

1 HOUSE BILL NO. 11

2 INTRODUCED BY S. GIBSON

3 BY REQUEST OF THE DEPARTMENT OF COMMERCE, THE DEPARTMENT OF NATURAL RESOURCES
4 AND CONSERVATION, AND THE OFFICE OF BUDGET AND PROGRAM PLANNING5
6 A BILL FOR AN ACT ENTITLED: "AN ACT APPROPRIATING MONEY TO THE DEPARTMENT OF
7 COMMERCE FOR FINANCIAL ASSISTANCE TO LOCAL GOVERNMENT INFRASTRUCTURE PROJECTS
8 THROUGH THE TREASURE STATE ENDOWMENT PROGRAM; AUTHORIZING GRANTS FROM THE
9 TREASURE STATE ENDOWMENT STATE SPECIAL REVENUE ACCOUNT; PLACING CONDITIONS UPON
10 GRANTS AND FUNDS; APPROPRIATING MONEY TO THE DEPARTMENT OF COMMERCE FOR
11 EMERGENCY GRANTS; APPROPRIATING MONEY TO THE DEPARTMENT OF COMMERCE FOR
12 INFRASTRUCTURE PLANNING GRANTS; APPROPRIATING MONEY FROM THE TREASURE STATE
13 ENDOWMENT REGIONAL WATER SYSTEM STATE SPECIAL REVENUE ACCOUNT TO THE DEPARTMENT
14 OF NATURAL RESOURCES AND CONSERVATION FOR FINANCIAL ASSISTANCE TO REGIONAL WATER
15 AUTHORITIES FOR REGIONAL WATER PROJECTS; PROVIDING FOR A TRANSFER OF FUNDS FROM THE
16 STATE GENERAL FUND TO THE TREASURE STATE ENDOWMENT STATE SPECIAL REVENUE ACCOUNT;
17 PROVIDING FOR A TRANSFER OF FUNDS FROM THE STATE GENERAL FUND TO THE TREASURE STATE
18 ENDOWMENT REGIONAL WATER SYSTEM SPECIAL REVENUE ACCOUNT; AND PROVIDING AN
19 EFFECTIVE DATE."20
21 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:22
23 NEW SECTION. Section 1. Appropriations APPROPRIATION from treasure state endowment state
24 special revenue account. (1) There is appropriated to the department of commerce ~~\$18,342,366 of the interest~~
25 ~~earnings~~ \$33,983,538 FOR THE BIENNIUM BEGINNING JULY 1, 2013, from the treasure state endowment state special
26 revenue account to finance grants authorized by this section.27 (2) The funds appropriated in this section must be used by the department to make grants to the
28 governmental entities listed in subsection (3) for the described purposes and in amounts not to exceed the
29 amounts set out in subsection (3). The ~~appropriations~~ GRANTS AUTHORIZED IN THIS SECTION are subject to the
30 conditions set forth in [sections 2 and 3] and described in the treasure state endowment program 2015 biennium

1 report to the 63rd legislature. The legislature, pursuant to 90-6-710, authorizes the grants for the projects listed
 2 in subsection (3). The department shall commit funds to projects listed in subsection (3), up to the amounts
 3 authorized, based on the manner of disbursement set forth in [section 3] until ~~interest earnings~~ THE FUNDS
 4 deposited into the treasure state endowment state special revenue account during the biennium beginning July
 5 1, 2013, are expended.

