



AN ACT APPROPRIATING MONEY TO THE DEPARTMENT OF COMMERCE FOR FINANCIAL ASSISTANCE TO LOCAL GOVERNMENT INFRASTRUCTURE PROJECTS THROUGH THE TREASURE STATE ENDOWMENT PROGRAM AND APPROPRIATING MONEY TO THE DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION FOR FINANCIAL ASSISTANCE TO REGIONAL WATER AUTHORITIES FOR REGIONAL WATER PROJECTS; AUTHORIZING GRANTS FROM THE TREASURE STATE ENDOWMENT SPECIAL REVENUE ACCOUNT; APPROPRIATING FUNDS FROM THE TREASURE STATE ENDOWMENT REGIONAL WATER SYSTEM SPECIAL REVENUE ACCOUNT; PLACING CONDITIONS UPON GRANTS AND FUNDS; APPROPRIATING MONEY TO THE DEPARTMENT OF COMMERCE FOR EMERGENCY GRANTS; TERMINATING CERTAIN TREASURE STATE ENDOWMENT GRANTS; AMENDING SECTION 1, CHAPTER 213, LAWS OF 1995; REPEALING SECTION 9, CHAPTER 435, LAWS OF 2001; AND PROVIDING EFFECTIVE DATES.

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

**Section 1. Appropriations from treasure state endowment special revenue account.** (1) There is appropriated to the department of commerce the interest earnings of the treasure state endowment special revenue account to finance grants authorized by this section.

(2) The funds appropriated in this section must be used by the department to make grants to the governmental entities listed in subsection (3) for the described purposes and in amounts not to exceed the amounts set out in subsection (3). The appropriations are subject to the conditions set forth in [sections 1 through 3] and described in the treasure state endowment program 2005 biennium report to the 58th legislature. The legislature, pursuant to 90-6-710, authorizes the grants for the projects listed in subsection (3). The department shall commit funds to projects listed in subsection (3), up to the amounts authorized, based on the manner of disbursement set forth in [section 3] until interest earnings deposited into the treasure state endowment special revenue account during the 2005 biennium are expended.

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

Applicant/Project Grant Amount

1. Lewis and Clark County (bridge)	\$170,575
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2. Judith Basin County/Geyser District (water)	330,000
3. Madison County (bridge)	174,529
4. Chinook, City of (wastewater)	500,000
5. Sweet Grass County (bridge)	235,954
6. Stillwater County (bridge)	500,000
7. Power-Teton County District (water)	500,000
8. Richland County (bridge)	351,625
9. Stanford, Town of (water)	500,000
10. Hamilton, City of (water)	500,000
11. Troy, City of (water)	500,000
12. Scobey, City of (wastewater)	500,000
13. Missoula, City of (wastewater)	500,000
14. Blaine County (bridge)	322,782
15. Upper-Lower River Road District (water and wastewater)	500,000
16. Polson, City of (water)	500,000
17. Conrad, City of (water)	500,000
18. Glendive, City of (storm water)	139,133
19. Sheaver's Creek District (water)	500,000
20. Gallatin County (bridge)	500,000
21. Gardiner/Park County District (water)	500,000
22. Phillips County Green Meadow District (water)	112,500
23. Geraldine, Town of (water)	500,000
24. Missoula County (wastewater)	499,335
25. Ramsay County District (water)	255,000
26. Cooke City-Park County District (water)	500,000
27. Worden-Ballantine District (water)	500,000
28. Wolf Point, City of (wastewater)	500,000
29. Ryegate, Town of (water)	478,700
30. Cascade County (bridge)	230,840
31. Libby, City of (water & wastewater)	500,000

32. Beaverhead County District-Wisdom (wastewater)	500,000
33. Hill County (bridge)	175,803
34. Jordan, Town of (water)	459,883
35. Pablo-Lake County District (wastewater)	500,000
36. Ekalaka, Town of (wastewater)	154,197
37. Pondera County (bridge)	137,500
38. Black Eagle District (wastewater)	214,200
39. Lake County Solid Waste District (solid waste)	500,000
40. Sheridan County (bridge)	210,775
41. Whitefish, City of (water)	500,000
42. Belgrade, City of (wastewater)	500,000
43. Yellowstone County (bridge)	172,710

(4) If sufficient funds are available, this section constitutes a valid obligation of funds to the grant recipients listed in subsection (3) for purposes of encumbering the treasure state endowment special revenue account funds received during the 2005 biennium under 17-7-302. However, a grant recipient's entitlement to receive funds is dependent on the grant recipient's compliance with the conditions described in [section 3(1)] and on the availability of funds.

