

HB 5 NARRATIVE

WITH RECOMMENDATIONS OF LONG-RANGE PLANNING SUBCOMMITTEE

A Report Prepared for the
House Appropriations Committee

By
Cathy Duncan
Senior Fiscal Analyst
Staff to Long-Range Planning Subcommittee

March 16, 2015



HB 5 NARRATIVE

This narrative will guide the reader through the programs, appropriations, and funding included in the 2015 version of HB 5, entitled the “Build Montana Act”. This legislation was the primary work product of the Long-Range Planning Subcommittee (LRP). The subcommittee consisted of:

Rep. Cuffe - Chairman	Sen. Ripley – Vice Chairman
Rep. Hagstrom	Sen. Sesso
Rep. Peppers	Sen. Smith
Rep. Tropila	

As mentioned above, this narrative will describe the various programs included in HB 5, the appropriations of the programs, changes in levels of appropriation recommended by the LRP (as provided in the accompanying amendment), and the status of the program funding sources.

In the 2015 session, HB 5 contains the project authorizations and appropriations for eight state capital project and grants programs, including:

- Long-Range Building Program (LRBP)
- State Building Energy Conservation Program (SBECP)
- Renewable Resource Grant and Loan Program (RRGL)
- Reclamation and Development Grant Program (RDGP)
- Treasure State Endowment Program (TSEP)
 - NEW: Eastern Montana Grants Program (TSEP-EMGP)
- Treasure State Endowment Regional Water Program (TSEPRW)
- Quality School Facility Grants Program (Quality Schools)

The bill contains appropriations from dedicated program funds and bond issue proceeds. The figure on the following page illustrates the amount of total appropriations by fund type for HB 5, as introduced, and the recommendation of the Long-Range Planning Subcommittee. In total, the cost of the legislation started at \$391.2 million and after the recommendation of the subcommittee would be \$384.3 million, a reduction of \$6.9 million. The details of the Long-Range Planning recommendation are provided by program in this narrative.

Note: The HB 5 Narrative provides section and page numbers from the bill as introduced. Changes at the recommendation of the LRP would change some section numbers and subsequently the page numbers.

HB 5 Narrative with Recommendations of Long-Range Planning Subcommittee

Summary of Recommended Changes:

Build Montana Comparison								
Governor's HB 5 Proposal to Long-Range Planning Proposal								
by fund type								
	Total	GF	CP	SS	FS	Authorization	CST Bonds	GO Bonds
<u>HB 5 Introduced Proposal</u>								
Long-Range Building Program	\$233,587,500	\$0	\$15,806,500	\$31,151,000	\$13,350,000	\$70,200,000	\$0	\$103,080,000
State Building Energy Conservation Program	2,500,000	0		2,500,000				0
Renewable Resource Grant and Loan Program-Grants	13,783,749	0		7,472,615				6,311,134
Reclamation and Development Grant Program	8,002,908	0		6,295,215				1,707,693
Renewable Resource Grant and Loan Program-Loans ²	26,602,374	0					26,602,374	0
Treasure State Endowment Program	27,195,078	0		16,787,510				10,407,568
Eastern Montana Grant Program	45,000,000	0						45,000,000
Treasure State Regional Water Program	3,259,761	0		3,259,761				0
Quality Schools Grant Program	31,247,338	0		12,160,979				19,086,359
Coal Board Grants Transfer	0	0						0
Total Costs	\$391,178,708	\$0	\$15,806,500	\$79,627,080	\$13,350,000	\$70,200,000	\$26,602,374	\$185,592,754
<u>LRP Subcommittee HB 5</u>								
Long-Range Building Program	\$221,310,500	\$0	\$15,136,500	\$18,719,000	\$13,250,000	\$70,455,000	\$0	\$103,750,000
State Building Energy Conservation Program	2,500,000	0		2,500,000				0
Renewable Resource Grant and Loan Program-Grants	13,783,749	0		7,472,615				6,311,134
Reclamation and Development Grant Program	9,034,162	0		5,884,620				3,149,542
Renewable Resource Grant and Loan Program-Loans ²	27,482,374	0					27,482,374	0
Treasure State Endowment Program	27,195,078	0		18,929,000				8,266,078
Eastern Montana Grant Program	45,000,000	0						45,000,000
Treasure State Regional Water Program	3,259,761	0		3,259,761				0
Quality Schools Grant Program	31,247,338	0		6,881,000				24,366,338
Coal Board Grants Transfer	3,514,423	3,514,423						0
Total Costs	\$384,327,385	\$3,514,423	\$15,136,500	\$63,645,996	\$13,250,000	\$70,455,000	\$27,482,374	\$190,843,092
<u>Comparison-HB 5 as Introduced to LRP Proposal</u>								
Long-Range Building Program	(\$12,277,000)	\$0	(\$670,000)	(\$12,432,000)	(\$100,000)	\$255,000	\$0	\$670,000
State Building Energy Conservation Program	0	0	0	0	0	0	0	0
Renewable Resource Grant and Loan Program-Grants	0	0	0	0	0	0	0	0
Reclamation and Development Grant Program	1,031,254	0	0	(410,595)	0	0	0	1,441,849
Renewable Resource Grant and Loan Program-Loans	880,000	0	0	0	0	0	880,000	0
Treasure State Endowment Program	0	0	0	2,141,490	0	0	0	(2,141,490)
Eastern Montana Grant Program	0	0	0	0	0	0	0	0
Treasure State Regional Water Program	0	0	0	0	0	0	0	0
Quality Schools Grant Program	0	0	0	(5,279,979)	0	0	0	5,279,979
Coal Board Grants Transfer	3,514,423	3,514,423	0	0	0	0	0	0
Total Costs	(\$6,851,323)	\$3,514,423	(\$670,000)	(\$15,981,084)	(\$100,000)	\$255,000	\$880,000	\$5,250,338
Percent Change	<u>-1.8%</u>	<u>-</u>	<u>-4.2%</u>	<u>-20.1%</u>	<u>-0.7%</u>	<u>0.4%</u>	<u>3.3%</u>	<u>2.8%</u>

LONG RANGE BUILDING PROGRAM (HB 5, SEC. 1 - 7)

HB 5 pages: 1 through 7

Description:

The Long-Range Building Program (LRBP), Administered by the Department of Administration, Architecture and Engineering Division, provides for the acquisition, construction, and major maintenance of state owned lands and buildings. Projects appropriated in the LRBP project may be seen in the figure on the following page. Appropriations for this program, unlike those of the various grant programs included in HB 5, are made by project. To view the appropriations included for the LRBP, see the table on the following page.

