K-12 (technology center addition)	$1,500,000
21.	Shields Valley ELE (boiler replacement)	$458,311
22.	Billings HS (HVAC upgrades)	$1,533,212
23.	Missoula ELE (classroom upgrades)	$681,337
24.	Missoula HS (classroom upgrades)	$323,827
25.	Plentywood K-12 (boiler replacement)	$900,000
26.	St. Regis K-12 (security upgrades)	$544,943
27.	Kalispell ELE (energy efficiency upgrades)	$525,898
28.	Powell County HS (lighting upgrades)	$244,789
29.	Stevensville ELE (HVAC upgrades)	$865,894
30.	Bridger K-12 (replace boiler)	$318,000
31.	Forsyth HS (HVAC upgrades)	$255,410

32.	Libby K-12 (HVAC upgrades)	$1,069,278
33.	Lockwood ELE (roof replacement)	$912,524
34.	Stevensville HS (HVAC upgrades)	$950,051
35.	Glasgow K-12 (security upgrades)	$150,930
36.	Three Forks HS (electrical system)	$121,997
37.	Fair-Mont-Egan ELE (facility expansion)	$366,367
38.	Frenchtown K-12 (energy efficiency upgrades)	$426,408
39.	Havre HS (HVAC upgrades)	$525,000
40.	Townsend K-12 (HVAC upgrades)	$231,339
41.	West Valley ELE (kitchen equipment)	$350,000
42.	Laurel ELE (HVAC upgrades)	$632,000
43.	Butte HS (HVAC upgrades)	$1,190,645
44.	North Star HS (HVAC upgrades)	$392,615
45.	Stanford K-12 (HVAC upgrades)	$413,040
46.	Lolo ELE (security upgrades)	$340,350
47.	Hamilton K-12 (energy efficiency upgrades)	$953,216
48.	Power HS (kitchen upgrades)	$557,053
49.	Anderson ELE (HVAC upgrades)	$209,000
50.	Colstrip ELE (school renovation)	$750,000
51.	North Star ELE (HVAC upgrades)	$334,810
52.	Simms HS (new Vo-Ag and science building)	$1,142,833
53.	Clinton ELE (energy efficiency upgrades)	$313,784

(5) A grant recipient's entitlement to receive funds is dependent on the grant recipient's compliance with the conditions set forth in 90-6-812 and on the availability of funds.

(6) Funding for projects in subsection (4) will be provided only as long as there are sufficient funds available from the school facility and technology state special revenue account. Funding for these projects will be made available in the order that the grant recipients satisfy the conditions in 90-6-812.

(7) Grants to recipients listed in subsection (4) that have not completed all of the conditions described in 90-6-812 by September 30, 2016, must be reviewed by the next regular session of the legislature to determine if the authorized grant should be withdrawn.

NEW SECTION. **Section 27. Local projects and improvements bond proceeds account -- use**. (1) There is an account within the state special revenue fund, as provided for in 17-2-102, called the local projects and improvements bond proceeds account. The department of administration shall administer the account.

(2) Funds in the account are biennially appropriated as follows:

(a) up to $6,311,134 to the department of natural resources and conservation for the purposes set forth in [section 8], after all funds appropriated in [section 8] have been obligated;

(b) up to $1,707,694 to the department of natural resources and conservation for the purposes set forth in [section 9], after all funds appropriated in [section 9] have been obligated;

(c) up to $10,407,568 to the department of commerce for the purposes set forth in [section 19], after all funds appropriated in [section 19] have been obligated;

(d) up to $45,000,000 to the department of commerce for the purposes set forth in 90-6-710(6);

(e) up to $19,086,359 to the department of commerce for the purposes set forth in [section 26], after all funds appropriated in [section 26] have been obligated.

NEW SECTION. **Section 28. Authorization of bonds -- conditions.** (1) The board of examiners is authorized to issue and sell general obligation bonds in one or more series and from time to time for the purposes described in subsections (3) and (4) in addition to the amount of general obligation bonds outstanding on January 1, 2015.

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

(3) Up to $103,080,000 of the proceeds from the bonds sold under this section must be deposited in the capital projects account provided for in 17-5-804.

(4) Up to $82,512,755 of the proceeds from the bonds sold under this section must be deposited in the local projects and improvements bond proceeds account provided for in [section 27].

NEW SECTION. **Section 29. Approval of grants -- completion of biennial appropriation.** (1) The legislature, pursuant to 18-2-102, approves the capital projects listed in [sections 1 through 7].

(2) The legislature, pursuant to 85-1-605, approves the renewable resource program grants listed in

[section 8]. The authorization of these grants completes a biennial appropriation from the natural resources projects state special revenue account established in 15-38-302.

(3) The legislature, pursuant to 90-2-1111, approves the reclamation and development grants listed in [section 9]. The authorization of these grants completes a biennial appropriation from the natural resources projects state special revenue account established in 15-38-302.

(4) The legislature, pursuant to 17-5-702, approves the renewable resource program loans listed in [sections 13 and 14]. The authorization of these loans completes a biennial appropriation from the renewable resource loan proceeds account established in 85-1-617.

(5) The legislature, pursuant to 90-6-703, approves the treasure state endowment program grants listed in [section 19]. The authorization of these grants completes a biennial appropriation from the treasure state endowment special revenue account provided for in 17-5-703.

(6) The legislature, pursuant to 90-6-715, approves the distribution of funds to the regional water authorities listed in [section 24]. The authorization of these funds completes an appropriation from the treasure state endowment regional water system special revenue account provided for in 17-5-703.

(7) The legislature, pursuant to 90-6-809 and 90-6-810, approves the quality schools facility grants listed in [section 26]. The authorization of these grants completes a biennial appropriation from the school facility and technology state special revenue account provided for in 20-9-516.

NEW SECTION. **Section 30. Notification to tribal governments.** The secretary of state shall send a copy of [this act] to each tribal government located on the seven Montana reservations and to the Little Shell Chippewa tribe.

NEW SECTION. **Section 31. Severability.** If a part of [this act] is invalid, all valid parts that are severable from the invalid part remain in effect. If a part of [this act] is invalid in one or more of its applications, the part remains in effect in all valid applications that are severable from the invalid applications.

NEW SECTION. **Section 32. Creation of state debt -- appropriation of coal severance tax -- bonding provisions -- contingent voidness.** (1) Because [sections 15 and 28] authorize the creation of state debt, a vote of two-thirds of the members of each house of the legislature is required for enactment. If [this act] is not passed and approved by at least two-thirds of the members of each house, [sections 22 and 23] are void.

(2) The legislature, through the enactment of [sections 13 through 18] by a vote of three-fourths of the members of each house of the legislature, as required by Article IX, section 5, of the Montana constitution, pledges, dedicates, and appropriates from the coal severance tax bond fund all money necessary for the payment of principal and interest not otherwise provided for on the coal severance tax bonds authorized by [section 15] to be issued pursuant to Title 17, chapter 5, part 7, and pursuant to the provisions of [sections 13 through 18] and the general resolution for this bond program that has been adopted by the board of examiners under the authority provided in Title 17, chapter 5, part 7.

NEW SECTION. **Section 33. Effective date.** [This act] is effective on passage and approval.

NEW SECTION. **Section 34. Termination.** (1) [Section 22] terminates April 30, 2016.

(2) [Section 23] terminates June 30, 2019.

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