

HOUSE BILL NO. 512
INTRODUCED BY L. JONES

A BILL FOR AN ACT ENTITLED: "AN ACT APPROPRIATING GENERAL FUND MONEY TO THE DEPARTMENT OF COMMERCE FOR FINANCIAL ASSISTANCE TO LOCAL GOVERNMENT INFRASTRUCTURE PROJECTS THROUGH THE TREASURE STATE ENDOWMENT PROGRAM; AUTHORIZING GRANTS FROM THE TREASURE STATE ENDOWMENT STATE SPECIAL REVENUE ACCOUNT; PLACING CONDITIONS UPON GRANTS AND FUNDS; AND PROVIDING AN EFFECTIVE DATE."

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

NEW SECTION. **Section 1. Fund transfer -- appropriations.** (1) The amount of \$15,685,500 is transferred from the general fund to the treasure state endowment special revenue account. The transferred funds are appropriated to the department of commerce to finance the 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 2009 biennium report to the 60th 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].

(3) The following applicants and projects are authorized for grants pursuant to the appropriation in subsection (1) in the order of their priority:

| Applicant/Project | Grant Amount |
|-----------------------------|--------------|
| 1. Neihart (water) | \$223,000 |
| 2. Three Forks (wastewater) | 750,000 |
| 3. Manhattan (water) | 600,000 |
| 4. Cut Bank (water) | 550,000 |
| 5. Whitehall (wastewater) | 750,000 |
| 6. Crow Tribe (wastewater) | 750,000 |
| 7. Big Sandy (wastewater) | 750,000 |

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| 8. Fairfield (wastewater) | 750,000 |
| 9. Hamilton (wastewater) | 750,000 |
| 10. Gallatin County/Hebgen Lake Estates (wastewater) | 750,000 |
| 11. Shelby (water) | 750,000 |
| 12. Whitefish (wastewater) | 750,000 |
| 13. Panoramic Mountain River Heights (water) | 191,500 |
| 14. Custer County (bridge) | 63,750 |
| 15. Brady (wastewater) | 750,000 |
| 16. Elk Meadows (water) | 410,000 |
| 17. Polson (water) | 750,000 |
| 18. Darby (water) | 750,000 |
| 19. Goodan-Keil (water) | 532,250 |
| 20. Butte-Silver Bow (water) | 750,000 |
| 21. Columbia Falls (wastewater) | 750,000 |
| 22. North Valley County (water) | 750,000 |
| 23. Saltese (wastewater) | 750,000 |
| 24. Red Lodge (water) | 750,000 |
| 25. Black Eagle (water) | 365,000 |

(4) 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 during the 2009 biennium pursuant to 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)].

(5) Funding for projects numbered 1 through 25 in subsection (3) will be made available in the order that the grant recipients satisfy the conditions described in [section 3(1)]. Once funds deposited into the treasure state endowment special revenue account during the biennium are totally committed to projects that have satisfied the conditions described in [section 3(1)], the obligation to any remaining projects will cease.

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

NEW SECTION. 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 shall document that other matching funds required for completion of the project are firmly committed.

(d) 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.

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

(f) 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 [section 1(3)] in the order that projects have met the conditions in subsection (1).

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

(4) If 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.

(5) If 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.

(6) 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.

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

NEW SECTION. **Section 4. 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 5. Effective date.** [This act] is effective July 1, 2007.

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