Proposed Changes

The Long-Range Planning Subcommittee (LRP) proposed the following changes from the executive proposal to the LRBP:

In summary, the changes equal:

- A total reduction from the executive proposal of \$12.3 million
- A reduction of \$670,000 in capital project fund appropriations
- A reduction of \$12,432,000 in state special funds (as provided for projects by the agencies)
- A reduction of \$100,000 in federal special funds (as provided for projects by the agencies)
- An increase of \$255,000 in authority for projects (see the footnote below)
- An increase in the authority of bonds of \$670,000 (the difference between the LRBP/bond appropriations)

Specifically the changes include:

- Corrected a funding source designation, SW Life Safety Project
- Changed appropriations from bond proceeds to LRBP capital project funds of \$6.93 million:
 - SW Life Safety & Deferred Maintenance - \$500,000
 - Life Safety, Deferred Maintenance and Energy, Corrections - \$2,000,000
 - SW Roof Repairs and Replacement - \$1,950,000
 - MT Ag Experiment Station Projects - \$2,480,000
- Changed appropriations from LRBP capital project funds to bond proceeds of \$7.6 million:
 - First Step – Mental Health - \$7,600,000
- Addition of authority only¹ projects of \$255,000:
 - Improvements at the Montana Military Museum – \$65,000
 - DNRC Aircraft Hangar - \$190,000
- Changes to FWP capital projects of \$12,432,000:
 - Reduced Migratory Bird Program - \$210,000
 - Elimination of Upland Game Bird Program - \$849,000
 - Elimination of Land Acquisition section - \$11,373,000

Funding

The LRBP projects are funded through a capital projects fund. The actions of LRP provide an estimated balance in the LRBP capital projects fund of \$926,062.

¹ Authority only or authorizations principally consist of donations received by the Montana University System, and may include other agency donations and the use of funds appropriated already appropriated elsewhere.

STATE BUILDING ENERGY PROGRAM

Description:

The State Building Energy Conservation Program (SBECP), administered by the Department of Environmental Quality, provides energy efficiency improvements to state owned buildings. The program budget may be seen as a component of the LRBP and is included in Sec. 3 of HB 5, as seen on the following page.

Proposed Changes

The LRP recommends no changes to the SBECP budget.

HB 5 Narrative with Recommendations of Long-Range Planning Subcommittee

Long-Range Building Program									
Long-Range Planning Recommendation - 2017 Biennium									
<u>Executive Recommendations - Cash Projects by Fund Type</u>							<u>Bonds</u>		
Rank	Approp Agency / Project Agency / Project	LRBP Capital Project	State Special	Fed Special	Authorization	LRBP Bonds	Total	% of Total	
Sec. 2 - A&E Appropriations									
2	SW Life Safety & Deferred Maintenance	2,800,000					2,800,000		
6	Infrastructure Repairs, Capitol Complex		2,000,000				2,000,000		
7	Elevator Modifications, Capitol Complex		700,000				700,000		
10	Flooring Replacement, Capitol Complex		500,000				500,000		
11	Fire Protection Measures, Capitol Complex		300,000				300,000		
39	SW Roof Repairs & Replacements	1,950,000					1,950,000		
9	Historic Buildings Maintenance	400,000					400,000		
38	DOC Life Safety, Deferred Maintenance & Energy Improv.	2,000,000					2,000,000		
43	Remodel 1100 North Last Chance Gulch		500,000			2,500,000	3,000,000		
47	State Park Electrical Upgrades, Lewis & Clark Caverns					2,000,000	2,000,000		
48	Fire Alarm System Upgrade, Bannack State Park					1,500,000	1,500,000		
8	Firing Range Cleanup	250,000		250,000			500,000		
17	Mechanical System Corrections, GFAFRC USAR			450,000			450,000		
18	Sandblast Booth, CSMS			1,500,000			1,500,000		
19	Misc. Improvements, VA Cemetery			2,000,000			2,000,000		
	NEW - Improvements at Montana Military Museum				65,000		65,000		
4	Replace Boiler, MVH	331,500					331,500		
1	First Step, Mental Health					7,600,000	7,600,000		
13	Equipment Storage Buildings		4,300,000				4,300,000		
40	New Montana Heritage Center					39,500,000	39,500,000		
12	Def. Maintenance & Repairs, Original Gov. Mansion	200,000					200,000		
	NEW - Aircraft Hangar, Kallispell				190,000		190,000		
3	Life Safety & Deferred Maintenance	4,600,000					4,600,000		
21	AUTHORITY ONLY-Engineering Building - MSU Bozeman				60,000,000		60,000,000		
22	AUTHORITY ONLY - Bitterroot College Facility				4,200,000		4,200,000		
41	Romney Hall - MSU Bozeman					28,000,000	28,000,000		
	Renovate Clapp Science Building,					10,000,000	10,000,000		
42	UM-Missoula								
44	MT Ag Experiment Station Projects	2,480,000					2,480,000		
45	Library Renovation, MSU-Billings					2,650,000	2,650,000		
46	Renovate Engineering Facilities, UM-Tech					10,000,000	10,000,000		
5	SD&B Miscellaneous Improvements	125,000					125,000		
		\$15,136,500	\$8,300,000	\$4,200,000	\$64,455,000	\$103,750,000	\$195,841,500	87.5%	

