



AN ACT APPROPRIATING 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; APPROPRIATING MONEY TO THE DEPARTMENT OF COMMERCE FOR EMERGENCY GRANTS; APPROPRIATING MONEY TO THE DEPARTMENT OF COMMERCE FOR PRELIMINARY ENGINEERING GRANTS; APPROPRIATING MONEY FROM THE TREASURE STATE ENDOWMENT REGIONAL WATER SYSTEM STATE SPECIAL REVENUE ACCOUNT TO THE DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION FOR FINANCIAL ASSISTANCE TO REGIONAL WATER AUTHORITIES FOR REGIONAL WATER PROJECTS; TERMINATING A PRIOR TREASURE STATE ENDOWMENT GRANT; AMENDING SECTION 1, CHAPTER 435, LAWS OF 2001; AND PROVIDING EFFECTIVE DATES.

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

**Section 1. Appropriation from treasure state endowment state special revenue account.** (1) There is appropriated to the department of commerce \$17,333,653 of the interest earnings from the treasure state endowment state 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 2 and 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] until interest earnings deposited into the treasure state endowment state special revenue account during the 2009 biennium are expended.

(3) The following applicants and projects are authorized for grants:

Applicant/Project	Grant Amount
1. Lewis and Clark County for the Woodlawn Addition (water)	\$596,420

2. Bainville, Town of (wastewater)	715,000
3. Madison County (bridge)	370,100
4. Sweet Grass County (bridge)	151,493
5. Powell County (bridge)	263,074
6. Circle, Town of (wastewater)	750,000
7. Harlem, City of (water)	750,000
8. Jordan, Town of (wastewater)	700,000
9. Thompson Falls, City of (water)	363,000
10. Twin Bridges, Town of (wastewater)	750,000
11. Seeley Lake-Missoula County Water District (water)	750,000
12. Fergus County (bridge)	238,362
13. Sunny Meadows-Missoula County Water and Sewer District (water)	325,000
14. Tri-County Water District (water)	313,500
15. Blaine County (bridge)	617,017
16. Loma County Water and Sewer District (water)	750,000
17. Ekalaka, Town of (water and wastewater)	706,369
18. Stillwater County (bridge)	407,500
19. Sheridan, Town of (wastewater)	750,000
20. Carter-Chouteau County Water and Sewer District (water)	750,000
21. Bigfork County Water and Sewer District (wastewater)	750,000
22. Dayton-Lake County Water and Sewer District (wastewater)	750,000
23. Judith Basin County (bridge)	192,215
24. Pinesdale, Town of (water)	750,000
25. Power-Teton County Water and Sewer District (water)	604,286
26. Superior, Town of (water)	600,000
27. RAE Subdivision County Water and Sewer District No. 313 (water)	750,000
28. Jefferson County (bridge)	295,800
29. Fort Benton, City of (stormwater)	750,000
30. Laurel, City of (wastewater)	750,000
31. Yellowstone County (bridge)	97,079

32. Neihart, Town of (water)	223,000
33. Three Forks, City of (wastewater)	750,000
34. Manhattan, Town of (water)	600,000
35. Cut Bank, City of (water)	550,000
36. Whitehall, Town of (wastewater)	750,000
37. Crow Tribe (wastewater)	750,000
38. Big Sandy, Town of (wastewater)	750,000
39. Fairfield, Town of (wastewater)	750,000
40. Hamilton, City of (wastewater)	750,000
41. Gallatin County/Hebgen Lake Estates (wastewater)	750,000
42. Shelby, City of (water)	750,000
43. Whitefish, City of (wastewater)	750,000
44. Panoramic Mountain River Heights (water)	191,500
45. Custer County (bridge)	63,750
46. Brady, Town of (wastewater)	750,000
47. Elk Meadows (water)	410,000
48. Polson, City of (water)	750,000
49. Darby, Town of (water)	750,000
50. Goodan-Keil (water)	532,250
51. Butte-Silver Bow (water)	750,000
52. Columbia Falls, City of (wastewater)	750,000
53. North Valley County (water)	750,000
54. Saltese, Town of (wastewater)	390,000
55. Red Lodge, City of (water)	750,000
56. Black Eagle, Town of (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 state 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)] and on the availability of funds.

(5) Funding for projects numbered 1 through 56 in subsection (3) and for the department of natural

resources and conservation project in subsection (6) will be provided from interest earnings deposited into the treasure state endowment special revenue account during the biennium ending June 30, 2009. Funding for the projects listed in subsection (3) will be made available in the order that the grant recipients satisfy the conditions described in [section 3(1)]. If funds appropriated in subsection (1) are insufficient to fund any of the projects that have satisfied the conditions described in [section 3(1)] prior to June 30, 2009, the treasure state endowment program must fund the projects by borrowing money from the board of investments pursuant to 90-6-701(1)(b) for those projects that have satisfied the conditions described in [section 3(1)] by June 30, 2009. There is appropriated to the department of commerce up to \$17,563,890 for funds borrowed from the board of investments.

(6) Up to \$2,200,000 is granted to the department of natural resources and conservation in fiscal year 2009, which must be used to fund local government renewable resource projects. The grant may only be awarded for the amount of anticipated shortfall in funding all of the renewable resource program grants authorized in [section 1(3) of House Bill No. 6]. Any unexpended funds remaining from this grant on July 1, 2009, will be remitted to the department of commerce, treasure state endowment program, to be used for repayment of loans.