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

7	Bridge Applicant	Grant Amount
8	1. Missoula County	\$480,372
9	2. Lewis & Clark County	\$231,493
10	3. Beaverhead County	\$123,658
11	4. 3. Granite County	\$376,004
12	5. 4. Carbon County	\$455,675
13	6. 5. Ravalli County	\$212,489
14	6. <u>POWELL COUNTY</u>	<u>\$320,940</u>
15	7. <u>JUDITH BASIN COUNTY</u>	<u>\$235,211</u>
16	8. <u>BLAINE COUNTY</u>	<u>\$254,000</u>
17	9. <u>ANACONDA-DEER LODGE CO.</u>	<u>\$312,104</u>
18	10. <u>JEFFERSON COUNTY</u>	<u>\$381,882</u>
19	11. <u>STILLWATER COUNTY</u>	<u>\$205,028</u>
20	12. <u>PARK COUNTY</u>	<u>\$109,955</u>
21	13. <u>GLACIER COUNTY</u>	<u>\$281,927</u>
22	14. <u>BIG HORN COUNTY</u>	<u>\$237,462</u>
23	15. <u>CHOUTEAU COUNTY</u>	<u>\$178,920</u>
24	16. <u>YELLOWSTONE COUNTY</u>	<u>\$218,439</u>
25	Other Infrastructure Applicant (project type)	Grant Amount
26	1. Craig County WSD (wastewater)	\$750,000
27	2. Glendive, City of (wastewater)	\$625,000
28		<u>\$750,000</u>
29	3. Manhattan, Town of (water)	\$750,000
30	4. Cascade, Town of (water)	\$750,000

1	5.	Pinesdale, Town of (water)	\$750,000
2	6.	Musselshell County WSD (water)	\$450,125
3	7.	Valier, Town of (wastewater)	\$750,000
4	8.	Hill County-North Havre (wastewater)	\$211,500
5	9.	Hot Springs, Town of (water)	\$592,550
6	10.	Custer County RID #1 (wastewater)	\$750,000
7	11. 10.	Chinook, City of (water)	\$750,000
8	12. 11.	Roundup, City of (water)	\$500,000
9	13. 12.	Dawson County-West Glendive (wastewater)	\$750,000
10	14. 13.	Seeley Lake Sewer District (wastewater)	\$750,000
11	15. 14.	Three Forks, City of (wastewater)	\$750,000
12	16. 15.	Libby, City of (water)	\$750,000
13	17. 16.	South Wind WSD (wastewater)	\$750,000
14	18. 17.	Richland County-Savage (wastewater)	\$750,000
15	19. 18.	Amsterdam/Churchill Sewer District (wastewater)	\$750,000
16	20. 19.	Philipsburg, Town of (water)	\$550,000
17	21. 20.	Dutton, Town of (water)	\$408,500
18	22. 21.	Fort Benton, City of (wastewater)	\$750,000
19	23. 22.	Moore, Town of (wastewater)	\$625,000
20	24. 23.	Forsyth, City of (wastewater)	\$500,000
21	25. 24.	Vaughn County WSD (wastewater)	\$750,000
22	<u>25.</u>	<u>CHOTEAU, CITY OF (WASTEWATER)</u>	<u>\$750,000</u>
23	<u>26.</u>	<u>BOULDER, CITY OF (WASTEWATER)</u>	<u>\$625,000</u>
24	<u>27.</u>	<u>POLSON, CITY OF (WATER)</u>	<u>\$625,000</u>
25	<u>28.</u>	<u>CUT BANK, CITY OF (WASTEWATER)</u>	<u>\$625,000</u>
26	<u>29.</u>	<u>WHITE SULPHUR SPRINGS, CITY OF (WASTEWATER)</u>	<u>\$460,500</u>
27	<u>30.</u>	<u>CONRAD, CITY OF (WATER)</u>	<u>\$625,000</u>
28	<u>31.</u>	<u>WINNETT, TOWN OF (WASTEWATER)</u>	<u>\$750,000</u>
29	<u>32.</u>	<u>MALTA, CITY OF (WATER)</u>	<u>\$500,000</u>
30	<u>33.</u>	<u>HARLOWTON, CITY OF (WASTEWATER)</u>	<u>\$625,000</u>