HB 5 Narrative with Recommendations of Long-Range Planning Subcommittee

Rank	Approp Agency / Project Agency / Project	LRBP		Fed Special	Authorization	LRBP Bonds	Total	% of Total
		Capital Project	State Special					
Sec. 3 - Agency Appropriations								
Department of Environmental Quality (SBECP)								
15	Energy Improvements		2,500,000				2,500,000	
	Subtotal Department of Environmental Quality Projects	\$0	\$2,500,000	\$0	\$0	\$0	\$2,500,000	1.1%
Department of Fish, Wildlife, and Parks								
24	Upland Game Bird Program		0				0	
25	Wildlife Habitat Maintenance		1,234,000				1,234,000	
27	Forest Management		320,000				320,000	
28	Migratory Bird Program		635,000				635,000	
29	Parks Program		2,766,800	1,300,000			4,066,800	
30	Grant Programs		139,000	3,750,000			3,889,000	
31	Future Fisheries		1,277,000				1,277,000	
33	FAS Site Protection		847,200	600,000			1,447,200	
34	Hatchery Maintenance		600,000				600,000	
35	Dam Maintenance		50,000				50,000	
36	Community Fishing Ponds		50,000				50,000	
37	Sekokini Springs Hatchery Rearing Ponds			400,000			400,000	
	Subtotal Department of Fish, Wildlife, and Parks	\$0	\$7,919,000	\$6,050,000	\$0	\$0	\$13,969,000	6.2%
Department of Military Affairs								
16	Federal Spending Authority			3,000,000			3,000,000	
	Subtotal Department of Military Affairs Projects	\$0	\$0	\$3,000,000	\$0	\$0	\$3,000,000	1.3%
Department of Transportation								
14	Maintenance, Repair & Small Projects		2,500,000				2,500,000	
	Subtotal Department of Transportation Projects	\$0	\$2,500,000	\$0	\$0	\$0	\$2,500,000	1.1%
Montana University System								
20	AUTHORITY ONLY-General Spending Authority MUS				6,000,000		6,000,000	
	Subtotal Montana University System Projects	\$0	\$0	\$0	\$6,000,000	\$0	\$6,000,000	2.7%
		\$0	\$12,919,000	\$9,050,000	\$6,000,000	\$0	\$27,969,000	12.5%
Sec. 4 - Land Acquisitions (struck)								
Department of Fish, Wildlife, and Parks - Land Acquisition								
23	Habitat Montana		0				0	
26	Bighorn Sheep Habitat		0				0	
32	FAS Acquisition		0	0			0	
	Subtotal Department of Fish, Wildlife, and Parks Land	\$0	\$0	\$0	\$0	\$0	\$0	0.0%
		\$0	\$0	\$0	\$0	\$0	\$0	0.0%
Total Long-Range Building Program		\$15,136,500	\$21,219,000	\$13,250,000	\$70,455,000	\$103,750,000	\$223,810,500	

RENEWABLE RESOURCE GRANT AND LOAN PROGRAM (GRANTS) (HB 5, SEC. 8 AND 10 - 12)

HB 5 pages: 7 through 16 and 18

Description:

Renewable Resource Grant and Loan Program (RRGL), administered by the Department of Natural Resources and Conservation, provides water conservation grants to local governments. Appropriations proposed by LRP include:

Emergency Grants	\$100,000
Project Planning Grants	700,000
Irrigation Development Grants	200,000
Watershed Grants	300,000
Septic Loan Grants	100,000
RRGL Project Grants (cash)	6,072,615
RRGL Project Grants (bonds)	<u>6,311,113</u>
Total	\$13,783,749

Note: Bond appropriations to the RRGL program are made from the local projects and improvements bond proceeds account established in Sec. 27.

A list of the RRGL grants authorized by LRP is provided beginning on the following page.

Proposed Changes

The LRP recommends no changes to the RRGL grants budget.

Funding

The RRGL and RDGP programs are funded through the natural resources projects account. The recommendations of the subcommittee will provide an estimated balance in the fund of \$3,829. Note: In part, funding in the natural resources projects account comes from oil and natural gas taxes. Staff will be watching the fund balance and reporting to the LRP subcommittee members should the balance change with changes to the oil and gas tax revenues as estimated in HJ 2.

HB 5 Narrative with Recommendations of Long-Range Planning Subcommittee

Renewable Resource Grants (RRGL) Long-Range Planning Recommendation - 2017 Biennium				
Rank	Applicant / Project Title	Project Total	Grant Cash Proposal	Grant Bond Proposal
1	Bitterroot Conservation District Bitterroot CD Supply Diversion Improvement Project	\$478,362	\$125,000	
2	Whitefish, City of Whitefish I & I Mitigation Project	1,141,000	125,000	
3	White Sulphur Springs, City of White Sulphur Springs Wastewater Improvements Project - Ph. 2	2,431,550	125,000	
4	Polson, City of Polson Wastewater System Improvements	18,989,081	125,000	
5	Livingston, City of Livingston, City of Wastewater Treatment Plant Upgrades	13,365,000	125,000	
6	Cascade, Town of Cascade Missouri River Reclamation	125,000	125,000	
7	Bitter Root Irrigation District Bitter Root Irrigation District: Siphon 1 - Ph. 3 Improvements Project = loan for \$1.77	2,698,976	125,000	
8	Westby, town of Westby Wastewater System Improvements	1,929,000	125,000	
9	Bainville, town of Bainville Wastewater System Improvements	1,687,000	125,000	
10	Fallon County Water and Sewer District Fallon County WSD Wastewater Collection System	1,805,000	125,000	
11	Sidney, City of Sidney Wastewater Improvements Project Ph. II	7,425,000	125,000	
12	Terry, town of Terry Wastewater Treatment Upgrades	1,225,000	125,000	
13	DNRC-Water Resources Division DNRC Musselshell Basin Instrumentation Project	175,000	125,000	
14	Pondera County Conservation District Pondera CD Wasteway Rehabilitation and Water Quality Improvements Project	295,374	125,000	
15	Upper and Lower River Road Water and Sewer District Upper and Lower River Road Water and Sewer District Ph. 5 Water and Sewer Improvements	742,712	125,000	
16	Missoula County Missoula County Mill Creek Restoration Project	126,500	125,000	
17	Flaxville, Town of Flaxville Wastewater System Improvements	1,445,000	125,000	
18	Milk River Joint Board of Control Milk River Joint Board of Control Hydrometric Gauging Station Expansion and Upgrade Project	146,349	125,000	
19	Missoula, City of Missoula, City of Caras Park Outfall Stormwater Treatment Retrofit, Ph. 1	196,064	125,000	
20	Chester, town of Chester Wastewater Improvements	1,337,501	125,000	
21	Hysham, town of Hysham Water System Improvements	2,589,000	125,000	
22	Simms County Sewer District Simms County Sewer District Wastewater System Improvements	1,005,000	125,000	
23	Ten Mile/Pleasant Valley Sewer District Ten Mile Creek Estates/Pleasant Valley Sewer District Wastewater System Improvements Ph. 3	3,544,655	125,000	
24	Laurel, city of Laurel Water System Improvements	5,487,747	125,000	
25	Pondera County Conservation District Pondera CD C-5 Canal Conversion Project	313,825	125,000	
26	Fromberg, town of Fromberg Wastewater System Improvements	3,319,000	125,000	
27	Jefferson County Whitehall Sugar Beet Row Wastewater System Improvements	310,000	125,000	
28	Sweet Grass County Conservation District Sweet Grass CD Electric Light Ditch Irrigation Diversion Rehabilitation Project	125,000	125,000	