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

**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.

**Section 4. Appropriations from treasure state endowment state special revenue account for emergency grants.** There is appropriated to the department of commerce \$100,000 for the biennium beginning July 1, 2007, from the interest earnings of the treasure state endowment state 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.

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

**Section 6.** Section 1, Chapter 435, Laws of 2001, is amended to read:

**"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 2003 biennium report to the 57th 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 2003 biennium are expended.

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

Applicant/Project	Grant
1. Lewis and Clark County (bridge)	\$500,000
2. Alder Water and Sewer District, Madison County (wastewater)	500,000
3. Hot Springs, Town of (water)	500,000
4. Whitewater Water and Sewer District, Phillips County (wastewater)	500,000

5. Virginia City, Town of (wastewater)	500,000
6. Froid, Town of (wastewater)	390,600
7. Nashua, Town of (wastewater)	500,000
8. Richland County (bridge)	296,500
9. Lavina, Town of (wastewater)	483,000
10. Gardiner-Park County Water District, Park County (water)	398,500
11. Park City/County Water and Sewer District, Stillwater County (wastewater)	500,000
12. Stanford, Town of (wastewater)	500,000
13. Florence County Water and Sewer District, Ravalli County (wastewater)	500,000
14. Ashland County Water and Sewer District, Rosebud County (wastewater)	500,000
15. Geraldine, Town of (water)	167,460
16. Manhattan, Town of (wastewater)	500,000
17. Lambert County Water and Sewer District, Richland County (water)	403,000
18. Browning, Town of (water)	500,000
19. Kevin, Town of (wastewater)	385,000
20. Power-Teton Co. Water and Sewer District, Teton County (water)	425,000
21. Blackfeet Tribe (water)	500,000
22. Whitefish, City of (wastewater)	500,000
23. Choteau, City of (wastewater)	500,000
<del>24. Lockwood Water and Sewer District, Yellowstone County (wastewater)</del>	<del>500,000</del>
25. Eureka, Town of (water)	369,000
26. Shelby, City of (water)	500,000
27. Charlo Sewer District, Lake County (wastewater)	500,000
28. Essex Water and Sewer District, Flathead County (water)	225,000
29. Yellowstone County (bridge)	300,000
30. Hinsdale Water and Sewer District, Valley County (wastewater)	329,000
31. Havre, City of (water)	500,000
32. Helena, City of (storm drain)	500,000
33. Fairfield, Town of (wastewater)	500,000
34. Jordan, Town of (water/wastewater)	500,000

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

(6) Projects numbered 32 through 34 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 31 in subsection (3). However, if a subsequent legislature withdraws funding for any of the projects numbered 1 through 31 listed in subsection (3), those funds could be made available to projects numbered 32 through 34 listed in subsection (3) that have completed the conditions described in [section 3(1)].

(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 7. Appropriation 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 state 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 \$6,686,000 is authorized 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 9(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 state special revenue account funds received during the 2009 biennium under 17-7-302.

**Section 8. Approval of funds -- completion of appropriation.** (1) The legislature, pursuant to 90-6-715, authorizes funds for the regional water authorities identified in [section 7(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 9. Conditions -- manner of disbursement of funds.** (1) The disbursement of funds under [sections 7 through 9] 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.

**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 Chippewa tribe.

**Section 11. Effective dates.** (1) Except as provided in subsection (2), [this act] is effective July 1, 2007.

(2) [Sections 7 through 9 and this section] are effective on passage and approval.

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I hereby certify that the within bill,  
HB 0512, 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. 512

INTRODUCED BY L. JONES, ANKNEY, ARNTZEN, BALES, BERGREN, BLACK, BLASDEL, BOGGIO, BRUEGGEMAN, BUTCHER, CAMPBELL, CLARK, COBB, CORDIER, EBINGER, EVERETT, FRENCH, GLASER, HEINERT, HILBERT, W. JONES, KEANE, KLOCK, LAIBLE, LAMBERT, LANGE, MACLAREN, MALCOLM, MCCHESENEY, MCNUTT, MENDENHALL, MILBURN, MURPHY, NOONAN, NOONEY, O'HARA, OLSON, PERRY, POMNICHOWSKI, RICE, RIPLEY, SESSO, SMALL-EASTMAN, SONJU, STAHL, STOKER, THOMAS, VINCENT, WINDY BOY, WITTE

AN ACT APPROPRIATING 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; APPROPRIATING MONEY TO THE DEPARTMENT OF COMMERCE FOR EMERGENCY GRANTS; APPROPRIATING MONEY TO THE DEPARTMENT OF COMMERCE FOR PRELIMINARY ENGINEERING GRANTS; APPROPRIATING MONEY FROM THE TREASURE STATE ENDOWMENT REGIONAL WATER SYSTEM STATE SPECIAL REVENUE ACCOUNT TO THE DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION FOR FINANCIAL ASSISTANCE TO REGIONAL WATER AUTHORITIES FOR REGIONAL WATER PROJECTS; TERMINATING A PRIOR TREASURE STATE ENDOWMENT GRANT; AMENDING SECTION 1, CHAPTER 435, LAWS OF 2001; AND PROVIDING EFFECTIVE DATES.