(5) If funds deposited into the treasure state endowment special revenue account during the biennium ending June 30, 2005, are insufficient to fully fund the projects numbered 1 through 40 in subsection (3) that have satisfied the conditions described in [section 3(1)] by June 30, 2005, the 59th legislature is encouraged to give priority to funding these projects from deposits into the treasure state endowment special revenue account made during the 2007 biennium, before projects authorized by the 59th legislature receive funding from the account. However, any of the projects numbered 1 through 40 listed in subsection (3) that have not completed the conditions described in [section 3(1)] by January 1, 2005, must be reviewed by the next regular session of the legislature to determine if the authorized grant should be withdrawn.

(6) Projects numbered 41 through 43 listed in subsection (3) that have satisfied the conditions described in [section 3(1)] may not receive grant funds unless sufficient funds have been deposited into the treasure state endowment special revenue account to fully fund the projects numbered 1 through 40 in subsection (3). However, if a subsequent legislature withdraws funding for any of the projects numbered 1 through 40 listed in subsection (3), those funds could be made available to projects numbered 41 through 43 listed in subsection (3) that have

completed the conditions described in [section 3(1)], unless that subsequent legislature designates that those funds are to be used to fund applications under its review.

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

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

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

**Section 3. Conditions and manner of disbursement of grant funds.** (1) The disbursement of grant funds under [sections 1 through 3] for the projects specified in [section 1(3)] is subject to completion of the following conditions:

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

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

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

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

(e) 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.

(f) The grant recipient shall satisfactorily comply with any conditions described in the application (project)

summaries section of the treasure state endowment program 2005 biennium report to the 58th legislature.

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

(2) The department shall commit grant funds to projects authorized in the order of priority listed in [section 1(3)] to grant recipients that have met the conditions in subsection (1) as treasure state endowment special revenue account interest income becomes available during the 2005 biennium.

(3) If a grant recipient authorized in [section 1(3)] has not met the conditions in subsection (1), the department shall move down the list of projects in the order of priority listed in [section 1(3)] to the next project that has met the conditions in subsection (1).

(4) The department may not commit grant funds to a grant recipient authorized in [section 1(3)] unless sufficient funds will be available in the treasure state endowment special revenue account.

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

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

(7) In the event that actual project expenses are lower than the projected expense of a project as presented in the grant recipient's treasure state endowment program application, the department may, at its discretion, reduce the amount of treasure state endowment program 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.

**Section 4. Appropriations from treasure state endowment regional water system special revenue account.** (1) There is appropriated to the department of natural resources and conservation the interest earnings of the treasure state endowment regional water system special revenue account to finance the state's share of regional water system projects authorized by this section and as set forth in 90-6-715.

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

(3) Up to \$3,865,333 is authorized for the 2005 biennium to provide the state's share for regional water system projects.

(4) A regional water authority's receipt of funds is dependent on the authority's compliance with the conditions described in [section 6(1)].

(5) This section constitutes a valid obligation of funds to the regional water authorities listed in subsection (2) for purposes of encumbering the treasure state endowment regional water system special revenue account funds received during the 2005 biennium under 17-7-302.

**Section 5. Approval of funds -- completion of appropriation.** (1) The legislature, pursuant to 90-6-715, authorizes funds for the regional water authorities identified in [section 4(2)].

(2) 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(4)(d).

**Section 6. Conditions and manner of disbursement of funds.** (1) The disbursement of funds under [sections 4 through 6] 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's project must be authorized by the federal government.

(2) The department shall disburse funds on a reimbursement basis as the regional water authority incurs eligible project expenses. The regional water authority shall document that local matching funds are committed in equal proportion to the department's disbursement.

**Section 7. Appropriations from treasure state endowment special revenue account for emergency grants.** (1) There is appropriated to the department of commerce \$100,000 for the biennium beginning July 1, 2003, from the interest earnings of the treasure state endowment special revenue account for the purpose of providing local governments, as defined in 90-6-701, with emergency grants for infrastructure projects, as defined

in 90-6-701.

(2) The projects eligible for emergency grants must be necessary to remedy conditions that if allowed to continue until legislative approval could be obtained would endanger the public health or safety and expose the applicant to substantial financial risk.

(3) The department may not make an emergency grant if it determines that through the implementation of reasonable management practices, the applicant can forestall the risks to health or safety until the legislative approval can be obtained.

(4) The department shall inform the governor and the legislative finance committee of emergency grants that are awarded during the biennium.