HB 5 Narrative with Recommendations of Long-Range Planning Subcommittee

Rank	Applicant / Project Title	Project Total	Grant Cash Proposal	Grant Bond Proposal
29	Butte-Silver Bow Government Moulton Reservoir - Reclamation & Protection Project	378,746	125,000	
30	Rocker Montana County Water and Sewer District Rocker Sewer Connection to TIFID Wastewater Pipeline	604,000	125,000	
31	Tri-County Water District Tri-County Water District Wastewater Treatment Project	1,322,000	125,000	
32	Neihart, town of Neihart Water System Improvements	1,186,000	125,000	
33	Cut Bank, City of Cut Bank, City of Wastewater Treatment Project	11,829,700	125,000	
34	Missoula County Missoula County - Buena Vista Trailer Community Wastewater Improvements Ph. 1	329,463	125,000	
35	Denton, town of Denton Water System	2,486,000	125,000	
36	Buffalo Rapids Irrigation Project District 1 Buffalo Rapids District 1 Lateral 19.3 Pipeline Conversion Project Ph. 1	235,300	125,000	
37	Winifred, Town of Winifred Water System Improvements	1,297,500	125,000	
38	Highwood County Water and Sewer District Highwood Water and Sewer District Wastewater System Improvements	172,022	125,000	
39	Lower Yellowstone Irrigation Project Lower Yellowstone ID Wasteway Project	121,360	65,000	
40	DNRC-Water Resources Division DNRC East Fork Rock Creek Main Canal Lining Project	150,817	125,000	
41	Riverside Water and Sewer District Riverside Water & Sewer District Wastewater Facility Plan	1,486,000	125,000	
42	Lewistown, City Of Lewistown Riverdale Subdivision Wastewater Collection System	1,013,300	125,000	
43	East Clark Street Water and Sewer District East Clark Street WSD Wastewater Collection System	1,073,700	125,000	
44	Daly Ditches Irrigation District Daly Ditches Irrigation District Preservation and Conservation of Resources	176,120	125,000	
45	Buffalo Rapids Irrigation Project District 2 Buffalo Rapids Irrigation District 2 Main Canal Rehabilitation	202,413	125,000	
46	Sidney Water Users Irrigation District Sidney WU ID High Canal Ph. 5 Project	271,155	125,000	
47	Lower Musselshell County Conservation District Lower Musselshell CD DMWUA South Canal Pre-Tunnel Lining Project	130,000	125,000	
48	Clinton Irrigation District Clinton ID Canal Wasteway Rehabilitation	149,035	125,000	
49	Roundup, City of Roundup Water System Improvements	1,239,500	125,000	
50	Missoula County Weed District Missoula County Weed District Montana Biological Weed Control Coordination Project	195,500	7,615	92,885
51	Jordan, Town of Jordan Wastewater System Improvements	2,340,000		125,000
52	Crow Tribe of Indians Crow Tribe Wastewater Collection System Improvement Project	3,949,000		125,000
53	Helena Valley Irrigation District Helena Valley Irrigation District Irrigation Efficiency and Water Conservation Project	279,746		125,000
54	Fort Shaw Irrigation District Fort Shaw Irrigation District's Reduce Waste Project	270,000		125,000
55	Hysham Irrigation District Hysham Irrigation District Re-Lift Canal Improvement Project	134,850		125,000
56	South Wind Water and Sewer District South Wind Water and Sewer Districtwater distribution and wastewater collection study	125,000		125,000
57	Bainville, town of Bainville Water System Improvements	2,018,000		125,000
58	Black Eagle-Cascade County Water & Sewer District Black Eagle Sewer District Wastewater Collection System Rehabilitation Ph. 2	125,000		125,000
59	Yellowstone Boys and Girls Ranch Yellowstone Boys & Girls Ranch Wastewater Improvements Project	125,000		125,000
60	Fort Peck Tribes Fort Peck Tribes Lateral L-42M Rehabilitation Project, Ph. 1	161,881		125,000

HB 5 Narrative with Recommendations of Long-Range Planning Subcommittee

Rank	Applicant / Project Title	Project Total	Grant Cash Proposal	Grant Bond Proposal
61	Toston Irrigation District Toston ID Toston Canal Rehabilitation Project	170,310		125,000
62	Hot Springs, town of Hot Springs Wastewater Improvements Project	895,000		125,000
63	Lockwood Irrigation District Lockwood ID Pump Station Rehabilitation	156,500		125,000
64	Missoula, City of Missoula, City of Buckhouse Bridge Outfall - Stormwater Treatment Retrofit	235,096		125,000
65	Harlowton, City of Harlowton Ph. 3 Water System Improvements	1,570,000		125,000
66	Greenfields Irrigation District Greenfields ID J-Lake Rehabilitation and Water Quality Improvement	484,950		125,000
67	Malta Irrigation District Malta ID Exeter Siphon Replacement Project	643,000		125,000
68	Garfield County Conservation District Garfield CD Little Dry Water User's Association- Infrastructure Improvements	245,280		125,000
69	Gallatin County Compliance Department Gallatin County Septic System Repair Assistance Program	125,000		125,000
70	Flaxville, Town of Flaxville Water System Improvements	162,000		125,000
71	Glasgow, city of Glasgow Water System Improvements	7,566,129		125,000
72	Conrad, City of Conrad Water System Improvements	2,284,358		125,000
73	Missoula Irrigation District Missoula Irrigation District Water Conservation Project	139,400		125,000
74	Malta Irrigation District Malta ID Peoples Creek Diversion Dike Rehabilitation Project	125,000		125,000
75	East Bench Irrigation District East Bench ID Main Canal Gate Automation	125,561		125,000
76	Dillon, City of Dillon Water System Improvements	2,559,547		125,000
77	Medicine Lake, Town of Medicine Lake Wastewater Improvements	1,281,000		125,000
78	Kevin, Town of Kevin Wastewater Improvement Project - 2014	125,000		125,000
79	Department of Environmental Quality Montana Time of Travel – Interactive Web Map Application for Montana	250,000		125,000
80	Liberty County Conservation District Liberty County CD Marias River Bank Stabilization Project - Ph. 2	125,000		125,000
81	Foys Lakeside County Water and Sewer District Foys Lakeside Estates Water System Improvements	314,300		125,000
82	Ruby Valley Conservation District Smith Slough/Smith Ditch Fisheries Enhancement Project	450,000		125,000
83	Green Mountain Conservation District Green Mountain CD Improving Water Quality and Fish Habitat in the Vermilion River Watershed	340,296		120,248
84	Glen Lake Irrigation District Glen Lake ID Costich Drop Rehabilitation Project	140,384		125,000
85	Lincoln County Lincoln County measuring and modeling the effects of mining & associated reclamation activities	260,500		110,500
86	Petroleum County Conservation District Musselshell Watershed Prioritized Projects Initiative	126,200		125,000
87	Big Sandy, town of Big Sandy Water System Improvements	1,531,823		125,000
88	RAE Subdivision County Water and Sewer District No 313 RAE Water and Sewer District Woodland Park Well	313,750		125,000
89	Judith Gap, town of Judith Gap Phase Sewer Improvements	250,000		125,000
90	Gore Hill County Water District Gore Hill WSD Water System Improvements	128,000		125,000
91	DNRC-Flathead Basin Commission Flathead Basin Watershed Plan	153,600		125,000
92	Huntley Project Irrigation District Huntley Project Irrigation District Feasibility study	165,500		125,000