1	<u>34.</u>	<u>STEVENSVILLE, TOWN OF (WASTEWATER)</u>	<u>\$750,000</u>
2	<u>35.</u>	<u>LODGE GRASS, TOWN OF (WASTEWATER)</u>	<u>\$750,000</u>
3	<u>36.</u>	<u>HARLEM, CITY OF (WASTEWATER)</u>	<u>\$625,000</u>
4	<u>37.</u>	<u>WINIFRED, TOWN OF (WASTEWATER)</u>	<u>\$500,000</u>
5	<u>38.</u>	<u>HAVRE, CITY OF (WASTEWATER)</u>	<u>\$500,000</u>
6	<u>39.</u>	<u>FAIRFIELD, TOWN OF (WASTEWATER)</u>	<u>\$625,000</u>
7	<u>40.</u>	<u>MILES CITY, CITY OF (WASTEWATER)</u>	<u>\$500,000</u>
8	<u>41.</u>	<u>DRUMMOND, TOWN OF (WASTEWATER)</u>	<u>\$750,000</u>
9	<u>42.</u>	<u>ALBERTON, TOWN OF (WASTEWATER)</u>	<u>\$292,000</u>
10	<u>43.</u>	<u>EUREKA, TOWN OF (WATER)</u>	<u>\$550,000</u>
11	<u>44.</u>	<u>SHELBY, CITY OF (STORMWATER)</u>	<u>\$625,000</u>
12	<u>45.</u>	<u>BELT, TOWN OF (WASTEWATER)</u>	<u>\$625,000</u>
13	<u>46.</u>	<u>JOLIET, TOWN OF (WASTEWATER)</u>	<u>\$154,200</u>
14	<u>47.</u>	<u>HAMILTON, CITY OF (WASTEWATER)</u>	<u>\$322,262</u>
15	<u>48.</u>	<u>PLEVNA, TOWN OF (WATER)</u>	<u>\$500,000</u>

16 (4) If sufficient funds are available, this section constitutes a valid obligation of funds to the grant
 17 recipients listed in subsection (3) for purposes of encumbering the treasure state endowment state special
 18 revenue account funds during the biennium beginning July 1, 2013, pursuant to 17-7-302. However, a grant
 19 recipient's entitlement to receive funds is dependent on the grant recipient's compliance with the conditions
 20 described in [section 3(1)] and on the availability of funds.

21 (5) Funding for projects in subsection (3) will be provided only as long as there are sufficient funds
 22 available from the amount that was deposited into the treasure state endowment state special revenue account
 23 during the biennium beginning July 1, 2013. Funding for these projects will be made available in the order that
 24 the grant recipients satisfy the conditions described in [section 3(1)]. HOWEVER, ANY OF THE PROJECTS LISTED IN
 25 SUBSECTION (3) THAT HAVE NOT COMPLETED THE CONDITIONS DESCRIBED IN [SECTION 3(1)] BY SEPTEMBER 30, 2014,
 26 MUST BE REVIEWED BY THE NEXT REGULAR SESSION OF THE LEGISLATURE TO DETERMINE IF THE AUTHORIZED GRANT
 27 SHOULD BE WITHDRAWN.

28 (6) Grant recipients shall complete all of the conditions described in [section 3(1)] by September 30,
 29 ~~2014~~, 2016, or any obligation to the grant recipient will cease.

30

1 **NEW SECTION. Section 2. Approval of grants -- completion of biennial appropriation.** (1) The
2 legislature, pursuant to 90-6-701, authorizes grants for the projects identified in [section 1(3)], the emergency
3 infrastructure projects in [section 5], and for the infrastructure planning grants in [section 6].

4 (2) The authorization of these grants completes a biennial appropriation from the treasure state
5 endowment special revenue account provided for in 17-5-703(3)(c).

6
7 **NEW SECTION. Section 3. Condition of grants -- disbursements of funds.** (1) The disbursement
8 of grant funds for the projects specified in [section 1(3)] is subject to completion of the following conditions:

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

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

13 (c) The grant recipient must be in compliance with the auditing and reporting requirements provided for
14 in 2-7-503 and have established a financial accounting system that the department can reasonably ensure
15 conforms to generally accepted accounting principles. Tribal governments shall comply with auditing and
16 reporting requirements provided for in OMB Circular A-133.

17 (d) The grant recipient shall satisfactorily comply with any conditions described in the application (project)
18 summaries section of the treasure state endowment program 2015 biennium report to the 63rd legislature.

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

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

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

28 (3) Recipients of treasure state endowment program funds are subject to the requirements of the
29 department of commerce as described in the most recent edition of the treasure state endowment program
30 project administration manual, adopted by the department through the administrative rulemaking process.