**Section 8.** Section 1, Chapter 213, Laws of 1995, is amended to read:

**"Section 1. Appropriations from the treasure state endowment special revenue account.** (1) There is appropriated to the department of commerce the interest earnings of the treasure state endowment special revenue account to finance grants authorized by this section.

(2) The funds appropriated in this section must be used by the department to make grants to the local government entities listed in subsection (3) for the described purposes and in amounts not to exceed the amounts set out in subsection (3). The appropriations are subject to the conditions set forth in [sections 1 through 3] and described in the treasure state endowment program January 1995 report to the 54th legislature. The legislature, pursuant to 90-6-710, approves the grants listed in subsection (3), in the order indicated in the list of projects. The department shall award funds up to the amounts approved in this section in order of priority until available funds are expended. The department shall provide funds not accepted or used by local governments with higher-ranked projects to local governments whose projects are in lower positions on the priority list and that would not otherwise receive funding. When additional funds become available for the grants listed in subsection (3), they must be awarded to projects in the order of the projects' priority when the lower-ranked projects meet the startup conditions of the department's grant agreement and are ready to proceed to construction.

(3) The following are the authorized projects in the order of their priority:

Applicant/Project	Matching Grant
1. <del>Hill County Water Dist. (water)</del>	<del>\$500,000</del>
2. <u>1.</u> East Glacier Wtr. & Sewer Dist. (water)	306,555
3. <u>2.</u> City of Lewistown (water)	500,000

4: <u>3.</u> City of Troy (sewer)	500,000
5: <u>4.</u> City of Conrad (water)	180,000
6: <u>5.</u> City of Whitehall (water)	500,000
7: <u>6.</u> Seeley Lake Water Dist. (water)	464,364
8: <u>7.</u> City of Hamilton (sewer)	137,632
9: <u>8.</u> Gardiner Water Dist. (water)	300,000
10: <u>9.</u> City of Thompson Falls (sewer)	400,644
11: <u>10.</u> Butte-Silver Bow (sewer)	500,000
12: <u>11.</u> Beaverhead County (bridge)	23,000
13: <u>12.</u> Powell County (bridge)	51,334
14: <u>13.</u> Town of Fairview (water)	500,000
15: <u>14.</u> Town of Hysham (sewer)	127,500

(4) This section constitutes a valid obligation of funds to the entities listed in subsection (3) for purposes of encumbering the treasure state endowment special revenue account funds received during the 1997 biennium under 17-7-302."

**Section 9. Repealer.** Section 9, Chapter 435, Laws of 2001, is repealed.

**Section 10. 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 band of Chippewa.

**Section 11. Effective dates.** (1) Except as provided in subsection (2), [this act] is effective on passage and approval.

(2) [Sections 1, 4, and 7] are effective July 1, 2003.

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I hereby certify that the within bill,  
HB 0011, originated in the House.

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Chief Clerk of the House

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Speaker of the House

Signed this \_\_\_\_\_ day  
of \_\_\_\_\_, 2019.

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President of the Senate

Signed this \_\_\_\_\_ day  
of \_\_\_\_\_, 2019.

HOUSE BILL NO. 11

INTRODUCED BY KASTEN

BY REQUEST OF THE DEPARTMENT OF COMMERCE AND THE OFFICE OF BUDGET AND PROGRAM  
PLANNING

AN ACT APPROPRIATING MONEY TO THE DEPARTMENT OF COMMERCE FOR FINANCIAL ASSISTANCE TO LOCAL GOVERNMENT INFRASTRUCTURE PROJECTS THROUGH THE TREASURE STATE ENDOWMENT PROGRAM AND APPROPRIATING MONEY TO THE DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION FOR FINANCIAL ASSISTANCE TO REGIONAL WATER AUTHORITIES FOR REGIONAL WATER PROJECTS; AUTHORIZING GRANTS FROM THE TREASURE STATE ENDOWMENT SPECIAL REVENUE ACCOUNT; APPROPRIATING FUNDS FROM THE TREASURE STATE ENDOWMENT REGIONAL WATER SYSTEM SPECIAL REVENUE ACCOUNT; PLACING CONDITIONS UPON GRANTS AND FUNDS; APPROPRIATING MONEY TO THE DEPARTMENT OF COMMERCE FOR EMERGENCY GRANTS; TERMINATING CERTAIN TREASURE STATE ENDOWMENT GRANTS; AMENDING SECTION 1, CHAPTER 213, LAWS OF 1995; REPEALING SECTION 9, CHAPTER 435, LAWS OF 2001; AND PROVIDING EFFECTIVE DATES.