HB 5 Narrative with Recommendations of Long-Range Planning Subcommittee

Rank	Applicant / Project Title	Project Total	Grant Cash Proposal	Grant Bond Proposal
93	Crow Tribe of Indians Crow Agency Renewable Energy Technology Wastewater Treatment Facility	117,500		117,500
94	Park County Conservation District Park CD Upper Shields River Fish Barrier and Road Improvements	576,000		120,000
95	Bozeman, City of Bozeman Sourdough Canyon Natural Water Storage Assessment	180,000		125,000
96	DNRC-Water Resources Division DNRC Willow Creek Access Road Rehabilitation Project	139,062		125,000
97	Sanders County Sanders County Middle Clark Fork River, Plains Reach - Channel Stabilization	125,000		125,000
98	Thompson Falls, City of Thompson Falls Water System Improvements	998,000		125,000
99	Shelby, City of Shelby Stormwater System Improvements	7,138,163		125,000
100	Mile High Conservation District Mile High CD Blacktail Creek Non Point Nutrient Management Project	140,000		125,000
Total RRGL Grants Requested/Recommended		\$142,893,012	\$6,072,615	\$6,311,133

RECLAMATION AND DEVELOPMENT GRANT PROGRAM (HB 5, SEC. 9 - 12)

HB 5 pages: 16 through 18

Description:

The Reclamation and Development Grant Program (RDGP), administered by the Department of Natural Resources and Conservation, provides grants for the reclamation of lands degraded by mineral exploration and mining activities. Appropriations proposed by LRP include:

Project Planning Grants	\$800,000
Aquatic Invasive Species	500,000
Montana Salinity Control	214,000
RDGP Project Grants (cash)	4,370,620
RRGL Project Grants (bonds)	2,149,542*
Jefferson Slough Grant (bonds)	<u>1,000,000</u>
Total	\$9,034,162

*Appropriation for bond proceeds in this program is overstated by \$20,001. An amendment will be provided to correct the error.

Note: Bond appropriations to the RDGP are made from the local projects and improvements bond proceeds account established in Sec. 27. The LRP also provided an appropriation to DNRC in the RDGP of \$1.0 million of bond proceeds for a project for "restoration of Big Pipestone Creek, flooding mitigation in Whitehall, and control of Eurasian watermilfoil and fisheries restoration on the Jefferson slough."

A list of the RDGP grants authorized by LRP is provided beginning on the following page.

Proposed Changes

The LRP proposed the following changes from the executive proposal to the RDGP:

- o Struck the grant for the Lincoln County City/County Board of Health at the request of the applicant, \$430,595
- o Insert a grant to the Central Montana Regional Water Authority as recommended by DNRC, \$441,848
- o Reduced the appropriation from cash both as related to the struck project and to balance the natural resource projects account , \$410,595

Funding

The RRGL and RDGP programs are funded through the natural resources projects account. The recommendations of the subcommittee will provide an estimated balance in the fund of \$3,829. Note: In part, funding in the natural resources projects account comes from oil and natural gas taxes. Staff will be watching the fund balance and reporting to the LRP subcommittee members should the balance change with changes to the oil and gas tax revenues as estimated in HJ 2.

HB 5 Narrative with Recommendations of Long-Range Planning Subcommittee

Reclamation and Development Grants (RDGP)				
Long-Range Planning Recommendation - 2017 Biennium				
Rank	Sponsor/Title	Grant Requested	Grant Cash Proposal	Grant Bond Proposal
1	Montana Board of Oil and Gas 2015 Southern District	300,000	300,000	
2	Montana Board of Oil and Gas 2015 Northeast District	300,000	300,000	
3	Montana Department of Environmental Quality Belt Water Treatment Project	500,000	500,000	
4	Montana Department of Environmental Quality Black Pine Mine - South Fork Lower Willow Creek Fluvially Deposited Mill Tailings	500,000	500,000	
5	Missoula County Martina Creek & Ninemile Creek Reclamation	410,000	484,000	
6	City-County Board of Health Lincoln County Protocols Public Health Protection & Commercial Use of Wood Products Impacted by Vermiculite Mining	430,595	0	
	NEW - Central Montana Regional Water Authority Musselshell-Judith Rural Water System Resources Monitoring	441,848	441,848	
7	Deer Lodge CD French Gulch Placer Mining Restoration	500,000	500,000	
8	Montana Department of Environmental Quality Landusky Bio-Reactor Rehabilitation	500,000	500,000	
9	Montana Department of Environmental Quality Basin Creek Mine - Site Stability Project	500,000	500,000	
10	Montana Department of Environmental Quality Sand Coulee Acid Mine Drainage Source Control	332,443	332,443	
11	Deer Lodge CD Moose-French Placer Mining Restoration	500,000	12,329	72,671
12	Montana Department of Environmental Quality Mitigation of Threat to Harlowton Public Drinking Water	500,000		82,440
13	Madison County North Willow Creek Reclamation	499,828		499,828
14	Cascade County Identifying the Fate of Acid Mine Drainage and Potential Impacts to Madison Aquifer	441,109		327,322
15	MBMG Enhance Monitoring Fox Hills-Hell Creek Aquifer	499,109		499,109
16	MBMG Enhance Montana's Manufacturing Growth through Production of Commodities from Remediation	498,171		498,171
17	Roosevelt County Kenco Refinery Highest Priority Cleanup	500,000		150,000
Total R&D Grants Requested/Recommended		8,153,103	4,370,620	2,129,541

RENEWABLE RESOURCE GRANT AND LOAN PROGRAM (LOANS) (HB 5, SEC. 13 - 18)

HB 5 pages: 19 through 21

Description:

Renewable Resource Grant and Loan Program (RRGL), administered by the Department of Natural Resources and Conservation, provides water conservation loans to local governments and the state when acting in the interest of water user groups.

The RRGL loan program is funded through coal severance tax bond proceeds.