1
2 **NEW SECTION. Section 4. Other powers and duties of department.** (1) The department of
3 commerce shall disburse grant funds on a reimbursement basis as grant recipients incur eligible project
4 expenses.

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

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

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

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

14 (3) If the grant recipient obtains a greater amount of grant funds than was contained in the treasure state
15 endowment program application, the department may reduce the amount of the treasure state endowment
16 program grant funds to be provided to ensure that the grant recipient continues to meet the threshold
17 requirements contained in program guidelines for receiving the larger treasure state endowment program grant.
18

19 **NEW SECTION. Section 5. Appropriations from treasure state endowment state special revenue**
20 **account for emergency grants.** There is appropriated to the department of commerce \$100,000 for the
21 biennium beginning July 1, 2013, from the interest earnings of the treasure state endowment state special
22 revenue account for the purpose of providing local governments, as defined in 90-6-701, with emergency grants
23 for infrastructure projects, as defined in 90-6-701.
24

25 **NEW SECTION. Section 6. Appropriations from treasure state endowment state special revenue**
26 **account for infrastructure planning grants.** There is appropriated to the department of commerce \$900,000
27 for the biennium beginning July 1, 2013, from the interest earnings of the treasure state endowment state special
28 revenue account for the purpose of providing local governments, as defined in 90-6-701, with infrastructure
29 planning grants for infrastructure projects as defined in 90-6-701.
30

1 **NEW SECTION. Section 7. Appropriation from treasure state endowment regional water system**
2 **special revenue account.** (1) There is appropriated ~~\$8,900,000~~ \$17,000,000 to the department of natural
3 resources and conservation FOR THE BIENNIUM BEGINNING JULY 1, 2013, from the ~~interest earnings of the treasure~~
4 state endowment regional water system special revenue account to finance the state's share of regional water
5 system projects authorized in subsection (2) and as set forth in 90-6-715.

6 (2) The Fort Peck-Dry Prairie rural water authority and the Rocky Boys-North Central Montana regional
7 water authority are authorized to receive the funds appropriated in subsection (1).

8 (3) A regional water authority's receipt of funds is dependent on the authority's compliance with the
9 conditions described in [section 9(1)].

10 (4) This section constitutes a valid obligation of funds to the regional water authorities listed in subsection
11 (2) for purposes of encumbering the treasure state endowment regional water system special revenue account
12 funds received during the biennium beginning July 1, 2013, under 17-7-302.

13
14 **NEW SECTION. Section 8. Approval of funds -- completion of appropriation.** (1) The legislature,
15 pursuant to 90-6-715, authorizes funds for the regional water authorities identified in [section 7(2)].

16 (2) The authorization of these funds completes an appropriation from the treasure state endowment
17 regional water system special revenue account provided for in 17-5-703(3)(d).

18
19 **NEW SECTION. Section 9. Conditions -- manner of disbursements of funds.** (1) The disbursement
20 of funds under [sections 7 and 8] is subject to completion of the following conditions:

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

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

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

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

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

1
2 **NEW SECTION. SECTION 10. FUND TRANSFER.** THE STATE TREASURER SHALL TRANSFER FROM THE STATE
3 GENERAL FUND BY JUNE 30, 2015:

4 (1) THE AMOUNT OF \$14,100,000 TO THE TREASURE STATE ENDOWMENT ACCOUNT IN THE STATE SPECIAL
5 REVENUE FUND; AND

6 (2) THE AMOUNT OF \$8,400,000 TO THE TREASURE STATE ENDOWMENT REGIONAL WATER SYSTEM ACCOUNT IN
7 THE STATE SPECIAL REVENUE FUND.

8
9 **NEW SECTION. Section 11. Notification to tribal governments.** The secretary of state shall send
10 a copy of [this act] to each tribal government located on the seven Montana reservations and to the Little Shell
11 Chippewa tribe.

12

13 **NEW SECTION. Section 12. Effective date.** [This act] is effective July 1, 2013.

14

- END -