- The debt service to pay the costs of the bonds is repaid through loan payments by the local government.
- At times, the interest on the loan may be subsidized by deposits of coal severance tax revenues into the coal severance tax trust.
- Coal severance tax, deposited into the trust, may be used to manage the timing between costs of the projects and the loan repayments.

Appropriations proposed by LRP include:

Project Loans	\$24,983,976
Loan Reserve	<u>2,498,398</u>
Total	\$27,482,374

Note: Total appropriations equal the total amount of bond authority provided.

A list of the RRGL loans authorized by LRP is provided beginning on the following page.

Proposed Changes

The LRP proposed the following changes from the executive proposal to the RRGL loan program:

- The addition of one loan to DNRC for the Cottonwood Flume replacement, that will be repaid by the water users association, \$800,000
- The increase of the loan reserve due to the increase in project loans, \$80,000

HB 5 Narrative with Recommendations of Long-Range Planning Subcommittee

Renewable Resource Loans Long-Range Planning Recommendation - 2017 Biennium			
Loans-Sponsor/Project	Proposal	Cumulative Total	
<u>Loans with interest rates of 3.0% or State bond rate, whichever is lower-20 years</u>			
DNRC-Conservation and Resource Development Division (CARDD) Refinance Existing Debt or Rehabilitation of Water and Sewer Facilities	\$5,000,000	\$5,000,000	
<u>Loans with interest rates of 4.0% or State bond rate, whichever is lower-30 years¹</u>			
Dry Praire Retional Water System Local Share	6,000,000	11,000,000	
North Central Regional Water System Local Share	10,000,000	21,000,000	
<u>Loans with interest rates of 4.0% or State bond rate, whichever is lower-20 years</u>			
Deadmans Basin Project, State Owned Project Irrigation Infrastructure	500,000	21,500,000	
NEW: Department of Natural Resources and Conservation Cottonwood Flume Replacement	800,000	22,300,000	
Bitter Root Irrigation District Siphon 1 - Phase 3 Improvements Project	1,773,976	24,073,976	
Highwood Wastewater System Improvments	60,000	24,133,976	
Yellowstone Boys and Girls Ranch Wastewater System Improvments	800,000	24,933,976	
Dillon Water System Improvments	<u>50,000</u>	24,983,976	
Total Loan Authorizations:	\$24,983,976		
Loan Reserve:	<u>2,498,398</u>		
Total Bond Request	<u>\$27,482,374</u>		
¹ Loans to be reauthorized			
NOTE: Projects are grouped by differences in loan circumstances and interest rates.			

TREASURE STATE ENDOWMENT (GRANT) PROGRAM (HB 5, SEC. 19 - 21)

HB 5 pages: 22 through 26

Description:

The Treasure State Endowment Program (TSEP), administered by the Department of Commerce, provides water, wastewater, and bridge infrastructure grants to local governments. Appropriations proposed by LRP include:

Emergency Grants	\$100,000
Project Planning Grants	900,000
TSEP Bridge Grants (cash)	3,988,000
TSEP Infrastructure Grants (cash)	13,941,000
TSEP Bridge Grants (bonds)	546,552
TSEP Infrastructure Grants (bonds)	<u>7,719,526</u>
Total	\$27,195,078

Note: Bond appropriations to the TSEP are made from the local projects and improvements bond proceeds account established in Sec. 27.

A list of the TSEP grants authorized by LRP is provided beginning below.

Proposed Changes

The LRP proposed the following changes from the executive proposal to the TSEP grant program:

- o The increase of the cash appropriation, \$2,141,490, due to available fund balance (cash)
- o The reduction of the bond appropriation, (\$2,141,490), due to the use of available funds (cash)

Funding

The TSEP is funded through the TSEP state special revenue account, which is funded through a sub-trust of the permanent coal severance tax trust. The interest earnings from the sub-trust provide the funding for the TSEP program. The recommendations of the subcommittee will provide an estimated balance in the account of \$9,831.

Treasure State Endowment Program (TSEP) Long-Range Planning Recommendation - 2017 Biennium						
	Rank	Applicant	Type of Project	Total Project Cost	Grant Cash Proposal	Grant Bond Proposal
Bridge Program	1	Hill County	1 Bridge	\$583,994	\$291,997	
	2	Custer County	2 Bridges	934,794	467,397	
	3	Sweet Grass County	1 Bridge	607,796	303,898	
	4	Yellowstone County	1 Bridge	1,296,952	648,476	
	5	Valley County	1 Bridge	988,216	494,108	
	6	Madison County	1 Bridge	3,315,499	750,000	
	7	Carbon County	3 Bridges	1,097,923	500,000	
	8	Fergus County	2 Bridges	675,188	337,594	
	9	Chouteau County	1 Bridge	414,381	194,531	12,654
	10	Ravalli County	2 Bridges	391,597		195,799
	11	Broadwater County	3 Bridges	691,200		338,100
Total TSEP Bridge Projects				\$10,997,540	\$3,988,000	\$546,552

HB 5 Narrative with Recommendations of Long-Range Planning Subcommittee

Treasure State Endowment Program (TSEP)					
Long-Range Planning Recommendation - 2017 Biennium					
Rank	Applicant	Type of Project	Total Project Cost	Grant Cash Proposal	Grant Bond Proposal
1	Fallon County WSD	Wastewater	1,805,000	\$680,000	
2	Polson, City of	Wastewater	18,989,081	750,000	
3	Harlowton, City of	Water System	1,570,000	750,000	
4	Havre, City of	Stormwater	2,761,064	500,000	
5	Bainville, Town of	Water System	2,022,747	625,000	
6	Crow Tribe of Indians	Wastewater	3,949,000	750,000	
7	East Clark Street W & S District	Wastewater	1,073,700	536,850	
8	Whitefish, Town of	Wastewater	1,141,000	500,000	
9	Hysham, Town of	Water System	2,598,825	625,000	
10	Big Sandy, Town of	Water System	1,531,823	750,000	
11	Roundup, City of	Water System	1,239,500	500,000	
12	Laurel, City of	Water System	5,487,747	500,000	
13	Terry, Town of	Wastewater	1,900,000	750,000	
14	Fromberg, Town of	Wastewater	3,319,000	750,000	
15	Upper/Lower River Road WSD	Water&Wastewater	742,712	340,000	
16	Westby, Town of	Wastewater	1,929,000	625,000	
17	Hot Springs, Town of	Wastewater	895,000	103,000	
18	Glasgow, City of	Water System	7,566,129	500,000	
19	White Sulphur Springs, City of	Wastewater	2,431,550	750,000	
20	Lewistown, City of	Wastewater	1,013,300	500,000	
21	Greater Woods Bay SD	Wastewater	25,600,000	750,000	
22	Ten Mile Crk/Pleasant Valley SD	Wastewater	3,544,655	500,000	
23	Thompson Falls, City of	Water System	998,000	499,000	
24	Butte-Silver Bow City/County	Wastewater	813,052	406,526	
25	Flaxville, Town of	Wastewater	1,445,000	624	624,376
26	Conrad, City of	Water System	2,284,358		500,000
27	Dillon, City of	Water System	2,559,547		625,000
28	Medicine Lake, Town of	Wastewater	1,281,000		500,000
*29	Denton, Town of	Water System	2,486,000		625,000
30	Neihart, Town of	Water System	1,186,000		500,000
31	Tri-County WD	Water System	1,322,000		661,000
32	Winifred, Town of	Water System	1,297,500		625,000
33	Livingston, City of	Wastewater	13,240,000		625,000
34	Simms County SD	Wastewater	1,005,000		500,000
35	Sunburst, Town of	Wastewater	214,000		107,000
36	Judith Gap, Town of	Wastewater	250,000		125,000
37	Chester, Town of	Wastewater	1,337,501		500,000
38	Jordan, Town of	Wastewater	2,325,000		500,000
39	Foys Lakeside Estates WSD	Water System	314,300		157,150
40	Philipsburg, Town of	Wastewater	5,206,525		545,000
Total TSEP Infrastructure Projects			\$132,675,616	\$13,941,000	\$7,719,526
Total TSEP Program			\$143,673,156	\$17,929,000	\$8,266,078

Infrastructure Program

TREASURE STATE ENDOWMENT PROGRAM, EASTERN MONTANA GRANTS (HB 5, SEC. 19 - 21)

HB 5 pages: 26 through 28

Description:

The Treasure State Endowment Program, Eastern Montana Grants would be administered by the Department of Commerce (DOC). To create the TSEP Eastern Montana grant program, HB 5 contains statutory changes to enable the program by expanding the types of infrastructure projects eligible for grants and providing parameters on those who could apply for grants.

Additional types of projects that could receive grants include:

Public safety infrastructure related to-

- Law enforcement
- Fire protection
- Emergency services

Those who may apply for grants are local or tribal governments impacted by growth associated with oil and gas development. These entities may also apply for community planning grants.

Grants for the 2017 biennium would be approved and authorized by the DOC. The DOC would create rules to guide the distribution of the grant funds.

Appropriations proposed by LRP include:

- \$45.0 million of bond proceeds (provided from the local projects and improvements bond proceeds account established in Sec. 27)

TREASURE STATE ENDOWMENT PROGRAM, REGIONAL WATER PROGRAM (HB 5, SEC. 24 - 25)

HB 5 pages: 28 through 29

Description:

The Treasure State Endowment Regional Water Program (TSEPRW), administered by the Department of Natural Resources and Conservation, provides matching funds for major regional water projects. Appropriations proposed by LRP include:

- Regional Water Projects \$3,259,761

Proposed Changes

The LRP recommends no changes to the TSEPRW projects budget.

Funding

The TSEPRW is funded through the TSEPRW state special revenue account, which is funded through a sub-trust of the permanent coal severance tax trust. The interest earnings from the sub-trust provide the funding for the TSEPRW program.

In current law, the TSEPRW funding will sunset June 30, 2016. Without legislation to continue the regional water trust and after consideration to appropriations made in HB 2, the LRP proposal will result in an estimated negative fund balance of \$2.1 million.

HB 180 has moved forward as the vehicle to extend the life of the TSEPRW trust. The legislation would make the sub-trust, and the accompanying state special account, permanent. With this change, the account is expected to finish the 2017 biennium with a balance of \$1.0 million.

Note: Staff will be watching the progress of HB 180 and reporting to the LRP subcommittee members. Coordination language between HB 5 and HB 180 is recommended at some point.

QUALITY SCHOOLS FACILITIES GRANT PROGRAM (HB 5, SEC. 26)

HB 5 pages: 29 through 31

Description:

The Quality Schools Facilities Grant Program (quality schools), administered by the Department of Commerce, provides grants for major maintenance, repairs, and upgrades of K-12 school facilities. Appropriations proposed by LRP include:

Emergency Grants	\$100,000
Project Planning Grants	900,000
Quality Schools Grants (cash)	5,881,000
Quality Schools Grants (bonds)	<u>24,366,338</u>
Total	\$31,247,338

Note: Bond appropriations to the quality schools program are made from the local projects and improvements bond proceeds account established in Sec. 27.

A list of the quality schools grants authorized by LRP is provided beginning on the following page.

Proposed Changes

The LRP proposed the following changes from the executive proposal to the quality schools program:

- Reduced the cash appropriation by \$5,279,979, due to a shortfall in funding (cash)
- Increased the bond appropriation by \$5,279,979

Funding

The quality schools program is funded through the school facility and technology account. The account receives transfers from the school guarantee account for timber harvest revenues over 18 million board feet and the rental revenues for power sites on school trust lands. The account is responsible for a \$2.0 million statutory appropriation, \$17.2 million K-12 debt obligation (appropriated in HB 2), and the administrative costs of the quality schools grants program (appropriated in HB 2), in addition to the grants program.

The account revenues are not sufficient to support all the account obligations and the grant program. The executive recommended adding the "natural resource development" payment, as provided in 20-9-141, to the account revenues in HB 313. With the changes in cash appropriations recommended by LRP, the account would have had sufficient revenue to support all the proposed costs included in HB 5 and in HB 2 and is projected to end the 2017 biennium with a balance of \$369,930.

At this time, HB 313 has been tabled in the House Education Committee. Without the added funding, the school facility and technology account will not have enough revenue to support all the obligations of the fund and the appropriations of HB 5 and is projected to end the 2017 biennium with a negative balance of \$12.6 million.

The legislature will have the following options related to project funding without an increase in account funding:

- Fund the entire grant program with bond proceeds and reduce appropriations from the account in HB 2
- Eliminate the grant program and reduce appropriations from the account in HB 2
- Fund HB 2 appropriations from a different source of funding and adjust the grant appropriations (cash and bonds)
- Eliminate the HB 2 appropriations and adjust the grant appropriations (cash and bonds)

HB 5 Narrative with Recommendations of Long-Range Planning Subcommittee

Quality School Facilities Grant Program Long-Range Planning Recommendation - 2017 Biennium				
Rank	Applicant / Description	Grant Requested	Grant Cash Proposal	Grant Bond Proposal
1	Miles City ELE Fire alarm and security system upgrades	\$359,623	\$359,623	
2	Custer County HS Reconfigure sewer and storm drains and replace roof	960,254	960,254	
3	Yellowstone Academy ELE Wastewater system improvements project	470,000	470,000	
4	Pryor ELE Replace unsafe elementary school	1,220,000	1,220,000	
5	Wolf Point ELE Update the roof and parking lot drainage	862,300	862,300	
6	Arlee ELE Boiler replacement	375,000	375,000	
7	Livingston ELE Heating and ventilation upgrades	665,000	665,000	
8	Polson ELE Boiler replacement	1,337,981	968,823	369,158
9	Rosebud K-12 Domestic water quality improvement	174,300		174,300
10	Ashland ELE Roof replacement	1,013,000		1,013,000
11	Grass Range HS Partial roof replacement	62,763		62,763
12	Park City ELE Replace Leaking Roof	562,396		562,396
13	Troy ELE Boiler replacement	125,400		125,400
14	Amsterdam ELE Fire sprinkler system installation	232,650		232,650
15	Roundup HS Fire alarm system upgrade	137,376		137,376
16	Troy HS Energy efficiency upgrades	295,887		295,887
17	Trout Creek ELE Foundation repairs and asbestos abatement	102,600		102,600
18	Cascade ELE Heating and ventilation upgrades	335,544		335,544
19	Superior K-12 Heating and ventilation upgrades	470,403		470,403
20	Lavina K-12 Classroom and technology center addition	1,500,000		1,500,000
21	Shields Valley ELE Boiler and heating controls replacement	458,311		458,311
22	Billings HS Heating, ventilation and lighting upgrades	1,533,212		1,533,212
23	Missoula ELE Classroom upgrades at Lewis & Clark Elementary and Meadow Hill Middle School	681,337		681,337
24	Missoula HS Classroom upgrades at Big Sky High School	323,827		323,827

HB 5 Narrative with Recommendations of Long-Range Planning Subcommittee

Rank	Applicant / Description	Grant Requested	Grant Cash Proposal	Grant Bond Proposal
25	Plentywood K-12 Boiler replacement	900,000		900,000
26	St Regis K-12 Relocate school administration to improve safety and security	544,943		544,943
27	Kalispell ELE Energy efficiency upgrades	525,898		525,898
28	Powell County HS Lighting upgrades	244,789		244,789
29	Stevensville ELE Heating and ventilation upgrades	865,894		865,894
30	Bridger K-12 Replace boiler	318,000		318,000
31	Forsyth HS Heating and ventilation upgrades	255,410		255,410
32	Libby K-12 Heating and ventilation upgrades	1,069,278		1,069,278
33	Lockwood ELE Roofing and daylight harvesting	912,524		912,524
34	Stevensville HS Heating and ventilation upgrades	950,051		950,051
35	Glasgow K-12 Security upgrades	150,930		150,930
36	Three Forks HS Electrical distribution upgrades	121,997		121,997
37	Fair-Mont-Egan ELE Renovate existing facility and expand facility for two classrooms	366,367		366,367
38	Frenchtown K-12 Window replacement and installation of exterior sun shade	426,408		426,408
39	Havre HS Heating and ventilation upgrades	525,000		525,000
40	Townsend K-12 Heating and ventilation upgrades	231,339		231,339
41	West Valley ELE Purchase kitchen equipment	350,000		350,000
42	Laurel ELE Heating and ventilation upgrades	632,000		632,000
43	Butte HS Heating and ventilation upgrades	1,190,645		1,190,645
44	North Star HS Heating and ventilation upgrades	392,615		392,615
45	Stanford K-12 Heating and ventilation upgrades	413,040		413,040
46	Lolo ELE Safety and security improvements	340,350		340,350
47	Hamilton K-12 Building envelope improvements	953,216		953,216
48	Power HS Kitchen and cafeteria remodel and addition	557,053		557,053

HB 5 Narrative with Recommendations of Long-Range Planning Subcommittee

Rank	Applicant / Description	Grant Requested	Grant Cash Proposal	Grant Bond Proposal
49	Anderson ELE Heating and ventilation upgrades	209,000		209,000
50	Colstrip ELE High school renovation and consolidation project	750,000		750,000
51	North Star ELE Heating and ventilation upgrades	334,810		334,810
52	Simms HS Construction of new Vo-Ag and Science Ed building	1,142,833		1,142,833
53	Clinton ELE Energy efficiency upgrades	313,784		313,784
Total QSGG Grants Requested/Recommended		\$30,247,338	\$5,881,000	\$24,366,338

REMAINDER OF HB 5:

Sec. 27 (page 32) – Creation of local projects and improvements bond proceeds account and use

- Creates the account
- Appropriates funds for grant programs - \$87,093,092

Sec. 28 (page 32) – Authorization of bonds

- Authorizes bond issuance for
- LRBP - \$103,750,000 (as recommended by LRP)
- Local projects - \$87,093,092 (as recommended by LRP)

Sec. 29 (page 32-33) – Approval of grants

- Provides that the legislature has approved the various grants
- Provides that certain grants to state agencies may be accounted for as appropriations
- Provides that certain appropriations are biennial

NEW Section

- LRP approved an appropriation of \$3,514,423 for infrastructure projects that offset the impacts of coal development.

NEW Section

- LRP approved a transfer of \$3,514,423 from the general fund to the coal natural resource account to fund grants that offset the impacts of coal development.

Sec. 30 (page 33) – Notification to tribal governments

Sec. 31 (page 33) – Severability

- Provides that if any part of the act is invalid then that part is severed and the remaining parts are valid

Sec. 32 (page 33-34) – Creation of state debt

- Requires a two-thirds vote of each house for enactment
- States that without the two-thirds vote, sections 22 and 23 are void
- Requires a three-quarters vote of each house to allow use of coal taxes deposited into the permanent coal severance tax trust

NOTE: Without a three-quarters vote of each house, the bill will not pass

New Section

- LRP approved the coordination of HB 5 with HB 266
- HB 266 distributes \$600,000 directly to the Montana Board of Oil and Gas Conservation from RIT interest earnings
- HB 266 reduces the distribution of RIT interest earnings by \$300,000/year
- Coordination language would eliminate grants to the Montana Board of Oil and Gas with passage of HB 266

Sec. 33 (page 34) – Effective date

- Upon passage and approval

Sec. 34 (page 34) – Termination

- Sec. 22 terminates 4/30/2016 (statutory changes for TSEP Eastern Montana)
- Sec. 23 terminates 6/30/2019 (statutory changes for TSEP Eastern Montana)